

- All other affiliate transactions involving an SBC 272 subsidiary should be submitted in writing to **Mary Marks**, Senior Attorney in care of Corine Duft (cd4537@monmail.sbc.com) **prior to provision or receipt of any service**. These requests should contain a clear, concise statement of the facts, together with any attachments (drawings, supporting documentation, etc.) that will serve to better illuminate the issue. All requests should be submitted no later than close of business Wednesday.

#### Services Requested from a non-272 Affiliate

Services being provided or planned by SWBT for a *non* 272 affiliate must be coordinated through the Vice President-External Affairs organization. Affiliate transactions should not be undertaken without a written contract or agreement. The contract/agreement must contain the clauses necessary to ensure that the affiliates provide the information needed by SWBT in order to make decisions, and account for the affiliate transactions in compliance with the FCC rules. The FCC and external auditors will perform audits to assure SWBT compliance and to assure the affiliates have the backup information necessary to substantiate the costs and cost methodology that they have provided to SWBT.

#### CONTRACT

The SWBT affiliate service contract coordinator for temporary contracts is Corporate Manager-Affiliate Services (Jeanette Pfau, 214-858-1936) in the Revenue and Public Affairs (R&PA) Department. The SWBT affiliate service contract coordinator is responsible for establishing contracts with affiliates that are classified as an affiliate service<sup>3</sup>.

Today, there are established contracts between SWBT and SBC and other affiliates that cover the temporary services performed by SWBT. The contracts are general in nature and must be updated and/or amended with information related to each new specific project that SWBT is asked to perform for the affiliate. In order to amend the contracts, the R&PA affiliate service contract coordinator must be notified of the activities SWBT has been asked to perform.

It is the R&PA affiliate service contract coordinator's responsibility to perform the following functions:

- Create, establish, and update contracts with affiliates
- Develop the billing rates that will be used to bill the affiliate for services

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<sup>3</sup> An affiliate service is any activity that SWBT performs for the benefit of an affiliated company. These services are non-tariffed, contract, offerings that are incidental to the operation of SWBT. They are not offered to non-affiliated third parties.

- rendered for each project
- Notifying the Cost Allocation Manual Contact of all affiliate contracts
- Coordinate with other GHQ personnel to implement billing, etc.

In order for the R&PA affiliate service contract coordinator to perform his responsibilities, when a project for services is initiated and it is determined that SWBT will perform the service, the following information must be provided:

- The description of the service to be performed (i.e., to work on a planning project for Wireless)
- The individuals involved with the project. Generally, the information contained on the attached billing input form; name, title, salary grade, RC, JFC, etc. of the individuals that are going to perform the service along with the supporting employees. Supporting employees are those individuals that provide support to the temporary service project employee by providing supporting information to the team leaders or individuals performing the actual services.
- External price quotes or price lists, if available, that can be used to document the estimated fair market value. If you are unable to obtain three quotes from nonaffiliated vendors for the service, Affiliate Services will assist in hiring a consultant to obtain this market information.

This information is used to: 1) update/amend the contract, 2) create billing rates for the specific project, and 3) other coordination efforts. Attached is a sample of the form to be used to initiate and report a project.

### TIME REPORTING AND EXPENSES

In order to comply with FCC and Company accounting rules, an employee assigned to a temporary affiliate service project must accurately account for his time and expenses incurred while working on the project for the affiliate. In addition, as outbound affiliate services are considered regulated, accurate reporting supports the cost-causative apportionment of regulated/nonregulated costs.

All questions relating to SWBT expense reporting as described in section a and section b must be directed to Corporate Manager- Affiliate Services (**Jeanette Pfau 214-858-1936**) on a project by project basis.

Employees who are exception time reporting; e.g., SWMTR, should follow the instructions in Section A, for salary and wage and personal expense reporting. Employees who are positive or work reporting; e.g., PLAN or Engineering direct or indirect supervisors should also refer to Exhibit 4 of Section V27.109 of the Accounting Handbook Telephone Plant (AHTP).

## Section A

To exception report in SWMTR, a wage distribution code must first be established with the RC via a Form SW-4569, Payroll Wage Distribution Accounting Information. Preparation of this form is documented in the SWMTR Time Inputter Manual. Once the wage distribution code is established, time on the SWMTR II Payroll Time Record (SW-4568) is reported to the distribution code.

A temporarily loaned employee should continue to report their normal JFC with the exception of employees' with a 3XXX series function code. Those employees should use function code 56K0 for their non-wage type of expenses.

Expenses incurred by an employee on loan to a temporary service project should be reimbursed by using Form FA SW-4471. Operating Practice 56, Bill Payment Practice, Section 5, Employee Expense Reimbursement, should be referenced when completing this form. The expense should be charged to the RC identified by the Area Manager-Affiliate Services. The employee should report his job function unless the work performed is outside their normal function.

## Section B

Work reporting Plant and Engineering personnel should first refer to Exhibit 4 of Section V27.109 of the Accounting Handbook Telephone Plant (AHTP) for instructions on time reporting.

If a work reporting employee or direct supervisor is performing their normal job function; e.g., engineering cable runs, then associated personal expense should be vouchered to their normal JFC and RC. The only exception is employees' with a 3XXX series function code. Those employees should use function code 56K0 for their non-wage type expenses. CDM will load these expenses onto the hours that were exception reported. If a work reporting employee is performing work outside of their normal function; e.g., language translation, then associated personal expense should be vouchered to the RC identified by the Area Manager-Affiliate Services. In addition, the expense should be charged to SPCC A (Plant) or N (Engineering).

Following these procedures will remove the costs from the assigned employee's organization.

## BILLING TO THE AFFILIATE

The billing of services rendered to an affiliate by SWBT is accomplished through a GHQ billing system that has been developed to accommodate billing to affiliates. The R&PA Department is responsible for rendering billing.

An employee assigned to a temporary service project for an affiliate must accumulate the hours worked and expenses incurred on a project, along with the hours spent and expenses incurred by any supporting employees. This information must be furnished separately for each individual involved. The hours spent/worked and expenses incurred on the project must be furnished by the 10th calendar day of the month following the month expenditures are incurred to the GHQ Temporary Project coordinator. The GHQ Temporary Project coordinator has been given the responsibility of gathering the hours and expenses incurred to be billed to the affiliate for work performed. The Temporary Project coordinator is Manager-Affiliate Services (**JEANETTE PFAU (214) 858-1936**). Attached is a sample of the form to be used by the employees accumulating hours and expenses to be billed to the affiliate. Billing to affiliates is rendered on a monthly basis. Therefore, **hours and expenses incurred by individuals must be furnished to GHQ on a monthly basis as they are incurred.**

When the affiliate is billed, R&PA will drive the revenues billed to the appropriate jurisdiction based on distribution information provided by the employees. The compensation received for services provided to an affiliate is considered to be revenue, not a reimbursement of expense.

## RESPONSIBILITY OF INDIVIDUALS INVOLVED

The individuals assigned to coordinate the project, team leaders, etc. may not be familiar with these procedures and the necessity of providing information to the SWBT coordinates for contract and billing purposes. Therefore, it is the responsibility of the individuals involved with the temporary service project and the selection of assigned SWBT employees to be familiar with these procedures, and insure that the other SWBT employees working on the project understand who at SWBT needs to be involved with an affiliate transaction activity of this type. It is critical that the proper company is billed for services provided. Please see the attached company name notice.

If these procedures are not followed, services rendered will not be billed to the affiliate and SWBT will not be in compliance with the FCC Dockets covering affiliate transactions.

September 9, 1996

## CONTRACT ADMINISTRATORS

This is to ask your help in addressing a growing problem with affiliate services billing.

As SBC has continued to reorganize, in order to meet customer needs, several new corporate entities have been formed. Many SWBT personnel providing support to these companies have become confused because of the similarity of the company names. There are three particularly confusing company names.

The three companies are:

- SBC Communications, Inc. (SBC) Affiliate #500 - This is the "Corporation", SWBT's parent company.
- Southwestern Bell Communications, Inc. (SB Comm.) Affiliate #725 - This is the "one stop" company that contains Mr. Gallemore's and Mr. Walkoviak's organizations and additional projects like Smart Moves, Corporate Catalog and Credit Card.
- Southwestern Bell Communication Services Inc. (SBCS) Affiliate #300 - This is the long distance company.

Please be sure which company is being supported so that the bill rendered for your service is as accurate as possible. If you have any questions concerning affiliate transactions with these companies please give me a call on 214-858-1912 or call Jeanette Pfau (214) 858-1936.

Tom Powers  
Area Manager - Affiliate Services

**SOUTHWESTERN BELL TELEPHONE  
TEMPORARY SERVICES BILLING INPUT FORM**

**PLEASE PLACE AN X BY THE AFFILIATE FOR WHOM THE WORK WAS PERFORMED**

010	AMDOCS, INC.	425	SB Advanced Services, Inc. (ASI)
100	Pacific Telesis Group (PTG)	500	SBC Management Services, Inc. (The Corporation)
105	PB Comm.	525	SBC Management Services-USA, Inc. (MS(USA))
110	PBIS (Internet)	575	SBC Media Ventures, Inc. (SBMV)
115	PBNI (Network Integration)	600	SBC Services, Inc. (SBS)
125	PACBELL/NEVBELL	625	SB Messaging Services, Inc. (SMSI)
150	Bell Communications Research, Inc., (BCR)	660	SBC International, Inc. (SBCI)
200	SBC Asset Management, Inc. (AMI)	700	SB Mobile Systems, Inc. (SBMS) (Out Region)
250	SBC Center for Learning (CFL)	710	SB Wireless, Inc. (SBW) (In Region)
300	SB Communications Services, Inc. (SBCS)	725	SBC Operations, Inc. (SBC Opns)
325	SB Internet Services, Inc. (SBIS)	775	SB Video Services, Inc. (VID)
400	SBC Technology Resources, Inc. (TRI or SBTR)	800	SB Yellow Pages, Inc. (SBYP)
		900	SB Telecommunications, Inc. (SWT)

**FOR AFFILIATE BILLING OFFICE USE ONLY**

**BILLING #:**  
**UNIT PRICE:**  
**ENTITY:**

**PROJECT:**

**NAME:** \_\_\_\_\_ **TITLE:** \_\_\_\_\_

**LEVEL:** \_\_\_\_\_ **RC:** \_\_\_\_\_  
(For level please indicate 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> line, etc)

**MONTH:** \_\_\_\_\_ **JFC:** \_\_\_\_\_ **HOURS:** \_\_\_\_\_

**SPECIAL CHARGES( EXPENSES ASSOCIATED WITH PROJECT):** \$ \_\_\_\_\_  
(Attach a copy of voucher/bill payment form, Master Card Statement, etc. No detailed receipts)

**DESCRIPTION OF WORK PERFORMED:**  
\_\_\_\_\_  
\_\_\_\_\_

**AFFILIATE MANAGER AUTHORIZING PROJECT:**

**ORIGINATOR:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**TELEPHONE #:** \_\_\_\_\_

**RETURN TO: JEANETTE PFAU EMAIL [jp3335@txmail.sbc.com](mailto:jp3335@txmail.sbc.com) or FAX (214) 858-1950  
CORPORATE MANAGER-AFFILIATE SERVICES  
THREE BELL PLAZA, ROOM 1510-D1, DALLAS, TX 75202**

**PLEASE SUBMIT TIME AND EXPENSES BY 10TH CALENDAR DAY OF THE FOLLOWING MONTH.  
QUESTIONS ON TEMPORARY AFFILIATE TRANSACTIONS AND CONTRACT ISSUES SHOULD BE DIRECTED  
TO JEANETTE PFAU (214) 858-1936.**



## **Attachment 4**



## **Attachment 4.A**

## GENERAL SERVICES AGREEMENT

Southwestern Bell Telephone Company, a Missouri corporation (hereinafter "Seller"), agrees to provide Service to Southwestern Bell Communications Services, Inc., a Delaware corporation (hereinafter "Buyer"), in accordance with the terms and conditions stated herein.

### ARTICLE 1. SERVICES

"Services" as used herein will mean those services listed in Schedules hereafter executed by the parties from time to time and thereafter attached to and made a part of this General Services Agreement (hereinafter the "Agreement").

### ARTICLE 2. INVOICING

Billing for Services will be rendered on a monthly basis, in arrears. Invoices will be due and payable net thirty (30) days from the invoice date. All late payments will be subject to a late charge fee of 1.25% per month on the unpaid balances.

### ARTICLE 3. TAXES

Any tax or other amount which Seller may be required to pay to or collect for a government agency upon or with respect to the Services rendered hereunder, or the use or delivery of any products or parts thereof on behalf of buyer, will be billed to Buyer as separately stated charges. In the event Buyer disputes the taxability of an item hereunder, Seller will continue to collect such tax unless and until Buyer provides Seller with documentation authorized and prescribed by the taxing authority, such as a certificate of exemption, relieving Seller from liability for the collection and payment of such tax.

### ARTICLE 4. DOCUMENTATION

Each party agrees to keep complete and accurate records pertaining to the Services being performed under this Agreement, and to make such records available to the other party upon request. Upon request, Buyer will provide to Seller such reports and information concerning its operations as may be necessary for Seller to perform its obligations hereunder.

### ARTICLE 5. PROVISION OF INFORMATION

Except as provided herein, any specifications, diagrams, sketches, models, examples, tools, computer or other apparatus programs, software, technical or business information, written, oral or otherwise (all hereinafter collectively referred to as "Information"), furnished by one party (hereinafter referred to as the "Disclosing Party") furnished by the other party (hereinafter referred to as the "Receiving Party") under this Agreement or in contemplation of this Agreement will remain the property of the Disclosing Party. All copies of such information will be returned to the Disclosing Party upon request. Unless such information was previously known to the Receiving Party free of any obligation to keep it confidential, or is subsequently made public by the Disclosing Party, it will be kept confidential by the Receiving Party and used only for the purpose of performing under this Agreement.

It is understood that the Receiving Party may be required to furnish information to judicial, regulatory or administrative bodies. In such an event, the Receiving Party will promptly notify the Disclosing Party of such requirement and will cooperate with the Disclosing Party should the Disclosing Party desire to seek a protective order to prevent the public disclosure of its information.

**ARTICLE 6. COMPLIANCE WITH LAWS**

Both parties agree to comply with the provisions of the Fair Labor Standards Act of 1938, as amended, and all other applicable federal and state laws, rules, regulations and codes with which they are obligated to comply in the performance of this Agreement, included the procurement of permits and certificates where needed. Both parties further agree not to discriminate against any employee or applicant or employment because of race, color, religion, sex, national origin, age or handicap, and to comply with all applicable federal and state laws, orders, rules and regulations on this subject during the performance of this Agreement.

All employees or agents of Seller engaged in the performance of this Agreement will be considered solely the employees of Seller and will not be considered employees or agents of Buyer for any purpose whatsoever.

**ARTICLES 7. NOTICES**

Any notice, invoice or demand which under the terms of this Agreement or otherwise must or may be given or made by Seller or Buyer will be in writing and addressed to the respective parties as follows:

To Buyer:                      Southwestern Bell Communications Services, Inc.  
130 E. Travis, Suite 550  
San Antonio, TX 78205  
President and CEO

To Seller:                      Southwestern Bell Telephone Company  
One Bell Center, Room 4108  
St. Louis, MO 63101  
Vice President-Revenue and Public Affairs

The above addresses may be changed at any time by giving thirty (30) days' prior written notice as provided above.

**ARTICLE 8. SEVERABILITY**

If any of the provisions of this Agreement are deemed to be invalid or unenforceable, such invalidity or unenforceability will not invalidate or render unenforceable the entire Agreement, but rather the entire Agreement will be construed as if not containing the particular invalid or unenforceable provision(s), and the rights and obligations of the parties will be construed and enforced accordingly.

**ARTICLE 9. ASSIGNMENT**

Neither party may assign its obligations, rights or interests under this Agreement without first obtaining the written approval of the other party hereto; such approval not to be unreasonably withheld. All obligations and duties of any party under this Agreement will be binding upon all successors-in-interest and assigns of such party.

**ARTICLE 10. CHOICE OF LAWS**

The construction, interpretation and performance of this Agreement will be governed by the domestic laws of the State of Missouri.

**ARTICLE 11. TERM**

This Agreement will become effective when executed by both parties and will continue in full force and effect until terminated by either party upon thirty (30) days' prior written notice. Termination of this Agreement will also constitute termination of all Schedules attached hereto then in effect. On the other hand, an individual Schedule may be terminated by either party hereto, as provided in such Schedule, without terminating this Agreement in its entirety or any other Schedules then still in effect.

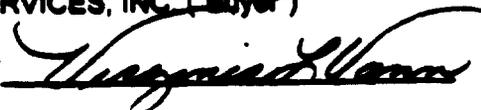
**ARTICLE 12. ENTIRE AGREEMENT**

The terms and conditions contained in this Agreement supersede all prior oral or written understandings between the parties pertaining to the subject matter hereof and constitute the entire agreement between them. This Agreement may not be modified or amended, except by a written instrument signed by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate original counterparts as of the date set forth below.

SOUTHWESTERN BELL COMMUNICATIONS SERVICES, INC. ("Buyer")

BY



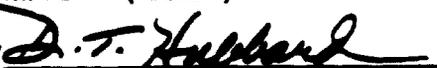
TITLE President and CEO

DATE

9-27-95

SOUTHWESTERN BELL TELEPHONE COMPANY ("Seller")

BY



TITLE Vice President-Revenue and Public Affairs

DATE

9/16/95



# **Attachment 4.A.1**

SERVICE. HUMAN RESOURCE SUPPORT

The following provisions shall apply to Human Resource Support (Services) furnished to Buyer by Seller pursuant to this Schedule and the General Services Agreement (the "Agreement") to which it is attached and of which it forms a part:

**Section 1 SCOPE OF SERVICES**

Services covered under this Schedule will consist of those functions performed by Seller's Human Resource department as hereafter specifically described in individual Pricing Addenda attached hereto.

**Section 2. PRICE**

Buyer agrees to pay for the Services provided by Seller in accordance with the fee schedule set forth in the Pricing Addendum attached hereto and by reference made a part hereof.

**Section 3. TERM**

This Schedule will cover the period from January 1, 1997 to December 31, 1997, and will continue thereafter until canceled in writing by either party, as provided in the Agreement.

IN WITNESS WHEREOF, the parties have caused this Schedule to be executed, in duplicate, by their duly authorized representatives as of the dates set forth below.

**BUYER:**

Southwestern Bell Communications  
Services, Inc.

By: Karl M. Switzer

Title: V.P. - Bus. Planning CFO

Date: 1/8/93

**SELLER:**

Southwestern Bell Telephone Company *for*

By: [Signature]

Title: Division Manager - State Reg. and Public Affairs

Date: 12/13/96

HUMAN RESOURCE SUPPORT  
PRICING ADDENDUM  
1997

a. The fees to be paid by Buyer for Services provided by Seller pursuant to this Schedule 002 will be as follows:

1. Special Benefit Consultation (1)	\$ 78.00/hour
2. Human Resource Administrative support (7)	
Clerical	\$ 52.00/hour
Secretary	\$ 58.00/hour
First level	\$ 88.00/hour
Second level	\$100.00/hour
Third level	\$110.00/hour
Fourth level	\$128.00/hour
Fifth level	\$165.00/hour

3. Staffing Administrative Support (9)

Clerical	\$ 69.00/hour
Secretary	\$ 70.00/hour
First level	\$ 95.00/hour
Second level	\$125.00/hour
Third level	\$120.00/hour

b. Coordinators for the Services to be provided pursuant hereto will be as follows:

**Buyer:** Corporate Manager-Contracts & Affiliates  
Southwestern Bell Communications Services, Inc.  
1651 North Collins, Suite 220  
Richardson, TX 75080

**Seller:** Consultant  
(1,7) SBC Management Services Inc.  
175 East Houston, Room 4-G-2  
San Antonio, TX 78205

**Seller:** Support Consultants - Legal  
(9) Southwestern Bell Telephone Company  
1010 Pine Room 17-W-48  
St. Louis, Missouri 63101

BUYER: Kyle M. Swartz SELLER: Jamie Dwyer  
DATE: 1/4/97 DATE: 12/26/96

- (1) For billing purposes, the identification number will be 300-002-001.
- (7) For billing purposes, the identification number will be 300-002-007.
- (9) For billing purposes, the identification number will be 300-002-009.

Invoices will be due and payable net thirty (30) days from the invoice date. All late payments will be subject to a charge of 1.50% per month on the unpaid balance.



## **Attachment 4.A.2**

**SERVICE: NONMANAGEMENT EMPLOYMENT**

The following provisions will apply to Nonmanagement Employment Services (the "Services") furnished to Buyer by Seller pursuant to this Schedule and the General Services Agreement (the "Agreement") to which it is attached and of which it forms a part:

**Section 1. SCOPE OF SERVICES**

Services provided under this Schedule will consist of employment testing and hiring services as required by Buyer in locations designated from time to time by Buyer in Arkansas, Kansas, Missouri, Oklahoma and Texas. Services may include, but are not necessarily limited to, recruitment, testing, interviewing and referral of nonmanagement employees to Buyer. Such services will expressly exclude the following Buyer subcontracted services: advertising, security/driver's license checks, substance abuse tests, pre-placement medical examinations and assessment activities. Buyer will retain ultimate control of all hiring decisions and will provide Seller with written approval of all employment referrals prior to Seller making any conditional and/or final job offers.

**Section 2. ADDITIONAL TERMS AND CONDITIONS**

**a. No Employment Relationship**

All persons furnished by Seller to perform services on Buyer's behalf will be considered solely Seller's employees, agents or contractors and Seller will be responsible for complying with all applicable laws, rules and regulations relating to employment of labor, hours of labor, working conditions, workers' compensation and payment of wages and taxes (such as unemployment, social security and other payroll taxes), including the applicable contributions from such persons when required by law.

**b. Claims Relating To Selection Procedures**

In the event that any complaint, charge, claim, suit or other judicial or administrative proceeding is made or filed by any person, governmental agency or entity against Buyer, its parent corporation or any of its affiliates pertaining, directly or indirectly, to the Services performed by Seller under this Schedule or the use or application of any selection procedure by Seller, Seller agrees to assist and cooperate in the defense of any such complaint, charge, claim, suit or proceeding. Such defense will include the production of documentation (such as application forms, candidate lists, test answer sheets, interviewer notes, etc.) and the testimony of Seller staff expert witnesses to establish that the selection procedures and Services performed by Seller hereunder are non-discriminatory and otherwise lawful under any applicable federal, state or local statutes, administrative rules or regulations, ordinances, guidelines and executive orders including, but not limited to, Title VII of the Civil Rights Act of 1964 and the EEOC's Uniform Guidelines on Employee Selection Procedures and Regulations issued by the Office of Federal Contract Compliance Programs.

c. Publicity

Each party agrees to submit to the other all advertising, promotional, marketing and other publicity-related materials pertaining to the Services performed hereunder wherein the names or marks of the other party or any of its affiliates or parent corporation are mentioned or which contain language from which the connection of said names or marks therewith may be inferred or implied, and each party further agrees not to publish or use such matters or materials without the other's prior written approval.

d. Compliance Reviews

Buyer retains the right to perform periodic procedural, contractual and legal compliance reviews of Seller's performance under this Schedule.

e. Ownership

Buyer will provide or make available to Seller, and Seller will utilize in performing Services under this Schedule, all required employment applications, forms, labor contracts, letterhead and other materials which will clearly reflect the identity of Buyer and not that of Seller.

f. Conflict Of Interest

Each party represents and warrants that no officer, employee or agent of the other party, its affiliates or parent corporation has been or will be employed, retained or paid a fee, or otherwise has received or will receive any personal compensation or consideration, by or from such party or from any of its officers, agents or employees in connection with the obtaining, arranging or negotiation of this Schedule or other documents or agreements entered into or executed in connection herewith.

g. Survival Of Obligations

Buyer's and Seller's obligations under this Schedule which by their nature would continue beyond the termination, cancellation or expiration hereof will survive such termination, cancellation or expiration.

h. Licenses

No licenses, expressed or implied, are granted by either party to the other under this Schedule.

i. Timely Performance

If Seller has knowledge of anything that prevents or threatens to prevent the reasonable and timely performance of Services under this Schedule, Seller will immediately notify Buyer thereof and include all relevant information concerning the delay or potential delay.

J. Warranty

Seller warrants that the Services performed under this Schedule will proceed with promptness and diligence and will be executed in a first-class professional manner.

Section 3. PRICE

Buyer agrees to pay for the Services provided by Seller hereunder in accordance with the fee schedule set forth in the Pricing Addendum attached hereto and by this reference made a part hereof.

Section 4. TERM

This Schedule will cover the period from April 1, 1997 to December 31, 1997, and will continue thereafter until canceled in writing by either party upon thirty (30) days' prior written notice, as provided in the Agreement.

IN WITNESS WHEREOF, the parties have caused this Schedule to be executed, in duplicate, by their duly authorized representatives as of the dates set forth below.

BUYER:

Southwestern Bell Communications  
Services, Inc.

By: Kend M. Smith

Title: VP - CFO

Date: 5/21/97

SELLER:

Southwestern Bell Telephone Company *per*

By: [Signature]

Title: Division Manager - State Reg.  
and Public Affairs

Date: 4/28/97

NONMANAGEMENT EMPLOYMENT SERVICES  
 PRICING ADDENDUM  
1997

a. The fees to be paid by Buyer for the Services to be provided by Seller pursuant to this Schedule 005 will be as follows:

1. Employment Testing Services:

Note: Buyer understands and agrees that Seller's prices include an amount to recover costs incurred for each hire and certain non-hire situations. Travel expenses for "Remote Location" testing will be billed to Buyer as incurred. If any additional administrative charge appears to be necessary in order for Seller to remain in compliance with the guidelines set out in FCC Docket 86-111, Seller agrees to provide Buyer with advance notice and an explanation of such charge.

	SWBT LOCATION	REMOTE LOCATION
Communications Technician (052)		
1 Technician	\$2025 ea.	\$2250 ea.
2-4 Technician	\$1800 ea.	\$2000 ea.
5+ Technician	\$1600 ea.	\$1800 ea.
Administrative Charge	\$1000 ea.	\$1300 ea.
Circuit Design Clerk (053)		
1 Clerk	\$1385 ea.	\$1500 ea.
2-4 Clerk	\$1250 ea.	\$1400 ea.
5+ Clerk	\$1175 ea.	\$1350 ea.
Administrative Charge	\$1175 ea.	\$1350 ea.

b. Coordinators for the Services to be provided pursuant hereto will be as follows:

Buyer: Corporate Manager-Contracts & Affiliates  
 Southwestern Bell Communications Services, Inc.  
 1651 North Collins, Suite 220  
 Richardson, TX 75080

Seller: District Manager-Human Resources Staffing  
 Southwestern Bell Telephone Company  
 1010 Pine, Room 16-E-15  
 St. Louis, Mo 63101

BUYER: Karl M. Sweitzer SELLER: Jamie D. Dwyer  
 DATE: 5/21/97 DATE: 5/1/97

(52) For billing purposes, the identification number will be 300-005-052.

(53) For billing purposes, the identification number will be 300-005-053.

Invoices will be due and payable net thirty (30) days from the invoice date. All late payments will be subject to a charge of 1.50% per month on the unpaid balance.

