

APPENDIX FCC MERGER CONDITIONS

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APPENDIX MERGER CONDITIONS

1. MERGER CONDITIONS

- 1.1 For purposes of this Appendix only SBC-13STATE is defined as one of the following ILECs as appropriate to the underlying Agreement (without reference to this Appendix) in those geographic areas where the referenced SBC owned Company is the ILEC: Illinois Bell Telephone Company, Indiana Bell Telephone Company Incorporated, Michigan Bell Telephone Company, Nevada Bell Telephone Company, The Ohio Bell Telephone Company, Pacific Bell Telephone Company, The Southern New England Telephone Company, Southwestern Bell Telephone Company, and/or Wisconsin Bell, Inc. d/b/a Ameritech Wisconsin.
 - 1.1.1 As used herein, SBC-AMERITECH means the applicable listed ILEC(s) doing business in Illinois, Indiana, Michigan, Ohio and Wisconsin.
 - 1.1.2 As used herein, SBC-13STATE means an ILEC doing business in Arkansas, California, Connecticut, Illinois, Indiana, Kansas, Michigan, Missouri, Nevada, Ohio, Oklahoma, Texas and Wisconsin.
 - 1.1.3 As used herein, SBC-8STATE means an ILEC doing business in Arkansas, California, Connecticut, Kansas, Missouri, Nevada, Oklahoma, Texas.
- 1.2 SBC-13STATE will provide to CLEC certain items as set out in the Conditions for FCC Order Approving SBC/AMERITECH Merger, CC Docket No. 98-141 (FCC Merger Conditions), including certain carrier-to-carrier promotions for use by CLEC to provision local service to residential end user customers on terms and conditions described in the FCC Merger Conditions, an alternative dispute resolution ("ADR") process designed to resolve carrier-to-carrier disputes before such disputes become formal complaints before the Commission and other items as specified herein.
- 1.3 The Parties agree to abide by and incorporate by reference into this Appendix the FCC Merger Conditions.
- 1.4 This Appendix terminates the earlier of (1) the date this Agreement itself terminates without reference to this Appendix or (2) the date SBC-13STATE obligations cease under the FCC Merger Conditions.

2. DEFINED TERMS; DATES OF REFERENCE

- 2.1 Unless otherwise defined in this Appendix, capitalized terms shall have the meanings assigned to such terms in the Agreement without reference to this Appendix and in the FCC Merger Conditions.
- 2.2 For purposes of calculating the intervals set forth in the FCC Merger Conditions concerning carrier to carrier promotions:
- 2.2.1 the Merger Closing Date is October 8, 1999; and
- 2.2.2 the Offering Window begins November 7, 1999.
- 2.3 "FCC Merger Conditions" means the Conditions for FCC Order Approving SBC/Ameritech Merger, CC Docket No. 98-141.

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4. OSS: CHANGE MANAGEMENT PROCESS

- 4.1 Upon request by CLEC, within one month of the Merger Closing Date, SBC-13STATE and CLEC shall begin to negotiate along with other interested CLECs a uniform change management process for implementation in the SBC-13STATE Service-Area to the extent required by paragraph 32 of the FCC Merger Conditions. For purposes of this Paragraph, "change management process" means the documented process that SBC-13STATE and the CLECs follow to facilitate communication about OSS changes, new interfaces and retirement of old interfaces, as well as the implementation timeframes; which includes such provisions as a 12-month developmental view, release announcements, comments and reply cycles, joint testing processes and regularly scheduled change management meetings. SBC-13STATE will follow the uniform change management process agreed upon with interested CLECs.

5. OSS: Elimination of Certain Flat-Rate Monthly Charges

- 5.1 Effective with the first billing cycle that begins after the Merger Closing date, SBC-13STATE hereby eliminates in the SBC-13STATE Service Area, on a going-forward basis, all flat-rate monthly charges for access to the Remote Access Facility and the Information Services Call Center. The intent of this Paragraph is to eliminate the flat-rate monthly charges (amounting to approximately \$3600 per month per CLEC per State) that SBC-13STATE charged CLECs prior to the Merger Closing Date. Effective with the first billing cycle that begins after the Merger Closing date, SBC-13STATE also hereby eliminates in the SBC-13STATE Service Area, on a going-forward basis, any flat-rate monthly charges

for access to standard, non-electronic order processing facilities that are used for orders of 30 lines or less. This Paragraph does not limit SBC-13STATE's right to charge CLEC for the cost of processing service orders received by electronic or non-electronic means, whether on an electronic or non-electronic basis; to charge CLEC for the cost of providing loop make-up information, or to recover the costs of developing and providing OSS through the pricing of UNEs or resold services, in accordance with applicable federal and state pricing requirements.

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8. Promotional Discounts on Resale

8.1 SBC-13STATE will provide CLEC promotional resale discounts on telecommunications services that SBC-13STATE provides at retail to subscribers who are not telecommunications carriers, where such services are resold to residential end user customers at the rates and on the terms and conditions set forth in the FCC Merger Conditions for the period specified therein. Such provision of promotional resale discounts is subject to CLEC's qualification and compliance with the provisions of the FCC Merger Conditions.

8.2 If CLEC does not qualify for the promotional resale discounts set forth in the FCC Merger Conditions, SBC-13STATE's provision, if any, and CLEC's payment for promotional resale discounts shall continue to be governed by Appendix Resale as currently contained in the Agreement without reference to this Appendix. Unless SBC receives thirty (30) days advance written notice with instructions to terminate service provided via a Promotional discount on resale or to convert such service to an available alternative service provided by SBC-13STATE, then upon expiration of any Promotional discount, the service shall automatically convert to an appropriate SBC-13STATE product/service offering pursuant to the terms and conditions of the Agreement or, in the absence of terms and conditions in the Agreement, the applicable tariff. Where there are no terms for such offering in the Agreement without reference to this Appendix and there is no applicable tariff, the Parties shall meet within 30 days of a written request to do so to negotiate mutually acceptable rates, terms and conditions that shall apply retroactively. If the Parties are unable to reach agreement within 60 days of the written request to negotiate, any outstanding disputes shall be handled in accordance with the Dispute Resolution procedures in the Agreement.

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11. Alternate Dispute Resolution

11.1 In addition to the foregoing, upon CLEC's request, the Parties shall adhere to and implement, as applicable, the Alternative Dispute Resolution guidelines and procedures described in the FCC Merger Conditions including Attachment D.

12. conflicting Conditions

12.1 If any of the FCC Merger Conditions in this Appendix and conditions imposed in connection with the merger under state law grant similar rights against SBC-13STATE, CLEC shall not have a right to invoke the relevant terms of these FCC Merger Conditions in this Appendix if CLEC has invoked substantially related conditions imposed on the merger under state law in accordance the FCC Merger Conditions.

13. SUSPENSION OF CONDITIONS

13.1 If the FCC Merger Conditions are overturned or any of the provisions of the FCC Merger Conditions that are incorporated herein by reference are amended or modified as a result of any order or finding by the FCC, a court of competent jurisdiction or other governmental and/or regulatory authority, any impacted promotional discounts and other provision described in this Appendix shall be automatically and without notice suspended as of the date of such termination or order or finding and shall not apply to any product or service purchased by CLEC or provisioned by SBC-13STATE after the date of such termination or order or finding. Thereafter, SBC-13STATE 's continued provision and CLEC's payment for any service or item originally ordered or provided under this Appendix shall be governed by the rates, terms, and conditions as currently contained in the Agreement without reference to this Appendix. In the event that the FCC changes, modifies, adds or deletes any of the FCC Merger Conditions set forth herein, the Parties agree that the FCC's final order controls and takes precedence over the FCC Merger Conditions set forth herein.

14. INTENTIONALLY LEFT BLANK**15. PROMOTIONAL PAYMENT PLAN FOR UNE AND RESALE–OHIO AND ILLINOIS ONLY**

15.1 SBC-AMERITECH will provide, in the states of Ohio and Illinois, a promotional eighteen (18) month installment payment option to CLECs for the payment of non-recurring charges associated with the purchase of unbundled Network Elements used in the provision of residential services and the resale of services used in the provision of residential services.

- 15.2 **SBC-AMERITECH** will provide, in the states of Ohio and Illinois, a promotional payment plan option to CLECs for the payment of non-recurring charges associated with the purchase of unbundled Network Elements used in the provision of residential services and the resale of services used in the provision of residential services. The promotion is available on the terms and conditions set forth in the Ameritech – Ohio and Illinois Merger Conditions for the period specified therein. Such provision of the promotional payment plan is subject to CLEC’s qualification and compliance with the provisions of the Ameritech – Ohio and Illinois Merger Conditions.