

FILE



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PUCO

September 7, 2005

Ms. Renee J. Jenkins
Docketing Division
The Public Utilities Commission of Ohio
180 East Broad Street
Columbus OH 43266-0573

Re: Case No. 83-464-TP-COI
Case No. 90-5032-TP-TRF

Dear Ms. Jenkins:

Attached are three sets of revised tariff pages to be filed in your copy of the SBC Operating Companies Access Tariff, F.C.C. No. 2.

Please be advised that with this filing, Ameritech is proposing to introduce Special Access Service Offer (Contract Offer No. 79) an access discount pricing plan. The Customer must meet the Eligibility Criteria set forth in Section 22.79.2 and also must comply with all terms and conditions of this Contract Offer.

Should you have any questions or require additional information, please contact me at 614 223-8184.

Very truly yours,

A handwritten signature in cursive script, reading "Susan Drombetta".

Susan Drombetta
Director-Regulatory Affairs

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business
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SBC Communications Inc.



FRN: 0005-0491-92

September 6 , 2005

Transmittal No. 1501

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
Washington, D.C. 20554

Attention: Wireline Competition Bureau

The accompanying tariff material, issued by Ameritech Operating Companies (Ameritech) and bearing Tariff F.C.C. No. 2, is sent to you for publication in compliance with Sections 61.49, 61.55, 61.58(c), and 69.727 of the Commission's Rules and the requirements of the Communications Act of 1934, as amended. This filing is being submitted on one day's notice in compliance with Section 61.58(c) of the Commission's Rules and the requirements of the Communications Act of 1934, as amended.

This filing, under authority of special permission No. 05-041 scheduled to become effective September 7 2005, consists of tariff pages as indicated on the following Check Sheets:

Tariff F.C.C. No.
2

Check Sheet Revision No.
1357th Revised Page 1
33rd Revised Page 1.19
5th Revised Page 1.20

With this filing, Ameritech is proposing to introduce Special Access Service Offer (Contract Offer No. 79) 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. The Customer must meet the Eligibility Criteria set forth in Section 22.79.2 and also must comply with all terms and conditions of this Contract Offer. Contract Offer No. 79 will only be available September 7, 2005 through October 7, 2005 and is not renewable.

Wireline Competition Bureau

Page 2

September 6, 2005

In accordance with Section 61.14, this transmittal letter and associated attachments are being filed electronically today via the Federal Communications Commission's Electronic Tariff Filing System (ETFS) in compliance with the electronic filing procedures.

Payment in the amount of \$720.00 has been electronically transmitted to the Mellon Bank in Pittsburgh, Pennsylvania, in accordance with the fee program procedures. The Form 159 is being transmitted electronically via ETFS as a proprietary document. These actions have been committed on the date established as the issued (filed) date as reflected above.

Personal or facsimile service petitions against this Transmittal, as required under Section 1.773(a)(4) of the Commission's Rules, should be sent to Linda B. Meyer, Associate Director - Tariff Administration, Four SBC Plaza, Room 1970.04, Dallas, Texas 75202, facsimile number (214) 858-0639. All other correspondence and inquiries concerning this Transmittal should be addressed to Anisa A. Latif, Associate Director-Federal Regulatory, (202) 326-8905, 1401 I Street, N.W., Suite 400, Washington, D.C. 20005.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick R. Doherty". The signature is written in a cursive style with a large initial "P".

Attachments:

Transmittal Letter

Tariff Pages

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	15th	20.1	5th
Title 2	9th	8.1	5th	20.2	3rd
1	1357th*	9	22nd	21	3rd
1.1	318th	9.1	1st	22	Original
1.2	274th	10	25th	23	3rd
1.3	285th	10.1	11th	24	1st
1.4	231st	10.2	8th	25	1st
1.5	209th	11	4th	26	3rd
1.6	184th	12	10th	27	9th
1.7	124th	13	5th	28	11th
1.8	106th	13.1	6th	28.1	5th
1.9	134th	13.2	10th	29	Original
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1.11	61st	13.4	19th	31	Original
1.12	22nd	13.5	35th	32	Original
1.13	15th	13.6	5th*	33	Original
1.14	22nd	14	3rd	34	4th
1.15	35th	15	16th	34.1	1st
1.15.1	1st	15.1	10th	35	5th
1.16	38th	15.2	1st	35.1	1st
1.17	21st	16	12th	36	8th
1.18	30th	16.1	11th	36.1	6th
1.19	33rd*	16.1.1	Original	37	13th
1.20	5th*	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
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5.2	4th	19	27th	38.2.1	3rd
6	5th	19.1	13th	38.3	4th
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6.2	3rd	19.3	8th		
7	6th	19.4	1st		
7.1	3rd	20	10th		

* New or Revised Page

(This page filed under Transmittal No. 1501)

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President, Industry Markets
Ameritech Operating Companies
One SBC Plaza, Dallas, Texas 75202

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22-472	Original	22-529	Original	22-586	Original	22-643	Original
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22-475	Original	22-532	Original	22-589	Original	22-646	Original
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22-478	Original	22-535	Original	22-592	Original	22-649	Original
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22-480	Original	22-537	Original	22-594	Original	22-651	Original
22-481	Original	22-538	Original	22-595	Original	22-652	Original
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22-484	Original	22-541	Original	22-598	Original	22-655	Original*
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22-515	Original	22-572	Original	22-629	Original	23-13	Original
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Ameritech Operating Companies
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24-7	1st						
24-8	Original						
24-9	1st						
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24-12	1st						
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22. Pricing Flexibility Contract Offerings22.79 Contract Offer No. 79 – Special Access Service Offer22.79.1 General Description

Special Access Service Offer (Contract Offer No. 79) is an access discount pricing plan for which subscription is required to the following Access Tariffs: Ameritech Operating Companies (Ameritech) Tariff F.C.C. No. 2, Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Southwestern Bell Telephone Company (SWBT) Tariff F.C.C. No. 73, and The Southern New England Telephone Company (SNET) Tariff F.C.C. No. 39. Contract Offer No. 79 is available to any Customer with at least \$12.0 million in cumulative annual recurring revenue for Contributory Services, as defined in Section 22.79.2(C) and 22.79.4(C). The Customer must meet the Eligibility Criteria set forth in Section 22.79.2 and also must comply with all terms and conditions of this Contract Offer.

Contract Offer No. 79 requires the Customer to establish and maintain a Minimum Annual Revenue Commitment (MARC) for each year of the five (5) year Term Period, as defined in Section 22.79.4(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 22.79.2(C), herein, in addition to the following Contributory Non-Subject Services (that are not Contributory Subject Services): OPT-E-MAN, ATM, and Frame Relay services. Contributory Non-Subject Services are not eligible for discounts or other incentives provided under this Contract Offer. All Contributory Services described above must be purchased through the SBC wholesale sales channel (SBC Industry Markets). Any ATM and Frame Relay Contributory Services shall be provided pursuant to agreements and/or contracts. Such agreements and/or contracts shall be available for review at the website established to make public any agreements for these services. Customers may reference <https://www.sbcprimeaccess.com/shell.cfm?section=2501>.

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 22.79.4(E). Notwithstanding the obligation to pay such shortfall payment, if the Customer does not comply with all terms and conditions of this Contract Offer (exclusive of the terms and conditions of non-tariffed agreements referenced herein), termination liability charges, in accordance with Section 22.79.11, shall apply. Contract Offer No. 79 will only be available September 7, 2005 through October 7, 2005.

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(N)

22. Pricing Flexibility Contract Offerings (Cont'd)22.79 Contract Offer No. 79 – Special Access Service Offer (Cont'd)22.79.1 General Description (Cont'd)

In the event the Customer does not meet its MARC as of each Anniversary Date of the Term Period, the Customer must remit the shortfall payment via the Annual True-Up process set forth in Section 22.79.4(E). In addition to the obligation to pay such shortfall payment, if the Customer does not comply with all terms and conditions of this Contract Offer (exclusive of terms and conditions of non-tariffed agreements referenced herein), termination liability charges, in accordance with Section 22.79.9, shall apply. Contract Offer No. 79 will be available for subscription from September 7, 2005 through October 7, 2005.

22.79.2 Eligibility Criteria

(A) The Customer must meet the following Eligibility Criteria to subscribe to Contract Offer No. 79, and must continue to meet the Eligibility Criteria as described below throughout the Term Period of this Contract Offer:

- (1) Contract Offer No. 79 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.

If the Telephone Company receives pricing flexibility relief in additional MSAs, any eligible Contributory 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 22.79.4;

(N)

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22. Pricing Flexibility Contract Offerings (Cont'd)

(N)

22.79 Contract Offer No. 79 – Special Access Service Offer (Cont'd)22.79.2 Eligibility Criteria (Cont'd)

(A) (Cont'd)

(N)

(Nx)

- (2) The Customer's first year MARC shall be \$12.0 million in cumulative annual recurring revenue for Contributory Services in the following SBC Companies: Ameritech, PBTC, SWBT, and SNET. Other Contributory Services may be provided by other SBC companies;

(Nx)

(N)

- (3) The Customer cannot subscribe to Contract Offer No. 79 concurrently with SBC's MVP Offering in Section 19;

(N)

(Nx)

(B) Concurrent Subscription

The Customer must concurrently subscribe to the identical Contract Offer of Contract Offer No. 79, pursuant to the following tariffs:

- (1) SWBT Tariff F.C.C No. 73, Section 41, Contract Offer No. 58;
(2) PBTC Tariff F.C.C. No. 1, Section 33, Contract Offer No. 70, and
(3) SNET Tariff F.C.C. No. 39, Section 25, Contract Offer No. 20.

(Nx)

(x) Issued under Authority of Special Permission No. 05-041 of F.C.C.

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One SBC Plaza, Dallas, Texas 75202

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22. Pricing Flexibility Contract Offerings (Cont'd)

(N)

22.79 Contract Offer No. 79 – Special Access Service Offer (Cont'd)22.79.2 Eligibility Criteria (Cont'd)(C) Contributory Subject Services

Contract Offer No. 79 applies to pricing-flexibility-qualified access services (hereafter referred to as Contributory Subject Services) contained in the following tariff sections:

Service	General Basic Description	Rates & Charges Phase I	Rates & Charges Phase II
Special Access			
DS1 and DS3 Services	7.2.9	7.5.9	21.5.2.7
Optical Carrier Network (OCN) Point-to-Point Service	7.2.10		21.5.2.8
OC-3, OC-12, OC-48 and OC-192 Dedicated Ring Service	7.2.11	7.5.10	21.5.2.9
SONET Xpress Service	7.2.12	7.5.12	21.5.2.10
Gigabit Ethernet Metropolitan Area Network (GigaMAN)	7.2.13 (A)	7.5.13	21.5.2.16
Multi-service Optical Network (MON) Ring Service			21.5.2.17
Metallic Service	7.2.1	7.5.15	21.5.2.1
Telegraph Grade Service	7.2.2 (A)	7.5.15	21.5.2.2
Voice Grade Service	7.2.3 (A)	7.5.15	21.5.2.3
Switched Access Dedicated Transport Services	6.9.1		

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 22.79.4. If, during the Term Period of this Contract Offer, additional services become eligible for pricing flexibility, those additional services may, at the Customer's option, be included among the Contributory Subject Services eligible under this Contract Offer beginning with the first year after the additional services become eligible for pricing flexibility, provided that the MARC increases to reflect the recurring annual revenues associated with the additional Contributory Subject Services, as described in Section 22.79.4.

(N)

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22. Pricing Flexibility Contract Offerings (Cont'd)

(N)

22.79 Contract Offer No. 79 – Special Access Service Offer (Cont'd)22.79.3 Terms and Conditions(A) Term Period

The term of this Contract Offer (Term Period) is five (5) years, commencing on the date the Customer executes a Letter of Subscription (LOS). The Anniversary Date shall be based on the date of the executed LOS. Contract Offer No. 79 is not renewable.

Contributory Subject Services to which the Customer already subscribes as of the commencement of the Term Period, or any additional Contributory Subject Services included in this Contract Offer after commencement of the Term Period in accordance with the Terms and Conditions set forth herein, must be converted to five (5) year term payment plans (where available) to receive discounts pursuant to this Contract Offer no later than August 1, 2006, except for those services whose conversion would cause the rates to increase over existing rates; those services would be exempt and remain at existing rates on the current term payment plan for those services. If a five (5) year term payment plan is not available for certain Contributory Subject Services, the Customer must select the longest term plan available for the Contributory Subject Service.

Services are subject to certain rates, charges, and general terms and conditions in other sections of F.C.C. Tariff No. 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.

- (B) Contract Offer No. 79 is available for subscription only from September 7, 2005 through October 7, 2005.
- (C) The Customer must submit a completed Letter of Subscription (LOS) to the Telephone Company.
- (D) Commingling, as defined in F.C.C. No. 2, Section 2.6 of Subject Services under this Contract Offer, is prohibited.
- (E) The Customer must subscribe to this Contract Offer in accordance with the regulations set forth in Ameritech Tariff F.C.C. No. 2, Section 5 – Ordering Options for Switched Access and Special Access Services.

(N)

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22. Pricing Flexibility Contract Offerings (Cont'd)

(N)

22.79 Contract Offer No. 79 – Special Access Service Offer (Cont'd)22.79.3 Terms and Conditions (Cont'd)

- (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 the Customer written notice (via registered letter) of non-compliance. The Customer will have thirty (30) days from receipt of the written notice to comply, which may be extended by mutual agreement of the Parties to allow the Parties to attempt to resolve any disputes. During this thirty (30) day period, or a period to be mutually agreed upon by the Parties, the Parties will cooperate in good faith to attempt to resolve any pending disputes. If, after the Parties have exhausted attempts to resolve any pending disputes or have resolved disputes and the Customer does not comply with the written notice of non-compliance, the Telephone Company shall have the right to terminate this Contract Offer. In the event of termination by the Telephone Company, termination liability charges as set forth in Section 22.79.11 will apply. Credits will not be issued until the Customer has paid all billed charges (excluding disputes). Any disputed billing amounts that have been resolved in favor of the Telephone Company are due and payable as described in Section 2.4.
- (H) Customer must have achieved billing of Contributory Subject Service, Switched Access Transport, that is no greater than \$100,000 upon subscription to this Contract Offer.
- (I) If the Telephone Company introduces a new Special Access or Switched Access service, or an enhancement to an existing Special Access or Switched Access service, then such services shall be automatically included as Contributory Non Subject Services, and the Customer's purchase of such new or enhanced Contributory Non-Subject Services shall be included in the calculation of the MARC, subject to the Terms and Conditions set forth in this Contract Offer.
- (I) The Customer will continue to receive the benefit of rate stability for any Contributory Subject Services currently under a term plan with the Telephone Company that provides for rate stability.

22.79.4 Minimum Annual Revenue Commitment (MARC)

Contract Offer No. 79 requires the Customer to establish and maintain a Minimum Annual Revenue Commitment (MARC) for each year of the five (5) year Term Period, as defined in Section 22.79.4(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 22.79.2(C), herein, in addition to Contributory Non-Subject Services (that are not Contributory Subject Services).

(N)

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22. Pricing Flexibility Contract Offerings (Cont'd)

22.79 Contract Offer No. 79 – Special Access Service Offer (Cont'd)

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

(A) Establishing the MARC

- (1) The Customer's Year 1 MARC will be established when the Telephone Company receives the LOS from the Customer. The Customer's MARC for Year 1 shall be \$12.0 Million, or four times the Customer's monthly recurring revenue for Contributory Services during the three months immediately preceding the receipt of the signed LOS, whichever is greater.

Example 1: LOS is executed on August 1, 2005. The Year 1 MARC is established upon subscription at \$12.0M. The Customer's actual revenue to Telephone Company from May 1, 2006 to July 31, 2006 is \$4M. The new Year 2 MARC, effective August 1, 2006, is \$16M (\$4M multiplied by 4 equals \$16M.)

- (2) The MARC will be re-established, effective on each Anniversary Date, beginning on the first anniversary (Year 2 MARC). The MARC for Years 2, 3, 4, and 5 will be based on the Customer's actual monthly recurring revenue for all Contributory Services during the previous 3 months multiplied by 4, or the then-current MARC, whichever is greater.

Example 2: Term Period begins August 1, 2005. The MARC for Year 2 is \$16.0M. The Customer's actual revenue to Telephone Company from May 1, 2007 to July 31, 2007 is \$2.5M. The new Year 3 MARC, effective July 1, 2007, is \$16.0M. (The \$16.0M MARC is due to the fact that the MARC recalculation cannot result in a MARC lower than the current MARC.)

(B) Inclusion of Contributory Subject Services

- (1) The following are the only billed revenues that can be included in the MARC:
- (a) Monthly billed recurring revenues, including (net) any credits or discounts given under existing pricing plans (e.g. Term Payment plans or Commitment Discount Plan), if applicable, for the Subject Services provided during the Term Period; and
 - (b) Any credits and adjustments made to monthly billed amounts for Subject Services which are purchased by the Customer during the Term Period.

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22. Pricing Flexibility Contract Offerings (Cont'd)

(N)

22.79 Contract Offer No. 79 – Special Access Service Offer (Cont'd)22.79.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)(B) Inclusion of Contributory Subject Services (Cont'd)

(1) (Cont'd)

- (c) All other charges, other than those listed in Section 22.79.4 (B) (1), are excluded.

Customer's existing Contributory Subject Services that are included in the MARC will be based on the rates that would apply to a five-year minimum term, regardless of whether the Contributory Subject Services were actually purchased pursuant to a five-year term at the time of subscription to this Contract Offer.

(N)

(Nx)

(C) Inclusion of Additional Contributory Services

Notwithstanding anything to the contrary herein, the Customer may, at its option, include in this Contract Offer any Contributory Services being provided to the Customer by the Telephone Company according to a tariff or contract other than this Contract Offer, provided, however, that the MARC must be increased to reflect the recurring annual revenues associated with the additional Contributory Services, as provided in Section 22.79.4. The Customer must provide written notice to the Telephone Company of its wish to exercise this option. If any additional Contributory Services are ATM or Frame Relay services, those additional Contributory Services shall be provided pursuant to an agreement and/or contract which shall be available for review at the following web site: <https://www.sbcprimeaccess.com/shell.cfm?section=2501>.

(Nx)

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22. Pricing Flexibility Contract Offerings (Cont'd)

(N)

22.79 Contract Offer No. 79 – Special Access Service Offer (Cont'd)22.79.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)(C) Inclusion of Additional Contributory Services (Cont'd)

Example Year 1 MARC = \$12.0M. If, during Year 1, Customer wishes to include \$2M of annual spend currently purchased from the Telephone Company under another tariff or contract, and if those services qualify as Contributory Services, the new Year 1 MARC is \$14.0M.

(D) MARC Adjustments

The Customer may exercise the following adjustments to the MARC pursuant to the terms listed below:

- (1) Option 1 - The Customer may, at its option, adjust the MARC downward by up to 10%. This adjustment can be made only one time during the Term Period, at any time after the first 24 months of the Term Period (i.e., beginning with the establishment of the Year 3 MARC). To exercise this option, the Customer must notify the Telephone Company, in writing, at least 60 days prior to the Anniversary Date upon which the adjustment is to become effective.
- (2) Option 2 - The Customer may carry over a shortfall of no more than 5% into the next contract year. This adjustment can be made only one time during the Term Period, at any time after the first 24 months of the Term Period (i.e., beginning with the establishment of the Year 3 MARC). To exercise this option, the Customer must notify the Telephone Company, in writing, at least 60 days prior to the Anniversary Date upon which the adjustment is to become effective. If the Customer opts to carry over a shortfall, the Customer's next year MARC will be increased to reflect that shortfall amount. If at the end of the subsequent contract year, the Customer does not meet its MARC, the Customer must make a shortfall payment sufficient to achieve that year's MARC or will be subject to termination liabilities as outlined in Section 22.79.4(E). This option cannot be combined with the MARC adjustment option as described in Section 22.79.4(D)(1).

The MARC adjustment shall apply prospectively only. If the Customer uses the MARC adjustment option in conjunction with any of the Merger and Acquisition options outlined in Section 22.79.9, reduced discounts will remain for the life of the Term Period, and discounts previously received during that contract year will not be re-rated, provided the Eligibility Criteria in Section 22.79.2 and Terms and Conditions in Section 22.79.3 have been met prior to the MARC adjustment, and certain provisions will no longer apply as detailed in Section 22.79.5.

(N)

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22. Pricing Flexibility Contract Offerings (Cont'd)

(N)

22.79 Contract Offer No. 79 – Special Access Service Offer (Cont'd)22.79.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)(E) Failure to Achieve the MARC

The Customer and the Telephone Company shall exchange information annually, and shall meet annually, if necessary, to review the Customer's progress toward achieving the MARC for the term years. The Customer and the Telephone Company agree that they will meet in the ninth month of each term year to discuss and address, if necessary, compliance with the Terms and Conditions of the Contract Offer prior to the Anniversary Date. If the Customer fails to achieve the annual MARC Commitment as of the Anniversary Date, the Customer will be notified by the Telephone Company and will be required to remit an Annual True-up payment to reach the MARC commitment. The True-up calculation will be performed as follows:

Annual MARC – Actual Annual recurring revenues for Subject Services =
Annual True-up Amount

If the Customer fails to submit its Annual True-Up payment to the Telephone Company within 30 days after notification from the Telephone Company, the Customer shall be deemed to have terminated its Contract Offer No. 79, and termination charges will apply as set forth in Section 22.79.11.

22.79.5 Discounts and Other Credits(A) Discount Schedule and Application

On each Anniversary Date, the Customer shall be eligible to receive the following Billing Credit, as set forth in Table A, subject to the Customer's compliance with all Terms and Conditions of this Contract Offer. Credits will be applied to the Customer's bill no later than 90 days after each Anniversary Date. Recurring revenue generated from Contributory Subject Services that were not included in this Contract Offer at the time of subscription are not eligible for discounts under this Contract Offer, unless and until those Contributory Subject Services have been added to this Contract Offer pursuant to Sections 22.79.2, 22.79.4, 22.79.9 and 22.79.10.

Table A

MARC Level	Billing Credit
\$12,000,000	2.00%
\$14,000,000	3.00%
\$15,125,000	3.50%
\$16,000,000	4.00%
\$17,000,000	4.50%
\$18,000,000	5.00%
\$19,000,000	5.50%
\$20,000,000	6.00%
\$21,000,000	7.50%
\$21,010,000	0%

MARC levels will be rounded up or down to the nearest \$10,000.

(N)

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22. Pricing Flexibility Contract Offerings (Cont'd)

(N)

22.79 Contract Offer No. 79 – Special Access Service Offer (Cont'd)22.79.5 Discounts and Other Credits (Cont'd)(A) Discount Schedule and Application (Cont'd)

Example: If the Customer meets the minimum MARC of \$12,000,000 for sum of all Contributory Services and has Subject Services revenue of \$9,584,000. The Customer will be eligible to receive a credit of \$191,681.

$$\$9,854,000 \times 2\% = \$191,680$$

(B) First Year Credit

If at the end of the Year 1 of this Contract Offer, the Customer's MARC for Year 2 is \$15.125M or higher, the Customer will receive an additional credit of 2.78 percent of Subject Services applied to the Customer's bill no later than 90 days after the anniversary date for Year 1.

Example: If the Customer reaches the MARC level of \$15.125M at the end of year 1 for the sum of all Contributory Services and has Subject Services revenue of \$11,230,000. The Customer will be eligible to receive a credit of \$312,194.

$$\$11,230,000 \times 2.78\% = \$312,194$$

22.79.6 Incentives(A) Purchase of New Contributory Subject Services

During the Contract Term period of subscription to this Contract Offer, the Telephone Company will calculate the billed revenue as described in Section 22.79.4 (B), of new eligible Subject Services towards meeting the MARC on the first contract anniversary date, the beginning of the second year of the Contract term period, and such revenue will be will be increased by 15 percent under this Contract Offer.

Example: Assume that the Customer's total monthly billed recurring revenues for new OC3/OC3c services during the first Contract Term Year Period was \$1,000,000 (\$1M). The Telephone Company will calculate the billed revenue for new Contributory Subject Services on the first Contract anniversary date for purchases made during such period and the Customer shall be deemed to have purchased \$1,150,000 (\$1.15M) in Contributory Subject Services. In subsequent years, these OC3 services would count as \$1,000,000 (\$1M) toward MARC calculations. The calculation to determine if the Customer met the MARC requirements will be:

(New Subject Services purchased during the first contract year multiplied by 1.15) + Existing Contributory Subject Services = Total value of Contributory Subject Services.

(N)

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22. Pricing Flexibility Contract Offerings (Cont'd)

(N)

22.79 Contract Offer No. 79 – Special Access Service Offer (Cont'd)22.79.6 Incentives (Cont'd)(A) Purchase of New Contributory Subject Services (Cont'd)

This total value of Contributory Subject Services will then determine if the Customer meets the MARC as described in Section 22.79.4 and/or has earned any incentive credits as described in Section 22.79. 5.

Purchase of the aforementioned new Subject Services in Year 2, 3, 4 and 5 of this Contract Offer will not receive the increased value towards meeting the MARC.

Example: Assume that the Customer's total monthly billed recurring revenues for new OC3/OC3c services during the second Contract Term Year Period was \$1,000,000 (\$1M). The Telephone Company will calculate the billed revenue for new Contributory Subject Services on the second contract anniversary date, the beginning of the third year of the Contract Term period, for purchases made during the second year and the Customer shall be deemed to have purchased \$1,150,000 (\$1.0M) in Contributory Subject Services toward MARC calculations. The calculation to determine if the Customer met the MARC requirements will be:

New Subject Services purchased multiplied by 15 percent + Existing Contributory Subject Services (prior year one purchases plus existing subject services) = Total value of Contributory Subject Services.

The increase value of new eligible services shall be used only to determine attainment of the MARC, and not for any other purposes. If the Customer fails to meet the MARC requirements as stated in section 22.79.4 after such calculation as described above, the Customer will be subject to the true-up provision as stated in Section 22.79.4 (E)

For purposes of this Contract Offer, a new SONET OC3/OC3c service must meet one of the following criteria:

- (1) Newly ordered and provisioned during the first year of the Contract Term period by the customer under this Contract Offer; or
- (2) Upgrade of an existing Special Access service during the first year of the Contract Period that was not previously a SONET OC3/OC3c service (e.g., upgrade of a DS1 or DS3 to a SONET OC3 service) under the provisions set forth in other sections of this tariff.

(N)

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22. Pricing Flexibility Contract Offerings (Cont'd)

(N)

22.79 Contract Offer No. 79 – Special Access Service Offer (Cont'd)22.79.6 Incentives (Cont'd)(B) Conversion of DS1 or DS3 capacity loops:

For customers who subscribe to this Contract Tariff No. 79 and convert their DS1 or DS3 capacity loops, dedicated transport, or Expanded Extended Loops (EELs) provided by the Telephone Company as unbundled network elements (UNEs) to Special Access Service, the Telephone Company will multiply the customer's billed revenue associated with such converted UNEs by 1.50 in the year of conversion towards the attainment of the MARC. The converted services in subsequent years will not receive the billed revenue multiplier towards the attainment of the MARC. This multiplier shall be used only to determine the billed revenue for Qualifying Services for purposes of MARC attainment, and not for any other purpose. The Customer shall provide a detailed list of circuits that have been converted to the Telephone Company within 30 days after the contract anniversary year for verification.

For example, if the customer converts \$1,000,000 (\$1M) in UNEs to Special Access Services during the first Annual Contract Term Period of this Contract Tariff No. 79, then, in calculating billed revenue for Qualifying Services, the customer shall be deemed to have purchased \$1,500,000 (\$1.50M) in Special Access DS1 Services for purposes of calculating the billed revenue for Qualifying Services for meeting the MARC as described in section 22.79.4. In subsequent years, the converted UNE services would count as \$1,000,000 (\$1M) towards MARC calculations.

22.79.7 Non-Recurring Charges

The Telephone Company will waive installation non-recurring charges (NRCs) associated with the conversion of Contributory Subject Services pursuant to this Contract Offer. In the event that the installation NRCs are billed by the Telephone Company, the Customer will receive credits for these charges on a quarterly basis. In addition, the Telephone Company will waive Non-recurring charges (NRCs) associated with the conversion of existing UNE circuits which are converted to Special Access Services under the terms of this contract tariff offer. In the event that the installation NRCs are billed by the Telephone Company, the Customer will receive credits for these charges on a quarterly basis.

To receive credits for installation NRCs, the Customer must be in compliance with all terms and conditions of this Contract Offer. Additionally, if the Customer fails to meet the MARC on an Anniversary Date pursuant to Section 22.79.4 (A) and/or fails to pay the Annual True-Up as defined in Section 22.79.4 (E), termination liability charges will apply as set forth in Section 22.79.11.

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

(N)

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22. Pricing Flexibility Contract Offerings (Cont'd)

(N)

22.79 Contract Offer No. 79 – Special Access Service Offer (Cont')22.79.8 Portability

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

- (1) The Customer must be in compliance with all terms and conditions of this Contract Offer.
- (2) The Customer shall be permitted to move and/or disconnect Contributory Subject Services from any of the identical Contract Offers, as described in Section 22.79.2 (B).
- (3) DS1 Services must have been in service for a minimum of one (1) month from the original installation date.
- (4) DS3, OC-3 and OC-12 Point to Point Services must have been in service for a minimum of one (1) year from the original installation date.
- (5) OC48 Point To Point, OC192 Point to Point and GigaMAN Services must have been in service for a minimum of three (3) years from the original installation date.

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

- (a) facilities necessary to provide OPT-E-MAN, as specified in F.C.C. No. 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.

22.79.9 Mergers and Acquisitions Involving the Customer

- (A) The Terms and Conditions of Contract Offer No. 79 shall continue in full force and effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or certain assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). During or after the merger or acquisition, if the other company involved in the merger or acquisition also purchases Contributory Services from the Telephone Company, either directly or through any affiliates, then billed, recurring revenue for Contributory Services of the other company involved in the merger or acquisition will not be used in calculations of the MARC as discussed in Section 22.79.4.

(N)

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22. Pricing Flexibility Contract Offerings (Cont'd)

(N)

22.79 Contract Offer No. 79 – Special Access Service Offer (Cont'd)22.79.9 Mergers and Acquisitions Involving the Customer

(A) (Cont'd)

- (1) The Customer must be meeting MARC commitments and all Eligibility Criteria and Terms and Conditions outlined in Sections 22.79.2 and 22.79.3 in order to exercise the provisions under this subsection.
- (2) Recurring revenue from Contributory Services from the other entity involved in the merger or acquisition cannot be applied to, or eligible for, any incentives or discounts contained in this Contract Offer, except as expressly permitted by one of the provisions herein.
- (3) The Customer shall have an option (per merger or acquisition) to incorporate revenue from the other company or companies involved in the merger or acquisition. If the Customer does not exercise this option in the manner provided herein, the Customer will not be permitted to use existing or future Special Access revenues from the other company or companies involved in the merger or acquisition in the calculation of the MARC Section 22.79.4, nor will such revenues be eligible for any discounts provided under this Contract Offer.
- (4) The acquisition and/or merger Transaction Close Date will be used to measure the length of time the following provisions are available. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.
- (5) If the Customer has selected, but not yet fully implemented, the option provided herein, the MARC, and any MARC adjustment calculation as provided in Section 22.79.4, will apply only to the Customer's original (pre-merger or acquisition) MARC and will not include revenue from the other company involved in the merger or acquisition.
- (6) The Customer cannot combine any of the Merger and Acquisition provisions in this subsection.

(N)

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22. Pricing Flexibility Contract Offerings (Cont'd)22.79 Contract Offer No. 79 – Special Access Service Offer (Cont'd)22.79.9 Mergers and Acquisitions Involving the Customer (Cont'd)

(A) (Cont'd)

- (7) The Telephone Company will calculate the actual recurring annual revenue of the other company involved in the merger or acquisition on the date the Customer elects the provisions in this subsection, in the same manner such revenue would be calculated for purposes of performing the annual recalculation of the MARC under this Contract Offer. Until the Customer has fully implemented one of the provisions in this subsection, the Customer will not be eligible to earn the above the MARC discounts discussed in Section 22.79.5 (A)(2) of this Contract Offer for revenue from the other company involved in the merger or acquisition. After the Customer has fully implemented the provision in this subsection, the Customer will be eligible for above the MARC discounts provided in Section 22.79.5(A)(2) for recurring annual revenue above the new combined MARC.

Notwithstanding the foregoing, if the Telephone Company is primarily responsible for a delay in the Access Conversion Schedule, MARC discounts will continue to apply and this Contract Offer will not be considered in default, provided, however, that each party shall exercise best efforts to comply.

(B) Option 1

- (i) The Customer must establish a combined MARC by adding to the Customer's then-current MARC at least 85%, but not more than 100% (at the Customer's option), of all recurring annual revenue for Contributory Services from the other company involved in the merger or acquisition. Recurring annual revenue for Contributory Services shall be calculated in a manner consistent with the annual recalculation of the MARC under this Contract Offer.
- (ii) The Customer must exercise this option within 60 days following the Transaction Close Date.
- (iii) This option is not available in Year 5 of the Term Period.

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22. Pricing Flexibility Contract Offerings (Cont'd)22.79 Contract Offer No. 79 – Special Access Service Offer (Cont'd)22.79.10 Merger or Acquisition Involving the Telephone Company

- (A) If the Customer purchases any interstate special access services from the merged or acquired company, and such special access services are or become eligible for pricing flexibility, the Customer may include those special access services in this Contract Offer, subject to any terms or conditions of any contracts or tariffs pursuant to which the Customer is purchasing such special access services prior to the merger or acquisition, including any terms or conditions regarding termination liability. If the Customer chooses to include the services subject to the merger or acquisition in this Contract Offer, they shall become Contributory Subject Services within the meaning of this Contract Offer at the time they are included in this Contract Offer. At the time such Contributory Subject Services are included in this Contract Offer, the MARC shall be recalculated, including both the recurring annual revenues of the Contributory Services provided to the Customer prior to the merger or acquisition and the recurring annual revenues of the additional Contributory Subject Services previously provided by the merged or acquired Company.
- (B) The Customer must notify the Telephone Company in writing, within 120 days of the Transaction Close Date, of any Contributory Services from the merged or acquired company that Customer wishes to include in this Contract Offer. Discounts and credits specified in Section 22.79.5 will not apply to services from the merged or acquired company until the MARC has been recalculated to reflect the additional Contributory Services included in this Contract Offer as a result of the merger or acquisition. The MARC recalculation to include these services will occur at the Customer's next Anniversary Date following receipt of the Customer's written notice described above.

(N)

(N)

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22. Pricing Flexibility Contract Offerings (Cont'd)

(N)

22.79 Contract Offer No. 79 – Special Access Service Offer (Cont'd)22.79.11 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. 79 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 22.79.2, or fails to meet any of the Terms and Conditions in Section 22.79.3, 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. 79 and termination liability charges will apply as stated below and will be payable pursuant to F.C.C. No. 2, Section 2.4.

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. 79 for the preceding six (6) months immediately prior to the date of termination, plus the following schedule:

- (1) If terminated in Year 1, 10% of the Base MARC for the remaining portion of Year 1, plus 10% of the Base MARC for the remaining years of the Contract Offer.
- (2) If terminated in Year 2, 12.5% of the Year 2 MARC for the remaining portion of Year 2, plus 12.5% of the Year 2 MARC for the remaining years of the Contract Offer.
- (3) If terminated in Year 3, 12.5% of the Year 3 MARC for the remaining portion of Year 3, plus 12.5% of the Year 3 MARC for the remaining years of the Contract Offer.
- (4) If terminated in Year 4, 12.5% of the Year 4 MARC for the remaining portion of Year 4, plus 12.5% of the Year 4 MARC for year 5
- (5) If terminated in Year 5, 10% of the Year 5 MARC for the remaining portion of Year 5.

(N)

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22. Pricing Flexibility Contract Offerings (Cont'd)

(N)

22.79 Contract Offer No. 79 – Special Access Service Offer (Cont'd)22.79.11 Termination Liability (Cont'd)(B) New Special Access Service Offerings

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

- (C) This Section 22.79.11 sets forth the sole and exclusive remedies for termination of this Contract Offer No. 79, 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 22.79.11.

(N)

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