BEFORE THE TENNESSEE REGULATORY AUTHORITY

Nashville, Tennessee

IN RE:	)	
	)	
Joint Application of	)	
	)	
AT&T INC.	)	
	)	
and	)	
	)	**Docket No. 06-00093**
BELLSOUTH CORPORATION, TOGETHER WITH ITS CERTIFICATED TENNESSEE SUBSIDIARIES,	)	
	)	
Regarding Change of Control of the Operating Authority of BellSouth Corporation's Tennessee Subsidiaries	)	

DIRECT TESTIMONY OF LIONOR M. TORREZ ON BEHALF OF TIME WARNER TELECOM OF THE MID-SOUTH, LLC

June 2, 2006

Q. PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS.

A. My name is Lionor M. Torrez, Senior Manager Access Management for Time Warner Telecom ("TWTC"). My business address is 10475 Park Meadows Drive, Littleton, Colorado, 80124.

Q. WHAT IS THE PURPOSE OF YOUR TESTMONY?

A. To demonstrate to the Tennessee Regulatory Authority ("Authority") how the contemplated merger by AT&T and BellSouth will have a severe, negative impact on TWTC and other CLECs in Tennessee without performance measures and accompanying penalties for special access.

Q. WHAT IS YOUR EDUCATION, BACKGROUND, AND EXPERIENCE RELEVANT TO THE SUBJECT OF YOUR TESTIMONY?

A. I have a Bachelor of Science Degree in Business Administration. I have worked in the telecommunications industry since 1980. I have been employed by TWTC in various capacities since 1997. Currently, my responsibilities as a Senior Manager include Provider Service Performance through performance tracking, analysis, and day-to-day escalations. I manage performance and business analysts that work with the LECs and TWTC's business customers to review root cause findings and develop action plans for improvement. I have attached a copy of my résumé for reference as Exhibit A.

Q. ARE YOU FAMILIAR WITH THE ORDER OF THE AUTHORITY ON PERFORMANCE MEASURES FOR SPECIAL ACCESS IN DOCKET NO. 01-00193, DATED OCTOBER 4, 2002?

A. Yes. I have attached a copy of the relevant portions of the Order to my testimony as Exhibit B. Upon reviewing the record of the proceeding and review of pertinent FCC dockets, it is clear the Authority exercised its jurisdiction to order performance measures for special access in the absence of a FCC ruling at that time.

Q. WHAT IS THE SIGNIFICANCE OF SPECIAL ACCESS AND PERFORMANCE MEASURES FOR SPECIAL ACCESS TO TWTC?

A. TWTC, and other CLECs use special access in lieu of UNEs to supplement our networks to provide local exchange service to end user customers. The ability to have access to these underlying facilities is critical to our business operation. Performance measures with penalties for poor performance for special access are also critical to measure and ensure the network elements we buy to supplement our networks meet specific service quality standards so we in turn may offer high quality service to our customers.

Q. PLEASE DESCRIBE HOW THE AUTHORITY ORDERED PERFORMANCE MEASURES ON SPECIAL ACCESS?

A. The Authority ordered diagnostic measures only and did not prescribe any penalties.

Q. HOW DID TWTC OBTAIN PERFORMANCE MEASURES AND PENALTIES FOR SPECIAL ACCESS IT PURCHASES FROM BELLSOUTH?

A. TWTC obtained performance measures for special access purchased from BellSouth through a negotiated price flex agreement which has performance measures with penalties if certain benchmarks are not met. This agreement has been filed as Contract Tariff No. 26 with the FCC. I have attached a copy of that price flex tariff as Exhibit C to my testimony.

Q. WHAT IS THE SIGNIFICANT DIFFERENCE BETWEEN THE PERFORMANCE MEASURES THAT THE AUTHORITY ORDERED AND THE PERFORMANCE MEASURES THAT TWTC NEGOTIATED IN ITS PRICE FLEX TARIFF WITH BELLSOUTH?

A. Unlike what the Authority ordered, TWTC agreed to streamline the number of performance measures and the severity of the benchmarks BellSouth would be required to measure and meet in exchange for penalties for the agreed upon measures and benchmarks. TWTC and BellSouth meet regularly to review BellSouth's performance and to discuss improvements as appropriate. In addition, TWTC receives quarterly payments from BellSouth when it misses the agreed upon benchmarks.

Q. HAS TWTC ALSO NEGOTIATED A PRICE FLEX AGREEMENT WITH SBC/AT&T THAT INCLUDES PERFORMANCE MEASURES WITH PENALTIES FOR SPECIAL ACCESS?

A. Yes.

Q. WHAT DOES THAT PRICE FLEX AGREEMENT PROVIDE?

A. The price flex agreement TWTC negotiated with SBC/AT&T has performance measures with certain penalties if certain benchmarks are not met. However, the penalty payments are not paid to TWTC—which we prefer—as they are in the BellSouth agreement. Instead, SBC/AT&T uses the dollars which are earmarked to be paid as "penalties" to improve their own processes so they can better meet the benchmarks in the next quarter. I have attached a copy of that price flex tariff as Collective Exhibit D to my testimony.

Q. HAS TWTC TRIED TO NEGOTIATE A NEW PRICE FLEX AGREEMENT FOR SPECIAL ACCESS WITH THE SURVIVING ENTITY IF THE MERGER BETWEEN THE JOINT APPLICANTS IS APPROVED?

A. Yes. We would like to have a new price flex agreement with the surviving entity if the merger is approved which would marry the terms of the two existing agreements. TWTC has tried to use this opportunity to negotiate a new agreement believing it may be the last time we will have any leverage to negotiate. We were only able to negotiate the price flex agreement with SBC during its merger with AT&T. We were in negotiations for over two years with SBC trying to get a price flex agreement with performance measures with penalties and were only able to bring enough pressure to close the deal when the SBC/AT&T merger was announced. Additionally, it took over a year to negotiate the current price flex agreement with BellSouth. It is difficult, at best, to try to negotiate any kind of an agreement when one trading partner has significantly less leverage in the negotiation than the other.

Q. WHAT IS THE CURRENT STATUS OF THOSE NEGOTIATIONS?

A. After hours of conference calls over the past two months, we have not made any progress towards reaching an agreement. If we had been able to negotiate an agreement, I would not be presenting testimony in this Docket or asking the Authority to order performance measures with penalties for special access so we can be assured to have them post-merger.

Q. IF YOU STILL HAVE TWO TO TWO-AND-A-HALF YEARS LEFT ON YOUR AGREEMENTS WITH SBC/AT&T AND BELLSOUTH, WHY ARE YOU ASKING FOR A REVISED AGREEMENT NOW?

A. As the testimony of TWTC witness Don Wood illustrates, we believe that the merged entity will have an enormous amount of market power. Ma Bell is being reunited, but this time she is able to operate in a vastly deregulated environment. TWTC strongly believes this is our last opportunity to get any consideration as this Authority and the FCC are losing their respective regulatory oversight with each passing legislative year. Whatever the Authority rules in this proceeding may be the last chance to get the FCC to act and garner any regulatory-mandated support for performance measures with penalties for special access. The few remaining CLECs need the critical access to the underlying facilities and those facilities must have performance measures with penalties so we can be assured we have a certain quality of service when required to supplement our network to provide services to our end user customers. If certain levels of service are not maintained, a penalty is necessary to subsidize the credits we in turn give to our end user customers for failed performance on the part of the ILEC.

Q. WHAT IS TWTC ASKING THE AUTHORITY TO DO IN THIS PROCEEDING?

A. TWTC is asking the Authority to include performance measures with penalties for special access as detailed in Exhibit E, attached to my testimony, as a necessary condition if the Authority decides that the AT&T/BellSouth Application for Change of Control should be approved.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

EXHIBIT A

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Wk. 303-566-1588
nora.torrez@twtelecom.com

LIONOR M. TORREZ

PROFESSIONAL OBJECTIVE

To play an active role in a growth oriented company using my experience and abilities in Organizational Effectiveness, Marketing, Process and Business Management

RELEVANT SKILLS & EXPERIENCE

- Accomplished and proficient in Marketing, Operations, Quality and strategic areas of the Communications Industry
- Experienced in positions requiring problem resolutions and redesign
- Strong Leadership, Organizational and Strategic Planning Skills
- Ability to maintain high degree of output while remaining flexible and adaptable to a changing environment
- Congenial, with a strong initiative
- Demonstrated interpersonal skills
- Capable of managing large projects within time lines utilizing large team involvement
- Excellent communication skills
- Experienced in the use of statistical tools, ability to summarize specific aspects of data to base decisions using quantitative and categorical variables
- Strong decision making abilities
- Over 30 + years of practical, broad-based management experience, with a realistic understanding of market constraints & opportunities
- Track record of responsibility for managing complex projects involving customers, with millions of dollars of investment
- Conceptual talent for seeing "the big picture" pinpointing an organizational objective, and setting goals and priorities to achieve it
- Enjoy the challenge of new projects and handling several priorities at once
- Bilingual - level III fluent in second language
- TQM Certified

PROFESSIONAL EXPERIENCE

Sr. Manager – Carrier Performance Management – Time Warner Telecom **7/04 to Present**

Responsible for Provider Service Performance through performance tracking, analysis, and day to day escalations. Manage performance and business analyst that work with LEC and TWTC business owners to review root cause findings and develop action plans for improvement. Price negotiation, administration and compliance. Manage 5 resources.

Sr. Operations Planner – VOIP **10/03 -7/04**

Responsible for business integration of VoIP Products and Technology. Direct outputs are system enhancements and Operations Service Delivery and Maintenance procedures. Completed VAR Business analysis and contract development. Developed SONUS Provisioning and Maintenance procedure for Service delivery CTS and SMNA

Senior Manager – Maintenance **2/01 to 10/03**

Responsible for Switched services Customer Trouble reporting. Thirty three (33) direct and in direct reports. Responsible for Performance associated with call response, isolation and trouble resolution of Switched customer reports. Mean time to repair was reduced by 50% both for onnet and offnet customer trouble reported tickets. Ticket quality improved by 5% and productivity increased by 60%. Developed new job descriptions for Switched Services managers and technicians to move the company to the next level of growth. Directed the development of Knowledge skill inventories for technicians. Managed cost cutting efforts by creating operating efficiencies to manage workload.

Senior Manager – Service Delivery **1/00 to 2/01**

Responsible for managing the results associated with the ordering, design, provisioning, transport completions, complex translation provisioning and turn-ups for the Mid Atlantic Region. Teams size 52 people. Insure 95% + performance completion of customer orders to insure revenue commitments meet for cities in the region. Identify and resolve issues with our off-net suppliers to insure corporate commitments. Demonstrated performance results of 95% + in all measurable categories including employee performance and customer feedback. Established strong partnerships with Customer and Suppliers enabling on time completion of orders. Influenced a changing team behavior and culture to allow the team to be more proactive and engaged in problem solving and completion of work.

Manager TWTC – Off net Escalations **3/99 to 1/00**

Responsible for establishing the Off-net Escalation team for TWTC to manage and insure completion of all off-net orders. Performed statistical reporting and root cause analysis to insure compliance by our suppliers. Participated in supplier meetings to provide gap analysis, and define process improvement requirements. 5 Direct reports, exempt employees. Demonstrated result included completion of team process and procedures in support of Order Fulfillment Teams. Established partnership with LEC Management to insure complete and accurate escalation list were available. Gained agreements for the handling of off net Supplier and gap closure plans.

Manager TWTC – Customer Care **11/97 to 3/99**

Responsible for the creation of TWTC Central Customer Care Center. Facilitated and participated in the development of Business process, procedures, training and reports for the center. Managed Switched Trouble reporting and trouble isolation. Responsible for the transport and switched billing for TWTC, which included credit checks, collections, adjustments and manual input for billing. Demonstrated results included developing processes for credit verification and authorization of new accounts. Created process for 30, 60, 90-day collection management.

Director – Local Network Operations US WEST Comm. **8/95 to 10/96**

Responsible for Colorado/Wyoming Load and Resource Administration Center. Charged with improvement of processes, customer service and establishing clear measurements with a quality focus. Results: 30% improvement in fielded missed commitments. Improved productivity from 2.6 to 4.6 items per Technician. Developed a Daily Management System for monitoring Customer trouble reports performance.

Director – Network Operations US WEST Com. **94-95**

Reported to the Vice President – NO as a Quality Director for 14 states. Provided executive management guidance and leadership regarding reengineering quality and process performance of his team to enable him to make operation business decisions for improvement Reviewed and researched current processes in the LNO organization identifying gaps and bottlenecks. Results - Provided LNO Organizational redesigns analysis that prompted data quality measurements. Provided process analyses used to redesign repair processes & focus on results. Developed an LNO daily management system used for daily reporting.

Sr. Manager **93-94**

Responsible for Executive support to Carrier Division President in handling internal & external affairs. Provide leadership, training and direction for the integration of Quality in the Carrier Division.

AT&T Ordering, Provisioning and Billing Service Manager 92-93

Responsible for U S West performance to meet AT&T's switched and Special Access ordering, provisioning, maintenance and billing expectations. Developed a strong business relationship with the customer and internal suppliers which was recognized By AT&T Supplier Management President. Reorganized staff to effectively service AT&T. Co-Chaired a National HICAP team of the RBOC's and AT&T. Generated the first AT&T report card rating of "Approaches" for U S WEST Special Services.

Carrier Service Bureau Manager 90-92

Responsible for Subscription product management and Regional operations center. Directed and completed the consolidation of multiple centers in an efficient and timely manner. Managed the development of a front-Center GUI application that was customer focused, logged into 27 U S West applications required for customer support. Reduced additional headcount requirement by 10 people. Received the US WEST Chairman's Award for reducing PIC handling from 31 hours to 2 hours in 6 months. The center significantly improved Subscription CSM ranges for U S West. Created the following team's employee, reporting, public relations, reward & recognition and management systems that established the CSB as a model U S West center. Built a healthy group dynamics process with the Union and employees in the CSB. Achieved by providing an external consultant to work on self-analysis of personal verses Business values to satisfy Customer needs. Completed the transfer of the Subscription revenues of $10m to the Carrier Division. Managed 165 employees and $5.5 M budget.

Subscription Product Manager 88-90

Directed the development and deployment of Public Pay Telephone Equal Access participation for U S West. By mechanizing the Equal Access process flows, reduced operating cost by $200,000. Conceived and initiated the product plan for development and deployment of a physical confirmation from Network switches to the customer. U S West was recognized as a leader nationally by the Carriers. Managed District budget of $8m.

IABS Functional Architect Project Manager 87-88

Responsible for development of Business Case's to support funding requirements for IABS development. Created and deployed the Change Management Process for IABS. Created and socialized the first sales package for IABS functionality internally and to AT&T. Received a certification on U S West TRIAD/2000 systems development.

Staff Manager Positions 80-87

- Responsible for development and delivery of Specials and Switched Access products and Services for Carrier. Initiated and deployed service order and network efficiencies which reduced unidentified usage by 2m (Minutes of Use) and increased service order posting Rate from 42% to 89 % in Mountain Bell.
- Responsible for Operations support and product management for Federal Government Service Centers.
- Responsible for managing effective implementation of General Rate Cases and INTER and INTRA Access rate cases for Mountain Bell totaling more than $28M in revenue.
- Responsible for Project Mgmt of the Mountain Bell Deregulation Billing and Collection System Design and Business Office methods in support of U S West deregulation strategies and Carrier Billing and Collections products.
- Project Manager for Design and Deployment of Computer II Embedded Base pre-divestiture Order for Mountain Bell.

Manager and Craft Positions 5/73-7/80

Business Office Supervisor	Training Instructor
Test Center Control Foreman	District Analyzer Test Center
Load Foreman	Line Assignor
Service Representative	

EDUCATION

Business Administration Pomona, Calif. 69

Bell Technical & Managerial Schools

Classes UNC, CSU, CU as required by business responsibilities

Process and Quality classes

EXHIBIT B

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

October 4, 2002

IN RE:	)	
	)	
DOCKET TO ESTABLISH GENERIC PERFORMANCE MEASUREMENTS, BENCHMARKS AND ENFORCEMENT MECHANISMS FOR BELLSOUTH TELECOMMUNICATIONS, INC.	)	**DOCKET NO. 01-00193**

FINAL ORDER ACCEPTING SETTLEMENT AGREEMENT AND ADOPTING PERFORMANCE MEASUREMENTS, BENCHMARKS AND ENFORCEMENT MECHANISMS

This matter came before Chairman Sara Kyle, Director Pat Miller and Director Ron Jones of the Tennessee Regulatory Authority ("Authority" or "TRA"), the voting panel assigned to this docket, during a regularly scheduled Authority Conference that was continued from August 5 to August 7, 2002, for deliberations on the *Motion for Reconsideration* filed by BellSouth Telecommunications, Inc. ("BellSouth") on July 12, 2002 and for consideration of certain terms of the Settlement Agreement entered into by the parties in TRA Docket No. 97-00309, *BellSouth Telecommunications, Inc.'s Entry Into Long Distance (InterLATA) Service in Tennessee Pursuant to Section 271 of the Telecommunications Act of 1996* ("Docket No. 97-00309" or the "271 docket").

<u>Relevant Procedural History of TRA Docket No. 01-00193</u>

On May 14, 2002, following a lengthy Hearing on the Merits, the Authority issued the *Order Setting Performance Measurements, Benchmarks and Enforcement Mechanisms.* This Order reflected the Directors' unanimous vote to adopt specific

A majority of the Directors granted some of BellSouth's requests for alterations to the *Order Setting Performance Measurements, Benchmarks and Enforcement Mechanisms* and denied others.[2] On June 28, 2002 the Authority issued its *Amended Final Order Granting Reconsideration and Clarification and Setting Performance Measurements, Benchmarks and Enforcement Mechanisms* reflecting the decision to grant the first *Motion for Reconsideration* and the various rulings on the substantive issues raised therein.

On June 30, 2002, the terms of the former Directors of the Authority, Chairman Sara Kyle, and Directors H. Lynn Greer, Jr. and Melvin J. Malone, expired. Chairman Kyle was reappointed and commenced a new term as a Director of the Authority on July 1, 2002. Pursuant to the requirements of the amended provisions of Tenn. Code Ann. § 65-1-204, a three member voting panel consisting of Chairman Kyle and Directors Pat Miller and Ron Jones was randomly selected and assigned to TRA Docket No. 01-00193.

On July 12, 2002, BellSouth filed a second *Motion for Reconsideration,* seeking

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[2] Chairman Kyle did not vote with the majority. Instead, the Chairman moved to implement BellSouth's Georgia SEEM plan in Tennessee on an interim basis for six (6) months, reasoning as follows:

> I do believe that performance measures is a move towards 271. I am ready to take those necessary steps to enact the goal of the general assembly. The FCC has since approved Georgia's 271 application which includes performance measure plans that meet the requirements for ensuring nondiscriminatory access. Such plans can be reviewed when necessary. The FCC has worked hard, and I believe we should take judicial notice of their work, and I also believe that time, money, and efforts by the staff will be reserved for more efficient use and ultimately benefiting the consumer. Therefore, my position and motion is to adopt the Georgia performance plan. We can monitor such plans to see the effect, and should we need to modify or reinstate the Tennessee plan, we can. If the plan is working, we will have benefited all people concerned, especially consumers, and not have created unnecessary measures and will have lost nothing. That is my position for the record.

See Transcript of June 18, 2002 Authority Conference, pp. 34-50. The Motion failed for lack of a second.

performance measurements, benchmarks and enforcement mechanisms to be implemented through interconnection agreements entered into between BellSouth and competing local exchange carriers ("CLECs") pursuant to 47 U.S.C. § 252.

BellSouth filed its first *Motion for Reconsideration* on May 29, 2002. Therein, BellSouth argued, *inter alia,* that the Authority lacked jurisdiction to impose enforcement mechanisms and that the method used to adopt the performance measurements violated Tenn. Code Ann. § 8-44-101 *et seq.* (the "Open Meetings Act"). BellSouth also sought alterations in the implementation dates and other aspects of certain performance measurements adopted by the Authority, including the level of disaggregation and the value of delta (δ) in the truncated Z statistical method. In concluding its Motion, BellSouth urged the Authority to reject the entire Tennessee plan, and adopt the performance measurements, benchmarks and enforcement mechanisms adopted by the Georgia Public Service Commission. On June 6, 2002, the CLEC Coalition filed its *Response to BellSouth's Motion for Reconsideration.*

On June 11, 2002, the Directors voted unanimously to grant BellSouth's initial *Motion for Reconsideration* and to deliberate on the merits of the Motion at a later date. The Directors then set the matter for further proceedings to consider the issues raised in the Motion.

During a specially scheduled Authority Conference held on June 18, 2002, the Authority deliberated BellSouth's first *Motion for Reconsideration.* The Directors unanimously rejected BellSouth's contentions that the Authority lacked jurisdiction to impose enforcement mechanisms and that the Authority violated the Open Meetings Act.[1]

[1] *See* Transcript of June 18, 2002 Authority Conference, pp. 30-34.

review of the *Amended Final Order Granting Reconsideration and Clarification and Setting Performance Measurements, Benchmarks and Enforcement Mechanisms* issued on June 28, 2002. In this Motion, BellSouth reiterated its request that the Authority reject the performance measurements, benchmarks and enforcement mechanisms presently in place in Tennessee and adopt the Georgia SEEM plan in Tennessee.

On July 23, 2002, a majority of the panel voted to grant BellSouth's second *Motion for Reconsideration* and to deliberate on the merits of the Motion at a later date.[3] The majority reasoned that the Motion was replete with issues presented in an evidentiary record developed by the previous directors and additional time was needed for a careful review of the record. The majority determined to consider the *Motion for Reconsideration* at the next regularly scheduled Authority Conference.

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[3] Chairman Kyle did not vote with the majority. Instead, she renewed the motion she made at the June 18th Authority Conference to implement BellSouth's Georgia SEEM plan in Tennessee, stating in pertinent part:

> At that time [the June 18th Authority Conference], I moved -- I made such motion and moved it. Now let me tell you what I want to add to that today, July 23rd. I recognize the FCC has spoken. The FCC decides ultimately whether local markets are open and how to ensure they stay open. The FCC has expressly found that the Georgia plan is appropriate. As the FCC stated, quote,
>
> > We find that the existing service performance measurement and enforcement mechanisms currently in place for Georgia and Louisiana provide assurance that these local markets will remain open after BellSouth receives Section 271 authorization, unquote.
>
> Now, the Georgia plan serves as a template for the entire region. It can be implemented in Tennessee quickly. Therefore, the Authority -- I move the Authority adopt the Georgia performance measurement and enforcement plan approved by the FCC. I feel Tennessee consumers deserve no less. That will be my motion for this docket item.

The motion failed for lack of a second, *See* Transcript of July 23, 2002 Authority Conference, pp. 29-32

Relevant Procedural History of TRA Docket No. 97-00309

On April 26, 2002 BellSouth submitted its third Section 271 filing to the Authority in TRA Docket No. 97-00309.[4] On May 8, 2002, Director Melvin Malone, serving as Pre-Hearing Officer, issued a Notice establishing a procedural schedule in TRA Docket No. 97-00309.[5] The parties proceeded with discovery pursuant to that Notice. On May 23, 2002, Pre-Hearing Officer Malone issued another Notice directing the parties to reserve August 5-9, 2002 for the Hearing in TRA Docket No. 97-00309.

At a regularly scheduled Authority Conference held on July 23, 2002, the panel of Directors presiding over TRA Docket No. 97-00309 voted unanimously to appoint Director Deborah Taylor Tate to act as Pre-Hearing Officer to prepare the docket for a hearing. A Pre-Hearing Conference was held on July 30, 2002. At the suggestion of the Pre-Hearing Officer, the parties initiated settlement negotiations. On July 30, 2002, the Pre-Hearing Officer issued a Notice informing the parties that the Hearing on the merits in TRA Docket No. 97-00309 would commence on August 6, 2002. Just prior to the Hearing, a Pre-Hearing Conference was convened to discuss the progress of the settlement negotiations. At that time, the parties informed the Pre-Hearing Officer that they desired to continue with the negotiations. On August 7, 2002, the parties informed the Pre-Hearing Officer that they had reached a settlement agreement that would resolve the outstanding issues in TRA Docket No. 97-00309.

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[4] *See* 47 U.S.C. § 271.

[5] As noted previously, the terms of the former Directors of the Authority, Chairman Sara Kyle, and Directors H. Lynn Greer, Jr. and Melvin J. Malone, expired on June 30, 2002. Chairman Kyle was reappointed and commenced a new term as a Director of the Authority on July 1, 2002. Pursuant to the requirements of the amended provisions of Tenn. Code Ann. § 65-1-204, a three member voting panel consisting of Chairman Kyle and Directors Deborah Taylor Tate and Pat Miller was randomly selected and assigned to TRA Docket No. 97-00309.

August 7, 2002 Authority Conference

During the Authority Conference which was continued from August 5 to August 7, 2002, Pre-Hearing Officer Tate informed the panel in TRA Docket No. 01-00193 that the parties in TRA Docket No. 97-00309 had reached a proposed Settlement Agreement (attached hereto as Exhibit A). The panel assigned to TRA Docket No. 01-00193 heard from the parties that the Settlement Agreement affected three different dockets, including the 271 docket, TRA Docket No. 01-00362[6] and TRA Docket No 01-00193. The parties also informed the panel that a number of the parties to Docket No. 97-00309 had agreed to the Settlement Agreement, and those parties that did not join in the Settlement Agreement, had either withdrawn from the proceedings or concurred in the parties' agreement to submit the case to the panel on the current record without conducting the previously scheduled hearing.

BellSouth then summarized the Settlement Agreement for the panel as follows. With regard to Docket No. 97-00309, the parties proposed that the record should be closed as of July 31, 2002 and the case be submitted to the Directors for resolution on that record. The parties agreed that no additional testimony, argument, briefs or opposition would be filed in the docket. The parties requested that the TRA publicly deliberate the 271 docket on August 26, 2002.

As to Docket No. 01-00362, the parties agreed that they would ask the TRA to administratively close the docket. In addition, the parties proposed that the closing of the docket would not prevent any party from filing a complaint with the TRA regarding

[6] *In re Docket to Determine the Compliance of BellSouth Telecommunications, Inc.'s Operations Support Systems with State and Federal Regulations,* TRA Docket No. 01-00362.

BellSouth's Operational Support System ("OSS").[7] The parties requested that the TRA provide expedited treatment to such complaints. The parties agreed, however, that no such complaints would be filed prior to the entry of an order by the TRA reflecting the TRA's decision in the 271 docket.

With regard to TRA Docket No. 01-00193, the parties requested that the Authority adopt as the Tennessee Performance Assurance Plan the service quality measurements and self-effectuating enforcement mechanisms adopted by the Florida Public Service Commission on February 14, 2002, as they presently exist and are modified in the future. Under the Settlement Agreement, the Florida plan would be effectuated no later than December 1, 2002. The parties agreed not to seek amendments to the plan until December 1, 2003, after which the TRA in its discretion may conduct a review of the plan and the parties are free to recommend modifications. The parties agreed that in the interim prior to December 1, 2002 BellSouth may implement the Georgia Performance Plan and self-effectuating enforcement mechanisms. The parties also proposed that the TRA adopt the Tennessee performance measurements for special access that were included as Attachment B to the *Amended Final Order Granting Reconsideration and Clarification and Setting Performance Measurements, Benchmarks and Enforcement Mechanisms* issued on June 28, 2002 (attached hereto as Exhibit B). The parties agreed that if the Federal Communications Commission ("FCC") implements national standards, no party is estopped from requesting the TRA to supplant the

[7] "[T]he term OSS refers to the computer systems, databases, and personnel that incumbent carriers rely upon to discharge many internal functions necessary to provide service to their customers." *In the Matter of Performance Measurements and Reporting Requirements for Operations Support Systems, Interconnection, and Operator Services and Directory Assistance*, FCC Docket No. 98-72, CC Docket No. 98-56; 13 FCC Rcd. 12,817 (released April 17, 1998) (*Notice of Proposed Rulemaking*) ¶9.

performance standards in Attachment B with the FCC standards.

The parties also agreed that the competitive local exchange carriers ("CLECs") that are parties to TRA Docket No. 97-00309 may request, via the filing of a complaint, that the TRA open a generic contested proceeding to address the provision of BellSouth's DSL service to CLEC voice customers and related OSS issues. The parties agreed that BellSouth could raise any and all defenses to the CLECs' complaints.[8] BellSouth agreed not to oppose expedited treatment of such complaints.

Finally, the parties agreed that they would not use the fact that the TRA will not conduct further Hearings in TRA Docket No. 97-00309 as a criticism of the TRA's decision on whether or not to recommend that the FCC approve BellSouth's § 271 application.

After BellSouth finished presenting this summary of the Settlement Agreement, BellSouth, Birch Telecom of the South, Inc., Ernest Communications, Inc., ITC DeltaCom, Inc., MCI WorldCom Communications, Inc., and its subsidiaries, MCImetro Access Services, Inc. and Brooks Fiber Communications of Tennessee, Inc., DIECA d/b/a Covad Communications, Inc. and Time Warner Telecom of the MidSouth, LP orally agreed on the record to the terms of the Settlement Agreement. The Consumer Advocate and Protection Division of the Office of the Attorney General and Reporter stated that while said Division was not a signatory, it is supportive of the Settlement Agreement. On the signature pages of the Settlement Agreement, XO Tennessee, Inc., Intermedia Communications, Inc., Southeastern Communications Carriers Association, ICG Telecom Group, Inc., US LEC of Tennessee, Inc. and American Communications

[8] DSL is an acronym for digital subscriber line, a developing technology that uses existing copper telephone lines to deliver high-speed information, including audio, video and text.

Services, Inc. indicated that they had withdrawn from this proceeding. AT&T Communications of the South Central States, KMC Telecom III, Inc. and KMC Telecom IV, Inc. signed a separate document stating that they were not parties to the Settlement Agreement, but agree that this matter be submitted to the Authority on the current record without further submissions or hearings.

After considering the parties' statements, the panel in TRA Docket No. 97-00309 unanimously voted to approve the Settlement Agreement on the condition that the panels in TRA Docket No. 01-00362 and TRA Docket No. 01-00193 accepted and approved those portions of the Settlement Agreement affecting those respective dockets. Shortly thereafter, the panel in TRA Docket No. 01-00362 convened and unanimously voted to accept the Settlement Agreement.

The panel in TRA Docket No. 01-00193 also reconvened. After emphasizing the importance of the provisions for an expedited complaint process included in the Settlement Agreement, the panel unanimously voted to accept those portions of the Settlement Agreement affecting TRA Docket No. 01-00193.[9] The panel then unanimously voted to vacate the *Amended Final Order Granting Reconsideration and Clarification and Setting Performance Measurements, Benchmarks and Enforcement Mechanisms* issued on June 28, 2002 and to dismiss BellSouth's *Motion for Reconsideration* as moot.

[9] After joining in the vote, Chairman Kyle withdrew her motion to adopt the Georgia performance measurement and enforcement plan approved by the FCC.

IT IS THEREFORE ORDERED THAT:

1. Those portions of the Settlement Agreement in TRA Docket No. 97-00309, attached hereto as Exhibit A, that affect the issues in TRA Docket No. 01-00193 are accepted and approved.

2. The service quality measurement plan and self-effectuating enforcement mechanisms adopted by the Florida Public Service Commission in Docket No. 000121-TP on February 14, 2002, as they exist today and as they may be modified in the future, are hereby adopted, and shall be implemented no later than December 1, 2002 and remain in effect, at a minimum, until December 1, 2003.

3. The Georgia Performance Plan and self-effectuating enforcement mechanisms approved by the FCC in *In the Matter of Joint Application by BellSouth Corporation, BellSouth Telecommunications, Inc. and BellSouth Long Distance, Inc. for Provision of In-Region, InterLATA Service in Georgia and Louisiana* (*Memorandum Opinion and Order*) (issued May 15, 2002) shall be implemented temporarily in the interim between the issuance of this Order and December 1, 2002.

4. The Tennessee performance measurements for special access which were included as Attachment B to the *Amended Final Order Granting Reconsideration and Clarification and Setting Performance Measurements, Benchmarks and Enforcement Mechanisms* issued on June 28, 2002, attached hereto as Exhibit B, are hereby adopted and shall be implemented no later than December 1, 2002.

5. The *Amended Final Order Granting Reconsideration and Clarification and Setting Performance Measurements, Benchmarks and Enforcement Mechanisms* issued on June 28, 2002 is hereby vacated.

6. BellSouth's second *Motion for Reconsideration* filed on July 12, 2002 is dismissed as moot.

7. Any party aggrieved by this Order may file a Petition for Reconsideration with the Tennessee Regulatory Authority pursuant to Tenn. Comp. R. & Reg 1220-1-2-.20 within fifteen (15) days of the entry of this Order.

Sara Kyle, Chairman

Pat Miller, Director

Ron Jones, Director

BEFORE THE TENNESSEE REGULATORY AUTHORITY
Nashville, Tennessee

In Re: *BellSouth Telecommunications, Inc.'s Entry Into Long Distance (InterLATA) Service in Tennessee Pursuant to Section 271 of the Telecommunications Act of 1996*

Docket No. 97-00309

SETTLEMENT AGREEMENT

In Docket No. 97-00309, the undersigned parties and BellSouth agree to the following:

1. The record in Docket No. 97-00309 will be closed as of July 31, 2002. No party will submit any further testimony, documentary evidence, argument, briefs, or opposition in this docket for consideration of the Tennessee Regulatory Authority. All of the parties agree to submit this case to the Directors for consideration and determination on its merits based on the existing record. The parties request that the Authority hold its public deliberations at a special session on August 26, 2002.

The parties agree that should be closed but the undersigned

2. Docket No. 01-00362 ~~shall remain open for issues related to the~~

parties agree that this will not prevent any party

~~performance of BellSouth's operational support systems. This docket~~

from filing a complaint with the TRA ~~regarding~~ regarding

~~shall not be used for challenges to BellSouth's compliance with 47~~

BellSouth's OSS and in such case all parties will urge the TRA

~~U.S.C. §271(c).~~ No party shall file any complaint ~~in Docket No. 01-~~ regarding OSS to resol such

~~00362~~ prior to entry of an order by the TRA reflecting the TRA's Complain on an expedited bas

EXHIBIT A

decision whether or not to recommend approval of BellSouth's 271 application.

3. In resolution of the contested issues in Docket 01-00193, the parties will request the Authority to adopt as the "Tennessee Performance Assurance Plan" the identical service quality measurement plan and self-effectuating enforcement mechanism adopted by the Florida Public Service Commission in Docket No. 000121-TP on February 14, 2002, as it exists today and as it may be modified in the future, plus the Tennessee Performance Measurements for Special Access contained in the Order Setting Performance Measurements, Benchmarks and Enforcement Mechanisms issued in this docket on June 28, 2002, as set forth in exhibit B to that order. If the FCC adopts national special access measurements, the parties reserve the right to argue to the TRA as to whether the FCC measures should supercede the Tennessee Measurements. The parties agree that the "Tennessee Performance Assurance Plan" will become effective no later than December 1, 2002. The parties further agree that until the "Tennessee Performance Assurance Plan" is implemented, BellSouth can use, on an interim basis, the "Georgia Performance Plan" approved by the FCC in BellSouth's Georgia/Louisiana 271 application. The parties agree that the "Tennessee Performance Assurance Plan," as defined above, shall continue until at least December 1, 2003, at

which time the Authority at its discretion may conduct a review of the then-existing plan, accept recommendations from interested parties, and make any appropriate modifications.

4. The CLECs may request that the TRA open a generic contested case proceeding to address expeditiously the issue of BellSouth's provision of DSL service to CLEC voice customers and related OSS issues. BellSouth may raise any and all defenses to such complaint. Bellsouth will not oppose expedited treatment of such complaint.

5. This agreement is solely for the purpose of settling this docket in Tennessee. Nothing in this agreement restricts the right of any party to take a contrary position in any other forum. The intervening parties and BellSouth agree that the fact that this case was resolved without further hearings will not be used as a basis for opposing Bellsouth's Tennessee 271 application at the FCC or for criticizing the TRA's recommendation of BellSouth's 271 application at the FCC. In the event that the TRA declines to act consistently with any portion of this agreement, then the agreement shall be void and shall in no manner be binding upon any party to this agreement.

BELLSOUTH TELECOMMUNICATIONS, INC.

By: ______________________

Its: General Counsel - TN

INTERMEDIA COMMUNICATIONS, INC.

WITHDRAWN

By: ______________________

Its: atty

XO TENNESSEE, INC.

Withdrawn

By: ______________________

Its: atty

DIECA d/b/a COVAD COMMUNICATIONS COMPANY

By: William H. Weber

Its: Vice President, External Affairs

TIME WARNER TELECOM OF THE MID-SOUTH, LP; NEW SOUTH COMMUNICATIONS CORP.

By: ______________________

Its: Attorney

ICG TELECOM GROUP, INC.

Withdrawn

By: ______________________

Its: ______________________

MCI WORLDCOM, INC.; MCImetro ACCESS TRANSMISSION SERVICES, LLC; BROOKS FIBER COMMUNICATIONS OF TENNESSEE, INC.

By: ______________________

Its: Attorney

SOUTHEASTERN COMPETITIVE CARRIERS ASSOCIATION

withdrawn

By: ______________________

Its: atty

SPRINT COMMUNICATIONS, LP

NOT PRESENT DURING HEARING DATES

By:________________________

Its:________________________

BELLSOUTH LONG DISTANCE, INC.

By: Henk Anthony by Phillips with express permission

Its: General Counsel

COMMUNICATIONS WORKERS OF AMERICA

NOT PRESENT DURING HEARING DATES

By:________________________

Its:________________________

ASSOCIATION OF COMMUNICATIONS ENTERPRISES

NOT PRESENT DURING HEARING DATES

By:________________________

Its:________________________

QWEST f/k/a LCI INTERNATIONAL TELECOM CORP.

By: JUST MONITORING

Its: [signature]

KMC TELECOM III, INC.; KMC TELECOM IV, INC.

NOT PARTY TO AGREEMENT; SEE STATEMENT IN RECORD & PAGE 7 OF THIS AGREEMENT

By:________________________

Its: [signature]

SBC TELECOM

By: Just monitoring

Its:________________________

ITC^DELTACOM

By: [signature]

Its: atty

~~US LEC OF TENNESSEE, INC.~~

withdrawn

By: [signature]

Its: attorney

~~AMERICAN COMMUNICATIONS SERVICES, INC.~~

withdrawn

By: [signature]

Its: attorney

BIRCH TELECOM OF THE SOUTH, INC.

By: [signature]

Its: attorney

ERNEST COMMUNICATIONS, INC.

By: [signature]

Its: attorney

BEFORE THE TENNESSEE REGULATORY AUTHORITY
Nashville, Tennessee

In Re: *BellSouth Telecommunications, Inc.'s Entry Into Long Distance (InterLATA) Service in Tennessee Pursuant to Section 271 of the Telecommunications Act of 1996*

Docket No. 97-00309

AT&T is not a party to this agreement, but AT&T will agree that this matter may be submitted to the Authority on the current record without further submissions or hearings.

AGREED TO:

AT&T COMMUNICATIONS OF THE SOUTH CENTRAL STATES, LLC; TCG MIDSOUTH, INC.

By: [signature]

Its: Counsel

KMC TELECOM TAKES THE SAME POSITION AS AT&T.
KMC TELECOM III, INC. +
KMC TELECOM IV, INC.

by: H. [signature]

ITS COUNSEL

Tennessee Performance Measurements for Special Access

Exhibit B

ACCESS ORDERING

Measurement: ASR Response

Description

The Access Service Request (ASR) response is the BellSouth response to a valid ASR, whether an initial or supplemental ASR, that provides a specific due date via and FOC or an estimated completion date based on an engineering estimate.

Calculation Methodology

ASR Response - Distribution:

(ASR Response Date- ASR Sent Date), for each ASR Response received during the reporting period, distributed by 0 day, 1 day, 2 days, through 10 days and> 10 days.

Business Rules

1. Counts are based on each instance an ASR Response is received from BellSouth. If one or more Supplemental ASRs are issued to correct or change a request, each corresponding response, which is received during the reporting period, is counted and measured.
2. Days shown are business days, Monday to Friday, excluding National Holidays. Activity starting on a weekend or holiday, will reflect a start date of the next business day, and activity ending on a weekend, or holiday, will be calculated with an end date of the last previous business day.
3. Projects are included. Determination of what is identified as a project varies but should not alter the need to ensure that service is provided within expected intervals.

Exclusions

- Unsolicited FOCs
- Disconnect ASRs
- Cancelled ASRs
- Record ASRs

Level of Disaggregation

Special Access

- DS0
- DS1
- DS3
- OCn

Switched Access

Implementation Date

90 Days from final order

ACCESS ORDERING

Measurement: Offered Versus Requested Due Date

Description
The Offered Versus Requested Due Date measure reflects the degree to which BellSouth is committing to install service on the Requested Due Date (RDD), when a date is specifically requested, that is equal to or greater than the BellSouth stated interval.

Calculation Methodology
[Count of circuits where (FOC Due Date = RDD)]/ [Total number of circuits where (RDD-ASR Sent Date)=> BellSouth stated interval] * 100

Business Rules
1. Measures are based on the last ASR sent and the associated FOC Due Date from BellSouth.
2. Selection is based on circuits completed by BellSouth during the reporting period. An ASR may provision more than one circuit and BellSouth may break the ASR into separate internal orders, however, the ASR is not considered completed for measurement purposes until all circuits are completed.
3. Days shown are business days, Monday to Friday, excluding National Holidays. Activity starting on a weekend, or holiday, will reflect a start date of the next business day, and activity ending on a weekend, or holiday, will be calculated with an end date of the last previous business day.
4. Projects are included. Determination of what is identified as a project varies but should not alter the need to ensure that service is provided within expected intervals.

Exclusions
- Unsolicited FOCs
- Disconnect ASRs
- Cancelled ASRs
- Record ASRs
- Expedited Orders

Levels of Disaggregation
Special Access
  - DS0
  - DS1
  - DS3
  - OCn

Switched Access

Implementation Date
90 Days from final order

ACCESS PROVISIONING

Measurement: On Time Performance to FOC Due Date

Description

On Time Performance to FOC Due date measures the percentage of circuits that are completed on the FOC Due Date, as recorded from the FOC received in response to the last ASR sent. Customer Not Ready (CNR) situations, lost access, and no access may result in an installation day. The On Time Performance to FOC Due Date is calculated both with CNR consideration and no access or lost access, i.e. measuring the percentage of time the service is installed on the FOC due date while counting CNR and lost or no access, and without CNR and lost and no access.

Calculation Methodology

Percent On Time Performance to FOC Due Date- With CNR and Access Consideration:

[(Count of Circuits Completed on or before BellSouth Committed Due Date + Count of Circuits after FOC Due Date with verifiable CNR code, and No access or Lost Access)/(Count of Circuits Completed in Reporting Period)] x 100

Percent On Time Performance to FOC Due Date –Without CNR Consideration:

[(Count of Circuits Completed on or before BellSouth Committed Due Date)/ (Count of Circuits Completed in Reporting Period)] x 100

Business Rules

1. Measures are based on the last ASR sent and the associated FOC Due Date received from BellSouth.
2. Selection is based on circuits completed by BellSouth during the reporting period. An ASR may provision more than one circuit and BellSouth may break the ASR into separate internal orders, however, the ASR is not considered completed for measurement purposes until all circuits are completed.
3. The BellSouth Completion Date is the date upon which BellSouth completes installation of the circuit.
4. Projects are included. Determination of what is identified as a project varies but should not alter the need to ensure that service is provided on the FOC Due Date.
5. A customer Not Ready (CNR) is defined as a verifiable situation beyond the normal control of BellSouth that prevents BellSouth from completing an order, including the following: customer not ready, end user not ready, connecting company is not ready, or third party supplier is not ready. BellSouth must ensure that established procedures are followed to notify customers of a CNR, no access or lost access situation and allow a reasonable period of time for corrective action.

Exclusions

- Unsolicited FOCs
- Disconnect ASRs
- Cancelled ASRs
- Record ASRs

Levels of Disaggregation
Special Access
With CNRs/Without CNRs

- DS0
- DS1
- DS3
- OCn

Switched Access
With CNRs/Without CNRs

Implementation Date
90 Days from final order

ACCESS PROVISIONING

Measurement: Days Late

Description

Days late captures the magnitude of the delay, both in average and distribution, for those circuits not completed on the FOC Due Date, and the delay was not a result of a verifiable CNR situation.

Calculation Methodology

Average Days Late:

∑[Circuit completion date-BellSouth committed due date (for all circuits completed beyond BellSouth committed due date without CNR code)]/ (count of circuits completed beyond BellSouth committed due date without CNR code)

Distribution:

ASR Completion Date-BellSouth Committed Due Date (for all ASRs completed beyond BellSouth committed due date without a CNR code) distributed by: 1 day, 2-5 days, 6-10 days, 11-20 days 21-30 days, 31-40 days and > 40 days.

Business Rules

1. Measures are based on the last ASR sent and the associated FOC Due Date received from BellSouth.
2. Selection is based on circuits completed by BellSouth during the reporting period. An ASR may provision more than one circuit and BellSouth may break the ASR into separate internal orders, however, the ASR is not considered completed for measurement purposes until all circuits are complete.
3. Days shown are business days, Monday to Friday, excluding National Holidays. Activity starting on a weekend, or holiday, will reflect a start date of the next business day, and activity ending on a weekend, or holiday, will be calculated with an end date of the last pervious business day.
4. Projects are included. Determination of what is identified as a project varies but should not alter the need to ensure that service is provided on the FOC Due Date.
5. A customer Not Ready (CNR) is defined as a verifiable situation beyond the normal control of BellSouth that prevents BellSouth from completing an order, including the following: customer not ready, end user not ready, connecting company is not ready, or third party supplier is not ready. BellSouth must ensure that established procedures are followed to notify customers of a CNR situation and allow a reasonable period of time for corrective action.

Exclusions

- Unsolicited FOCs
- Disconnect ASRs
- Cancelled ASRs
- Record ASRs
- Expedites

Level of Disaggregation

Special Access

- DS0
- DS1
- DS3
- OCn

Switched Access

Implementation Date

90 Days from final order

ACCESS PROVISIONING

Measurement: Average Intervals - Requested/Offered/Installation

Description
The intent of this measure is to capture three important aspects of the provisioning process and display them in relation to each other. The Average Requested Interval, the Average BellSouth Offered Interval and the Average Installation Interval provide a comprehensive view of provisioning with the ultimate goal to have these three intervals equal.

Calculation Methodology
Average Requested Interval:
Sum (Requested Due Date-ASR Sent Date)/Total Circuits Completed during reporting period
Average BellSouth Offered Interval:
Sum (FOC Due Date-ASR Sent Date)/Total Circuits Completed during reporting period.
Average Installation Interval:
Sum (BellSouth Completion Date – ASR Sent Date)/Total Circuits Completed during reporting period.

Business Rules
1. Measures are based on the last ASR sent and the associated FOC Due Date received from BellSouth.
2. Selection is based on circuits completed by BellSouth during the reporting period. An ASR may provision more than one circuit and BellSouth may break the ASR into separate internal orders, however, the ASR is not considered completed for measurement purposes until all circuits are completed.
3. Days shown are business days, Monday to Friday, excluding National Holidays. Activity starting on a weekend, or holiday, will reflect a start date of the next business day, and activity ending on a weekend, or holiday, will be calculated with an end date of the last previous business day.
4. Projects are included. Determination of what is identified as a project varies but should not alter the need to ensure that service is provided within expected intervals.
5. The Average Installation Interval includes all completions.

Exclusions
- Unsolicited FOCs
- Disconnect ASRs
- Cancelled ASRs
- Record ASRs

Levels of Disaggregation
Special Access
- DS0

- DS1
- DS3
- OCn

Switched Access

Implementation Date
90 Days from final order

ACCESS PROVISIONING

Measurement: Past Due Circuits

Description

The Past Due Circuits measure provides a snapshot view of circuits not completed as of the end of the reporting period. The count is taken from those circuits that have received an FOC Due Date but the date has passed. Results are separated into those held for BellSouth reasons and those held for customer reasons (CNRs). A diagnostic measure, Percent Cancellation After FOC Due Date, is included to show a percent of all cancellations processed during the reporting period where the cancellation took place after the FOC Due Date had passed and is shown as a percentage of total circuits cancelled or completed.

Calculation Methodology

Held Circuits Distribution

Count of all circuits past the FOC Due Date that have not been reported as completed (Calculated as last day of reporting period - FOC Due Date) Distributed by: 1-5 days, 6-10 days, 11-20 days, 21-30 days, 31-40 days, > 40 days.

Percent Cancellations After FOC Due Date:

[Count (all circuits cancelled during the reporting period, that were past due at the end of the previous reporting period, where (date cancelled > FOC Due date) / (total circuits past due at the end of the previous reporting period) x 100

Business Rules

1. Calculation of Held Circuits is based on the most recent ASR and associated FOC Due Date.
2. An ASR may provision more than one circuit and BellSouth may break the ASR into separate internal orders, however, the ASR is not considered completed for measurement purposes until all segments are completed.
3. Days shown are business days, Monday to Friday, excluding National Holidays. Activity starting on a weekend, or holiday, will reflect a start date of the next business day, and activity ending on a weekend, or holiday, will be calculated with an end date of the last previous business day.
4. Projects are included. Determination of what is or is not identified as a project varies but should not alter the need to ensure that service is provided on the FOC Due Date.
6. A customer Not Ready (CNR) is defined as a verifiable situation beyond the normal control of BellSouth that prevents BellSouth from completing an order, including the following: customer not ready, end user not ready, connecting company is not ready, or third party supplier is not ready. The BellSouth must ensure that established procedures are followed to notify customers of a CNR situation and allow a reasonable period of time for corrective action.
5. Reporting period is defined as calendar month

Exclusions

- Unsolicited FOCs

- Disconnect ASRs
- Record ASRs

Level of Disaggregation
BellSouth Reasons/Customer Reasons including CNRs
Special Access

- DS0
- DS1
- DS3
- OCn

Switched Access

Implementation Date
90 Days from final order

ACCESS PROVISIONING

Measurement: New Installation Trouble Report Rate

Description
New Installation Trouble Report Rate measures the quality of the installation work by capturing the rate of trouble reports on new circuits within 30 calendar days of the installation.

Calculation Methodology
Trouble Report Rate within 30 Calendar Days of Installation:
[Count (trouble report within 30 calendar days of installation)/(total number of circuits installed in the report period)] x 100

Business Rules
1. The Completion Date is the date upon which BellSouth completes installation of the circuit.
2. The calculation for the preceding 30 calendar days is based on the creation date of the trouble ticket.

Exclusions
- Trouble tickets that are canceled at customers request
- Customer, IXC, CPE (customer premise equipment) or end user caused troubles
- BellSouth Trouble reports associated with administrative service
- Tickets used to track referrals of misdirected calls
- Customer request for information tickets

Levels of Disaggregation
Special Access
- DS0
- DS1
- DS3
- OCn

Switched Access

Implementation Date
90 Days from final order

ACCESS MAINTENANCE and REPAIR

Measurement: Failure Rate

Description

Failure Rate measures the overall quality of the circuits being provided by BellSouth and is calculated by dividing the number of troubles resolved during the reporting period by the total number of "in service" circuits, at the end of the reporting period.

Calculation Methodology

Failure Rate – Annualized:

{[(Count of trouble reports resolved during the reporting period) / (number of circuits in service at the end of the report period)] x 100}

Business Rules

1. A trouble report/ticket is any record (whether paper or electronic) used by BellSouth for the purpose of tracking related action and disposition of a service repair or maintenance situation.
2. A trouble is resolved when BellSouth issues notice to the customer that the circuit has been restored to normal operating parameters.
3. Where more than one trouble is resolved on a specific circuit during the reporting period, each trouble is counted in the Trouble Report Rate.
4. Reporting period is defined as calendar month.

Exclusions:

- Trouble tickets that are canceled by Customer request
- Customer, IXC, CPE (customer premise equipment), and end user caused troubles
- BellSouth trouble reports associated with administrative service
- Customer request for informational tickets
- Tickets used to track referrals of misdirected calls

Levels of Disaggregation

Special Access

- Below DS3 (i.e. DS0+DS1)
- DS3 and above

Switched Access

Implementation Date

90 Days from final order

MAINTENANCE AND REPAIR

Measurement: Mean Time to Restore

Description

The Mean Time to Restore interval measures the promptness in restoring circuits to normal operating levels when a problem or trouble is referred to BellSouth. Calculation is the elapsed time from submission of a trouble report to BellSouth to the time BellSouth closes the trouble, less any customer hold time or delayed maintenance time due to valid customer caused delays.

Calculation Methodology

Mean Time to Restore:

∑ [(Date and Time of Trouble Ticket Resolution Closed to customer –Date and Time of Trouble Ticket Referred to BellSouth)- (Customer Hold Times)]/ (count of Trouble Tickets Resolved in Reporting Period)]

Business Rules

1. A trouble report or trouble ticket is any record (whether paper or electronic) used by BellSouth for the purposes of tracking related action and disposition of a service repair or maintenance situation.
2. Elapsed time is measured on a 24 –hour, seven-day week basis, without consideration of weekends or holidays.
3. Multiple reports in a given period are included, unless the multiple reports for the same customer is categorized as "subsequent" (an additional report on an already open ticket).
4. "Restore" means to return to the normally expected operating parameters for the service regardless of whether or not the service, at the time of trouble ticket creation, was operating in a degraded mode or was completely unusable.
5. A trouble is "resolved" when the BellSouth issues notice to customer that the end users service is restored to normal operating parameters.
6. Customer Hold Time or Delayed Maintenance Time resulting from no access to the end user's premises or other Customer caused delays, such as holding the ticket open for monitoring, is deducted from the total resolution interval.

Exclusions:

- Trouble tickets that are cancelled at customer request
- Customer, IXC, CPE (customer premise equipment), or end user caused troubles
- BellSouth trouble reports associated with administrative service
- Customer request for informational tickets
- Trouble tickets created for tracking and/or monitoring circuits
- Tickets used to track referrals of misdirected calls

Levels of Disaggregation

Special Access

- Below DS3

- DS3 and above
- Found ok/Test ok

Switched Access

- Found ok/Test ok

Implementation Date

90 Days from final order

ACCESS MAINTENANCE and REPAIR

Measurement: Repeat Trouble Report Rate

Description
The repeat trouble ticket report rate measures the percent of maintenance troubles resolved during the current reporting period that had at least one prior trouble ticket any time in the preceding 30 calendar days from the creation date of the current trouble report

Calculation Methodology
Repeat Trouble Report Rate:

[(Count of current trouble reports with a previous trouble, reported on the same circuit, in the preceding 30 calendar days)]/(number of reports in the report period)*100

Business Rules
1. A trouble report or trouble ticket is any record (whether paper or electronic) used by BellSouth for the purposes of tracking related action and disposition of a service repair or maintenance situation.
2. A trouble is resolved when BellSouth issues notice to customer that the circuit has been restored to normal operating parameters.
3. If a trouble ticket was closed out previously with the disposition code classifying it as FOK/TOK/CPE/IXC, then the second trouble must be counted as a repeat trouble report if it is resolved to BellSouth reasons.
4. The trouble resolution need not be identical between the repeated reports for the incident to be counted as a repeated trouble.

Exclusions
- Trouble tickets that are canceled at customer request
- Customer, IXC, CPE (Customer Premise Equipment), or end user caused troubles
- BellSouth trouble reports associated with administrative service
- Subsequent trouble reports-defined as those cases where a customer called to check on the status of an existing open trouble ticket.

Levels of Disaggregation
Special Access
- Below DS3
- DS3 and above

Switched Access

Implementation Date
90 Days from final order

Glossary

Term	Definition
Access Service Request (ASR)	A customer request to BellSouth to order new service, or request a change to existing service, which provides access to the local exchange company's network, under terms, specified in the local exchange company's special or switched access tariffs
Business Day	Monday thru Friday 8am-5pm central time excluding holidays
Customer Not Ready (CNR)	A condition where BellSouth was unable to complete installation due to the end user, customer, not being ready
Facility Check	A pre-provisioning check performed by BellSouth, in response to an access service request, to determine the availability of facilities and assign the installation date
Firm Order Confirmation (FOC)	The notice returned from BellSouth, in response to an access service request, to determine the availability of facilities and assign the installation date An unsolicited FOC is a supplemental FOC issued by BellSouth to change the due date or for other reasons, although no change to the ASR was requested by customer.
Projects	Service requests that exceed the line size and/or level of complexity, which would allow for the use of standard ordering and provisioning processes.
Repeat Troubles	Trouble that reoccurs on the same telephone number/circuit id within 30calendar days
Supplemental ASR	A revised ASR that is sent to change due dates or alter the original ASR request. A " version" indicator related to the original ASR number tracks each supplemental ASR.

EXHIBIT C

25.29 Contract Tariff – No. 026[1] (N)

(A) Customers may subscribe to this Contract Tariff within a period of fifteen (15) days following the Contract Tariff's effective date. The subscription period expires October 16, 2005.

(B) Customers may subscribe to this Contract Tariff by signing a Letter of Agreement (LOA) provided by the Company and acknowledged by a Company representative's signature. The LOA shall contain the start date of the customer's contract term and the Access Customer Name Abbreviations (ACNAs). The LOA shall also indicate the Revenue Band in which the customer expects revenues to fall. Revenue Bands are provided in Tables 1 and 2 of 25.29.3.

(C) The regulations, terms, conditions and incentives provided herein shall apply to customers subscribing to this Contract Tariff in the Full Service Relief Metropolitan Statistical Areas (MSAs) defined in Section 23 of this Tariff.

(D) This Contract Tariff provides a Service Level Agreement, which shall apply pursuant to regulations, terms and conditions in 25.29.2 following.

(E) Upon subscription to this Contract Tariff, the customer must have Total Billed Revenue (TBR) for Qualifying Services for the past twelve (12) months of at least $9 million.

25.29.1 General Regulations

(A) Term and Renewal Options

(1) The customer's term under this Contract Tariff is 36 months. At the end of the contract term, the incentives provided in this Contract Tariff shall be discontinued.

(2) Customers subscribing to this Contract Tariff may not subscribe to Transport Advantage Plan in Section 2.4.8 of this Tariff. However, the discounts received under this Contract Tariff are in addition to any applicable discounts under other Company discount plans that the customer may have subscribed to (i.e., Area Commitment Plan, Channel Services Payment Plan, Transport Payment Plan, etc.).

(B) Description of Incentives and Services

Customers who subscribe to this Contract Tariff will receive Monthly Incentives based on the customer achieving the minimum revenue commitment defined in (C) following for each contract term year for the Qualifying Services described in (1) below.

The Monthly Incentives will be applied to TBR for Eligible Services described in (2) below.

Additional details on the Monthly Incentives and minimum revenue commitment levels are provided in the following sections.

Note 1: All material on this page is new.

25.29 Contract Tariff – No. 026[1] (N)

25.29.1 General Regulations

(B) Description (Cont'd)

(1) Qualifying Services for Calculating Total Billed Revenue

The following Special Access and Switched Access dedicated transport services will be used in determining the customer's annual Qualifying TBR pursuant to regulations in (D) following. Rates and charges for these services are set forth in Sections 6, 7, 9, 10, 21, 23, 28 and 29 of this Tariff.

BellSouth SWA Dedicated Transport Service (Sections 6 and 23)
- BellSouth SWA VG
- BellSouth SWA DS0
- BellSouth SWA DS1
- BellSouth SWA DS3
- BellSouth SWA Dedicated Ring
- BellSouth SWA Managed Shared Network Service
- BellSouth SWA Managed Shared Ring Service

Special Access (a.k.a. BellSouth SPA) Services (Sections 7 and 23)
- Metallic (a.k.a. BellSouth SPA Metallic)
- Telegraph Grade (a.k.a. BellSouth SPA Telegraph)
- Voice Grade (a.k.a. BellSouth SPA VG)
- WATS Access Line (WAL) (a.k.a. BellSouth SPA WATS Lines)
- Program Audio (a.k.a. BellSouth SPA Program Audio)
- Broadcast Quality Video (a.k.a. BellSouth SPA Broadcast Quality Video)
- Commercial Quality Video (a.k.a. BellSouth SPA Commercial Quality Video_)
- DS3 Digital Video Service (a.k.a. BellSouth SPA DS3 Digital Video)
- BellSouth SPA Modular Video Transport Service
- 70 MHz Transport (a.k.a. BellSouth SPA 70 MHz Transport)
- Uncompressed Switched Video (a.k.a. BellSouth SPA Uncompressed Switched Video)
- Wideband Analog (a.k.a. BellSouth SPA Wideband Analog)
- Derived Data Channel (a.k.a. BellSouth SPA Derived Data Channel)
- Digital Data Access Service (a.k.a. BellSouth SPA DS0 Digital Data)
- DS1 High Capacity (a.k.a. BellSouth SPA High Capacity)
- LightGate svc.(a.k.a. BellSouth SPA Point to Point Network)
- SMARTGate svc.(a.k.a. BellSouth SPA Managed Shared Ring)
- SMARTPath svc.(a.k.a. BellSouth SPA DS1 & DS3 Shared Ring)
- SMARTRing svc.(a.k.a. BellSouth SPA Dedicated Ring)
- FlexServ Service (a.k.a. BellSouth SPA Customer Reconfiguration)
- Dry Fiber
- BellSouth SPA Managed Shared Network Service
- BellSouth Metro Ethernet Service
- Alternate Serving Wire Center
- Special Access (a.k.a. BellSouth SPA) Surcharge and Message Station Equipment Recovery Charge

BellSouth Directory Assistance Access (Section 9)
- BellSouth Directory Transport

Note 1: All material on this page is new.

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25.29 Contract Tariff – No. 026[1] (N)

25.29.1 General Regulations

(B) Description (Cont'd)

(1) Qualifying Services for Calculating Total Billed Revenue (Cont'd)

Special Federal Government Access Services (Section 10)
- Federal Government Transport Plan for Special Access Services

Fast Packet Access Services (Sections 21 and 23)
Exchange Access Frame Relay Service (a.k.a. BellSouth Exchange Access Frame Relay Service)

Digital Subscriber Line Access Services (Sections 23 and 28)
- BellSouth ADSL Service
- BellSouth Enterprise DSL Service
- BellSouth Session Based DSL Service

Optical Transport Access Services (Sections 23 and 29)
- BellSouth Wavelength Service

(2) Eligible Services for Calculating Total Billed Revenue
The following Special Access and Switched Access dedicated transport services will be used in determining the customer's Eligible total billed revenue (TBR) for the MSAs set forth in 25.29.1(C) preceding for which the incentives in this Contract Tariff shall apply.

BellSouth SWA Dedicated Transport Service (Section 23)
- BellSouth SWA VG
- BellSouth SWA DS0
- BellSouth SWA DS1
- BellSouth SWA DS3
- BellSouth SWA Dedicated Ring
- BellSouth SWA Managed Shared Network Service
- BellSouth SWA Managed Shared Ring Service

Special Access (a.k.a. BellSouth SPA) Services (Section 23)
- Voice Grade (a.k.a. BellSouth SPA VG)
- Digital Data Access Service (a.k.a. BellSouth SPA DS0 Digital Data)
- DS1 High Capacity (a.k.a. BellSouth SPA DS1)
- Alternate Serving Wire Center
- LightGate svc.(a.k.a. BellSouth SPA Point to Point Network)
- SMARTGate svc.(a.k.a. BellSouth SPA Managed Shared Ring)
- SMARTRing svc.(a.k.a. BellSouth SPA Dedicated Ring)
- BellSouth SPA Managed Shared Network Service
- BellSouth Metro Ethernet Service

Optical Transport Access Services (Section 23)
- BellSouth Wavelength Service
- BellSouth Wavelength Dedicated Ring Service
- BellSouth Wavelength Channel Service

Note 1: All material on this page is new.

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25.29 Contract Tariff – No. 026[1] (N)

25.29.1 General Regulations

(C) Minimum Revenue Requirement

In Year 1, the minimum revenue commitment is defined in Tables 1 and 2 of 25.29.3 following. In Years 2 and 3, the minimum revenue commitment is defined as the greater of the following: 1) the minimum revenue commitments specified in Tables 1 and 2 of 25.29.3 following, or 2) the Qualifying TBR for the same time period. Both the minimum revenue commitments in Tables 1 and 2 and the Qualifying TBR represent annualized monthly recurring revenues for the Qualifying Services in (B)(1) preceding, which are billed to the customer on a region-wide basis. These revenues will not be adjusted to reflect credits or discounts the customer earned under other pricing plans (e.g., Area Commitment Plan, etc.). Nonrecurring charges and taxes assessed will not be included in these revenues.

The customer's Eligible TBR represents monthly recurring revenues for Eligible services in (B)(2) preceding, which are billed to the customer in the MSAs set forth in 25.29(C) preceding. The Eligible TBR will not be adjusted to reflect credits or discounts earned under other pricing plans (e.g., Area Commitment Plan, Channel Services Payment Plan, Transport Payment Plan, etc.). Nonrecurring charges and taxes assessed will not be included in these revenues.

At the end of each contract term year, the Company and the customer will review the customer's Qualifying TBR. If a billing discrepancy has occurred, the parties will determine through negotiations whether the billing discrepancy has had any material impact on the Qualifying TBR, and based on the negotiations, the Company will make any adjustments as appropriate.

(D) Rates and Charges

The rates and charges for services in this Contract Tariff are provided in Section 23 and other sections of this Tariff. The Company reserves the right to change the terms, conditions, rates, and charges for services in Section 23 or other sections of this Tariff during the term of this Contract Tariff unless otherwise specified herein, and the customer reserves the right to challenge those revised terms, conditions, rates and charges for services using the existing intervening process at the FCC.

Note 1: All material on this page is new.

25.29 Contract Tariff – No. 026[1] (N)

25.29.1 General Regulations

(E) Classifications, Practices and Regulations

(1) Contract Tariff Incentives

At subscription to this Contract Tariff, the customer must select Revenue Band 1 in Table 1 or Revenue Band 2 in Table 2 shown in 25.29.3 following, depending on the customer's projected revenue objectives. The Revenue Bands in Tables 1 and 2 provide the minimum revenue commitment levels and the associated reward percentages as well as the reward for revenues that fall below the minimum revenue commitments.

A description of how the Monthly Incentives will be determined is provided in (2) below.

(2) Application of Monthly Incentives

(a) For the first contract term year, the customer will be awarded a Monthly Incentive at the end of each month, which will be applied to the customer's bill one month in arrears. The Monthly Incentive will be calculated using the minimum revenue commitment reward percentage in 25.29.3, times the monthly Eligible TBR.

If the Company determines at the end of the first year the customer has not achieved the first year's minimum revenue commitment in 25.29.3, a shortfall charge will apply which will be calculated as the difference between the minimum revenue commitment specified in 25.29.3 and the annual Qualifying TBR. The shortfall charge shall not be greater than the sum of the Monthly Incentives the customer received throughout the first year.

Should the customer terminate subscription to this Contract Tariff during the first year, the customer must repay 100% of the rewards received for the year and such amount will be billed to the customer within 90 days of the termination date unless the customer terminates the subscription pursuant to 25.29.1(E)(3)(b). In addition, the customer's Service Level Agreement in this Contract Tariff will be terminated. However, the Service Assurance Warranty (SAW) set forth in 2.4.4 of this Tariff will begin to apply at the termination date of this Contract Tariff, and the Service Installation Guarantee will continue to apply pursuant to regulations in 2.4.9 of this Tariff.

Note 1: All material on this page is new.

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25.29 Contract Tariff – No. 026[1] (N)

25.29.1 General Regulations

(E) Classifications, Practices and Regulations

(2) Application of Monthly Incentives (Cont'd)

(b) For the second contract term year, the customer will be awarded a Monthly Incentive at the end of each month, which will be applied to the customer's bill one month in arrears. The Monthly Incentive will be calculated using the minimum revenue commitment reward percentage in 25.29.3, times the monthly Eligible TBR.

If the Company determines at the end of the second year the customer's revenues fell below the second year's minimum revenue commitment, the customer's bill will be adjusted to reflect the difference between the sum of the Monthly Incentives the customer received during the year and the adjusted annual Incentive calculated using the lower reward percentage in 25.29.3 times the annual Eligible TBR. The difference will be billed to the customer within 60 days. Shortfall charges will not apply.

Should the customer terminate subscription to this Contract Tariff during the second year, the customer must repay 75% of the rewards received for Years 1 and 2 and such amount will be billed to the customer within 90 days of the termination date unless the customer terminates the subscription pursuant to 25.29.1(E)(3)(b). In addition, the customer's Service Level Agreement herein will be terminated. However, the Service Assurance Warranty (SAW) set forth in 2.4.4 of this Tariff will begin to apply at the termination date of this Contract Tariff, and the Service Installation Guarantee will continue to apply pursuant to regulations in 2.4.9 of this Tariff.

(c) The third year Monthly Incentives will be determined in the same manner described in (b) above. Should the customer terminate subscription to this Contract Tariff during the third year, the customer must repay 50% of the rewards received for Years 1, 2 and 3 and such amount will be billed to the customer within 90 days of the termination date unless the customer terminates the subscription pursuant to 25.29.1(E)(3)(b). In addition, the customer's Service Level Agreement herein will be terminated. However, the Service Assurance Warranty (SAW) set forth in 2.4.4 of this Tariff will begin to apply at the termination date of this Contract Tariff, and the Service Installation Guarantee will continue to apply pursuant to regulations in 2.4.9 of this Tariff.

Note 1: All material on this page is new.

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25.29 Contract Tariff – No. 026[1] (N)

25.29.1 General Regulations

(E) Classifications, Practices and Regulations

(3) Restrictions

(a) The customer may upgrade from Revenue Band 1 to Revenue Band 2, as shown in 25.29.3, at any time during the term of the Contract.

(b) The customer may not sign up for another Contract Tariff for the same MSAs and the same services set forth in this Contract Tariff, unless the customer terminates its subscription under this Contract Tariff when it moves to any other Contract Tariff. Such termination would be without any liability.

(c) The incentives in this Contract Tariff will not be applied to taxes.

(4) Mergers and Acquisitions

Should the customer merge with another company or is acquired by another company, the customer may not combine revenues with the merged or acquired company's revenues in order to obtain the incentives or credits provided in this Contract Tariff.

(5) Performance Measures

The services, to which the incentives provided under this Contract Tariff apply, shall only be subject to service guarantees specified in Section 25.29.2 (Service Level Agreement) with the exception of Service Installation Guarantee (SIG) as described in 2.4.9, which shall apply. The service guarantee specified in Section 2.4.4 (Service Assurance Warranty) does not apply to services subject to this Contract Tariff. However, this service guarantee will be reinstated and will become effective immediately upon expiration of this Contract Tariff. If any new or additional performance measures and remedies that may become generally available or offered by the Company and applicable to the services provisioned under Sections 6, 7, 21, 23, 28 and 29 of this Tariff, the Company may negotiate with the customer to include such remedies in this Contract Tariff. Unless both parties agree, such new performance measures and or remedies shall not apply to this Contract Tariff.

Note 1: All material on this page is new.

25.29 Contract Tariff – No. 026 (Cont'd)[1] (N)

25.29.2 General Regulations (Cont'd)

(A) Service Level Agreement
Concurrent with the effective date of this Contract Tariff, a Service Level Agreement (SLA) as specified herein shall become effective and shall remain in effect for the term of this Contract Tariff pursuant to the conditions herein. Upon termination of this Contract Tariff, this SLA will terminate as well. SLA performance results will be evaluated at a regional level and applicable SLA remedies will be applied to Full Service Relief MSAs as set forth in Section 23 of this Tariff.

(1) Services Eligible for SLA
The services for which this SLA applies are described below.

- DS1 Services: BellSouth SWA DS1; BellSouth SWA Managed Shared Network Service; DS1 (a.k.a. BellSouth SPA DS1); BellSouth SPA Managed Shared Network Service

- DS3 Services: BellSouth SWA Managed Shared Network Service; BellSouth SPA Managed Shared Network Service; LightGate svc. (a.k.a. BellSouth SPA Point to Point)

(2) SLA Performance Metrics and Measurement Methodology

(a) The following performance metrics will be tracked and measured in accordance with terms and conditions described in this SLA. The definitions for these performance metrics are provided in (4), following.

- SA-1: Firm Order Confirmation (FOC) Receipt
- SA-2: On Time Performance to FOC Due Date
- SA-3: Past Due Circuits
- SA-4: New Circuit Failure Rate
- SA-5: Failure Rate
- SA-6: Mean Time to Restore
- SA-7: Repeat Trouble Report Rate

Note 1: All material on this page is new.

25.29 Contract Tariff – No. 026 (Cont'd)[1] (N)

25.29.2 General Regulations (Cont'd)

(A) Service Level Agreement (Cont'd)

(2) SLA Performance Metrics and Measurement Methodology (Cont'd)

(b) The following terms and conditions shall apply for collecting, calculating, reporting and administering the performance measurement data under the Service Level Agreement (SLA) provided herein.

- The Company will utilize its self-reported performance measurement data to determine performance metrics for each reporting period. The reporting period is defined as a full calendar month. Performance measurement results will be reported for DS1 and DS3 services separately. The Company's self-reported performance measurement data will be collected and calculated utilizing the Company's internal processes. The Company will monitor data collection and calculation and present such findings to the customer in a monthly service performance report to ensure the integrity of self-reported results.

- Performance metrics will be calculated at a regional level. Performance defects applicable to services in Full Service Relief MSAs in this Contract Tariff will be extracted from regional performance results versus the benchmarks set forth in 25.29.2(B), Charts A, B, C, D and E. The Company's calculation of its performance under this Contract Tariff shall be the determinant of the Company's obligation to provide a remedy for a missed performance metric. The Company will review the SLA performance measures and supporting data upon the customer request; however, an in-depth customer review of SLA results will be limited to one occasion per the Contract year in that the SLA is in effect.

Note 1: All material on this page is new.

25.29 Contract Tariff – No. 026 (Cont'd)[1] (N)

25.29.2 General Regulations (Cont'd)

(A) Service Level Agreement (Cont'd)

(2) SLA Performance Metrics and Measurement Methodology (Cont'd)

(c) Neither the Company nor the customer shall be held liable for any delay or failure in performance of any part of the SLA from any cause beyond its control and without its fault or negligence, such as acts of God, acts of civil or military authority, embargoes, epidemics, war, terrorists acts, riots, insurrections, fires, explosions, earthquakes, strikes, nuclear accidents, hurricanes, floods, power blackouts, or unusually severe weather. In the event of any such excused delay in the performance of the customer or the Company's obligation(s) under this SLA, the due date for the performance of the original obligation(s) shall be extended by a term equal to the time lost by reason of delay. In the event of such delay, the Company shall give prompt written notice to the customer specifying the nature of the excused delay, the date of inception, and the expected duration. During such delay, the Company shall perform its obligations at a performance level no less than that which it uses for its own operations. Further, in the event of such delay or failure in the Company's performance, the Company agrees to resume performance in a nondiscriminatory manner and not favor provisioning its own services above that of the customer.

Note 1: All material on this page is new.

25.29 Contract Tariff – No. 026 (Cont'd)[1] (N)

25.29.2 General Regulations (Cont'd)

(A) Service Level Agreement (Cont'd)

(3) Performance Metrics Definitions

(a) SA-1: Firm Order Confirmation (FOC) Receipt
This metric is the Company's response to a clean Access Service Request (ASR), whether an initial or supplement ASR, that provides the customer with the specific Due Date on which the requested circuit or circuits will be installed. The expectation is that the Company will conduct a minimum of an electronic facilities check to ensure due dates delivered in FOCs can be relied upon. The performance standard for FOCs received within the specified interval (see 25.29.2(B) for specified intervals in Chart A, SA-1, following) is expressed as a percentage of the total FOCs received during the reporting period.

- Business Rules: Counts are based on each instance of a FOC received from the Company. If one or more supplement ASRs are issued to correct or change a request, each corresponding FOC, which is received during the reporting period, is counted and measured. Days shown are business days, Monday to Friday, excluding National Holidays. Activity starting on a weekend, or holiday, will reflect a start date of the next business day, and activity ending on a weekend, or holiday, will be calculated with an end date of the last previous business day. Projects are included. ASRs received after 3 p.m. eastern standard time shall be considered received on the next business day.

- Exclusions: Unsolicited FOCs, Disconnect ASRs, Cancelled ASRs, Record ASRs.

- Performance Evaluation: If regional DS1 or DS3 performance falls below its performance objective, the difference between this stated objective and the actual regional performance will be determined. This result multiplied by the base of all Firm Order Commitment (FOC) responses in Full Service Relief MSAs as provided by the Company, will yield the number of performance defect occurrences eligible for rebate.

Note 1: All material on this page is new.

25.29 Contract Tariff – No. 026 (Cont'd)[1] (N)

25.29.2 General Regulations (Cont'd)

(B) Service Level Agreement (Cont'd)

(3) Performance Metrics Definitions (Cont'd)

(b) SA-2: On Time Performance to FOC Due Date
This metric measures the percentage of circuits that are completed on or before the FOC Due Date, as recorded from the FOC received in response to the last ASR sent. Customer Not Ready (CNR) situations may result in an installation delay. The On Time Performance To FOC Due Date is calculated both with CNR consideration and without CNR consideration, i.e. measuring the percentage of time the service is installed on the FOC due date while counting CNR coded orders as an appointment met, and without CNR consideration. The denominator for both calculations is the total count of circuits completed during the reporting period, including all circuits, with and without a CNR code.

- Business Rules: Measures are based on the last ASR sent and the associated FOC Due Date received from the Company. Selection is based on circuits completed by the Company during the reporting period. An ASR may provision more than one circuit and the Company may break the ASR into separate internal orders, however, the ASR is not considered completed for measurement purposes until all circuits are completed. The Company Completion Date is the date upon which the Company completes installation of the circuit, as noted on a completion advice to the customer. Projects are included. A Customer Not Ready (CNR) is defined as a verifiable situation beyond the normal control of the Company that prevents the Company from completing an order, including the following: The customer is not ready; end user is not ready; connecting company, or CPE (Customer Premises Equipment) supplier, is not ready. The Company must ensure that established procedures are followed to notify the customer of a CNR situation and allow a reasonable period of time for the customer to correct the situation.

- Exclusions: Unsolicited FOCs, Disconnect ASRs, Cancelled ASRs, Record ASRs

- Performance Evaluation: Service Installation Guarantee (SIG) in Section 2.4.9 is the determinant of performance rebates with respect to SA-2.

Note 1: All material on this page is new.

25.29 Contract Tariff – No. 026 (Cont'd)[1] (N)

25.29.2 General Regulations (Cont'd)

(A) Service Level Agreement (Cont'd)

(3) Performance Metrics Definitions (Cont'd)

(c) SA-3: Past Due Circuits
This metric provides a snapshot view of circuits not completed as of the end of the reporting period. The count is taken from those circuits that have received a FOC Due Date but the due date has passed. Results are separated into those held for Company reasons and those held for customer reasons (CNRs), with a breakdown, for diagnostic purposes, of Past Due Circuits due to a lack of Company facilities. A diagnostic measure, Percent Cancellations After FOC Due Date, is included to show a percent of all cancellations processed during the reporting period where the cancellation took place after the FOC Due Date had passed. This measurement is calculated by taking the count of all circuits not completed at the end of the reporting period > 5 days beyond the FOC Due Date, grouped separately for Total Company Reasons, Lack of Company Facility Reasons, and Total Customer Reasons, each divided by the total uncompleted circuits past FOC Due Date, for all missed reasons, at the end of the reporting period, expressed as a percentage.

- Business Rule: Calculation of Past Due Circuits is based on the most recent ASR and associated FOC Due Date. An ASR may provision more than one circuit and the Company may break the ASR into separate internal orders, however, the ASR is not considered completed for measurement purposes until all segments are completed. Days shown are business days, Monday to Friday, excluding National Holidays. Activity starting on a weekend, or holiday, will reflect a start date of the next business day, and activity ending on a weekend, or holiday, will be calculated with an end date of the last previous business day. Projects are included. A Customer Not Ready (CNR) is defined as a verifiable situation beyond the normal control of the Company that prevents the Company from completing an order, including the following: customer not ready; end user is not ready; connecting company, or CPE (Customer Premises Equipment) supplier, is not ready. The Company must ensure that established procedures are followed to notify the customer of a CNR situation and allow a reasonable period of time for the customer to correct the situation. The customer is required to forecast facility requirements to MSA/CO level on a quarterly basis.

- Exclusions: Unsolicited FOCs, Disconnect ASRs, Record ASRs

- Performance Evaluation: If regional DS1 or DS3 performance exceeds its performance objective, the difference between the stated objective and the actual regional performance will be determined. This result, multiplied by the base of all install orders completed in Full Service Relief MSAs, will yield the number of performance defect occurrences eligible for rebate.

Note 1: All material on this page is new.

ACCESS SERVICE

25 – Contract Tariffs (Cont'd)

25.29 Contract Tariff – No. 026 (Cont'd)[1] (N)

25.29.2 General Regulations (Cont'd)

(A) Service Level Agreement (Cont'd)

(3) Performance Metrics Definitions (Cont'd)

(d) SA-4: New Circuit Failure Rate*
This metric measures the quality of the installation work by capturing the rate of new circuit failures and is calculated by dividing the count of circuits with a measured customer report within 30 calendar days of installation by the total number of circuits installed in the reporting period.

- Business Rule: The Company's Completion Date is the date upon which the Company completes installation of the circuit, as noted on a completion advice to the customer. The calculation for the preceding 30 calendar days is based on the creation date of the trouble ticket.

  In order for the monthly reporting period results of this metric (SA-4) to be valid, customer reports closed out to Test OK (TOK) cannot exceed 10% of total measured reports within the respective measured reporting period.

- Exclusions: Trouble tickets that are canceled at the customer's request; CPE (Customer Premises Equipment), or other customer caused troubles; Company trouble reports associated with administrative service; tickets used to track referrals of misdirected calls; the customer's requests for informational tickets; Repeat Trouble Reports; subsequent trouble reports – defined as those cases where a customer called to check on the status of an existing open trouble ticket.

- Performance Evaluation: If regional DS1 or DS3 performance exceeds its performance objective, the difference between the stated objective and the actual regional performance will be determined. This result, multiplied by the base of all newly installed circuits in Full Service Relief MSAs, will yield the number of performance defect occurrences eligible for rebate.

*If multiple customer trouble reports are correlated to a common cause, a single customer trouble report will be generated at the common cause/circuit and will be measured against the maintenance SLA measurements (provided the close code disposition is not excluded in the business rules). Multiple reports associated with a common cause will only be reported once and counted as a single incident (occurrence) in the (SA-4) metric. For example, if a Point-to-Point OC-12 fails, the Company does not take customer trouble reports on the thousands of potential lower level circuits nor are each of the lower level service outages included in the company's maintenance measures including (SA-4).

Note 1: All material on this page is new.

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25.29 Contract Tariff – No. 026 (Cont'd) [1] (N)

25.29.2 General Regulations (Cont'd)

(A) Service Level Agreement (Cont'd)

(3) Performance Metrics Definitions (Cont'd)

(e) SA-5: Failure Rate*
This metric measures the overall quality of the circuits being provided by the Company and is calculated by dividing the number of measured customer trouble report resolved during the reporting period by the total number of "in service" circuits, at the end of the reporting period.

- Business Rule: A customer trouble report/ticket is any record (whether paper or electronic) used by the Company for the purposes of tracking related action and disposition of a service repair or maintenance situation. A trouble is resolved when the Company issues notice to the customer that the circuit has been restored to normal operating parameters. Where more than one trouble is resolved on a specific circuit during the reporting period, each trouble is counted in the Trouble Report Rate.

  In order for the monthly reporting period results of this metric (SA-5) to be valid, customer reports closed out to Test OK (TOK) cannot exceed 10% of total measured reports within the respective measured reporting period.

- Exclusions: Trouble tickets that are canceled at the customer's request; CPE (Customer Premises Equipment), or other customer caused trouble; Company trouble reports associated with administrative service; customers requests for informational tickets; tickets used to track referrals of misdirected calls; subsequent trouble reports – defined as those cases where a customer called to check on the status of an existing open trouble ticket.

- Performance Evaluation: If regional DS1 or DS3 performance exceeds its performance objective, the difference between the stated objective and the actual regional performance will be determined. This result, multiplied by the base of all circuits in inventory in Full Service Relief MSAs, will yield the number of performance defect occurrences eligible for rebate.

*If multiple customer trouble reports are correlated to a common cause, a single customer trouble report will be generated at the common cause/circuit and will be measured against the maintenance SLA measurements (provided the close code disposition is not excluded in the business rules). Multiple reports associated with a common cause will only be reported once and counted as a single incident (occurrence) in the (SA-5) metric. For example, if a Point-to-Point OC-12 fails, the Company does not take customer trouble reports on the thousands of potential lower level circuits nor are each of the lower level services outages included in the company's maintenance measures including (SA-5). In the case where a valid customer trouble report is linked to the same common cause of a previously resolved customer trouble report, the new customer trouble report will be considered a new occurrence and will be included in the (SA-5) metric.

Note 1: All material on this page is new.

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25.29 Contract Tariff – No. 026 (Cont'd)[1] (N)

25.29.2 General Regulations (Cont'd)

(A) Service Level Agreement (Cont'd)

(3) Performance Metrics Definitions (Cont'd)

(f) SA-6: Mean Time to Restore (Percentage over Objective) (Cont'd)

- Exclusions: Trouble tickets that are canceled at the customer's request; CPE (Customer Premises Equipment), or other customer caused troubles; Company trouble reports associated with administrative service; the customer's request for informational tickets; trouble tickets created for tracking and/or monitoring circuits; tickets used to track referrals of misdirected calls; subsequent trouble reports – defined as those cases where a customer called to check on the status of an existing open trouble ticket.

- Performance Evaluation: If regional DS1 or DS3 performance exceeds its performance objective, the difference between the stated objective and the actual regional performance will be determined. This result, multiplied by the base of applicable measured trouble tickets in Full Service Relief MSAs, will yield the number of performance defect occurrences eligible for rebate.

Note 1: All material on this page is new.

25.29 Contract Tariff – No. 026 (Cont'd)[1] (N)

25.29.2 General Regulations (Cont'd)

(A) Service Level Agreement (Cont'd)

(3) Performance Metrics Definitions (Cont'd)

(g) SA-7: Repeat Trouble Report Rate*
The Repeat Trouble Report Rate measures the percent of maintenance customer trouble reports resolved during the current reporting period that had at least one prior trouble ticket any time in the preceding 30 calendar days from the creation date of the current trouble report.

- Business Rule: A trouble report or trouble ticket is any record (whether paper or electronic) used by the Company for the purposes of tracking related action and disposition of a service repair or maintenance situation. A trouble is resolved when the Company issues notice to the customer that the circuit has been restored to normal operating parameters. If a trouble ticket was closed out previously with the disposition code classifying it as FOK/TOK, then the second trouble must be counted as a repeat trouble report if it is resolved to Company's reasons. The trouble resolution need not be identical between the repeated reports for the incident to be counted as a repeated trouble.

- In order for the monthly reporting period results of this metric (SA-7) to be valid, customer reports closed out to Test OK (TOK) cannot exceed 10% of total measured reports within the respective measured reporting period.

*If multiple customer trouble reports are correlated to a common cause, a single customer trouble report will be generated at the common cause/circuit and will be measured against the maintenance SLA measurements (provided the close code disposition is not excluded in the business rules). Multiple reports associated with a common cause will only be reported once and counted as a single incident (occurrence) in the (SA-7) metric. For example, if a Point-to-Point OC-12 fails, the Company does not take customer trouble reports on the thousands of potential lower level circuits nor are each of the lower level services outages included in the company's maintenance measures including (SA-7). In the case where a valid customer trouble report is linked to the same common cause of a previously resolved customer trouble report, the new customer trouble report will be considered a new occurrence and will be included in the (SA-7) metric.

Note 1: All material on this page is new.

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25.29 Contract Tariff – No. 026 (Cont'd)[1] (N)

25.29.2 General Regulations (Cont'd)

(A) Service Level Agreement (Cont'd)

(3) Performance Metrics Definitions (Cont'd)

(g) SA-7: Repeat Trouble Report Rate (Cont'd)

- Exclusions: Trouble tickets that are canceled at the customer's request; CPE (Customer Premises Equipment), or other customer caused troubles; Company trouble reports associated with administrative service; subsequent trouble reports – defined as those cases where a customer called to check on the status of an existing open trouble ticket; excludes informational tickets.

- Performance Evaluation: If regional DS1 or DS3 performance exceeds its performance objective, the difference between the stated objective and the actual regional performance will be determined. This result, multiplied by the base of applicable measured trouble reports in Full Service Relief MSAs, will yield the number of performance defect occurrences eligible for rebate.

Note 1: All Material on this page is new.

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25.29 Contract Tariff – No. 026 (Cont'd)[1] (N)

25.29.2 General Regulations (Cont'd)

(A) Service Level Agreement (Cont'd)

(4) Customer Obligations

In order to receive the performance remedies specified in this SLA, the customer agrees to the following conditions:

(a) The customer shall maintain existing electronic system interfaces and processes for Access Service Request (ASR) initiation and trouble reporting.

(b) The customer shall submit ASRs by 3:00 p.m. EST in order for the ASR to be processed the same business day. ASRs received after 3:00 p.m. EST shall be processed and considered received on the next business day.

Note 1: All material on this page is new.

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25.29 Contract Tariff – No. 026 (Cont'd)[1] (N)

25.29.2 General Regulations (Cont'd)

(A) Service Level Agreement (Cont'd)

(5) Company Obligations

(a) Should the Company fail to perform to the performance objectives provided in this SLA, the performance remedies set forth in 25.29.2(B)(1) through (4), following, shall apply pursuant to the customer meeting the obligations set forth in 25.29.2(A)(4), preceding.

(b) The Company will calculate performance metrics on a monthly basis. The Company will calculate performance remedies using monthly reporting period results, provided sufficient ordering, provisioning, and maintenance volumes are incurred during the monthly reporting period. If insufficient ordering, provisioning, and maintenance volumes are incurred during the monthly reporting period, monthly results will be aggregated to calculate and evaluate quarterly performance metrics and remedies.

Sufficient ordering, provisioning, and maintenance volumes are as follows:

- SA-1: If customer-ordering ASR and ASR supplement volumes per class of service are greater than 30 ASRs per month, then remedy evaluation will be assessed on monthly performance metric results, otherwise remedy evaluation will be based on aggregate quarterly results.
- SA-2, SA-3, SA-4: If customer-provisioning volumes per class of service are greater than 30 circuits per month, then remedy evaluation will be assessed on monthly performance metric results, otherwise remedy evaluation will be based on aggregate quarterly results.
- SA-5, SA-7: If customer's measured trouble ticket volumes per class of service are greater than 30 troubles per month, then remedy evaluation will be assessed on monthly performance metric results, otherwise remedy evaluation will be based on aggregate quarterly results.

(c) The Company will sum the credits for each missed performance metric to get each month's total monthly credits. At the end of each contract term year, the Company will total each month's credits and apply the credits to the customer's account at the end of each year, 45 days in arrears.

Note 1: All material on this page is new.

25.29 Contract Tariff – No. 026 (Cont'd)[1] (N)

25.29.2 General Regulations (Cont'd)

(B) Service Level Agreement - Charts (Cont'd)

(1) Performance Metrics – Ordering Elements

Chart A below provides the services, objectives, and remedies for each performance metric. The DS1 and DS3 services specified in Chart A below are set forth in 25.29.2(A)(1), preceding.

CHART A

Performance Metrics and Services	Performance Objectives	Performance Rebate (Per Occurrence)
SA-1 FOC RECEIPT		
DS1 Services (within 2 business days)	> = 92.5%	$0
	< 92.5%	$50
DS3 Services (within 5 business days)	> = 90%	$0
	< 90%	$50

Note 1: All material on this page is new.

ACCESS SERVICE

25 – Contract Tariffs (Cont'd)

25.29 Contract Tariff – No. 026 (Cont'd)[1] (N)

25.29.2 General Regulations (Cont'd)

(B) Service Level Agreement - Charts (Cont'd)

(2) Performance Metrics – Provisioning Elements

Chart B below provides the services, objectives, and remedies for each performance metric. The DS1 and DS3 services specified in Chart B below are set forth in 25.29.2(A)(1), preceding.

CHART B

Performance Metrics and Services	Performance Objectives	Performance Rebate (Per Occurrence)
SA-2 ON TIME FOC DUE DATE PERFORMANCE		
DS1 and DS3 Services (with customer not ready considerations)	(See SIG)	(SIG in Section 2.4.9 of this Tariff)
SA-3: PAST DUE CIRCUITS		
DS1 and DS3 Services (> 5 days beyond FOC Due Date for Company reasons)	< = 3%	$0
	> 3%	$200 (DS1) $2,650 (DS3)

Note 1: All material on this page is new.

****

25.29 Contract Tariff – No. 026 (Cont'd)[1] (N)

25.29.2 General Regulations (Cont'd)

(B) Service Level Agreement - Charts (Cont'd)

(3) Performance Metrics – Provisioning Elements

Chart C below provides the services, objectives, and remedies for each performance metric. The DS1 and DS3 services specified in Chart C below are set forth in 25.29.2(A)(1), preceding.

CHART C

Performance Metrics and Services	Performance Objectives	Performance Rebate (Per Occurrence)
SA-4 NEW INSTALLATION TROUBLE REPORT RATE		
DS1 Services	< = 5%	$0
	> 5%	$200
DS3 Services	< = 2%	$0
	> 2%	$2,650

Note 1: All material on this page is new.

25.29 Contract Tariff – No. 026 (Cont'd)[1] (N)

25.29.2 General Regulations (Cont'd)

(B) Service Level Agreement - Charts (Cont'd)

(4) Chart D below provides the services, objectives, and remedies for each performance metric. The DS1 and DS3 services specified in Chart D below are set forth in 25.29.2(A)(1), preceding.

CHART D

Performance Metrics and Services	Performance Objectives	Performance Rebate (Per Occurrence)
SA-5 FAILURE RATE		
DS1 Services	< = 2.6%	$0
	> 2.6%	$200
DS3 Services	< = 1.3%	$0
	> 1.3%	$2,650
SA-6 MEAN TIME TO RESTORE		
DS1 Services	0% < = 3.5 hrs	$0
	0% > 3.5 hr duration	$200
DS3 Services	0% ≤ 3.0 hr duration	$0
	0% > 3.0 hr duration	$2,650

Note 1: All material on this page is new.

****

25.29 Contract Tariff – No. 026 (Cont'd)[1] (N)

25.29.2 General Regulations (Cont'd)

(B) Service Level Agreement - Charts (Cont'd)

(5) Performance Metrics – Provisioning Elements

Chart E below provides the services, objectives, and remedies for each performance metric. The DS1 and DS3 services specified in Chart E below are set forth in 25.29.2(A)(1), preceding.

CHART E

Performance Metrics and Services	Performance Objectives	Performance Rebate (Per Occurrence)
SA-7 REPEAT TROUBLE REPORT RATE		
DS1 Services	< =19%	$0
	> 19%	$200
DS3 Services	< = 8%	$0
	> 8%	$2,650

Note 1: All material on this page is new.

25.29 Contract Tariff – No. 026[1] (N)

25.29.3 Revenue Volumes and Incentives

(A) Annual Total Billed Revenue (TBR) Volumes and Incentives

Tables 1 and 2 below provide the Minimum Revenue Commitments and reward percentages for Revenue Bands 1 and 2 for each contract term year. The Tables also provide the reward percentages if revenues fall below the minimum commitments.

TABLE 1

Revenue Band 1 ($3 – $10 Million)	Minimum Revenue Commitment*	Less Than Minimum Revenue Commitment
Year 1	$9,000,000	--
% Reward	3.00%	
Year 2	> $9,180,000	< $9,180,000
% Reward	3.25%	2.00%
Year 3	> $9,455,400	< $9,455,400
% Reward	3.25%	2.00%

*Or Qualifying TBR

TABLE 2

Revenue Band 2 ($10 - $100 Million)	Minimum Revenue Commitment*	Less Than Minimum Revenue Commitment
Year 1	$10,000,000	--
% Reward	5.00%	
Year 2	> $10,200,000	< $10,200,000
% Reward	5.25%	4.00%
Year 3	> $10,506,000	< $10,506,000
% Reward	5.25%	4.00%

*Or Qualifying TBR

Note 1: All material on this page is new.

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EXHIBIT D

ACCESS SERVICE

CHECK SHEET

Title page 1 and pages 1 to 41-5 inclusive of this tariff are effective as of the date shown. Original and revised pages as named below and Supplement Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 33, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58 and 59 contain all changes from the original tariff that are in effect on the date hereof.

Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated
Title 1	10th	3	Original	36	7th
1	890th*	4	2nd	37	7th
1.1	140th	5	Original	38	7th
1.2	241st	6	Original	39	4th
1.3	63rd	7	2nd	39.1	19th
1.4	86th	8	3rd	40	13th
1.5	144th	9	3rd	41	14th
1.6	98th	10	6th	42	1st
1.7	88th	11	7th	43	1st
1.7.1	Original	12	3rd	44	1st
1.8	65th	13	3rd	1-1	3rd
1.8.1	Original	14	1st	2-1	3rd
1.9	59th	15	5th	2-2	13th
1.9.1	6th	16	2nd	2-3	22nd
1.10	104th	17	Original	2-4	10th
1.10.1	33rd	18	18th	2-5	9th
1.11	142nd	19	15th	2-6	32nd
1.11.1	20th	20	6th	2-7	9th
1.12	63rd	20.1	12th	2-8	8th
1.13	88th	20.2	2nd	2-9	Original
1.13.1	25th	20.3	4th	2-10	Original
1.14	85th	21	Original	2-11	Original
1.15	41st	22	1st	2-12	Original
1.16	46th	23	1st	2-13	1st
1.16.1	14th	24	6th	2-14	3rd
1.17	60th	25	1st	2-15	Original
1.18	46th	26	3rd	2-16	Original
1.19	45th	27	2nd	2-17	5th
1.20	24th	28	1st	2-18	1st
1.20.1	6th	29	Original	2-19	1st
1.20.2	5th	30	2nd	2-20	10th
1.20.3	6th	31	1st	2-21	10th
1.20.4	9th	31.1	8th	2-22	5th
1.21	38th	31.2	4th	2-23	Original
1.22	39th	31.3	9th	2-24	2nd
1.23	54th	31.4	4th	2-25	Original
1.23.1	4th	31.5	3rd	2-26	Original
1.24	31st	31.6	17th	2-27	Original
1.24.1	3rd	31.7	7th	2-28	Original
1.25	12th	31.8	17th	2-29	Original
1.26	46th	31.9	19th*	2-30	Original
1.27	8th	32	8th	2-31	Original
1.28	8th	33	4th	2-32	Original
1.29	22nd	34	11th	2-33	Original
1.30	11th*	35	9th	2-34	Original
2	Original				

*New or Revised Page.

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CHECK SHEET (Cont'd)

Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated
41-354	Original	41-394	Original*	43-10	2nd
41-355	Original	41-395	Original*	43-11	1st
41-356	Original	41-396	Original*	43-12	1st
41-357	Original	41-397	Original*	43-13	1st
41-358	Original	41-398	Original*	43-14	1st
41-359	Original	41-399	Original*	43-15	1st
41-360	Original	41-400	Original*	43-16	1st
41-361	Original	41-401	Original*	43-17	1st
41-362	Original	41-402	Original*	44-1	2nd
41-363	Original	41-403	Original*	44-2	Original
41-364	Original	41-404	Original*	44-3	Original
41-365	Original	41-405	Original*	44-4	Original
41-366	Original	41-406	Original*	44-5	1st
41-367	Original	41-407	Original*	44-6	Original
41-368	Original	41-408	Original*	44-7	Original
41-369	Original	41-409	Original*	44-8	Original
41-370	Original	41-410	Original*	44-9	Original
41-371	Original	41-411	Original*	44-10	Original
41-372	Original	41-412	Original*	44-11	Original
41-373	Original	41-413	Original*	44-12	1st
41-374	Original	41-414	Original*	44-13	1st
41-375	Original	41-415	Original*	44-14	1st
41-376	Original	41-416	Original*	44-19	1st
41-377	Original	41-417	Original*	44-20	2nd
41-378	Original	41-418	Original*	44-21	1st
41-379	Original	41-419	Original*	44-22	1st
41-380	Original	41-420	Original*	44-23	1st
41-381	Original	41-421	Original*	44-15	1st
41-382	Original	42-1	1st	44-16	Original
41-383	Original	42-2	Original	44-17	1st
41-384	Original	42-3	Original	44-18	Original
41-385	Original	43-1	2nd		
41-386	Original	43-2	1st		
41-387	Original	43-3	1st		
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41-389	Original	43-5	1st		
41-390	Original	43-6	1st		
41-391	Original	43-7	1st		
41-392	Original*	43-8	Original		
41-393	Original*	43-9	1st		

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(N)

41. Pricing Flexibility Contract Offerings

41.48 Contract Offer No. 48 - Special Access Service Offer

41.48.1 General Description (N)

(Nx)

Special Access Service Offer (Contract Offer No. 48) is an access discount pricing plan for which subscription is required in the following Access Tariffs: Ameritech Operating Companies (Ameritech) Tariff F.C.C. No. 2, Pacific Bell Telephone Company Tariff F.C.C. No. 1, Southwestern Bell Telephone Company Tariff F.C.C. No. 73, and The Southern New England Telephone Company Tariff F.C.C. No. 39. Contract Offer No. 48 is available to any Customer with at least $26.5 million in cumulative annual recurring revenue for Contributory Services as defined herein. The Customer must meet the Eligibility Criteria set forth in Section 41.48.2 and also must comply with all terms and conditions of this Contract Offer.

Contract Offer No. 48 requires the Customer to maintain a Minimum Annual Revenue Commitment (MARC)for each year of the five (5) year Term Period as defined in Section 41.48.3(A). The MARC shall include all Contributory Services purchased from the Telephone Company or its affiliates available under this Contract Offer. Contributory Services include Contributory Subject Services as described in Section 41.48.2(C), herein, in addition to the following Contributory Non-Subject Services (that are not Contributory Subject Services): OPT-E-MAN, ATM, Frame Relay and the following InterLATA services: DS0, DS1, DS3, OC3, OC12, OC48, and OC192. Contributory Services that are Non-Subject Services shall not be eligible for discounts or other incentives provided under this Contract Offer. All Contributory Services described above must be purchased through the SBC wholesale sales channel (SBC Industry Markets). Any ATM, Frame Relay or InterLATA Contributory Services shall be provided pursuant to agreements and/or contracts. Such agreements and/or contracts shall be available for review at the website established to make public any agreements for these services. Customers may reference: https://www.sbcprimeaccess.com/shell.cfm?section=2501 (Nx)

(N)

In the event the Customer does not meet its MARC as of each Anniversary Date of the Term Period, the Customer must remit the shortfall payment via the Annual True-Up process set forth in Section 41.48.4(D). Notwithstanding the obligation to pay such shortfall payment, if the Customer does not comply with all terms and conditions of this Contract Offer (exclusive of terms and conditions of non-tariffed agreements referenced herein), termination liability charges in accordance with Section 41.48.9 shall apply.

Contract Offer No. 48 will only be available June 2, 2005 through July 2, 2005. (N)

(x)Issued under Authority of Special Permission No. 05-026 of F.C.C.

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

41.48 Contract Offer No. 48 - Special Access Service Offer (Cont'd)

41.48.2 Eligibility Criteria

(A) The Customer must meet the following Eligibility Criteria in order to subscribe to Contract Offer No. 48, and must continue to meet the Eligibility Criteria as described below throughout the Term Period of this Contract Offer:

(1) Contract Offer No. 48 is available for services located in the following pricing flexibility Metropolitan Statistical Areas (MSAs): Fayetteville, Fort Smith, Little Rock, AR; Kansas City, Topeka, Wichita, KS; Joplin, Kansas City, Springfield, St. Joseph, St. Louis, MO; Oklahoma City, Tulsa, OK; Abilene, Amarillo, Austin-San Marco, Beaumont, Brownsville-Harlingen, Corpus Christi, Dallas-Ft. Worth, El Paso, Houston, Lubbock, Midland, San Antonio, Waco, Wichita Falls, TX.

If the Telephone Company receives pricing flexibility relief in additional MSAs, any eligible Subject Services that the Telephone Company provides to the Customer pursuant to this Contract Offer available in those additional MSAs may, at the Customer's option, be included in this Contract Offer, beginning with the first year after the Telephone Company receives pricing flexibility in those additional MSAs; provided that the MARC increases to reflect the recurring annual revenues associated with the additional Contributory Subject Services, as described in Section 41.48.4. (N)

(Nx)

(2) The Customer's first and second year MARC shall be $26.5 million in cumulative annual recurring revenue for Contributory Services in the following SBC Companies: Ameritech Operating Companies (Ameritech), Pacific Bell Telephone Company, Southwestern Bell Telephone Company, and The Southern New England Telephone Company. Other Contributory Services may be provided by other SBC companies. (Nx)

(x) Issued under Authority of Special Permission No. 05-026 of F.C.C.

(N)

41. Pricing Flexibility Contract Offerings (Cont'd)

41.48 Contract Offer No. 48 - Special Access Service Offer (Cont'd)

41.48.2 Eligibility Criteria (Cont'd)

(A) (Cont'd)

(3) The Customer cannot subscribe to Contract Offer No. 48 concurrently with SBC's MVP Offering in Section 19;

(4) The Customer must maintain an Access Service Ratio, equal to or greater than 98%. The Access Service Ratio is defined in Section 41.48.3(E) and will be measured quarterly. (N)

(Nx)

(B) Concurrent Subscription
The Customer must concurrently subscribe to the identical Contract Offer of Contract Offer No. 48 pursuant to the following tariffs:

(1) Ameritech Operating Companies Tariff F.C.C No. 2, Section 22, Contract Offer No. 64.
(2) Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 33, Contract Offer No. 56.
(3) The Southern New England Telephone Company Tariff F.C.C. No. 39, Section 25, Contract Offer No. 16. (Nx)

(N)

(C) Contributory Subject Services
Contract Offer No. 48 applies to pricing-flexibility-qualified access services (hereafter referred to as Contributory Subject Services) contained in the following tariff sections:

(1) VG/DS0 Services - Southwestern Bell Tariff F.C.C. No. 73, Sections 7.3.6.4 (G), 7.3.10 (F) for Phase I MSAs, and Sections 39.5.2.3, 39.5.2.7 (A) for Phase II MSAs;
(2) DS1/DS3 Service - Southwestern Bell Tariff F.C.C. No. 73, Sections 7.3.10 (F), 7.3.9(F) for Phase I MSAs and Sections 39.5.2.7, 39.5.2.6 for Phase II MSAs;
(3) OC3/OC3c; OC12/OC12C/OC48/OC48c/OC192 Service - Southwestern Bell Tariff F.C.C. No. 73, Sections 7.3.10(A), 7.3.10(B), 7.3.10(C) and 7.3.10(D) for Phase I MSAs and Sections 40.3(A), 40.3(B), 40.3(C) and 40.3(D) for Phase II MSAs;
(4) OC3/OC12/OC48/OC192 Dedicated Ring Service - Southwestern Bell Tariff F.C.C. No. 73, Sections 29.4 for Phase I MSAs, and Section 39.5.2.15 for Phase II MSAs.

(N)

(x) Issued under Authority of Special Permission No. 05-026 of F.C.C.

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

41.48 Contract Offer No. 48 - Special Access Service Offer (Cont'd)

41.48.2 Eligibility Criteria (Cont'd)

(C) Contributory Subject Services (Cont'd)

(5) Gigabit Ethernet Metropolitan Area Network (GigaMAN) Service - Southwestern Bell Tariff F.C.C. No. 73, Section 7.3.12 for Phase I MSAs and Section 39.5.2.18 for Phase II MSAs.

(6) Multi-service Optical Network (MON) Ring Service - Southwestern Bell Tariff F.C.C. No. 73, Sections 11.4 (A),(B),(C) for Phase I MSAs and Section 39.5.2.19 for Phase II MSAs.

All Terms and Conditions for the Contributory Subject Services listed above are governed by their respective tariff sections except as noted herein. Annual recurring revenue generated from these services will be used in the MARC calculations defined in Section 41.48.4. Only the Contributory Subject Services listed above are eligible for the discounts provided under this Contract Offer. If, during the Term Period of this Contract Offer, additional services become eligible for pricing flexibility, those additional services may, at the Customer's option, be included among the Contributory Subject Services eligible under this Contract Offer, beginning with the first year after the additional services become eligible for pricing flexibility, provided that the MARC increases to reflect the recurring annual revenues associated with the additional Contributory Subject Services, as described in Section 41.48.4.

41.48.3 Terms and Conditions

(A) Term Period

The contract term (Term Period) is five (5) years commencing on the date the Customer executes a Letter of Subscription (LOS). The Anniversary Date shall be based on the date of the executed LOS. Contract Offer No. 48 is not renewable.

Contributory Subject Services to which the Customer already subscribes as of the commencement of the Term Period, or any additional Contributory Subject Services included in this Contract Offer after commencement of the Term Period in accordance with the terms and conditions set forth herein, must be converted to five (5) year term payment plans (where available), in order to receive discounts pursuant to this Contract Offer. (N)

(N)

41. Pricing Flexibility Contract Offerings (Cont'd)

41.48 Contract Offer No. 48 - Special Access Service Offer (Cont'd)

41.48.3 Terms and Conditions (Cont'd)

(A) Term Period (Cont'd)

If the five (5) year term payment plan is not available for certain Contributory Subject Services, the Customer must select from the longest term plan available for the Contributory Subject Service. Customer may select from any year term payment plan for purchases of new Contributory Subject Services after the commencement of the Term Period of this Contract Offer. Services are subject to certain rates, charges, and general Terms and Conditions in other sections of F.C.C. Tariff No. 73, 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.

(B) Contract Offer No. 48 is only available for subscription June 2, 2005 through July 2, 2005

(C) The Customer must submit a completed LOS to the Telephone Company

(D) The Customer must subscribe to this Contract Offer in accordance with the regulations set forth in Southwestern Bell Tariff F.C.C. No. 73, Section 5 - Ordering Options for Switched Access and Special Access Services.

(E) Access Service Ratio

As referenced in Section 41.48.2(A)(4), the Customer and its subsidiaries must maintain an Access Service Ratio of 98% or greater. The Customer must not migrate any Contributory Services to or from any affiliates in a manner that would affect its obligations under this provision. The ratio, calculated quarterly, is the Access Revenue divided by Access Revenue plus Wholesale Revenue. To maintain compliance with this Contract Offer, the ratio must be greater than or equal to 98%. The 98% ratio is calculated as follows:

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

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

(N)

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

41.48 Contract Offer No. 48 - Special Access Service Offer (Cont'd)

41.48.3 Terms and Conditions (Cont'd)

(E) Access Service Ratio (Cont'd)

TABLE A:

Service	General/Basic Description
Voice Grade	7.3.4 (A)
Base Rate (DS0), DS1 and DS3 Services	7.3.10
OCN PTP	40.3
GigaMAN	7.3.12
Dedicated Ring Service	29.4
MON Ring	11.1

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

TABLE B:

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

(N)

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(N)

41. Pricing Flexibility Contract Offerings (Cont'd)

41.48 Contract Offer No. 48 - Special Access Service Offer (Cont'd)

41.48.3 Terms and Conditions (Cont'd)

(E) 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 quarter of the term, upon notification from the Telephone Company, the Customer has ten (10) business days to notify the Telephone Company in writing that it will meet or exceed the 98% Access Services Ratio within 60 days. Failure to achieve compliance in 60 days will constitute a default and the Telephone Company shall have the right to terminate this Contract Offer, unless the Customer has acted in good faith to achieve compliance and the Customer's failure to achieve compliance within 60 days is caused by delay attributable to the Telephone Company. In the event of a termination by the Telephone Company, termination liability charges will apply as set forth in Section 41.48.9.

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

(F) The Customer may not subscribe to any future Contract Offerings in Section 41 in conjunction with this Contract Offer or that might be offered by the Telephone Company for Subject Services covered under this Contract Offer unless expressly permitted in the future Contract Offer.

(G) The Customer must pay billed charges in full throughout the Term Period of this Contract Offer, excluding amounts being disputed. The Telephone Company will exhaust its remedies under Section 2.5.3 of FCC Tariff No. 73 before exercising any remedy under this section. The Telephone Company will provide Customer written notice (via registered letter to Customer's General Counsel) of non-compliance.

(N)

(N)

41. Pricing Flexibility Contract Offerings (Cont'd)

41.48 Contract Offer No. 48 - Special Access Service Offer (Cont'd)

41.48.3 Terms and Conditions (Cont'd)

(G) (Cont'd)

The Customer will have thirty (30) days from receipt of the written notice to comply, which may be extended by mutual agreement of the parties to allow the Parties to attempt to resolve any disputes. During this thirty (30) day period or a period to be mutually agreed upon by the Parties, the Parties will cooperate in good faith to attempt to resolve any pending disputes. If, after the Parties have exhausted attempts to resolve any pending disputes or have resolved disputes and the Customer does not comply with the written notice of non-compliance, the Telephone Company shall have the right to terminate this Contract Offer. In the event of termination by the Telephone Company, termination liability charges as set forth in Section 41.48.9 will apply. Credits will not be issued until the Customer has paid all billed charges (excluding disputes). Any disputed billing amounts that have been resolved in favor of the Telephone Company are due and payable as described in Section 2.5.3.

(H) The Customer will continue to receive the benefit of rate stability for any Contributory Subject Services currently under a term plan with the Telephone Company that provides for rate stability.

41.48.4 Minimum Annual Revenue Commitment (MARC)

(A) Calculation of the MARC

The Customer must establish and maintain a MARC as provided in this Contract Offer. The MARC for the first and second year of the Term Period (Years 1 and 2) will be established when the Telephone Company receives the LOS from the Customer. For purposes of calculating the MARC for Year 1, recurring annual revenue for all Contributory Services shall be included in the calculation based on the rates that would apply to the Contributory Subject Services for a five-year minimum term, regardless of whether the Subject Services were actually purchased pursuant to a five-year term at the time of the Customer's subscription to this Contract Offer. Recurring annual revenue for Contributory Services that are not Contributory Subject Services shall be included in the calculation based on the actual rates applicable to those Contributory Services at the time of calculation.

(N)

41. Pricing Flexibility Contract Offerings (Cont'd)

(N)

41.48 Contract Offer No. 48 - Special Access Service Offer (Cont'd)

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

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

The Customer's MARC for Year 1 shall be $26.5 Million, or four times the Customer's monthly recurring revenue for Contributory Services during the three months immediately preceding the receipt of the signed LOS, whichever is greater. The Customer's Year 2 MARC will be equal to the Year 1 MARC.

The MARC will be re-established, effective on the Anniversary Date, beginning on the second anniversary (the beginning of Year 3). The MARC for Year 3 and subsequent years will be based on the Customer's actual monthly recurring revenue for all Contributory Services during the previous 3 months multiplied by 4, or the then-current MARC, whichever is greater.

Example 1:
The contract tariff date is May 1, 2005. The MARC for Year 2 is $26.5M. The Customer's actual revenue to Telephone Company from February 1, 2007 to April 30, 2007 is $8M. The new Year 3 MARC, effective May 1, 2007, is $32M ($8M multiplied by 4 equals $32M.)

Example 2:
The contract tariff date is May 1, 2005. The MARC for Year 2 is $26.5M. The Customer's actual revenue to Telephone Company from February 1, 2007 to April 30, 2007 is $6M. The new Year 3 MARC, effective May 1, 2007, is $26.5M. (The $26.5M MARC is due to the fact that the MARC recalculation cannot result in a MARC lower than the current MARC.)

If the Telephone Company receives additional pricing flexibility relief for MSAs that are not listed in Section 41.48.2, or if additional Contributory Subject Services that are not listed in Section 41.48.2 become eligible for pricing flexibility, the additional MSAs or Contributory Subject Services may be included, at the Customer's option, in this Contract Offer beginning with the first year after the additional MSAs or Contributory Subject Services became eligible for pricing flexibility. Upon Customer's written notification to the Telephone Company of their intent to exercise this option, the Telephone Company will recalculate the MARC to incorporate the recurring annual revenues from those MSAs or Subject Services and will include those revenues in the calculations described herein. (N)

41. Pricing Flexibility Contract Offerings (Cont'd)

41.48 Contract Offer No. 48 - Special Access Service Offer (Cont'd) (N)

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

(B) Inclusion of Additional Contributory Services

Not withstanding anything to the contrary herein, the Customer may, at its option, include in this Contract Offer any Contributory Services being provided to the Customer by the Telephone Company as of the date the Customer subscribes to this Contract Offer, but which are then being provided to the Customer according to a tariff or contract other than this Contract Offer, provided, however, that the MARC must be increased to reflect the recurring annual revenues associated with the additional Contributory Services, as provided in Section 41.48.4. (N) If any additional Contributory Services are ATM, Frame Relay or InterLATA services, (Nx) those additional Contributory Services shall be provided pursuant to an agreement and/or contract which shall be available for review at the following web site: https://www.sbcprimeaccess.com/shell.cfm?section=2501.

Example: (Nx)
Year 1 MARC = $26.5M (N)
If during Year 1, the Customer wishes to include $2M of annual spend currently purchased from the Telephone Company under another tariff or contract, and if those services qualify as Contributory Services, then the new Year 1 MARC is $28.5M.

(C) MARC Adjustments

(1) The Customer shall have the right to adjust the MARC downward by up to 10%. This adjustment can only be made one time during the Term Period at anytime after the first 24 months of the Term Period (beginning with the establishment of the Year 3 MARC). To exercise this option, the Customer must notify the Telephone Company, in writing, at least 60 days prior to the Anniversary Date.

(2) The MARC adjustment shall apply prospectively only. If the Customer exercises this option, reduced discounts (as specified in Table D Section 41.48.5 (B)) will apply for the remainder of the Term Period and certain provisions of the Contract Offer will no longer apply as provided in Section 41.48.5(B). Also, if the Customer exercises this option, any MARC adjustments associated with SLA penalties offered in Section 41.48.5 shall not apply for the remaining years of the Term Period.

(x) Issued under Authority of Special Permission No. 05-026 of F.C.C. (N)

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

41.48 Contract Offer No. 48 - Special Access Service Offer (Cont'd)

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

(C) MARC Adjustments (Cont'd)

(2) (Cont'd)
If the Customer uses the MARC adjustment option in conjunction with any of the Merger and Acquisition options outlined in Section 41.48.7, reduced discounts will remain for the life of the Term Period, and discounts previously received during that contract year will not be re-rated provided the Eligibility Criteria in Section 41.48.2 and Terms and Conditions in Section 41.48.3 have been met prior to the MARC adjustment, and certain provisions will no longer apply as detailed in Section 41.48.5(B).

(3) The MARC will be adjusted automatically pursuant to SLA measurement guidelines specified in Section 41.48.5, unless the MARC adjustment option discussed in Section 41.48.4.C.1 is exercised.

(D) Failure to Achieve the MARC

The Customer and Telephone Company agree to exchange information quarterly, and meet quarterly, if necessary, to review the Customer's progress toward achieving the MARC for the term year and Telephone Company's progress on SLA targets. The Customer and Telephone Company agree that they will meet in the ninth month of each term year to discuss and address, if necessary, compliance with the Terms and Conditions of the Contract Offer prior to the Anniversary Date.

If the Customer fails to achieve the annual MARC commitment as of the Anniversary Date of each year of the Term Period, the Customer will be notified by the Telephone Company.

The Customer must remit an Annual True-Up payment, the amount of which will be calculated as the difference between the annual MARC for the current term year and the actual recurring annual revenue for the Contributory Services during that term year.

If the Telephone Company does not receive the Annual True-Up amount within 30 days of the Customer's receipt of its notification, the Customer shall be deemed to have terminated this Contract Offer and termination liability charges will apply as set forth in Section 41.48.9. (N)

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

41.48 Contract Offer No. 48 - Special Access Service Offer (Cont'd)

41.48.5 Discounts and Other Credits

(A) Discount Schedule and Application

(1) Table C contains the level of discounts for this Contract Offer 48.

TABLE C:

Year	MARC Discount	Discount on Recurring Revenue above the MARC
1	0%	0%
2	5%	5%
3	10%	10%
4	11%	11%
5	12%	12%

Example for Year 2:
Customer's MARC = $26.5M
Customer's annual recurring revenues for Contributory Services = $32M
Customer's annual recurring revenues for Subject Services = $30M
Customer will receive a 5% discount on $30M (issued annually in accordance with subsection (2)

(2) The Customer will receive the 0%, 5%, 10%, 11%, or 12% discount (depending on the year outlined in Table C) on annual recurring revenues for Contributory Subject Services, provided that the Customer meets or exceeds the MARC. The discount will be applied no later than 60 days after each Anniversary Date. Recurring revenue generated from Subject Services that were not included in this Contract Offer at the time of subscription are not eligible for discounts under this Contract Offer unless and until those Contributory Subject Services have been added to this Contract Offer pursuant to Section 41.48.2, Section 41.48.4 Section 41.48.7 or Section 41.48.8.

(B) MARC Adjustments - Discount Schedule and Application

Table D outlines discounts that the Customer will be eligible to receive following a MARC adjustment option pursuant to Section 41.48.4 (C)

(N)

41. Pricing Flexibility Contract Offerings (Cont'd)

(N)

41.48 Contract Offer No. 48 - Special Access Service Offer (Cont'd)

41.48.5 Discounts and Other Credits (Cont'd)

(B) MARC Adjustments - Discount Schedule and Application (Cont'd)

TABLE D

	MARC Discount	Above MARC Discount, if available
MARC Adjustment	Year 3 - 4% Year 4 - 5% Year 5 - 6%	Year 3 - 4% Year 4 - 5% Year 5 - 6%

Following a MARC adjustment, above the MARC discounts are available only if, during any year, the MARC for that year is equal to or greater than the MARC in effect immediately prior to the adjustment.

Example
The Customer's Year 3 MARC is $30M (calculated as revenue from the last quarter in Year 2 x 4). On the Anniversary Date at the beginning of Year 4, the Customer's Year 3 annual recurring revenue for Contributory Services is $25M. The Customer elects to invoke the MARC adjustment option and adjust the MARC downward by 10%. The Customer's Year 4 recalculated MARC is therefore $27M = ($30M x 90%). The Customer must make an Annual True-Up payment for Year 3 in the amount of $5M. If the Customer fails to make the True-Up payment, the Customer will be in default and termination liabilities will apply. Under this scenario, the Customer will not become eligible for the above the MARC discounts provided in table D, above, until the Customer's MARC in a subsequent year equals or exceeds $30M.

(C) Non-Recurring Charges

The Telephone Company will waive installation Non-recurring charges (NRCs) associated with the purchase of Contributory Subject Services pursuant to this Contract Offer. In the event that the installation NRCs are billed by the Telephone Company, the Customer will receive credits for these charges on a quarterly basis.

In order to receive credits for installation NRCs, the Customer must be in compliance with all terms and conditions of this Contract Offer. Additionally, if the Customer fails to meet the MARC on an Anniversary Date pursuant to Section 41.48.4 (A) and/or fails to pay the Annual True-Up as defined in Section 41.48.4 (D), termination liability charges will apply as set forth in Section 41.48.9. (N)

41. Pricing Flexibility Contract Offerings (Cont'd)

(N)

41.48 Contract Offer No. 48 - Special Access Service Offer (Cont'd)

41.48.5 Discounts and Other Credits (Cont'd)

(C) Non-Recurring Charges (Cont'd)

The Customer must pay all other applicable non-recurring charges, including but not limited to rearrangement charges, special construction charges, access order charges, cancellation charges and Access Order Modification charges as described in Southwestern Bell F.C.C. No. 73, Section 5.3 for Subject Services pursuant to this Contract Offer.

(D) Portability

The Telephone Company will waive termination liability charges for moves and/or disconnection of Contributory Subject Services. In the event that termination liability charges for any such moves and/or disconnections are billed by the Telephone Company, the Customer will receive credits for these charges on a quarterly basis. In order to receive credits or a waiver of termination liability charges for such moves and/or disconnects, the following conditions must be met:

(1) The Customer must be in compliance with all terms and conditions of this Contract Offer.

(2) The Customer shall be permitted to move and/or disconnect Contributory Subject Services from any of the identical Contract Offers, as described in Section 41.48.2.B.

(3) DS1 Services must have been in service for a minimum of one (1) month from the original installation date.

(4) DS3, OC-3 and OC-12 Point to Point Services must have been in service for a minimum of one (1) year from the original installation date.

(5) OC48 Point To Point, OC192 Point to Point and GigaMAN Services must have been in service for a minimum of three (3) years from the original installation date

(6) If, and to the extent that OPT-E-MAN becomes eligible for pricing flexibility, OPT-E-MAN may, at the Customer's option, become a Contributory Subject Service included in this Contract Offer. If so, such OPT-E-MAN service shall be eligible for portability provided that, for each OPT-E-MAN circuit to be ported:

(N)

41. Pricing Flexibility Contract Offerings (Cont'd)

(N)

41.48. Contract Offer No. 48 - Special Access Service Offer (Cont'd)

41.48.5 Discounts and Other Credits (Cont'd)

(D) Portability (Cont'd)

(6) (Cont'd)

(a) facilities necessary to provide OPT-E-MAN, as specified in F.C.C. No. 73, Section 43, exist at the end user location in which the circuit is being moved; and
(b) the circuit has been in service for a minimum of one (1) year from the original installation date.

If the Customer fails to meet the MARC on a contract anniversary date pursuant to Section 41.48.4 (A) and/or fails to pay the Annual True-Up as defined in Section 41.48.4 (D), termination liability charges will apply as set forth in Section 41.48.9.

(E) Service Level Assurance (SLA) Performance

Customer will be eligible for additional credits and/or MARC adjustments based upon the quality of service delivered by the Telephone Company during the Term Period of this Contract Offer. Pursuant to this Contract Offer, SLA credits and MARC adjustments will apply in the event the Telephone Company's SLA service performance level objectives are not met.

SLA performance targets are established for a twelve (12) month interval commencing with the subscription date of this Contract Offer.

The service performance targets will be based on the following four (4) measured service components:

(1) Percent Network Availability: The percent of the time all DS1, DS3 and OCN circuits are in service compared to the total expected availability during the reporting period factoring in both failure frequency and time to repair.

(2) Mean Time To Repair (MTTR) of DS1 circuits: The average time it takes the Telephone Company to repair all of the Customer's DS1 circuits during the reporting period.

(3) Mean Time To Repair (MTTR) of DS3 and OCN circuits: The average time it takes the Telephone Company to repair all of the Customer's DS3 and OCN circuits during the reporting period.

(N)

41. Pricing Flexibility Contract Offerings (Cont'd)

(N)

41.48 Contract Offer No. 48 - Special Access Service Offer (Cont'd)

41.48.5 Discounts and Other Credits (Cont'd)

(E) Service Level Assurance (SLA) Performance (Cont'd)

(4) On Time Delivery - Due Date: Calculated by dividing the number of Customer requests for new service and rearrangements of existing service that were missed for Telephone Company reasons by the total number of new service requests and rearrangements of existing service completed during the reporting period. The date used to determine whether or not the service request was missed is the service confirmation date provided on the Firm Order Confirmation (FOC). This measurement will apply to all of the Customer's DS1, DS3 and OCN services.

Table E outlines the SLA performance targets for each measured service in each contract year.

Table E

Measured Service	**Year 1 Target**	**Year 2 Target**	**Year 3 Target**	**Year 4 Target**	**Year 5 Target**
% Network Availability (DS1-OCN)	99.93%	99.96%	99.96%	99.99%	99.99%
MTTR (DS1 only)	4:45	4:30	4:30	4:15	4:15
MTTR (DS3 & OCN)	3:15	3:15	3:00	3:00	3:00
On Time Delivery - Due Date (DS1-OCN)	96.00%	96.50%	96.500%	97.00%	97.00%

(F) SLA Performance Penalties

At the conclusion of each Anniversary Date, the 12-month averages based on Telephone Company's provided results for each measured service will be compared to its corresponding target in Table E. For each measurement that is not achieved by the Telephone Company, the Customer will be eligible to receive credits as outlined in subsection (1) and MARC adjustments as outlined in subsection (2).

(1) The Customer will be eligible for the following credit amounts, as set forth in Table F. For each measurement that is not achieved by the Telephone Company after each Anniversary Date, credits will be paid into a Telephone Company account held on the Customer's behalf.

(N)

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

41.48 Contract Offer No. 48 - Special Access Service Offer (Cont'd)

41.48.5 Discounts and Other Credits (Cont'd)

(F) SLA Performance Penalties (Cont'd)

(1) (Cont'd)

Immediately following the Customer's subscription to this Contract Offer, the Telephone Company will establish a holding account with an initial balance of $300,000. The initial balance of the holding account represents the total, aggregate amount that the Customer will be eligible to receive across the regions identified in Section 41.48.2 (B) of this Contract Offer. The credit account will be applied for the purpose of improving service delivery and performance. The Customer and Telephone Company will cooperate in good faith to identify and plan appropriate service and/or service performance projects, which shall be planned and completed as Special Construction. The Telephone Company will follow the Special Construction guidelines provided in F.C.C. Tariff No. 69 for work performed pursuant to this provision, including standard time and materials rates, and shall be subject to any applicable additional charges for expediting or overtime. Work performed pursuant to this provision shall be credited to a designated BAN of the Customer's choice. The amount will be deducted from the SLA credit holding account. After the first Anniversary Date, the Telephone Company will annually add to the holding account the credit amount due to the Customer for each SLA measurement not met.

The Customer and the Telephone Company will work together to create a project schedule designed to ensure that projects are completed by the Telephone Company prior to the end of each term year.

The initial balance must be used within the first 12 months following the receipt of a signed LOS. Any amount remaining from the initial balance will not be allowed to carry over to Year 2 and will be forfeited. Any credit due to the Customer at the end of term Year 5, will be available to the Customer in the holding account for the 12-month period subsequent to the end of the Term Period. Annual SLA performance credits must be used within the year after the credits were issued, and cannot be rolled over into the following year. (N)

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

41.48 Contract Offer No. 48 - Special Access Service Offer (Cont'd)

41.48.5 Discounts and Other Credits (Cont'd)

(F) SLA Performance Penalties (Cont'd)

(1) (Cont'd)

Any amounts left over, after the year following the issuance of the credits, will be forfeited provided, however, that projects on the project schedule that are not completed at the end of the term year can be completed in the subsequent year and any allocated amounts associated with that project shall not be debited from the following year's holding account balance. If the Telephone Company fails to complete an agreed upon project on the project schedule at any time during the Term Period, the amount allocated for that project shall be carried over until the agreed upon project has been completed.

Table F

Service Quality Measure	**Annual Credit if SLA Target not Met**
% Network Availability (DS1-OCN)	$100,000
MTTR (DS1 only)	$100,000
MTTR (DS3 & OCN)	$100,000
On Time Delivery - Due Date (DS1-OCN)	$100,000

The credits in Table F are the total, aggregate amounts that the Customer will be eligible to receive across the five regions identified in Section 41.48.2.B of this Contract Offer.

(2) The Customer will be eligible for the following MARC adjustments in Table G for each measurement that is not achieved by the Telephone Company at each Anniversary Date. However, if the Customer exercises the MARC adjustment option specified in Section 41.48.4, the MARC adjustments in Table G will not apply in the year that the MARC adjustment option is exercised and for the remaining years of the contract. (N)

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

41.48 Contract Offer No. 48 - Special Access Service Offer (Cont'd)

41.48.5 Discounts and Other Credits (Cont'd)

(F) SLA Performance Penalties (Cont'd)

(2) (Cont'd)

Table G

Service Quality Measure	**Year in which Adjustment Applies**	**MARC Adjustment**
% Network Availability (DS1-OCN)	2	Decrease ½ %
MTTR (DS1 only)	2	Decrease ½ %
MTTR (DS3 & OCN)	2	Decrease ½ %
On Time Delivery - Due Date (DS1-OCN)	2	Decrease ½ %
% Network Availability (DS1-OCN)	3, 4 or 5	Decrease 1%
MTTR (DS1 only)	3, 4, or 5	Decrease 1%
MTTR (DS3 & OCN)	3, 4, or 5	Decrease 1%
On Time Delivery - Due Date (DS1-OCN)	3, 4, or 5	Decrease 1%

Example:
The percent decrease will be applied to the recalculated annual MARC. For example, the Customer's Year 4 MARC is set for $33M [(previous 3 months billing at end of Year 3) X 4]. The Telephone Company achieved 1 out of the 4 measurements in Year 3. The Year 4 MARC is then recalculated and set at $32.01M ($33M X 97%).

41.48.6 Assignment and Transfer

Subject to the provisions set forth in section 41.48.7 regarding mergers and acquisitions, if the Customer wishes to assign or transfer its use of services under this Contract Offer No. 48, pursuant to F.C.C. No. 73, 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. 73, Section 2.1.2, unless: (N)

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

41.48 Contract Offer No. 48 - Special Access Service Offer (Cont'd)

41.48.6 Assignment and Transfer (Cont'd)

(1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or (2) if the proposed assignee or transferee or its parent company has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

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

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

41.48.7 Mergers and Acquisitions Involving the Customer

(A) The Terms and Conditions of Contract Offer No. 48 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 Contributory Services from the Telephone Company, either directly or through any affiliates, then billed, recurring revenue for Contributory Services of the other company involved in the merger or acquisition will not be used in calculations of the MARC as discussed in Section 41.48.4 (A) or calculations to achieve the MARC discussed in Section 41.48.4 (B) or in the calculation of the Access Service Ratio discussed in Section 41.48.3(E), except as permitted by one of the provisions in this subsection. (N)

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

41.48 Contract Offer No. 48 - Special Access Service Offer (Cont'd)

41.48.7 Mergers and Acquisitions Involving the Customer (Cont'd)

(A) (Cont'd)

(1) The Customer must be meeting MARC commitments and all Eligibility Criteria and Terms and Conditions outlined in Sections 41.48.2 and 41.48.3 in order to exercise the provisions under this subsection.

(2) Recurring revenue from Contributory Services from the other entity involved in the merger or acquisition cannot be applied to, or eligible for, any incentives or discounts contained in this Contract Offer, except as expressly permitted by one of the provisions herein.

(3) The Customer shall have four options (per merger or acquisition) to incorporate revenue from the other company or companies involved in the merger or acquisition. The Customer may elect only one of those options with respect to any particular merger or acquisition. If the Customer does not exercise any of those options in the manner provided herein, the Customer will not be permitted to use existing or future Special Access revenues from the other company or companies involved in the merger or acquisition in the Calculation of the MARC or Calculations to Achieve the MARC discussed in Section 41.48.4 (A) & (B), nor will such revenues be eligible for any discounts provided under this Contract Offer, nor will the Telephone Company apply existing or future Special Access or Wholesale Service revenues from the other company or companies in calculating the Access Service Ratio in Section 41.48.3(E).

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

(5) If the Customer has selected, but not yet fully implemented, one of the options provided herein, the MARC, and any MARC adjustment calculation as provided in Section 41.48.4, will apply only to the Customer's original (pre-merger or acquisition) MARC and will not include revenue from the other company involved in the merger or acquisition. (N)

41. Pricing Flexibility Contract Offerings (Cont'd)

(N)

41.48 Contract Offer No. 48 - Special Access Service Offer (Cont'd)

41.48.7 Mergers and Acquisitions Involving the Customer (Cont'd)

(A) (Cont'd)

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

(7) The Télephone Company will calculate the actual recurring annual revenue of the other company involved in the merger or acquisition on the date the Customer selects one of the provisions in this subsection in the same manner such revenue would be calculated for purposes of performing the annual recalculation of the MARC under this Contract Offer. Until the Customer has fully implemented one of the provisions in this subsection, the Customer will not be eligible to earn the above the MARC discounts discussed in Section 41.48.5 (A)(2) of this Contract Offer for revenue from the other company involved in the merger or acquisition. After the Customer has fully implemented one of the provisions in this subsection, the Customer will be eligible for above the MARC discounts provided in Section 41.48.5(A)(2) for recurring annual revenue above the new combined MARC.

(B) Mergers and Acquisitions Affecting Access Service Ratio

(1) If the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or certain assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company and inclusion of the recurring revenue from Contributory Services from the other company or companies involved in the merger or acquisition into this Contract Offer will cause the Customer to fall below Access Services Ratio Terms and Conditions as defined in Section 41.48.3 (E), the Customer must select from Option 1 or 2 of this Section 41.48.7(B), below, to incorporate any recurring annual revenues from the other company involved in the merger or acquisition into this Contract Offer.

(2) The Customer must fully conform to Access Service Ratio within 18 months of the Transaction Close Date and must comply with the Access Conversion Schedule provided in Table H.

(N)

41. Pricing Flexibility Contract Offerings (Cont'd)

(N)

41.48 Contract Offer No. 48 - Special Access Service Offer (Cont'd)

41.48.7 Mergers and Acquisitions Involving the Customer (Cont'd)

(B) Mergers and Acquisitions Affecting Access Service Ratio (Cont'd)

(2) (Cont'd)
As long as the Customer is in compliance with the Access Conversion Schedule and the Customer's existing revenue complies with the Access Services Ratio, as provided in Section 41.48.3(E), MARC discounts will continue to apply and the Customer shall not be considered out of compliance with the Access Services Ratio Terms and Conditions as defined in Section 41.48.3(E).

(3) If, at any time the Customer does not comply with the Access Conversion Schedule provided in Table H, MARC discounts will be withheld and the Telephone Company will notify the Customer of non-compliance. The Customer will then have 60 days to comply with the Access Conversion Schedule. If the Customer does not comply within 60 days, this Contract Offer shall be deemed to be in default, and the Telephone Company shall have the right to terminate this Contract Offer. Upon such termination, termination liability charges will apply as provided in Section 41.48.9. Notwithstanding the foregoing, if the Telephone Company is primarily responsible for a delay in the Access Conversion Schedule, MARC discounts will continue to apply, the Customer shall not be considered out of compliance with the Access Services Ratio Terms and Conditions as defined in Section 41.48.3(E), and this Contract Offer will not be considered in default, provided, however, that each party shall exercise best efforts to comply.

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

Table H: Access Conversion Schedule

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

(N)

(This page filed under Transmittal No. 3068)

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

41.48 Contract Offer No. 48 - Special Access Service Offer (Cont'd)

41.48.7 Mergers and Acquisitions Involving the Customer (Cont'd)

(B) Mergers and Acquisitions Affecting Access Service Ratio (Cont'd)

(3) (Cont'd)

(a) Option 1

(i) The Customer must establish a temporary combined MARC by adding to the Customer's then current MARC at least 85%, but not more than 100% (at the Customer's option), of all recurring annual revenue for Contributory Services from the other company involved in the merger or acquisition, for a period not to exceed 18 months from the Transaction Close Date. Recurring annual revenue for Contributory Services shall be calculated in a manner consistent with the annual recalculation of the MARC under this Contract Offer.

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

(iii) This option is not available in Year 5 of the Term Period.

(iv) A permanent combined MARC will be established no later than 18 months following the transaction Close Date using the following calculation, based on a calculation of the Customer's combined recurring annual revenue.

(a) The calculation of the Customer's combined annual recurring revenue shall include all Contributory Services for the combined company resulting from the merger or acquisition. The calculation of the Customer's combined permanent MARC shall be performed in the same manner as the annual MARC calculations provided in Section 41.48.4(A), above. Following the calculation of the combined permanent MARC, the MARC shall be recalculated for each year remaining in the Term Period, and the MARC-related terms and conditions of this Contract Offer shall be applied to the combined company, in the same manner as would otherwise apply under this Contract Offer. (N)

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

41.48 Contract Offer No. 48 - Special Access Service Offer (Cont'd)

41.48.7 Mergers and Acquisitions Involving the Customer (Cont'd)

(B) Mergers and Acquisitions Affecting Access Service Ratio (Cont'd)

(3) (Cont'd)

(a) Option 1 (Cont'd)

(iv) (Cont'd)

(b) Notwithstanding anything to the contrary in this Contract Offer, the permanent combined MARC must be at least 85% of temporary combined MARC as defined in Section 41.48.7.C.(1)(a)

(b) Option 2

(i) The Customer shall establish a combined MARC by adding to the Customer's then-current MARC at least 85%, but not more than 100% (at the Customer's option), of all recurring annual revenue for Contributory Services from the other company involved in the merger or acquisition. Recurring annual revenue for Contributory Services shall be calculated in a manner consistent with the annual recalculation of the MARC under this Contract Offer.

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

(iii) This option is not available in Year 5 of the Term Period.

(C) Mergers and Acquisitions not Affecting Access Service Ratio

If the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or certain assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company and inclusion of recurring revenue from Subject Services from the other company or companies involved in the merger or acquisition into this Contract Offer will not cause the Customer to fall below Access Services Ratio Terms and Conditions as defined in Section 41.48.3 (E), the Customer must select from Option 3 or 4 of this Section 41.48.7(C) to incorporate into this Contract Offer any recurring annual revenues from the other company involved in the merger or acquisition. (N)

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

41.48 Contract Offer No. 48 - Special Access Service Offer (Cont'd)

41.48.7 Mergers and Acquisitions Involving the Customer (Cont'd)

(C) Mergers and Acquisitions not Affecting Access Service Ratio (Cont'd)

(1) Option 3

(a) The Customer shall establish a temporary combined MARC by adding at least 85%, but no more than 100% (at Customer's option), of all recurring annual revenue for Contributory Services from the other company involved in the merger or acquisition, for a period not to exceed 12 months from the Transaction Close Date. Recurring annual revenue for Contributory Services shall be calculated in a manner consistent with the annual calculation of the MARC under this Contract Offer.

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

(c) This option is not available during Year 5 of the Term Period.

(d) A permanent combined MARC will be established no later than 12 months following the Transaction Close Date, based on a calculation of the Customer's combined recurring annual revenue.

(i) The calculation of the Customer's combined annual recurring revenue shall include all Contributory Services for the combined company resulting from the merger or acquisition. The calculation of the Customer's combined permanent MARC shall be performed in the same manner as the annual MARC calculations provided in Section 41.48.4(A), above. Following the calculation of the combined permanent MARC, the MARC shall be recalculated for each year remaining in the Term Period, and the MARC-related terms and conditions of this Contract Offer shall be applied to the combined company, in the same manner as would otherwise apply under this Contract Offer.

(ii) Notwithstanding anything to the contrary in this Contract Offer, the permanent combined MARC must be at least 85% of temporary combined MARC as defined in Section 41.48.7(C)(1)(a). (N)

41. Pricing Flexibility Contract Offerings (Cont'd)

(N)

41.48 Contract Offer No. 48 - Special Access Service Offer (Cont'd)

41.48.7 Mergers and Acquisitions Involving the Customer (Cont'd)

(C) Mergers and Acquisitions not Affecting Access Service Ratio (Cont'd)

(2) Option 4

(a) The Customer shall establish a combined MARC by adding to the Customer's then-current MARC at least 85%, but not more than 100% (at the Customer's option), of all recurring annual revenue for Contributory Services from the other company involved in the merger or acquisition. Recurring annual revenue for Contributory Services shall be calculated in a manner consistent with the annual calculation of the MARC under this Contract Offer.

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

(c) This option is not available in Year 5 of the Term Period.

41.48.8 Merger or Acquisition Involving the Telephone Company

In the event that the Telephone Company, or the corporate parent of the Telephone Company, or any affiliate of the Telephone Company or its corporate parent, in whole or in part, merges with, acquires, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition), and the Customer purchases special access services from the other company, then the following terms and conditions will apply:

(A) If the Customer purchases any interstate special access services from the merged or acquired company, and such special access services are or become eligible for pricing flexibility, the Customer may include those special access services in this Contract Offer, subject to any terms or conditions of any contracts or tariffs pursuant to which the Customer is purchasing such special access services prior to the merger or acquisition, including any terms or conditions regarding termination liability. If the Customer chooses to include the services subject to the merger or acquisition in this Contract Offer, they shall become Contributory Subject Services within the meaning of this Contract Offer at the time they are included in this Contract Offer. At the time such Contributory Subject Services are included in this Contract Offer, the MARC shall be recalculated, including both the recurring annual (N)

(This page filed under Transmittal No. 3068)

41. Pricing Flexibility Contract Offerings (Cont'd)

(N)

41.48 Contract Offer No. 48 - Special Access Service Offer (Cont'd)

41.48.8 Merger or Acquisition Involving the Telephone Company (Cont'd)

(A) (Cont'd)
revenues of the Contributory Services provided to the Customer prior to the merger or acquisition, and the recurring annual revenues of the additional Contributory Subject Services previously provided by the merged or acquired Company.

(B) The Customer must notify the Telephone Company in writing, within 120 days of the Transaction Close Date, of any Contributory Services from the merged or acquired company that Customer wishes to include in this Contract Offer. Discounts and credits specified in Section 41.48.5 will not apply to services from the merged or acquired company until the MARC has been recalculated to reflect the additional Contributory Services included in this Contract Offer as a result of the merger or acquisition. The MARC recalculation to include these services will occur at the Customer's next Anniversary Date following receipt of the Customer's written notice described above.

41.48.9 Termination Liability

(A) Termination Liability Charges
Termination liability language described below applies in lieu of the termination liability language described in Southwestern Bell Tariff F.C.C. No. 73, Sections 7, 11 and 29. If the Customer terminates Contract Offer No. 48 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 41.48.2, or fails to meet any of the Terms and Conditions in Section 41.48.3, 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. 48, and termination liability charges will apply as stated below and will be payable pursuant to F.C.C. No. 73, Section 2.5. (N)

41. Pricing Flexibility Contract Offerings (Cont'd)

(N)

41.48 Contract Offer No. 48 - Special Access Service Offer (Cont'd)

41.48.9 Termination Liability (Cont'd)

(A) Termination Liability Charges (Cont'd)

The Customer's termination liability charge shall be equal to the following :

If the Customer terminates the Contract Offer prior to the expiration of a term year, 100% of all Discounts (including non-recurring charges and early termination charges) received under Contract Offer No. 48 for the preceding six (6) months immediately prior to the date of termination, plus the following schedule:

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

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

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

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

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

(B) New Technology Termination

If the Customer wishes to move its services to new alternative technology (such as Broadband over power lines, Wi-MAX, DWDM, or optical switching technologies), the Customer shall qualify to reduce the MARC termination liability charges as detailed above by 50% in Year 4 and/or 5 of this Contract Offer as long as the conditions in this subsection are met. 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 41.48.2 and all Terms and Conditions in Section 41.48.3 are met. The Customer must provide documentation that reasonably demonstrates that the new technology is an alternative to existing Subject Services and that the rates, terms and conditions for the new technology are more favorable to the Customer than the rates, terms and conditions provided under this Contract Offering.

(N)

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

41.48 Contract Offer No. 48 - Special Access Service Offer (Cont'd)

41.48.9 Termination Liability (Cont'd)

(B) New Technology Termination (Cont'd)

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

The Customer must notify the Telephone Company in writing at least 90 days prior to the start of Year 4 if the Customer wishes to terminate in Year 4 and invoke this provision or at least 90 days prior to the start of Year 5 if the Customer wishes to terminate in Year 5 and invoke this provision. This notification must include the date upon which the Customer will terminate the Contract Offer. Additionally, this provision is only available to the Customer if it has not exercised the 10% MARC adjustment option as detailed in Section 41.48.4 (C).

(C) New Special Access Service Offerings

If the Telephone Company makes available one or more new special access service offerings capable of substituting for the Subject Services provided under this Contract Offer, the Customer will be permitted to enter into a new contract offer or other contract or tariff arrangement to purchase the new service offerings from the Telephone Company, in substitution for the Subject Services provided under this Contract offer, without incurring termination liability under this Contract Offer, provided however, that the Customer's contract offer or other contract or tariff governing the new service offerings must include a term period and revenue commitment that are the same as, or greater than, this Contract Offer.

(D) This Section 41.48.9 sets forth the sole and exclusive remedies for termination of this Contract Offer No. 48, except for charges due and payable for Contributory Services rendered prior to the date of termination and any non-recurring charges and/or termination liability charges that may become due and payable in accordance with Sections 41.48.9. (N)

ACCESS SERVICE
CHECK SHEET

Title pages 1 and 2 and pages 1 to 846 inclusive of this tariff are effective as of the date shown. Original and revised pages as named below and Supplement No. 336 contain all changes from the original tariff that are in effect on the date hereof.

Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated
Title 1	2nd	8.1	5th	20.2	3rd
Title 2	9th	9	22nd	21	3rd
1	1335th*	9.1	1st	22	Original
1.1	317th	10	25th	23	3rd
1.2	271st	10.1	11th	24	1st
1.3	285th	10.2	8th	25	1st
1.4	229th	11	4th	26	3rd
1.5	207th	12	10th	27	8th
1.6	184th	13	5th	28	11th
1.7	124th	13.1	6th	28.1	5th
1.8	104th	13.2	10th	29	Original
1.9	133rd	13.3	10th	30	Original
1.10	46th	13.4	19th	31	Original
1.11	61st	13.5	25th*	32	Original
1.12	21st	13.6	2nd	33	Original
1.13	15th	14	3rd	34	4th
1.14	22nd	15	16th	34.1	1st
1.15	34th	15.1	10th	35	5th
1.15.1	1st	15.2	1st	35.1	1st
1.16	37th	16	12th	36	8th
1.17	21st	16.1	11th	36.1	6th
1.18	30th	16.1.1	Original	37	13th
1.19	17th*	16.2	8th	37.1	4th
2	3rd	16.3	1st	37.2	6th
3	8th	16.4	2nd	37.3	5th
3.1	12th	16.5	Original	37.4	1st
4	14th	16.6	3rd	37.5	2nd
4.1	9th	16.7	3rd	38	9th
5	18th	17	1st	38.1	11th
5.1	19th	18	6th	38.2	6th
5.2	4th	19	27th	38.2.1	3rd
6	5th	19.1	12th	38.3	4th
6.1	5th	19.2	15th	38.4	4th
6.2	3rd	19.3	8th		
7	6th	19.4	1st		
7.1	3rd	20	10th		
8	15th	20.1	5th		

* New or Revised Page

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22-469	Original	22-526	Original	24-13	Original		
22-470	Original	22-527	Original	24-14	1st		
22-471	Original	22-528	Original	24-15	1st		
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22-474	Original	22-531	Original*	25-1	1st		
22-475	Original	22-532	Original*	25-2	Original		
22-476	Original	22-533	Original*	25-3	Original		
22-477	Original	22-534	Original*	25-4	Original		
22-478	Original	22-535	Original*	25-5	Original		
22-479	Original	22-536	Original*	25-6	Original		
22-480	Original	22-537	Original*	25-7	Original		
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22-487	Original	22-544	Original*	25-14	Original		
22-488	Original	22-545	Original*	25-15	Original		
22-489	Original	22-546	Original*	25-16	Original		
22-490	Original	22-547	Original*	25-17	1st		
22-491	Original	22-548	Original*	25-18	Original		
22-492	Original	22-549	Original*	25-19	1st		
22-493	Original	22-550	Original*	25-20	Original		
22-494	Original	22-551	Original*	25-21	Original		
22-495	Original	22-552	Original*	25-22	1st		
22-496	Original	23-1	Original				
22-497	Original	23-2	1st				
22-498	Original	23-3	1st				
22-499	Original	23-4	Original				
22-500	Original	23-5	Original				
22-501	Original	23-6	Original				
22-502	Original	23-7	Original				
22-503	Original	23-8	Original				
22-504	Original	23-9	Original				
22-505	Original	23-10	Original				
22-506	Original	23-11	1st				
22-507	Original	23-12	Original				
22-508	Original	23-13	Original				
22-509	Original	23-14	Original				
22-510	Original	23-15	1st				
22-511	Original	23-16	Original				
22-512	Original	23-17	1st				
22-513	Original	23-18	Original				
22-514	Original	24-1	2nd				
22-515	Original	24-2	1st				
22-516	Original	24-3	1st				
22-517	Original	24-4	2nd				
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* New or Revised Page

ACCESS SERVICE

22. Pricing Flexibility Contract Offerings (N)

22.64 Contract Offer No. 64 – Special Access Service Offer

22.64.1 General Description (N)

(Nx)

Special Access Service Offer (Contract Offer No. 64) is an access discount pricing plan for which subscription is required in the following Access Tariffs: Ameritech Operating Companies (Ameritech) Tariff F.C.C. No. 2, Pacific Bell Telephone Company Tariff F.C.C. No. 1, Southwestern Bell Telephone Company Tariff F.C.C. No. 73, and The Southern New England Telephone Company Tariff F.C.C. No. 39. Contract Offer No. 64 is available to any Customer with at least $26.5 million in cumulative annual recurring revenue for Contributory Services as defined herein. The Customer must meet the Eligibility Criteria set forth in Section 22.64.2 and also must comply with all Terms and Conditions of this Contract Offer.

Contract Offer No. 64 requires the Customer to maintain a Minimum Annual Revenue Commitment (MARC) for each year of the five (5) year Term Period as defined in Section 22.64.4(A). The MARC shall include all Contributory Services purchased from the Telephone Company or its affiliates available under this Contract Offer. Contributory Services include Contributory Subject Services, as described in Section 22.64.2(C), herein, in addition to the following Contributory Non-Subject Services (that are not Contributory Subject Services): OPT-E-MAN, ATM, Frame Relay and the following InterLATA services: DS0, DS1, DS3, OC3, OC12, OC48, and OC192. Contributory Services that are Non-Subject Services shall not be eligible for discounts or other incentives provided under this Contract Offer. All Contributory Services described above must be purchased through the SBC wholesale sales channel (SBC Industry Markets). Any ATM, Frame Relay or InterLATA Contributory services shall be provided pursuant to agreements and/or contracts. Such agreements and/or contracts shall be available for review at the website established to make public any agreements for these services. Customers may reference https://www.sbcprimeaccess.com/shell.cfm?section=2501.

(Nx)

In the event the Customer does not meet its MARC as of each Anniversary Date of the Term Period, the Customer must remit the shortfall payment via the Annual True-Up process set forth in Section 22.64.4(D). Notwithstanding the obligation to pay such shortfall payment, if the Customer does not comply with all terms and conditions of this Contract Offer (exclusive of terms and conditions of non-tariffed agreements referenced herein), termination liability charges, in accordance with Section 22.64.9, shall apply. Contract Offer No. 64 will only be available June 2, 2005 through July 2, 2005. (N)

22.64.2 Eligibility Criteria

(A) The Customer must meet the following Eligibility Criteria in order to subscribe to Contract Offer No. 64, and must continue to meet the Eligibility Criteria as described below throughout the Term Period of this Contract Offer:

(1) Contract Offer No. 64 is available for services located in the following pricing flexibility Metropolitan Statistical Areas (MSAs):
- Champaign-Urbana, Chicago, IL;
- Davenport/Rock Island/Moline, Decatur, Peroria/Pekin, Rockford, Springfield, St Louis, IL;
- Anderson, Bloomington, Evansville-Henderson, Indianapolis, Kokomo, Louisville, Muncie, South Bends, IN;
- Battle Creek, Detroit Ann Arbor, Flint, Grand Rapids, Kalamazoo, Lansing, Saginaw-Bay City-Midland, MI;
- Akron, Cleveland-Lorain-Elyria, Columbus, Dayton, Toledo, OH;
- Appleton/Oshkosh/Neenah, Eau Claire, Green Bay, Janesville, Kenosha, Madison, Milwaukee-Waukesha, Racine, Sheboygan, WI. (N)

(x) Issued under Authority of Special Permission No. 05-026 F.C.C.

(This page filed under Transmittal No. 1477)

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

22.64. Contract Offer No. 64 – Special Access Service Offer (Cont'd)

22.64. 2 Eligibility Criteria (Cont'd)

(A) (Cont'd)

If the Telephone Company receives pricing flexibility relief in additional MSAs, any eligible Subject Services that the Telephone Company provides to the Customer pursuant to this Contract Offer available in those additional MSAs may, at the Customer's option, be included in this Contract Offer, beginning with the first year after the Telephone Company receives pricing flexibility in those additional MSAs; provided that the MARC increases to reflect the recurring annual revenues associated with the additional Contributory Subject Services, as described in Section 22.64.4; (N)

(2) The Customer's first and second year MARC shall be \$26.5 million in cumulative annual recurring revenue for Contributory Services in the following SBC Companies: Ameritech Operating Companies (Ameritech), Pacific Bell Telephone Company, Southwestern Bell Telephone Company, and The Southern New England Telephone Company. Other Contributory Services may be provided by other SBC companies; (Nx)

(3) Customer cannot subscribe to Contract Offer No. 64 concurrently with SBC's MVP Offering in Section 19; and (N)

(4) The Customer must maintain an Access Service Ratio, equal to or greater than 98%. The Access Service Ratio is defined in Section 22.64.3(E) and will be measured quarterly. (N)

(B) Concurrent Subscription (Nx)

The Customer must concurrently subscribe to the identical Contract Offer of Contract Offer No. 64 pursuant to the following tariffs:
(1) Southwestern Bell Telephone Company Tariff F.C.C No. 73, Section 41, Contract Offer No. 48;
(2) Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 33, Contract Offer No .56. and
(3) The Southern New England Telephone Company Tariff F.C.C. No. 39, Section 25, Contract Offer No. 16. (Nx)

(C) Contributory Subject Services (N)
Contract Offer No. 64 applies to pricing-flexibility-qualified access services (hereafter referred to as Contributory Subject Services) contained in the following tariff sections:

(1) VG/DS0 Services – Ameritech Tariff F.C.C. No. 2, Sections 7.5.15, 7.5.9 (A) for Phase I MSAs, and Sections 21.5.2.3, 21.5.2.7 (A) for Phase II MSAs;
(2) DS1/DS3 Service - Ameritech Tariff F.C.C. No. 2, Sections 7.5.9 (B), 7.5.9(C) for Phase I MSAs and Section 21.5.2.7 (B), 21.5.2.7 (C) for Phase II MSAs;
(3) OC3/OC3c; OC12/OC12C/OC48/OC48c/OC192 Service – Ameritech Tariff F.C.C. No. 2, Sections 7.5.10(A), 7.5.10(B), 7.5.10(C) and 7.5.10(D) for Phase I MSAs and Sections 21.5.2.8(A), 21.5.2.8(B), 21.5.2.8(C) and 21.5.2.8(D) for Phase II MSAs; (N)

(x) Issued under Authority of Special Permission No. 05-026 of F.C.C.

(N)

22. Pricing Flexibility Contract Offerings (Cont'd)

22.64. Contract Offer No. 64 – Special Access Service Offer (Cont'd)

22.64.2 Eligibility Criteria (Cont'd)

(C) Contributory Subject Services (Cont'd)

(4) OC3/OC12/OC48/OC192 Dedicated Ring Service – Ameritech Tariff F.C.C. No. 2, Sections 7.5.10 for Phase I MSAs, and Sections 21.5.2.9 for Phase II MSAs;
(5) SONET Xpress Service – Ameritech Tariff FCC No. 2, Section 7.5.12 for Phase IMSAs and Section 21.5.2.10 for Phase II MSAs;
(6) Gigabit Ethernet Metropolitan Area Network (GigaMAN) Service – Ameritech Tariff F.C.C. No. 2, Section 7.5.13 for Phase I MSAs and Section 21.5.2.16 for Phase II MSAs; and
(7) Multi-service Optical Network (MON) Ring Service – Ameritech Tariff F.C.C. No. 2, Section 23 for Phase I MSAs and Section 21.5.2.17 for Phase II MSAs.

All Terms and Conditions for the Contributory Subject Services listed above are governed by their respective tariff sections except as noted herein. Annual recurring revenue generated from these services will be used in the MARC calculations defined in Section 22.64.4. Only the Contributory Subject Services listed above are eligible for the discounts provided under this Contract Offer. If, during the Term Period of this Contract Offer, additional services become eligible for pricing flexibility, those additional services may, at the Customer's option, be included among the Contributory Subject Services eligible under this Contract Offer, beginning with the first year after the additional services become eligible for pricing flexibility, provided that the MARC increases to reflect the recurring annual revenues associated with the additional Contributory Subject Services, as described in Section 22.64.4.

22.64.3 Terms and Conditions

(A) Term Period

The contract term (Term Period) is five (5) years commencing on the date the Customer executes a Letter of Subscription (LOS). The Anniversary Date shall be based on the date of the executed LOS. Contract Offer No. 64 is not renewable.

Contributory Subject Services to which the Customer already subscribes as of the commencement of the Term Period, or any additional Contributory Subject Services included in this Contract Offer after commencement of the Term Period in accordance with the terms and conditions set forth herein, must be converted to five (5) year term payment plans (where available), in order to receive discounts pursuant to this Contract Offer. If the five (5) year term payment plan is not available for certain Contributory Subject Services, the Customer must select from the longest term plan available for the Contributory Subject Service. The Customer may select from any year term payment plan for purchases of new Contributory Subject Services after the commencement of the Term Period of this Contract Offer. Services are subject to certain rates, charges, and general Terms and Conditions in other sections of F.C.C. Tariff No. 2, as set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services. 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)

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

22.64. Contract Offer No. 64 – Special Access Service Offer (Cont'd)

22.64.3 Terms and Conditions (Cont'd)

(B) Contract Offer No. 64 is only available for subscription June 2, 2005 through July 2, 2005

(C) The Customer must submit a completed LOS to the Telephone Company

(D) The Customer must subscribe to this Contract Offer in accordance with the regulations set forth in Ameritech Tariff F.C.C. No. 2, Section 5 – Ordering Options for Switched Access and Special Access Services.

(E) Access Service Ratio

As referenced in Section 22.64.2(A)(4), the Customer and its subsidiaries must maintain an Access Service Ratio of 98% or greater. The Customer shall not migrate any Contributory Services to or from any affiliates in a manner that would affect its obligations under this provision. The ratio, calculated quarterly, is the Access Revenue divided by Access Revenue plus Wholesale Revenue. To maintain compliance with this Contract Offer, the ratio must be greater than or equal to 98%. The 98% ratio is calculated as follows:

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

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

TABLE A:

Service	General/Basic Description
Voice Grade	7.2.3
Base Rate (DS0), DS1 and DS3 Services	7.2.9
OCN PTP	7.2.10
GigaMAN	7.2.13
Dedicated Ring Service	7.2.11
MON Ring	23

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

(N)

22. Pricing Flexibility Contract Offerings (Cont'd)

22.64. Contract Offer No. 64 – Special Access Service Offer (Cont'd)

22.64.3 Terms and Conditions (Cont'd)

TABLE B:

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

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

(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.

(N)

(N)

22. Pricing Flexibility Contract Offerings (Cont'd)

22.64. Contract Offer No. 64 – Special Access Service Offer (Cont'd)

22.64.3 Terms and Conditions (Cont'd)

(5) If the Customer fails to meet the Access Service Ratio in any given quarter of the term, upon notification from the Telephone Company, the Customer has ten (10) business days to notify the Telephone Company in writing that it will meet or exceed the 98% Access Services Ratio within 60 days. Failure to achieve compliance in 60 days will constitute a default and the Telephone Company shall have the right to terminate this Contract Offer, unless the Customer has acted in good faith to achieve compliance and the Customer's failure to achieve compliance within 60 days is caused by delay attributable to the Telephone Company. In the event of a termination by the Telephone Company, termination liability charges will apply as set forth in Section 22.64.9.

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

(F) The Customer may not subscribe to any future Contract Offerings in Section 22 in conjunction with this Contract Offer or that might be offered by the Telephone Company for Subject Services covered under this Contract Offer unless expressly permitted in the future Contract Offer.

(G) The Customer must pay billed charges in full throughout the Term Period of this Contract Offer, excluding amounts being disputed. The Telephone Company will exhaust its remedies under Section 2.4.1 of F.C.C. Tariff No. 2 before exercising any remedy under this section. The Telephone Company will provide Customer written notice (via registered letter to Customer's General Counsel) of non-compliance. Customer will have thirty (30) days from receipt of the written notice to comply, which may be extended by mutual agreement of the parties to allow the Parties to attempt to resolve any disputes. During this thirty (30) day period or a period to be mutually agreed upon by the Parties, the Parties will cooperate in good faith to attempt to resolve any pending disputes. If, after the Parties have exhausted attempts to resolve any pending disputes or have resolved disputes and the Customer does not comply with the written notice of non-compliance, the Telephone Company shall have the right to terminate this Contract Offer. In the event of termination by the Telephone Company, termination liability charges as set forth in Section 22.64.9 will apply. Credits will not be issued until the Customer has paid all billed charges (excluding disputes). Any disputed billing amounts that have been resolved in favor of the Telephone Company are due and payable as described in Section 2.4.

(H) The Customer will continue to receive the benefit of rate stability for any Contributory Subject Services currently under a term plan with the Telephone Company that provides for rate stability.

(N)

(N)

22. Pricing Flexibility Contract Offerings (Cont'd)

22.64. Contract Offer No. 64 – Special Access Service Offer (Cont'd)

22.64.4 Minimum Annual Revenue Commitment (MARC)

(A) Calculation of the MARC

The Customer must establish and maintain a MARC as provided in this Contract Offer. The MARC for the first and second year of the Term Period (Years 1 and 2) will be established when the Telephone Company receives the LOS from the Customer. For purposes of calculating the MARC for Year 1, recurring annual revenue for all Contributory Services shall be included in the calculation based on the rates that would apply to the Contributory Subject Services for a five-year minimum term, regardless of whether the Subject Services were actually purchased pursuant to a five-year term at the time of the Customer's subscription to this Contract Offer. Recurring annual revenue for Contributory Services that are not Contributory Subject Services shall be included in the calculation based on the actual rates applicable to those Contributory Services at the time of calculation.

The Customer's MARC for Year 1 shall be $26.5 Million, or four times the Customer's monthly recurring revenue for Contributory Services during the three months immediately preceding the receipt of the signed LOS, whichever is greater. The Customer's Year 2 MARC will be equal to the Year 1 MARC.

The MARC will be re-established, effective on the Anniversary Dates, beginning on the second anniversary (the beginning of Year 3). The MARC for Year 3 and subsequent years will be based on the Customer's actual monthly recurring revenue for all Contributory Services during the previous 3 months multiplied by 4, or the then-current MARC, whichever is greater.

Example 1:
The Contract Tariff date is May 1, 2005. The MARC for Year 2 is $26.5M. The Customer's actual revenue to Telephone Company from February 1, 2007 to April 30, 2007 is $8M. The new Year 3 MARC, effective May 1, 2007, is $32M ($8M multiplied by 4 equals $32M.)

Example 2:
The Contract Tariff date is May 1, 2005. The MARC for Year 2 is $26.5M. The Customer's actual revenue to Telephone Company from February 1, 2007 to April 30, 2007 is $6M. The new Year 3 MARC, effective May 1, 2007, is $26.5M. (The $26.5M MARC is due to the fact that the MARC recalculation cannot result in a MARC lower than the current MARC.)

If the Telephone Company receives additional pricing flexibility relief for MSAs that are not listed in Section 22.64.2, or if additional Contributory Subject Services that are not listed in Section 22.64.2 become eligible for pricing flexibility, the additional MSAs or Contributory Subject Services may be included, at the Customer's option, in this Contract Offer, beginning with the first year after the additional MSAs or Contributory Subject Services became eligible for pricing flexibility. Upon Customer's written notification to the Telephone Company of their intent to exercise this option, the Telephone Company will recalculate the MARC to incorporate the recurring annual revenues from those MSAs or Subject Services and will include those revenues in the calculations described herein.

(N)

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

22.64. Contract Offer No. 64 – Special Access Service Offer (Cont'd)

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

(B) Inclusion of Additional Contributory Services (N)

Not withstanding anything to the contrary herein, the Customer may, at its option, include in this Contract Offer any Contributory Services being provided to the Customer by the Telephone Company, but which are being provided to the Customer according to a tariff or contract other than this Contract Offer, provided, however, that the MARC must be increased to reflect the recurring annual revenues associated with the additional Contributory Services, as provided in Section 22.64.4. If any additional Contributory Services are ATM, Frame Relay or InterLATA services, those additional Contributory Services shall be provided pursuant to an agreement and/or contract which shall be available for review at the following web site: https://www.sbcprimeaccess.com/shell.cfm?section=2501. (Nx)

(Nx)
(N)

Example
Year 1 MARC = $26.5M
If during Year 1, Customer wishes to include $2M of annual spend currently purchased from the Telephone Company under another tariff or contract and if those services qualify as Contributory Services, the new Year 1 MARC is $28.5M.

(C) MARC Adjustments

(1) The Customer shall have the right to adjust the MARC downward by up to 10%. This adjustment can only be made one time during the Term Period at anytime after the first 24 months of the Term Period (beginning with the establishment of the Year 3 MARC). To exercise this option, the Customer must notify the Telephone Company, in writing, at least 60 days prior to the Anniversary Date.

(2) The MARC adjustment shall apply prospectively only. If Customer exercises this option, reduced discounts (as specified in Table D Section 22.64.5 (B)) will apply for the remainder of the Term Period and certain provisions of the Contract Offer will no longer apply as provided in Section 22.64.5 (B). Also, if the Customer exercises this option, any MARC adjustments associated with SLA penalties offered in Section 22.64.5 shall not apply for the remaining years of the Term Period. If the Customer uses the MARC adjustment option in conjunction with any of the Merger and Acquisition options outlined in Section 22.64.7, reduced discounts will remain for the life of the Term Period, and discounts previously received during that contract year will not be re-rated, provided the Eligibility Criteria in Section 22.64.2 and Terms and Conditions in Section 22.64.3 have been met prior to the MARC adjustment, and certain provisions will no longer apply as detailed in Section 22.64.5(B).

(3) The MARC will be adjusted automatically pursuant to SLA measurement guidelines specified in Section 22.64.5, unless the MARC adjustment option discussed in Section 22.64.4 (C) (1) is exercised. (N)

(x) Issued under Authority of Special Permission No. 05-026 of F.C.C.

(N)

22. Pricing Flexibility Contract Offerings (Cont'd)

22.64. Contract Offer No. 64 – Special Access Service Offer (Cont'd)

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

(D) Failure to Achieve the MARC

The Customer and Telephone Company agree to exchange information quarterly, and meet quarterly if necessary, to review the Customer's progress toward achieving the MARC for the term year and Telephone Company's progress on SLA targets. The Customer and Telephone Company agree that they will meet in the ninth month of each term year to discuss and address, if necessary, compliance with the Terms and Conditions of the Contract Offer prior to the Anniversary Date.

If the Customer fails to achieve the annual MARC commitment as of the Anniversary Dates of each year of the Term Period, the Customer will be notified by the Telephone Company.

The Customer must remit an Annual True-Up payment, the amount of which will be calculated as the difference between the annual MARC for the current term year and the actual recurring annual revenue for the Contributory Services during that term year.

If the Telephone Company does not receive the Annual True-Up amount within 30 days of the Customer's receipt of its notification, the Customer shall be deemed to have terminated this Contract Offer, and termination liability charges will apply as set forth in Section 22.64.9.

22.64.5 Discounts and Other Credits

(A) Discount Schedule and Application

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

TABLE C:

Year	MARC Discount	Discount on Recurring Revenue above the MARC
1	0%	0%
2	5%	5%
3	10%	10%
4	11%	11%
5	12%	12%

Example for Year 2:

Customer's MARC = $26.5M
Customer's annual recurring revenues for Contributory Services = $32M
Customer's annual recurring revenues for Subject Services = $30M
Customer will receive a 5% discount on $30M (issued annually in accordance with subsection (2)

(N)

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

22.64. Contract Offer No. 64 – Special Access Service Offer (Cont'd)

22.64.5 Discounts and Other Credits (Cont'd)

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

(2) The Customer will receive the 0%, 5%, 10%, 11%, or 12% discount (depending on the year outlined in Table C) on annual recurring revenues for Contributory Subject Services, provided that the Customer meets or exceeds the MARC. The discount will be applied no later than 60 days after each Anniversary Date. Recurring revenue generated from Subject Services that were not included in this Contract Offer at the time of subscription are not eligible for discounts under this Contract Offer unless, and until, those Contributory Subject Services have been added to this Contract Offer pursuant to Section 22.64.2, Section 22.64.4 Section 22.64.7 or Section 22.64.8.

(B) MARC Adjustments - Discount Schedule and Application

Table D outlines discounts that the Customer will be eligible to receive following a MARC adjustment option pursuant to Section 22.64.4 (C)

TABLE D

	MARC Discount	Above MARC Discount, if available
MARC Adjustment	Year 3 – 4% Year 4 – 5% Year 5 – 6%	Year 3 – 4% Year 4 – 5% Year 5 – 6%

Following a MARC adjustment, above the MARC discounts are available only if, during any year, the MARC for that year is equal to or greater than the MARC in effect immediately prior to the adjustment.

Example
The Customer's Year 3 MARC is $30M (calculated as revenue from the last quarter in year 2 x 4). On the Anniversary Date at the beginning of Year 4, the Customer's Year 3 annual recurring revenue for Contributory Services is $25M. The Customer elects to invoke the MARC adjustment option and adjust the MARC downward by 10%. The Customer's Year 4 recalculated MARC is therefore $27M = ($30M x 90%). The Customer must make an Annual True-Up payment for Year 3 in the amount of $5M. If the Customer fails to make the True-Up payment, the Customer will be in default and termination liabilities will apply. Under this scenario, the Customer will not become eligible for the above the MARC discounts provided in table D, above, until the Customer's MARC in a subsequent year equals or exceeds $30M.

(N)

(N)

22. Pricing Flexibility Contract Offerings (Cont'd)

22.64. Contract Offer No. 64 – Special Access Service Offer (Cont'd)

22.64.5 Discounts and Other Credits (Cont'd)

(C) Non-Recurring Charges

The Telephone Company will waive installation Non-recurring charges (NRCs) associated with the purchase of Contributory Subject Services pursuant to this Contract Offer. In the event that the installation NRCs are billed by the Telephone Company, the Customer will receive credits for these charges on a quarterly basis.

In order to receive credits for installation NRCs, the Customer must be in compliance with all terms and conditions of this Contract Offer. Additionally, if the Customer fails to meet the MARC on an Anniversary Date pursuant to Section 22.64.4 (A) and/or fails to pay the Annual True-Up as defined in Section 22.64.4 (D), termination liability charges will apply as set forth in Section 22.64.9.

The Customer must pay all other applicable non-recurring charges, including, but not limited to, rearrangement charges, special construction charges, access order charges, cancellation charges and Access Order Modification charges as described in Ameritech F.C.C. No. 2.5.2.2 for Subject Services pursuant to this Contract Offer.

(D) Portability

The Telephone Company will waive termination liability charges for moves and/or disconnection of Contributory Subject Services. In the event that termination liability charges for any such moves and/or disconnections are billed by the Telephone Company, the Customer will receive credits for these charges on a quarterly basis. In order to receive credits or a waiver of termination liability charges for such moves and/or disconnects, the following conditions must be met:

(1) The Customer must be in compliance with all terms and conditions of this Contract Offer.

(2) The Customer shall be permitted to move and/or disconnect Contributory Subject Services from any of the identical Contract Offers, as described in Section 22.64.2 (B).

(3) DS1 Services must have been in service for a minimum of one (1) month from the original installation date.

(4) DS3, OC-3 and OC-12 Point to Point Services must have been in service for a minimum of one (1) year from the original installation date.

(5) OC48 Point To Point, OC192 Point to Point and GigaMAN Services must have been in service for a minimum of three (3) years from the original installation date.

(N)

(N)

22. Pricing Flexibility Contract Offerings (Cont'd)

22.64. Contract Offer No. 64– Special Access Service Offer (Cont'd)

22.64.5 Discounts and Other Credits (Cont'd)

(D) Portability (Cont'd)

(6) If, and to the extent that OPT-E-MAN becomes eligible for pricing flexibility, OPT-E-MAN may, at the Customer's option, become a Contributory Subject Service included in this Contract Offer. If so, such OPT-E-MAN service shall be eligible for portability provided that, for each OPT-E-MAN circuit to be ported:

(a) facilities necessary to provide OPT-E-MAN, as specified in F.C.C. No. 2, Section 24, exist at the end user location in which the circuit is being moved; and
(b) the circuit has been in service for a minimum of one (1) year from the original installation date.

If the Customer fails to meet the MARC on a contract Anniversary Date pursuant to Section 22.64.4 (A) and/or fails to pay the Annual True-Up as defined in Section 22.64.4 (D), termination liability charges will apply as set forth in Section 22.64.9.

(E) Service Level Assurance (SLA) Performance

Customer will be eligible for additional credits and/or MARC adjustments based upon the quality of service delivered by the Telephone Company during the Term Period of this Contract Offer. Pursuant to this Contract Offer, SLA credits and MARC adjustments will apply in the event the Telephone Company's SLA service performance level objectives are not met.

SLA performance targets are established for a twelve (12) month interval commencing with the subscription date of this Contract Offer.

The service performance targets will be based on the following four (4) measured service components:

(1) Percent Network Availability: The percent of the time all DS1, DS3 and OCN circuits are in service compared to the total expected availability during the reporting period factoring in both failure frequency and time to repair.

(2) Mean Time To Repair (MTTR) of DS1 circuits: The average time it takes the Telephone Company to repair all of the Customer's DS1 circuits during the reporting period.

(3) Mean Time To Repair (MTTR) of DS3 and OCN circuits: The average time it takes the Telephone Company to repair all of the Customer's DS3 and OCN circuits during the reporting period.

(N)

(N)

22. Pricing Flexibility Contract Offerings (Cont'd)

22.64. Contract Offer No. 64 – Special Access Service Offer (Cont'd)

22.64.5 Discounts and Other Credits (Cont'd)

(E) Service Level Assurance (SLA) Performance (Cont'd)

(4) On Time Delivery – Due Date: Calculated by dividing the number of Customer requests for new service and rearrangements of existing service that were missed for Telephone Company reasons by the total number of new service requests and rearrangements of existing service completed during the reporting period. The date used to determine whether or not the service request was missed is the service confirmation date provided on the Firm Order Confirmation (FOC). This measurement will apply to all of the Customer's DS1, DS3 and OCN services.

Table E outlines the SLA performance targets for each measured service in each contract year.

Table E

Measured Service	Year 1 Target	Year 2 Target	Year 3 Target	Year 4 Target	Year 5 Target
% Network Availability (DS1-OCN)	99.93%	99.96%	99.96%	99.99%	99.99%
MTTR (DS1 only)	4:45	4:30	4:30	4:15	4:15
MTTR (DS3 & OCN)	3:15	3:15	3:00	3:00	3:00
On Time Delivery – Due Date (DS1-OCN)	96.00%	96.50%	96.500%	97.00%	97.00%

(F) SLA Performance Penalties

At the conclusion of each Anniversary Date, the 12-month averages based on Telephone Company's provided results for each measured service will be compared to its corresponding target in Table E. For each measurement that is not achieved by the Telephone Company, the Customer will be eligible to receive credits as outlined in subsection (1) and MARC adjustments as outlined in subsection (2).

(1) The Customer will be eligible for the following credit amounts, as set forth in Table F. For each measurement that is not achieved by the Telephone Company after each Anniversary Date, credits will be paid into a Telephone Company account held on the Customer's behalf. (N)

(N)

22. Pricing Flexibility Contract Offerings (Cont'd)

22.64. Contract Offer No. 64 – Special Access Service Offer (Cont'd)

22.64.5 Discounts and Other Credits (Cont'd)

(F) SLA Performance Penalties (Cont'd)

Immediately following the Customer's subscription to this Contract Offer, the Telephone Company will establish a holding account with an initial balance of \$300,000. The initial balance of the holding account represents the total, aggregate amount that the Customer will be eligible to receive across the regions identified in Section 22.64.2.B of this Contract Offer. The credit account will be applied for the purpose of improving service delivery and performance. The Customer and Telephone Company will cooperate in good faith to identify and plan appropriate service and/or service performance projects, which shall be planned and completed as Special Construction. The Telephone Company will follow the Special Construction guidelines provided in F.C.C. Tariff No. 3 for work performed pursuant to this provision, including standard time and materials rates, and shall be subject to any applicable additional charges for expediting or overtime. Work performed pursuant to this provision shall be credited to a designated BAN of the Customer's choice. The amount will be deducted from the SLA credit holding account. After the first Anniversary Date, the Telephone Company will annually add to the holding account the credit amount due to the Customer for each SLA measurement not met.

The Customer and the Telephone Company will work together to create a project schedule designed to ensure that projects are completed by the Telephone Company prior to the end of each term year.

The initial balance must be used within the first 12 months following the receipt of a signed LOS. Any amount remaining from the initial balance will not be allowed to carry over to Year 2, and will be forfeited. Any credit due to the Customer at the end of term year 5 will be available to the Customer in the holding account for the 12-month period subsequent to the end of the Term Period. Annual SLA performance credits must be used within the year after the credits were issued, and cannot be rolled over into the following year. Any amounts left over, after the year following the issuance of the credits, will be forfeited, provided, however, that projects on the project schedule that are not completed at the end of the term year can be completed in the subsequent year, and any allocated amounts associated with that project shall not be debited from the following year's holding account balance. If the Telephone Company fails to complete an agreed upon project on the project schedule at any time during the Term Period, the amount allocated for that project shall be carried over until the agreed upon project has been completed. (N)

(N)

22. Pricing Flexibility Contract Offerings (Cont'd)

22.64. Contract Offer No. 64 – Special Access Service Offer (Cont'd)

22.64.5 Discounts and Other Credits (Cont'd)

(F) SLA Performance Penalties (Cont'd)

Table F

Service Quality Measure	Annual Credit if SLA Target not Met
% Network Availability (DS1-OCN)	$100,000
MTTR (DS1 only)	$100,000
MTTR (DS3 & OCN)	$100,000
On Time Delivery – Due Date (DS1-OCN)	$100,000

The credits in Table F are the total, aggregate amounts that the Customer will be eligible to receive across the five regions identified in Section 22.64.2.B of this Contract Offer.

(2) The Customer will be eligible for the following MARC adjustments in Table G for each measurement that is not achieved by the Telephone Company at each Anniversary Date. However, if the Customer exercises the MARC adjustment option specified in Section 22.64.4, the MARC adjustments in Table G will not apply in the year that the MARC adjustment option is exercised and for the remaining years of the contract.

Table G

Service Quality Measure	Year in which Adjustment Applies	MARC Adjustment
% Network Availability (DS1-OCN)	2	Decrease ½ %
MTTR (DS1 only)	2	Decrease ½ %
MTTR (DS3 & OCN)	2	Decrease ½ %
On Time Delivery – Due Date (DS1-OCN)	2	Decrease ½ %
% Network Availability (DS1-OCN)	3, 4 or 5	Decrease 1%
MTTR (DS1 only)	3, 4, or 5	Decrease 1%
MTTR (DS3 & OCN)	3, 4, or 5	Decrease 1%
On Time Delivery – Due Date (DS1-OCN)	3, 4, or 5	Decrease 1%

(N)

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

22.64. Contract Offer No. 64 – Special Access Service Offer (Cont'd)

22.64.5 Discounts and Other Credits (Cont'd)

(F) SLA Performance Penalties (Cont'd)

Example:
The percent decrease will be applied to the recalculated annual MARC. For example, the Customer's Year 4 MARC is set for $33M [(previous 3 months billing at end of year 3) X 4]. The Telephone Company achieved 1 out of the 4 measurements in year 3. The Year 4 MARC is then recalculated and set at $32.01M ($33M X 97%).

22.64.6 Assignment and Transfer

Subject to the provisions set forth in section 22.64.7 regarding mergers and acquisitions, if the Customer wishes to assign or transfer its use of services under this Contract Offer No. 64, pursuant to F.C.C. No. 2, 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. 2, 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 company are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

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

(N)

22. Pricing Flexibility Contract Offerings (Cont'd)

22.64. Contract Offer No. 64 – Special Access Service Offer (Cont'd)

22.64.7 Mergers and Acquisitions Involving the Customer

(A) The Terms and Conditions of Contract Offer No. 64 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 Contributory Services from the Telephone Company, either directly or through any affiliates, then billed, recurring revenue for Contributory Services of the other company involved in the merger or acquisition will not be used in calculations of the MARC as discussed in Section 22.64.4 (A) or calculations to achieve the MARC discussed in Section 22.64.4 (B) or in the calculation of the Access Service Ratio discussed in Section 22.64.3(E), except as permitted by one of the provisions in this subsection.

(1) The Customer must be meeting MARC commitments and all Eligibility Criteria and Terms and Conditions outlined in Sections 22.64.2 and 22.64.3 in order to exercise the provisions under this subsection.

(2) Recurring revenue from Contributory Services from the other entity involved in the merger or acquisition cannot be applied to, or eligible for, any incentives or discounts contained in this Contract Offer, except as expressly permitted by one of the provisions herein.

(3) The Customer shall have four options (per merger or acquisition) to incorporate revenue from the other company or companies involved in the merger or acquisition. The Customer may elect only one of those options with respect to any particular merger or acquisition. If the Customer does not exercise any of those options in the manner provided herein, the Customer will not be permitted to use existing or future Special Access revenues from the other company or companies involved in the merger or acquisition in the Calculation of the MARC or Calculations to Achieve the MARC discussed in Section 22.64.4 (A) & (B), nor will such revenues be eligible for any discounts provided under this Contract Offer, nor will the Telephone Company apply existing or future Special Access or Wholesale Service revenues from the other company or companies in calculating the Access Service Ratio in Section 22.64.3(E).

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

(5) If the Customer has selected, but not yet fully implemented, one of the options provided herein, the MARC, and any MARC adjustment calculation as provided in Section 22.64.4, will apply only to the Customer's original (pre-merger or acquisition) MARC and will not include revenue from the other company involved in the merger or acquisition.

(N)

(N)

22. Pricing Flexibility Contract Offerings (Cont'd)

22.64. Contract Offer No. 64 – Special Access Service Offer (Cont'd)

22.64.7 Mergers and Acquisitions Involving the Customer (Cont'd)

(A) (Cont'd)

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

(7) The Telephone Company will calculate the actual recurring annual revenue of the other company involved in the merger or acquisition on the date the Customer selects one of the provisions in this subsection, in the same manner such revenue would be calculated for purposes of performing the annual recalculation of the MARC under this Contract Offer. Until the Customer has fully implemented one of the provisions in this subsection, the Customer will not be eligible to earn the above the MARC discounts discussed in Section 22.64.5 (A)(2) of this Contract Offer for revenue from the other company involved in the merger or acquisition. After the Customer has fully implemented one of the provisions in this subsection, the Customer will be eligible for above the MARC discounts provided in Section 22.64.5(A)(2) for recurring annual revenue above the new combined MARC.

(B) Mergers and Acquisitions Affecting Access Service Ratio

(1) If the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or certain assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company, and inclusion of the recurring revenue from Contributory Services from the other company or companies involved in the merger or acquisition into this Contract Offer will cause the Customer to fall below Access Services Ratio Terms and Conditions as defined in Section 22.64.3 (E), the Customer must select from Option 1 or 2 of this Section 22.64.7(B), below, to incorporate any recurring annual revenues from the other company involved in the merger or acquisition into this Contract Offer.

(2) The Customer must fully conform to Access Service Ratio within 18 months of the Transaction Close Date and must comply with the Access Conversion Schedule provided in Table H 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, as provided in Section 22.64.3(E), MARC discounts will continue to apply and the Customer shall not be considered out of compliance with the Access Services Ratio Terms and Conditions as defined in Section 22.64.3(E).

(3) If, at any time the Customer does not comply with the Access Conversion Schedule provided in Table H, MARC discounts will be withheld and the Telephone Company will notify the Customer of non-compliance. The Customer will then have 60 days to comply with the Access Conversion Schedule. If the Customer does not comply within 60 days, this Contract Offer shall be deemed to be in default, and the Telephone Company shall have the right to terminate this Contract Offer. Upon such termination, termination liability charges will apply as provided in Section 22.64.9. Notwithstanding the foregoing, if the Telephone Company is primarily responsible for a delay in the Access Conversion Schedule, MARC discounts will continue to apply, the Customer shall not be considered out of compliance with the Access Services Ratio Terms and Conditions as defined in Section 22.64.3(E), and this Contract Offer will not be considered in default, provided, however, that each party shall exercise best efforts to comply. (N)

(This page filed under Transmittal No.1477)

(N)

22. Pricing Flexibility Contract Offerings (Cont'd)

22.64. Contract Offer No. 64 – Special Access Service Offer (Cont'd)

22.64.7 Mergers and Acquisitions Involving the Customer (Cont'd)

(B) Mergers and Acquisitions Affecting Access Service Ratio (Cont'd)

(3) (Cont'd)

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

Table H: Access Conversion Schedule

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

(a) Option 1

(i) The Customer must establish a temporary combined MARC by adding to the Customer's then current MARC at least 85%, but not more than 100% (at the Customer's option), of all recurring annual revenue for Contributory Services from the other company involved in the merger or acquisition for a period not to exceed 18 months from the Transaction Close Date. Recurring annual revenue for Contributory Services shall be calculated in a manner consistent with the annual recalculation of the MARC under this Contract Offer.

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

(iii) This option is not available in Year 5 of the Term Period.

(iv) A permanent combined MARC will be established no later than 18 months following the Transaction Close Date using the following calculation, based on a calculation of the Customer's combined recurring annual revenue.

(1) The calculation of the Customer's combined annual recurring revenue shall include all Contributory Services for the combined company resulting from the merger or acquisition. The calculation of the Customer's combined permanent MARC shall be performed in the same manner as the annual MARC calculations provided in Section 22.64.4(A), above. Following the calculation of the combined permanent MARC, the MARC shall be recalculated for each year remaining in the Term Period, and the MARC-related terms and conditions of this Contract Offer shall be applied to the combined company, in the same manner as would otherwise apply under this Contract Offer.

(2) Notwithstanding anything to the contrary in this Contract Offer, the permanent combined MARC must be at least 85% of temporary combined MARC as defined in Section 22.64.7 (C) (1) (a).

(N)

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(N)

2. Pricing Flexibility Contract Offerings (Cont'd)

22.64. Contract Offer No. 64 – Special Access Service Offer (Cont'd)

22.64.7 Mergers and Acquisitions Involving the Customer (Cont'd)

(B) Mergers and Acquisitions Affecting Access Service Ratio (Cont'd)

(b) Option 2

(i) The Customer must establish a combined MARC by adding to the Customer's then-current MARC at least 85%, but not more than 100% (at the Customer's option), of all recurring annual revenue for Contributory Services from the other company involved in the merger or acquisition. Recurring annual revenue for Contributory Services shall be calculated in a manner consistent with the annual recalculation of the MARC under this Contract Offer.

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

(iii) This option is not available in Year 5 of the Term Period.

(C) Mergers and Acquisitions not Affecting Access Service Ratio

If the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or certain assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company and inclusion of recurring revenue from Subject Services from the other company or companies involved in the merger or acquisition into this Contract Offer will not cause the Customer to fall below Access Services Ratio Terms and Conditions as defined in Section 22.64.3 (E), the Customer must select from Option 3 or 4 of this Section 22.64.7(C) to incorporate into this Contract Offer any recurring annual revenues from the other company involved in the merger or acquisition.

(1) Option 3

(a) The Customer must establish a temporary combined MARC by adding at least 85%, but no more than 100% (at Customer's option), of all recurring annual revenue for Contributory Services from the other company involved in the merger or acquisition for a period not to exceed 12 months from the Transaction Close Date. Recurring annual revenue for Contributory Services shall be calculated in a manner consistent with the annual calculation of the MARC under this Contract Offer.

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

(c) This option is not available during Year 5 of the Term Period.

(d) A permanent combined MARC will be established no later than 12 months following the Transaction Close Date, based on a calculation of the Customer's combined recurring annual revenue.

(N)

(This page filed under Transmittal No.1477)

(N)

22. Pricing Flexibility Contract Offerings (Cont'd)

22.64. Contract Offer No. 64 – Special Access Service Offer (Cont'd)

22.64.7 Mergers and Acquisitions Involving the Customer (Cont'd)

(C) Mergers and Acquisitions not Affecting Access Service Ratio (Cont'd)

(1) Option 3 (Cont'd)

(d) (Cont'd)

(i) The calculation of the Customer's combined annual recurring revenue shall include all Contributory Services for the combined company resulting from the merger or acquisition. The calculation of the Customer's combined permanent MARC shall be performed in the same manner as the annual MARC calculations provided in Section 22.64.4(A), above. Following the calculation of the combined permanent MARC, the MARC shall be recalculated for each year remaining in the Term Period, and the MARC-related terms and conditions of this Contract Offer shall be applied to the combined company in the same manner as would otherwise apply under this Contract Offer.

(ii) Notwithstanding anything to the contrary in this Contract Offer, the permanent combined MARC must be at least 85% of temporary combined MARC as defined in Section 22.64.7(C) (1)(a).

(2) Option 4

(a) The Customer shall establish a combined MARC by adding to the Customer's then-current MARC at least 85%, but not more than 100% (at the Customer's option), of all recurring annual revenue for Contributory Services from the other company involved in the merger or acquisition. Recurring annual revenue for Contributory Services shall be calculated in a manner consistent with the annual calculation of the MARC under this Contract Offer.

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

(c) This option is not available in Year 5 of the Term Period.

22.64.8 Merger or Acquisition Involving the Telephone Company.

In the event that the Telephone Company, or the corporate parent of the Telephone Company, or any affiliate of the Telephone Company or its corporate parent, in whole or in part, merges with, acquires, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition), and the Customer purchases special access services from the other company, then the following terms and conditions will apply:

(N)

(N)

22. Pricing Flexibility Contract Offerings (Cont'd)

22.64. Contract Offer No. 64 – Special Access Service Offer (Cont'd)

22.64.8 Merger or Acquisition Involving the Telephone Company (Cont'd)

(A) If the Customer purchases any interstate special access services from the merged or acquired company, and such special access services are or become eligible for pricing flexibility, the Customer may include those special access services in this Contract Offer, subject to any terms or conditions of any contracts or tariffs pursuant to which the Customer is purchasing such special access services prior to the merger or acquisition, including any terms or conditions regarding termination liability. If the Customer chooses to include the services subject to the merger or acquisition in this Contract Offer, they shall become Contributory Subject Services within the meaning of this Contract Offer at the time they are included in this Contract Offer. At the time such Contributory Subject Services are included in this Contract Offer, the MARC shall be recalculated, including both the recurring annual revenues of the Contributory Services provided to the Customer prior to the merger or acquisition and the recurring annual revenues of the additional Contributory Subject Services previously provided by the merged or acquired Company.

(B) The Customer must notify the Telephone Company in writing, within 120 days of the Transaction Close Date, of any Contributory Services from the merged or acquired company that Customer wishes to include in this Contract Offer. Discounts and credits specified in Section 22.64.5 will not apply to services from the merged or acquired company until the MARC has been recalculated to reflect the additional Contributory Services included in this Contract Offer as a result of the merger or acquisition. The MARC recalculation to include these services will occur at the Customer's next Anniversary Date following receipt of the Customer's written notice described above.

22.64.9 Termination Liability

(A) Termination Liability Charges

Termination liability language described below applies in lieu of the termination liability language described in Ameritech Tariff F.C.C. No. 2, Section 7. If the Customer terminates Contract Offer No. 64 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 22.64.2, or fails to meet any of the Terms and Conditions in Section 22.64.3, 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. 64 and termination liability charges will apply as stated below and will be payable pursuant to F.C.C. No. 2, Section 2.4.

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(N)

(N)

22. Pricing Flexibility Contract Offerings (Cont'd)

22.64. Contract Offer No. 64 – Special Access Service Offer (Cont'd)

22.64.9 Termination Liability (Cont'd)

(A) Termination Liability Charges (Cont'd)

The Customer's termination liability charge shall be equal to the following :

If the Customer terminates the Contract Offer prior to the expiration of a term year, 100% of all Discounts (including non-recurring charges and early termination charges) received under Contract Offer No. 64 for the preceding six (6) months immediately prior to the date of termination, plus the following schedule:

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

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

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

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

(5) If terminated in Year 5, 10% of the Year 5 MARC for the remaining portion of Year 5.

(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 22.64.2 and all Terms and Conditions in Section 22.64.3 are met. The Customer must provide documentation that reasonably demonstrates that the new technology is an alternative to existing Subject Services and that the rates, terms and conditions for the new technology are more favorable to the Customer than the rates, terms and conditions provided under this Contract Offering.

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

(N)

(N)

22. Pricing Flexibility Contract Offerings (Cont'd)

22.64. Contract Offer No. 64– Special Access Service Offer (Cont'd)

22.64.9 Termination Liability (Cont'd)

(B) New Technology Termination (Cont'd)

The Customer must notify the Telephone Company in writing at least 90 days prior to the start of Year 4 if the Customer wishes to terminate in Year 4 and invoke this provision, or at least 90 days prior to the start of Year 5 if the Customer wishes to terminate in Year 5 and invoke this provision. This notification must include the date upon which the Customer will terminate the Contract Offer. Additionally, this provision is only available to the Customer if it has not exercised the 10% MARC adjustment option as detailed in Section 22.64.4 (C).

(C) New Special Access Service Offerings

If the Telephone Company makes available one or more new special access service offerings capable of substituting for the Subject Services provided under this Contract Offer, the Customer will be permitted to enter into a new contract offer or other contract or tariff arrangement to purchase the new service offerings from the Telephone Company, in substitution for the Subject Services provided under this Contract offer, without incurring termination liability under this Contract Offer, provided, however, that the Customer's Contract Offer or other contract or tariff governing the new service offerings must include a term period and revenue commitment that are the same as, or greater than, this Contract Offer.

(D) This Section 22.64.9 sets forth the sole and exclusive remedies for termination of this Contract Offer No. 64, except for charges due and payable for Contributory Services rendered prior to the date of termination and any non-recurring charges and/or termination liability charges that may become due and payable in accordance with Sections 22.64.9.

(N)

LETTER OF SUBSCRIPTION
FOR
SBC
CONTRACT OFFER

TARIFF	CONTRACT OFFER NUMBER
Ameritech Tariff FCC No. 2	64
Southwestern Bell Tariff FCC No. 73	48
Pacific Bell Tariff FCC No. 1	56
SNET Tariff FCC no. 39	16

CUSTOMER NAME: **Time Warner Telecom**

ACCOUNT MANAGER: (Please Print): **Bill Wright/Rich Gimenez**

METROPOLITAN STATISTICAL AREAS (MSAs) INCLUDED UNDER THIS CONTRACT: **All eligible Price Flex MSAs**

ACCESS CUSTOMER'S NAME ABBRVIATION (ACNA) THAT WILL BE INCLUDED UNDER THIS CONTRACT: **TIM and MOC**

DISCOUNTS AND CREDITS UNDER THIS CONTRACT TARIFF WILL BE APPLIED TO THE FOLLOWING BILLING ACCOUNT NUMBER(s):

REGION	BANs
Midwest	216S600058782 and 414S600046046
Southwest	6100604017295 and 7100604050349
West – CA	0727225002561 and 0737225004909
SNET	TBD

CIRCUITS ID's/RING ID's TO BE INCLUDED UNDER THIS CONTRACT TARIFF, IF APPLICABLE: (Please attached separate sheet if adding multiple circuits. Also, please separately identify circuits that are currently on 60 month terms vs. those scheduled to be converted to 60 month terms pursuant to the contract offer.)

MINIMUM ANNUAL REVENUE COMMITMENT:

- **The MARC for Year 1 and Year 2 is $26.5M.**
- **The MARC for Years 3, 4, and 5 will be based on the Customer's actual monthly recurring revenue for all Contributory Services (as defined in the Contract Tariff Offers referenced above) during the three months immediately preceding the upcoming term period year multiplied by four, or the then current MARC, whichever is greater.**

Customer agrees to all provisions contained in the Contract Tariff Offers from the applicable FCC tariff as referenced above. The Customer also agrees to the following:

- **SBC and Time Warner must sign this LOS before the agreement goes into effect.**
- **This agreement will be in effect on June 2, 2005.**
- **Customer agrees to participate in implementation meetings, as required, with SBC.**
- **Customer agrees to issue all required ASRs after execution of this agreement by SBC.**

LETTER OF SUBSCRIPTION
FOR
SBC
CONTRACT OFFER

CUSTOMER SIGNATURE: PBJ DATE: 6 2 05

PRINTED NAME: ~~Paul B. Jones~~ PHONE NUMBER: (303)566-1237

TITLE: Senior Vice President
General Counsel & Regulatory Policy

SBC SIGNATURE: DATE: 6/3/05

PRINTED NAME: Parley C Casto PHONE NUMBER: 847-248-4170

TITLE: Executive Director PM

EXHIBIT E

TWTC Service Performance Requirements

TWTC has established the following service performance catagories as baseline requirements for the Special Access products it purchases. TWTC has provided definitions of the service performance categories. We have also included our service level expectations for each of the special access products ordered. TWTC would like any remedies associated in the price flex agreement(s) to include these service performance measures with a per occurrance payout to TWTC on a month to month credit.

		Proposed Measurement			
Service Performance Category	**Definition**	**DS1**	**DS3**	**OCN**	**Finished Ethernet**
Availability	Network Availability is defined as the number of minutes within a given calendar month available for Customer's use. Network downtime exists when Customer's circuit is unable to transmit and receive.	99.95%	99.97%	99.99%	99.99%
On Time Delivery - Due Date	On Time Performance To FOC Due Date measures the percentage of ASRs that are completed on the FOC Due Date, as recorded from the FOC received in response to the last ASR sent, excluding Customer Not Ready (CNR) situations. An ASR may provision more than one circuit and Provider's may break the ASR into separate internal orders, however, the ASR is not considered completed for measurement purposes until all circuits are completed. The ILEC Completion Date is the date upon which the ILEC completes installation of the circuit, as noted on a completion advice to the CLEC or IXC Carrier. Projects are included. Determination of what is identified as a project varies by ILEC and should not alter the need to ensure that service is provided on the FOC Due Date. Exclusions- Disconnect ASRs, Cancelled ASRs, Record ASRs	100%	100.00%	99.00%	99%
New Installation Failure Rate	New Installation Trouble Report Rate measures the quality of the installation work by capturing the rate of trouble reports on new circuits within 30 calendar days of the installation. Exclusions - Trouble tickets that are cancelled at the CLEC's or IXC Carrier's request; CLEC, IXC Carrier, CPE (Customer Premises Equipment), or other customer caused troubles; ILEC trouble reports associated with administrative service; Tickets used to track referrals of misdirected calls; CLEC or IXC Carrier requests for informational tickets	2%	1.50%	1%	1%

Failure Rate	Failure Rate measures the overall quality of the circuits being provided by the ILEC and is calculated by dividing the number of troubles resolved during the reporting period by the total number of "in service" circuits, at the end of the reporting period, and is then annualized by multiplying by 12 months. A trouble report/ticket is any record (whether paper or electronic) used by the ILEC for the purposes of tracking related action and disposition of a service repair or maintenance situation. A trouble is resolved when the ILEC issues notice to the CLEC or IXC Carrier that the circuit has been restored to normal operating parameters. Where more than one trouble is resolved on a specific circuit during the reporting period, each trouble is counted in the Trouble Report Rate. Exclusions: • Trouble tickets that are canceled at the CLEC's or IXC Carrier's request • CLEC, IXC Carrier, CPE (Customer Premises Equipment), or other customer caused troubles • ILEC trouble reports associated with administrative service • CLEC or IXC Carrier requests for informational tickets • Tickets used to track referrals of misdirected calls	2%	1%	1%	1%
TTR	The Total Time to Restore measures the interval of all circuit troubles reported to the Provider from the time the ticket is opened to the time it is cleared with the provider.	3 Hours	2 Hours	2 Hours	2 Hours

MTTR	The Mean Time To Restore interval measures the promptness in restoring circuits to normal operating levels when a problem or trouble is referred to the ILEC. Calculation is the elapsed time from the CLEC or IXC Carrier submission of a trouble report to the ILEC to the time the ILEC closes the trouble, less any Customer Hold Time or Delayed Maintenance Time due to valid customer, CLEC, or IXC Carrier caused delays. "Restore" means to return to the normally expected operating parameters for the service regardless of whether or not the service, at the time of trouble ticket creation, was operating in a degraded mode or was completely unusable. A trouble is "resolved" when the ILEC issues notice to the CLEC or IXC Carrier that the customer's service is restored to normal operating parameters. Customer Hold Time or Delayed Maintenance Time resulting from verifiable situations of no access to the end user's premises, or other CLEC or IXC Carrier caused delays, such as holding the ticket open for monitoring, is deducted from the total resolution interval.	2.5 hours	2 Hours	1 Hour	1 Hour
Repeat Rate	The Repeat Trouble Report Rate measures the percent of maintenance troubles resolved during the current reporting period that had at least one prior trouble ticket any time in the preceding 30 calendar days from the creation date of the current trouble report.	3%	2%	2%	2%
Average packet Delivery	Defined as the percentage of packets delivered in a data ping between two endpoints (designated regional route servers) within Providers network. Packet delivery is calculated as 100 minus the percentage of packets lost during a transmission (i.e., 100 - % Packet Loss = Packet Delivery.) The average packet delivery is measured on an ongoing basis every 15 minutes to adequately determine a consistent average monthly performance level for packets actually delivered between designated regional route servers	NA	99.70%	99.70%	99.70%

Latency	Defined as the round-trip delay for a packet to travel between two endpoints (TWTC designated regional route servers) within TWTC's IP network backbone. The average round-trip delay is measured in milliseconds. The average round-trip network delay ("Latency") is measured on an ongoing basis every 15 minutes to adequately determine consistent monthly average performance levels for packet delay between designated regional route servers.	NA	50 Ms <	50 Ms <	50 Ms <
Jitter	Three forms of jitter exist: Data Dependent Jitter(DDJ), Duty Cycle Distortion(DCD), and Random Jitter(RJ). Data Dependent Jitter is caused by limited is caused by limited bandwidth characteristics and imperfections in the optical channel components as it relates to the transmitted symbol sequence, according to Information Gatekeepers. This jitter results from less than ideal individual pulse responses and from variation in the average value of the encoded pulse sequence which may cause baseline wander an may change the sampling threshold level in the receiver. DCD Jitter is caused by propagation delay differences between low-to-high and high-to-low transitions. DCD is manifested as a pulse width distortion of the nominal baud time. RJ is the result of thermal noise. Jitter is the difference between packet arrival times from hop to hop within a packet network. A packet can get routed and sent in different directions and be received out of order or at varying arrival times. Jitter is measured point to point in the network for all hops.	NA	<5ms to < 10ms	<5ms to < 10ms	<5ms to < 10ms