EXHIBIT 13

FW8888

PITNEY, HARDIN, KIPP & SZUCH
(MAIL TO) P.O. BOX 1945, MORRISTOWN, N.J. 07962-1945
(DELIVERY TO) 200 CAMPUS DRIVE, FLORHAM PARK, N.J. 07932-0950
(201) 966-6300
ATTORNEYS FOR Defendant AT&T Corp.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

COMBINED COMPANIES, INC., a Florida corporation,	:	
AND	:	
WINBACK & CONSERVE PROGRAM, INC., ONE STOP FINANCIAL, INC., GROUP DISCOUNTS, INC., 800 DISCOUNTS, INC. and New Jersey corporations,	:	CIVIL ACTION NO. 95-908 (NHP)
AND	:	SECOND SUPPLEMENTAL CERTIFICATION OF RICHARD R. MEADE
PUBLIC SERVICE ENTERPRISES OF PENNSYLVANIA, INC., a Pennsylvania corporation,	:	
Plaintiffs,	:	
v.	:	
AT&T CORP., a New York corporation,	:	
Defendant.	:	

RICHARD R. MEADE, of full age, hereby certifies as follows:

1. I am an attorney-at-law of the State of New Jersey and am a Senior Attorney with defendant AT&T Corp. ("AT&T"). As such, I have personal knowledge of the facts and proceedings set forth herein.

2. I submit this Second Supplemental Certification as part of AT&T's submission in connection with the Court's rehearing on the application for a Preliminary Injunction.

3. On February 16, 1995, AT&T filed Tariff Transmittal No. 8179 ("Transmittal No. 8179") with the Federal Communication Commission ("FCC"). A copy of that transmittal is attached hereto as Exhibit A. A copy of my February 16, 1995 letter to David Nall, Deputy Chief of the Commission's Common Carrier Bureau, Tariff Division regarding the transmittal is attached hereto as Exhibit B.

4. In my letter to David Nall, I advised that AT&T filed Transmittal No. 8179 in light of "a reseller Customer's improper attempt to effect . . . a purported transfer of service (without the plan) to a third party." I was referring to the proposed transfer of locations from Combined Companies, Inc. ("CCI") (or Winback & Conserve, Inc. and the other Inga Companies) to Public Services Enterprises of Pennsylvania, Inc. ("PSE"), by which virtually all of the locations under the CSTP-IIs plans would have been moved to PSE, but the stripped-down plans would have remained with CCI. This effort to isolate the plans (with a potential of many millions dollars in shortfall charges) from the locations (*i.e.* the revenue-producing assets) was a transparent attempt to

avoid payment of shortfall charges. I understood that CCI was a new company with substantially no assets. That fact and Alfonse Inga's announced intention to isolate the liabilities represented under the CSTP-II plans and have his companies file for bankruptcy caused AT&T to decline to carry out the CCI/PSE transfer. As stated in my letter, AT&T's position was that although its "tariffs currently support its right to refuse to complete transactions of this sort, this filing is made to preclude dispute on the matter."

5. The Tariff 2 General Regulations prohibit the use of fraudulent means or schemes to avoid payment of tariffed charges. (Tariff F.C.C. No. 2, Section 2.2.4.A.2.) When a Customer fails to comply with this Section, AT&T may temporarily suspend service for as long as the Customer is in non-compliance. (Tariff F.C.C. No. 2, Section 2.8.2.)

6. Under CCI's requested location transfer, CCI would have nominally remained the customer of record for the CSTP IIs. But by transferring its revenue-producing accounts, CCI would apparently have rendered itself an assetless shell, unable either to fulfill its commitments or to pay its shortfall or termination charges. The tariff prohibits such a scheme to avoid payment of charges and permits AT&T to suspend the customer's right to transfer service as part of such a scheme.[1]

[1]At least one of the Petitioners against Transmittal No. 8179-- one-time plaintiff and intended transferee PSE -- concedes this point: "AT&T itself notes in its letter [to David Nall] that it has already tariffed provisions that protect it from the very problem that it now claims requires Tr. No. 8179." PSE Petition to

7. In Transmittal No. 8179, AT&T had proposed clarifying its ability to prevent the CCI-PSE transfer by modifying the language of Section 2.1.8.C so that when a customer sought to transfer of:

> all or substantially all of 800 numbers on an existing [AT&T plan], and the anticipated result of such a transfer would be that the usage and/or revenue from the remaining [locations] . . . would not meet the usage and/or revenue commitment of the [plan], the transfer will be deemed a transfer of the associated [plan] . . . and must be completed in accordance with this Section.

8. In connection with Transmittal No. 8179, seven entities (including Winback & Conserve, Inc., CCI and PSE) filed Petitions to Reject or Suspend and Investigate with the FCC. AT&T filed a Reply to the Petitions to Reject or Suspend and Investigate.

9. The FCC was concerned that the modified language in § 2.1.8.C would have had a broader effect than was needed to achieve AT&T's specific purpose, which was simply to clarify its existing right to prevent a location transfer intended to avoid payment of charges, and so would constitute a substantive tariff change. Transmittal No. 8179 was based on the existing tariff right to suspend the assignability of a service where the assignment is intended to avoid payment of charges. The problem identified by the Petitioners was that, as filed, the Transmittal could have prohibited a location transfer even if the transfer was not intended to avoid payment of charges.

Reject or Suspend and Investigate at 5. A copy of the PSE Petition is attached as Exhibit C.

10. I and others at AT&T had a number of discussions with the FCC concerning Transmittal No. 8179. In the course of those discussions, we explored alternative tariff language that would address more directly the problem (the separation of assets and liabilities) that gave rise to the initial filing without requiring a determination as to whether the parties to the transfer intended to avoid payment of charges.

11. In particular, we discussed an alternative approach by which AT&T's concern would be met by requiring a deposit (either in cash or by letter of credit) in the amount of the projected shortfall charge that would apply as a result of the location transfer. The FCC was receptive to this approach, but noted that it would represent a significant change from the pending filing and that it would be appropriate to make that change as a new transmittal, thereby providing interested parties with a new opportunity to state any objections. The Commission asked that AT&T withdraw Transmittal No. 8179 and submit the new approach as a new filing. Accordingly, on June 5, 1995, AT&T withdrew Transmittal No. 8179. A copy of the letter and associated tariff transmittal withdrawing Transmittal No. 8179 is attached hereto as Exhibit D.

12. I was involved in AT&T's decision to withdraw Transmittal No. 8179. I was aware of the Court's decision to refer the CCI/PSE transfer to the FCC and had read the Order. I did not understand the Court's reference of this issue to the FCC to mean

that the Court was relying on Transmittal No. 8179 to resolve the issue. Instead, it was my understanding - which I now understand was not the Court's intent - that plaintiffs were to seek direct resolution of the issue from the FCC.

13. AT&T did not withdraw Transmittal No. 8179 to frustrate resolution of the CCI-PSE issue. Nor was AT&T's decision to include the replacement revisions as part of an ongoing across-the-board tariff revision project intended in any way to frustrate this Court's Order or to prevent resolution of the matter. That decision was made (in consultation with the FCC and representatives of the reseller trade association) for reasons of economy and efficiency, not to avoid resolution of the CCI-PSE issue.

14. Over the summer, AT&T discussed the contemplated across-the-board tariff filing with representatives of a reseller trade group, the Telecommunications Reseller Association ("TRA"), which includes resellers that will be affected by and interested in this package. Revisions were made in response to the reseller input. The contemplated changes were discussed further with the FCC in August and September, and further revisions were made. All of these revisions were circulated among the many affected product management groups within AT&T for approval. The time between the withdrawal of Transmittal No. 8179 in June and the filing of Transmittal No. 9229 in October was a result of AT&T's desire to solicit and respond to input from resellers and the FCC, and the

need to obtain approval from the many different product management groups affected by the changes.

15. On October 26, 1995, AT&T Corp. filed Tariff Transmittal No. 9229 with the FCC. Transmittal No. 9229 addresses the problem implicated in the CCI-PSE transfer --- the segregation of assets (locations) from liabilities (plan commitments) --- in the following manner. (Relevant pages of Transmittal No. 9229 are attached hereto as Exhibit E.) Section 2.5.8.B (Shortfall Deposits) gives AT&T the right to demand a deposit to cover shortfall charges in the event: a) the term commitment is greater than one year; b) the customer has asked to remove locations (by transfer or otherwise) such that the remaining locations would generate charges less than 80% of the revenue commitment; and c) the customer's net assets are insufficient to secure against the risk of shortfall or the customer's financial responsibility is not a matter of record. Section 2.1.8 (Transfer of Service) of Transmittal No. 9229 specifies that AT&T has the right to reject a requested transfer if either party fails to pay a required deposit.

16. The Deposit for Shortfall Charges included in Transmittal No. 9229 is a new concept that meets AT&T's business concern more directly, without addressing the question of intent. Because this concept is new, it will apply only to newly ordered term plans, and so would not be determinative of the issue presented on the CCI/PSE transfer.

I hereby certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are wilfully false, I am subject to punishment.

RICHARD R. MEADE

DATED: November 28, 1995

Exhibit A

M. F. Del Casino
Administrator - Rates and Tariffs

Room 3D55
55 Corporate Drive
Bridgewater, NJ 08807
908 658-5851

February 14, 1995

Transmittal No. 8179

Secretary
Federal Communications Commission
Washington, DC 20554

Attention: Common Carrier Bureau

The accompanying tariff material issued by AT&T Communications and bearing Tariff F.C.C. Nos. 1 and 2, effective March 2, 1995, is sent to you for filing in compliance with the requirements of the Communications Act of 1934, as amended. This material consists of tariff pages as indicated on the following check sheets:

Tariff F.C.C. No. 1 - 3326th Revised Page 1
Tariff F.C.C. No. 1 - 276th Revised Page 1.4
Tariff F.C.C. No. 2 - 1140th Revised Page 1

This filing modifies language pertaining to Transfer or Assignment regulations.

A continuing waiver of Section 61.74 of the Federal Communications Commission's Rules and Regulations was requested under Application No. 1528 and has been granted under Special Permission No. 93-88.

Notification to customers of rate increases is being made through advertisements scheduled to appear within the next two business days in general circulation daily newspapers in major metropolitan areas throughout the country (including USA Today and the national editions of the Wall Street Journal and the New York Times).

Acknowledgment and date of receipt of this filing are requested to the address below. A duplicate letter of transmittal is attached for this purpose. Petitions can be served either by facsimile (908-953-8360) to the attention of Mr. R. Meade or in person to Mr. M. F. DelCasino, Administrator - Rates and Tariffs, AT&T Communications, 55 Corporate Drive, Room 3D55, Bridgewater, NJ 08807.

Administrator - Rates and Tariffs

Duplicate Letter
Attachment:
Tariff Pages (6)
Copy of Letter, with attachment, concurrently sent to:
Commercial Contractor
Chief, Tariff Review Branch, Public Reference Copy

Recycled Paper

[illegible] COMMUNICATIONS
Mr. E. F. Goldstein
[illegible] Rates and Tariffs
Bridgeport, NJ 08667
Issued: February 16, 1995

[illegible] F.C.C. No. 1

[illegible] Revised Page 1
Channels [illegible] Revised Page 1
Effective: March 1, 1995

LONG DISTANCE MESSAGE TELECOMMUNICATIONS SERVICE
CHECK SHEET

The Title Page and Pages 1 through [illegible] inclusive of this tariff are effective as of the date shown. Original and revised pages as named below had AFCC Communications Supplement Nos. 306, 307, 380, 400, 401, 402, 403, 404 and [illegible] all changes from the original tariff that are in effect on the date shown.

Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated
Title	9th	10.0.4.3	20th	46	6th	56.6	3rd	60.[illegible]	7th
1	1st*	10.0.4.4	20th	47	3rd	56.7	3rd	62.0	6th
1.1	Original	10.0.4.5	26th	48	13th	57	20th	63.0	Original
1.2	27th	10.0.4.6	20th	48.1	9th	57.1	20th	64	12th
1.3	24th	10.0.4.7	14th	48.2	Original	57.1.1	4th	65.1	17th
1.4	17th*	10.0.4.8	15th	49	10th	57.2	14th	65.2	32nd
1.5	30th	10.0.4.9	14th	50	11th	57.2.1	3rd	65.2.1	6th
1.6	25th	10.0.4.10	10th	51	8th	57.3	19th	65.2.2	2nd
1.7	11th	10.0.4.11	13th	52	10th	58	11th	65.3	20th
1.8	32nd	10.0.4.12	20th	53	10th	58.1	1st	65.3.1	10th
1.9	29th	10.0.4.13	10th	53.1	3rd	58.2	2nd	65.3.2	13th
1.10	32nd	10.0.4.14	10th	54	10th	59.3	1st	65.3.3	6th
1.11	40th	10.0.4.15	10th	55	2nd	59.4	1st	65.3.3.1	8th
1.12	14th	10.0.4.16.1	Original	56	11th	59.5	1st	65.3.3.2	1st
1.13	18th	10.0.4.16	10th	57	3rd	59.6	1st	65.3.4	2nd
1.14	17th	10.0.4.18	20th	58	13th	59.7	1st	65.3.5	2nd
1.15	Original	10.0.4.17	Original	58.1	8th	60.8	1st	66.0	20th
2	10th	10.0.5	16th	59.2	2nd	59.9	1st	66.4.1	3rd
3	6th	10.9	16th	59	17th	60.10	1st	66.5	12th
4	10th	10.10	3rd	59.1	12th	60.11	1st	66.5.1	13th
4.1	3rd	10.11	1st	59.2	1st	60.12	1st	66.5.1.1	10th
5	10th	10.12	1st	60	20th	60.13	1st	66.5.2	11th
6	24th	11	12th	60.1	20th	60.14	1st	66.5.2.1	9th
6.1	1st	11.1	1st	60.1.1	12th	60.15	1st	66.5.3	10th
7	20th	12	20th	60.1.1.1	9th	60.16	1st	66.5.3.1	12th
7.1	28th	12.1	Original	60.1.1.1.1	2nd	60.17	1st	66.5.3.2	9th
8	22nd	13	12th	60.1.2	3rd	60.18	1st	66.5.4	9th
8.1	13th	14	7th	60.1.3	8th	60.19	1st	66.5.5	1st
8.2	8th	15	10th	60.2	6th	60.20	1st	66.5.6	1st
8.3	2nd	16	5th	60.2.1	13th	60.21	1st	66.5.7	1st
8.4	3rd	17	2nd	60.2.1.1	4th	60.22	1st	66.5.7.1	12th
8.5	3rd	18	3rd	60.2.1.1.1	1st	60.23	1st	66.5.7.2	10th
8.6	1st	19	3rd	60.2.2	17th	60.24	1st	66.5.7.3	12th
9	11th	20	4th	60.2.3	10th	60.25	1st	66.5.7.4	9th
9.1	1st	21	10th	60.2.4	4th	60.26	1st	66.5.7.5	10th
10	22nd	21.1	1st	60.3	21st	60.27	1st	66.5.7.6	8th
10.1	25th	22	10th	60.4	10th	60.28	1st	66.5.7.7	11th
10.1.1	8th	22.1	2nd	60.5.1	9th	60.29	1st	66.5.7.8	12th
10.2	25th	23	7th	60.6.1	8th	60.30	1st	66.5.7.9	11th
10.2.1	14th	24	2nd	60.6.2	2nd	60.31	1st	66.5.7.10	9th
10.2.2	1st	25	8th	60.6.4	9th	60.32	1st	66.5.7.11	9th
10.3	13th	26.1	6th	60.6.5	4th	60.33	1st	66.5.7.12	9th
10.4	30th	22.2	1st	60.6.6	4th	60.34	1st	66.5.7.13	9th
10.4.1	18th	25.3	1st	60.6.7	7th	60.35	1st	66.5.7.14	10th
10.4.2	2nd	25.3.1	2nd	60.6.8	9th	60	7th	66.5.7.15	10th
10.4.3	2nd	26	15th	60.6.9.1	12th	60	8th	66.5.7.16	9th
10.4.4	2nd	26.2	10th	60.6.9.2	2nd	60	8th	66.5.7.17	9th
10.5	20th	26.2	8th	60.6.9.2.1	6th	60.1	20th	66.5.7.18	10th
10.5.1	12th	26.3	10th	60.6.9.3	6th	60.1.1	10th	66.5.7.19	10th
10.5.1.1	2nd	26.4	9th	60.6.9.4	2nd	60.2	19th	66.5.7.20	10th
10.5.1.2	Original	26.5	2nd	60.6.9.5	6th	60	20th	66.5.7.21	6th
10.5.2	9th	27	6th	60.6.9	2nd	60	10th	66.5.7.22	9th
10.5.2.1	Original	28	13th	60.6.10	2nd	60.1	2nd	66.5.7.23	9th
10.5.3	2nd	28.1	6th	60.6.11	8th	60.2	2nd	66.5.7.24	10th
10.5.4	20th	28.2	6th	60.6.12	9th	60	21st	66.5.7.25	6th
10.5.4.1	6th	28.3	20th	60.6.13	6th	60.1	10th	66.5.7.26	9th
10.5.5	9th	29	10th	60.6.14	4th	60.1.1	9th	66.5.7.27	11th
10.5.5.1	1st	30	7th	60.6.15	3rd	60.1.2	1st	66.5.7.28	13th
10.5.6	9th	31	8th	60.8	9th	60.2	8th	66.5.7.29	9th
10.5.7	3rd	32	2nd	60.9	4th	60	10th	66.5.7.30	9th
10.6	7th	33	2nd	60.9	10th	60.1	9th	66.5.7.31	10th
10.7	6th	34	2nd	60	7th	60.1.1	9th	66.5.7.32	9th
10.7.1	10th	35	6th	60.9	10th	60.2	10th	66.5.7.33	2nd
10.7.1.1	Original	36	6th	60.9.1	10th	60.2.1	6th	66.5.7.34	2nd
10.8	12nd	37	6th	60.9	12th	60.2.2	9th	66.5.7.35	2nd
10.8.1	21st	38	10th	60.9.2	9th	60.2.3	10th	66.5.7.36	2nd
10.8.2	21st	38.1	17th	60.9	10th	60.2.4	2nd	66.5.7.37	2nd
10.8.3	17th	39	10th	60.4	10th				
10.8.4	20th	39.1	10th	60.5	10th				
10.8.4.1	20th	40	10th						

* Also on Revised Page.

Issued in U.S.A.

[illegible] DISTANCE [illegible] TELECOMMUNICATIONS SERVICE
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	Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated
119	4th	147.14	3rd	158	10th	160.6	3rd	160.58	7th
120.1	3rd	147.15	5th	158.1	3rd	160.6	8th	160.59.1	Original
130	2nd	147.15.4	2nd	159	11th	160.6	7th	160.59	8th
131	11th	147.16	10th	160	10th	160.7	8th	160.59.1	Original
131.1	8th	147.17	3rd	159.1	2nd	160.8	8th	160.60	11th
132	12th	147.17.1	4th	159.2	1st	160.9.1	Original	160.60.1	Original
132.1	Original	147.18	2nd	160	10th	160.9	8th	160.61	6th
133	13th	147.18.1	3rd	161	10th	160.9.1	Original	160.61.1	Original
134	10th	147.19	2nd	161.1	11th	160.10	10th	160.62	8th
134.1	8th	147.20	2nd	161.1.1	10th	160.10.1	1st	160.62.1	Original
134.1.1	2nd	147.20.1	1st	161.1.1.1	3rd	160.11	8th	160.63	8th
134.1.2	Original	147.21	4th	161.1.2	10th	160.11.1	Original	160.63.1	8th
134.2	9th	147.22	1st	161.1.3	10th	160.12	7th	160.63.2	Original
134.2.1	9th	147.23	1st	161.1.4	7th	160.12.1	Original	160.63.3	Original
134.3	10th	147.24	4th	161.1.5	3rd	160.13	8th	160.64	7th
134.4	6th	147.25	7th	161.1.6	6th	160.13.1	Original	160.65	5th
134.4.1	8th	147.26	11th	161.2	10th	160.14	10th	160.66	7th
134.4.2	7th	147.26.1	1st	161.2.1	10th	160.14.1	Original	160.67	4th
134.4.3	9th	147.27	3rd	161.2.1.1	1st	160.15	9th	160.68	7th
134.4.4	9th	147.27.1	3rd	161.2.2	14th	160.15.1	Original	160.69	3th
134.4.4.1	Original	147.28	2nd	161.2.2.1	1st	160.16	9th	160.70	8th
134.4.4.2	Original	147.28.1	1st	161.2.3	13th	160.16.1	Original	160.71	9th
134.4.4.2	1st	147.29	7th	161.2.4	9th	160.17	9th	160.72	9th
134.5	2nd	147.30	8th	161.2.5	5th	160.17.1	9th	160.72.1	2nd
134.6	3rd	147.30.1	1st	161.3	10th	160.17.2	Original	160.72.2	2nd
134.7	2nd	147.31	7th	161.3.1	13th	160.17.3	Original	160.72.3	2nd
134.8	3rd	147.32	6th	161.3.1.1	Original	160.18	7th	160.72.4	2nd
134.9	Original	147.33	8th	161.3.2	12th	160.19	9th	160.72.5	2nd
135	6th	147.34	6th	161.3.2.1	11th	160.20	7th	160.72.6	2nd
136	14th	147.34.1	8th	161.3.3	9th	160.21	6th	160.72.7	2nd
137	15th	147.34.2	1st	161.3.3.1	1st	160.22	8th	160.72.8	2nd
138	15th	147.34.3	2nd	161.4	13th	160.23	8th	160.72.9	2nd
139	14th	147.34.4	3rd	161.4.1	1st	160.24	9th	160.72.10	2nd
140	15th	147.35	8th	161.4.2	1st	160.25	8th	160.72.11	2nd
141	23rd	147.35.1	1st	161.4.3	2nd	160.26	8th	160.72.12	2nd
141.1	3rd	147.35.2	1st	161.4.4	Original	160.27	8th	160.72.13	2nd
142	19th	147.36	2nd	161.4.5	1st	160.28	6th	160.72.14	2nd
143	14th	147.37	2nd	161.4.6	2nd	160.29	4th	160.72.15	2nd
144	21st	147.38	4th	161.4.6.1	1st	160.30	4th	160.72.16	2nd
144.1	7th	147.39	2nd	161.4.7	Original	160.31	4th	160.72.17	2nd
145	19th	147.40	4th	161.4.8	Original	160.32	4th	160.72.18	2nd
146	18th	147.41	2nd	161.4.9	1st	160.33	4th	160.72.19	2nd
147	17th	147.42	1st	161.5	7th	160.34	4th	160.73	2nd
147.1	8th	148	2nd	161.6	9th	160.35	4th	160.74	7th
147.2	6th	149	21st	161.6.1	Original	160.36	4th	160.75	4th
147.3	5th	150	11th*	161.7	4th	160.37	8th	160.75.1	4th
147.4	4th	150.1	2nd	161.7.1	Original	160.38	8th	160.76	7th
147.4.1	2nd	151	2nd	162	7th	160.39	4th	160.77	7th
147.5	10th	151.1	8th	164	11th	160.40	4th	160.78	9th
147.5.1	2nd	151.2	2nd	165.5	3rd	160.41	4th	160.79	8th
147.6	12th	151.3	7th	166	4th	160.42	4th	160.80	7th
147.7	7th	151.4	6th	166.1	11th	160.43	4th	160.81	7th
147.7.1	10th	151.5	5th	166.2	3rd	160.44	4th	160.82	5th
147.7.1.1	1st	151.6	7th	166.3	8th	160.45	4th	160.83	4th
147.7.2	11th	151.7	8th	166.4	8th	160.46	2nd	160.84	4th
147.7.3	6th	151.8	7th	166.5	6th	160.47	2nd	160.85	7th
147.7.4	7th	151.9	Original	166.6	10th	160.48	3rd	160.86.1	6th
147.7.4.1	6th	152	10th	167	17th	160.49	2nd	160.87	6th
147.7.5	6th	153	10th	168.1	17th	160.50	2nd	160.87	6th
147.7.5.1	5th	154	10th	168.1.1	6th	160.51	2nd	160.88	6th
147.7.6	7th	154.1	6th	168.1.2	3rd	160.52	2nd	160.89	6th
147.7.7	6th	155	11th	168.2	6th	160.53	5th	160.90	4th
147.7.7.1	6th	155.1	7th	168.2.1	10th	160.53.1	Original	160.91	5th
147.7.7.2	2nd	155.2	2nd	168.2.2	9th	160.54	9th	160.92	7th
147.7.8	10th	156	10th	168.2.3	6th	160.54.1	Original	160.93	6th
147.7.9	9th	156.1	10th	168.2.3.1	9th	160.55	9th	160.94	5th
147.8	3rd	156.1.1	11th	168.2.3.2	6th	160.56.1	Original		
147.9	5th	156.1.1.1	7th	168.3	8th	160.57	9th		
147.10	2nd	156.2	9th	168.3.1	10th	160.58.1	1st		
147.11	1st	157	15th	168.3.2	9th	160.57	9th		
147.12	1st	157.1	6th	168.3.3	3rd	160.57.1	Original		
147.13	2nd								

* See on Revised Page.

Attached to T.S.S.

6.2.5. Provision of Services (continued)

B. Installation - When installation of a component is required it will be installed subject to the availability of installation personnel and equipment. Installations will usually be made during normal working hours. For AT&T OPTIMUM Service, an Installation Guarantee is provided as specified in Section 6.17.6. following. For AT&T CustomNet GOLD Service, an Installation Guarantee is provided as specified in Section 6.21.5., following.

C. Maintenance - The Company will maintain and repair the services which it provides, at no additional charge, except as specified in AT&T UNIPLAN Basic Service Option as specified in Section 6.19.5. following. For AT&T OPTIMUM Service, a Maintenance Guarantee is provided as specified in Section 6.17.5. following. For AT&T CustomNet GOLD Service a Maintenance Guarantee is provided as specified in Section 6.21.5., following. 5x 5x

D. Hazardous Locations - A Company-provided access line will not be furnished at a location the Company considers hazardous (e.g., explosive atmosphere environments). In such cases, the Company, if so requested, will terminate the access line at a mutually agreeable alternate location. The Customer will then be responsible for extension of the access line to the hazardous location.

6.2.6. Transfer or Assignment - Custom Network Services may be transferred or assigned to a new Customer, provided that:

A. The Customer of record (former Customer) requests in writing that the Company transfer or assign the service to the new Customer.

B. The new Customer notifies the Company in writing that it agrees to assume all obligations of the former Customer at the time of transfer or assignment. These obligations include: (1) all outstanding indebtedness for the service, and (2) the unexpired portion of any applicable minimum payment period(s), including the unexpired portion of any term of service and usage or revenue commitment(s).

C. The service is not interrupted or relocated at the time the transfer or assignment is made.

D. The Company agrees in writing to the transfer or assignment.

The transfer or assignment does not relieve or discharge the former Customer from remaining jointly and severally liable with the new Customer for any obligations existing at the time of transfer or assignment. These obligations include: (1) all outstanding indebtedness for the service, and (2) the unexpired portion of any applicable minimum payment period(s), including the unexpired portion of any term of service and usage or revenue commitment(s).

Certain explanations previously found on this page can now be found on Page 150.1.
* Material filed under Transmittal No. 5130 is effective to become effective on February 20, 1995.

6.2.6. Transfer or Assignment (continued) N

If a Customer seeks to transfer, to one or more other Customers, all or substantially all of the locations associated with an existing Custom Network Service volume or term plan or Contract Tariff, and the anticipated result of such a transfer would be that the usage and/or revenue from the remaining locations associated with the volume or term plan or Contract Tariff (based on the past 12 months of usage) would not meet the usage and/or revenue commitment of the volume or term plan or Contract Tariff, the transfer will be deemed a transfer of the associated volume or term plan or Contract Tariff to such other Customer(s), and may only be completed in accordance with this Section. If the transfer of service is to a group of two or more other Customers, the new Customer for the volume or term plan or Contract Tariff will be that group. Each Customer in the group will be jointly and severally liable for all of the obligations associated with the transferred service and volume or term plan or Contract Tariff. N

6.2.7. Multi-Location Calling Plan (MLCP) - Certain Custom Network Services are available as part of the MLCP. The terms and conditions of the MLCP are described in Section 6.9. following. M

Overside regulations on this page formerly appeared on Page 150.

[illegible] COMMUNICATIONS
Mr. [illegible]
Adm. Rates and Tariffs
Bridgewater, NJ 08807
Issued: February 14, 1995

[illegible] F.C.C. No. [illegible]
[illegible]th Revised Page 1
Cancels [illegible]th Revised Page 1

Effective: March 2, 1995

[illegible] AREA TELECOMMUNICATIONS SERVICE

[illegible] SHEET

The Title Page and Pages 1 through 200 inclusive of this tariff are effective as of the date shown. Original and revised pages as named below and AT&T Communications Supplement No. 167 contain all changes from the original tariff that are in effect on the date shown.

Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated
Title	21st	31	9th	41.5.2	15th	60.2	19th	73.1.2	Original
1	1140th*	32	10th	41.5.3	6th	60.2.1	9th	73.4	2nd
1.1	214th	33	12th	41.6	11th	60.2.1.1	Original	74	24th
1.2	60th	34.1	1st	41.7	15th	60.3	10th	75	30th
2	6th	34	3rd	41.7.1	9th	60.3.1	3rd	77.1	28th
3	4th	34.1	26th	41.8	3rd	60.4	10th	77.2	6th
4	7th	34.2	17th	41.9	6th	60.5	3rd	78	20th
5	20th	34.3	3rd	41.10	12th	60.6	1st	79	11th
6	9th	34.4	2nd	41.10.1	7th	60.7	4th	79.1	3rd
7	21st	35	9th	41.11	2nd	60.8	5th	79.2	3rd
7.1	17th	35.1	9th	41.12	11th	60.9	2nd	79.3	8th
7.2	Original	35.2	14th	41.13	3rd	60.10	8th	79.4	8th
8	21st	35.3	12th	41.14	1st	60.11	4th	79.4.1	4th
8.1	21st	36.4	4th	41.15	4th	60.12	3rd	79.4.2	4th
8.1.1	Original	36.5	1st	41.16	10th	60.13	1st	79.4.3	4th
8.1.2	Original	36.6	1st	41.16.1	9th	60.14	2nd	79.5	7th
8.2	16th	36.7	Original	41.17	16th	60.15	2nd	79.6	6th
8.3	20th	36	9th	41.17.1	1st	60.15.1	1st	79.7	7th
8.4	13th	37	7th	41.17.2	Original	70	21st	79.8	13th
8.4.2	13th	38	6th	41.18	13th	70.1	30th	79.9	19th
8.4.3	6th	39	3rd	41.18.1	9th	70.1.1	9th	79.9.1	13th
8.5	20th	40	6th	41.19	9th	70.1.1.1	2nd	79.10	6th
8.5.1	2nd	41	4th	41.19.1	7th	70.1.1.2	2nd	79.11	8th
8.6	26th	42	4th	41.19.2	2nd	70.1.2	3rd	79.12	9th
8.6.1	16th	43	8th	41.20	7th	70.1.3	6th	79.12.1	Original
8.6.1.1	27th	43.1	1st	41.21	5th	70.1.4	4th	79.13	1st
8.6.1.2	22nd	44	9th	41.21.1	9th	70.1.5	6th	79.13.1	Original
8.6.1.3	20th	44.1	6th	41.21.2	7th	70.1.5.1	2nd	79.14	1st
8.6.1.4	24th	45	20th	41.21.3	6th	70.1.5.2	1st	79.14.1	Original
8.6.1.5	1st	45.1	3rd	41.21.4	1st	70.1.6	4th	79.15	1st
8.6.2	3rd	46	8th	41.21.5	2nd	70.1.6.1	5th	79.15.1	Original
8.7	7th	46.1	5th	41.22	5th	70.1.7.1	Original	79.16	1st
9	6th	47	13th	41.22	7th	70.1.7	9th	79.17	1st
10	9th	47.1	7th	41.23.1	2nd	70.1.8	3rd	79.18	2nd
11	8th	48	20th	41.24	3rd	70.1.9.1	2nd	79	5th
12	6th	48.1	3rd	41.24.1	Original	70.1.9.2	1st	79	6th
13	7th	49	2nd	41.25	6th	70.1.9.3	1st	80	5th
14	2nd	50	22nd	41.25.1	10th	70.1.9	1st	81	4th
15	2nd	50.1	1st	41.25.1.2	5th	70.2	14th	82	7th
16	7th	51	20th	41.26	3rd	70.2.1	5th	83	4th
17	2nd	51.1	Original	41.26.1	1st	70.2.2	2nd	84	4th
18	13th	52	14th	41.26.2	2nd	70.2.3	1st	85	5th
19	11th	52.1	5th	41.26.3	1st	70.3	10th	86	5th
19.1	6th	53	17th	42	16th	70.4	16th	87	16th
20	10th*	54	19th	43	10th	70.4.1	15th	88	5th
21	11th	54.1	2nd	44	8th	70.4.2	1st	89	5th
22	6th	55	17th	45	19th	70.5	20th	89	4th
22.1	2nd	55.1	8th	45.1	7th	70.5.1	3rd	90	5th
22.2	5th	55.2	7th	45.2	1st	70.6	17th	91	4th
22.2.1	1st	56	8th	46	9th	70.6.1	15th	92	4th
22.3	Original	57	8th	46.1	2nd	70.7	8th	93	13th
23	4th	58	8th	46.2	2nd	70.7.1	2nd	94	4th
23.1	Original	58.1	24th	46.3	9th	70.8	8th	95	7th
24	20th	59	9th	46.4	2nd	70.8.1	2nd	96.1	2nd
25	9th	59.1	6th	46.5	4th	70.9	4th	97	10th
26	7th	60	20th	47	20th	70.10	6th	98	7th
27	7th	61	20th	47.1	12th	70.10.1	2nd	99.1	6th
27.1	Original	61.1	14th	47.1.1	8th	71	27th	99.2	6th
28	9th	61.2	9th	47.2	9th	71.1	19th	99.3	9th
28.1	8th	61.3	2nd	48	20th	72	7th	99.4	9th
28.2	9th	61.3.1	8th	48.1	6th	72	10th	99.5	9th
28.3	9th	61.3.2	4th	48.2	2nd	72.1	27th	99.6	9th
28.4	Original	61.4	15th	48.3	8th	72.2	13th	99.7	9th
28.5	1st	61.4.1	8th	49	20th	72.3	9th		
29	13th	61.5	5th	49.1	20th	72.3.1	1st		
30	6th	61.6.1	4th	49.1.1	1st				

* Only on Revised Page

Deleted in F.C.C.

P.07

2.1.7. **Limitations on the Provision of WATS (continued)**

B. **Restoration of Service** - In the event of failure, WATS will be restored in compliance with Part 64, Subpart D, of the FCC's Rules and Regulations.

C. **Hazardous Locations** - An access line will not be furnished at a location the Company considers hazardous (e.g., explosive atmosphere environments). In such cases, the Company, if so requested, will terminate the access line at a mutually agreeable alternate location. The Customer will then be responsible for extension of the access line to the hazardous location.

2.1.8. **Transfer or Assignment** - WATS, including any associated telephone number(s), may be transferred or assigned to a new Customer, provided that:

A. The Customer of record (former Customer) requests in writing that the Company transfer or assign WATS to the new Customer.

B. The new Customer notifies the Company in writing that it agrees to assume all obligations of the former Customer at the time of transfer or assignment. These obligations include (1) all outstanding indebtedness for the service and (2) the unexpired portion of any applicable minimum payment period(s), including the unexpired portion of any term of service and usage or revenue commitment(s). C C

C. The Company acknowledges the transfer or assignment in writing. The acknowledgment will be made within 15 days of receipt of notification.

The transfer or assignment does not relieve or discharge the former Customer from remaining jointly and severally liable with the new Customer for any obligations existing at the time of transfer or assignment. These obligations include: (1) all outstanding indebtedness for WATS, and (2) the unexpired portion of any applicable minimum payment period(s). When a transfer or assignment occurs, a Record Change Only Charge applies (see Record Change Only, Section 3).

Nothing herein or elsewhere in this tariff shall give any Customer, assignee, or transferee any interest or proprietary right in any 800 Service telephone number.

If a Customer seeks to transfer, to one or more other Customers, all or substantially all of the 800 numbers associated with an existing AT&T 800 Service Term Plan or Contract Tariff, and the anticipated result of such a transfer would be that the usage and/or revenue from the remaining 800 numbers associated with the Term Plan or Contract Tariff (based on the past 12 months of usage) would not meet the usage and/or revenue commitment of the Term Plan or Contract Tariff, the transfer will be deemed a transfer of the associated Term Plan or Contract Tariff to such other Customer(s), and may only be completed in accordance with this Section. If the transfer of service is to a group of two or more other Customers, the new Customer for the Term Plan or Contract Tariff will be that group. Each Customer in the group will be jointly and severally liable for all of the obligations associated with the transferred service and Term Plan or Contract Tariff. N N

2.1.9. **Retention of 800 Service Telephone Numbers** - Customers may retain the same 800 Service telephone number when moving to another location within the Mainland or Hawaii.

Exhibit B

STAMP & RETURN

Richard R. Meade
Senior Attorney

Room 3250H3
295 North Maple Avenue
Basking Ridge, NJ 07920
908 221-7282
FAX 908 953-8360

February 16, 1995

David Nall, Esq.
Deputy Division Chief
Federal Communications Commission
1919 M Street, N.W.
Room 518
Washington, D.C. 20554

RECEIVED
FEB 1 3 1995

Re: Transmittal No. 8179

Dear Mr. Nall:

AT&T submits this letter to demonstrate that there is substantial cause for applying the tariff changes set forth in Transmittal No. 8179 to AT&T customers receiving service under existing term plans and Contract Tariffs.

The Transmittal adds a paragraph to the existing sections of Tariff F.C.C. Nos. 1 and 2 governing Transfer or Assignment of service to clarify that transfer of all or substantially all of the locations or 800 numbers associated with a Tariff 1 or 2 term plan (or Contract Tariff) to another customer is deemed a transfer of the term plan (or Contract Tariff) itself, if the anticipated result of the transfer otherwise would be a significant commitment shortfall.

This filing is made in light of a reseller Customer's improper attempt to effect such a purported transfer of service (without the plan) to a third party, after its initial effort to transfer the plan resulted in a deposit requirement that it chose not to honor.

The Transmittal Clarifies Existing Tariff Terms

Although AT&T's tariffs currently support its right to refuse to complete transactions of this sort, this filing is made to preclude dispute on the matter. As a clarification of existing tariff provisions rather than a

substantive change, the proposed tariff provision should be applied to existing term plan and Contract Tariff customers without any special showing. Yet, even were the tariff revision assumed to effect a change in the rights of a customer, AT&T has substantial cause to apply it to existing term plan and Contract Tariff customers, as shown below.

Specifically, the General Regulations prohibit fraudulent means or schemes to avoid payment of tariffed charges. (Tariff F.C.C. No. 1, Section 2.2.4.B.2. and Tariff F.C.C. No. 2, Section 2.2.4.A.2.) Yet here, the Customer could nominally remain the plan (or Contract Tariff) customer of record, even though in transferring its revenue-producing accounts, it rendered itself an assetless shell, unable either to fulfill its commitments or to pay its shortfall or termination charges. The tariff prohibits such a scheme designed to avoid payment of charges.

The General Regulations further provide AT&T may require a deposit of a Customer "whose financial responsibility is not a matter of record." (Tariff F.C.C. No. 1, Section 2.5.8., Tariff F.C.C. No. 2, Section 2.5.8.A.) Because transfer of all or substantially all of its accounts to a third party constitutes a transfer of substantially all its assets, the request to transfer service constitutes a change in the "customer's financial record" such as would justify a deposit requirement. Thus, AT&T would be justified in refusing to permit the transfer if the Customer refused to pay the deposit.

In all events, the Customer's effort to segregate the term plan from the transferred service locations the tariff provision that the Customer to which service is transferred must "agree to assume *all obligations* of the former Customer." (Tariff F.C.C. No. 1, Section 6.2.6., Tariff F.C.C. No. 2, Section 6.2.6.) To the extent that the existing customer seeks to transfer all the service associated with a plan to another customer, the new customer must assume the existing customer's obligations respecting that service. Of necessity, this includes the obligations to fulfill the revenue or volume commitments of the underlying plan.

The Substantial Cause Balancing Test

Assuming, arguendo, that the tariff revisions were considered a material change in current customers' obligations, there is substantial cause to apply the new language to existing term plan and Contract Tariff

customers. "Substantial cause" exists when "the carrier's business needs and objectives" outweigh "customers' *legitimate expectations* of stability." In the Matter of RCA American Communications Inc., 86 F.C.C.2d 1197, 1201-02 (1981). "[T]he reasonableness of a proposal to revise material provisions in the middle of a term hinge[s] to a great extent on the carrier's explanation of the factors necessitating the desired changes at that particular time." Id. AT&T is filing "at this particular time" to prevent a transaction that (at a minimum) elevates form over substance in an effort to avoid payment of shortfall charges. An existing customer simply has no legitimate expectation that it could sell its service to a third party without also transferring the associated term plan, when the sale would leave the continuing obligation to pay shortfall (or termination) charges on a company with little or no remaining assets.

In all events, the Transmittal does not affect the rates applicable to existing term plan or Contract Tariff customers, and any non-rate-affecting change is minor. By contrast, the costs AT&T faces are significant. Were AT&T to grandfather existing customers, different administrative rules would apply to otherwise similarly-situated customers based only on when they entered into their term plans. Developing and implementing such rules would create needless regulatory complexities, with attendant costs and delay. AT&T should not have to create such administrative complexity simply to accommodate the desire of a customer to engage in a bad faith transfer of service.

* * *

For all these reasons, the tariff revisions should be permitted to take effect, as filed.

Very truly yours,

Richard R. Meade /ha

Richard R. Meade

Exhibit C

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
AT&T Communications	)	Tariff Transmittal No. 8179
Revisions to	)	
Tariff F.C.C. Nos. 1 and 2	)	

Petition to Reject or Suspend and Investigate

I. SUMMARY

Public Service Enterprises, Inc. ("PSE") urges the Commission to reject or suspend and investigate the tariff transmittal captioned above. The transmittal substantially changes the terms and conditions of virtually all of AT&T's long-term offerings but AT&T fails to demonstrate substantial cause for the change, as required by the RCA Americom Decisions.[1] In addition, the transmittal introduces tariff language that is vague and ambiguous in violation of the Commission's Rules, 47 C.F.R. § 61.2. Finally, the revision is unreasonably overbroad and anti-competitive on its face and thus violates § 201 of the Communications Act which prohibits unreasonable practices.

In essence, AT&T has decided to swing a meat cleaver at a splinter, rather than use existing remedies, and (by sheer coincidence of course) would

[1] RCA American Communications, Inc., Revisions to Tariff F.C.C. Nos 1 and 2, Mem. Op. & Order, 84 F.C.C.2d 353 (1980) (order designating issues for investigation), 86 F.C.C.2d 1197 (1981) (order rejecting tariff revisions), on reconsideration, 2 FCC Rcd 2363 (1987) (RCA Americom Decisions); aff'd sub nom. RCA American Communications, Inc. v. FCC, Mem. Op., D.C. Cir. No. 81-1558 (Mar. 8, 1984). See also, Showtime Networks Inc. v. FCC, 932 F.2d 1 (D.C. Cir. 1991).

thereby chop off a long-standing, legitimate, tariffed business practice that is essential to the survival of resellers.

II. DESCRIPTION OF FILING

AT&T offers long-term discounts through a variety of term plans in its generic tariffs (Tariff Nos. 1 and 2) and through its contract tariffs. By ordering these discounted services and reselling them (unchanged or in combination with additional services AT&T may not provide) to customers who would not otherwise qualify for them individually, resellers play a crucial role in ensuring that end users benefit from rate reductions and that AT&T does not discriminate unreasonably among customers.

AT&T occasionally revises its existing offerings or introduces new discounted offerings targeted to different customer types or traffic profiles. In order to stay competitive, resellers will order new offerings and move traffic among new and old plans or among resellers to achieve the requisite traffic profile and obtain the lowest possible rate under AT&T's tariffs.

AT&T's tariffs contain a limited number of provisions that enable resellers to optimize their service mix (and thereby extend lower rates to users). Chief among these is the Transfer or Assignment provisions in Tariffs 1 and 2, which AT&T seeks to modify with Transmittal Number 8179 ("Tr. No. 8179"). These provisions enable resellers to move traffic among themselves in response to changes in end user traffic patterns or in AT&T's tariffs. By doing so, resellers can match differences in term plans' service mix, vintage, minimum revenue or

volume requirements, traffic distribution requirements, etc., with changes in the traffic patterns at different locations to obtain the lowest possible effective rate. Without these provisions, the ability of resellers to take advantage of newly-tariffed discounts would be drastically curtailed.

Transmittal No. 8179 would terminate this procedure. The transmittal adds language to the Transfer or Assignment provisions in Tariffs 1 and 2 (which also apply by cross-reference to AT&T's Contract Tariffs) that severely limits the circumstances in which resellers could shift traffic among long-term offerings. The new language would allow customers to transfer locations out of a long-term offering only if the locations remaining in the offering generated sufficient usage in the previous year to satisfy the offering's minimums. If they did not, the customer may only transfer the whole plan to another customer, even if the customer could add new locations or increase traffic from the remaining locations to satisfy its minimum commitment.

III. DISCUSSION

This transmittal is patently unlawful and must be rejected for any one of the reasons discussed below.

1. AT&T's Substantial Cause Showing Is Patently Inadequate and Unpersuasive

AT&T has failed to demonstrate substantial cause for these revisions as required under the Commission's RCA Americom decisions [2] before a carrier may change the terms and conditions of a long-term offering. In those decisions,

---

[2] *Id.*

the Commission balanced the customers' legitimate expectations of rate and service stability against the carrier's business needs and concluded that a carrier must demonstrate substantial cause for change if it seeks to modify long-term offerings. Applying that test to the tariff revisions under investigation in that docket, the Commission concluded that RCA Americom had demonstrated substantial cause and therefore permitted the carrier to raise its rates.

The Bureau addressed the applicability of the substantial cause test to AT&T's price caps filings when it rejected a previous AT&T attempt to change the termination liability charges for CSTPs. In AT&T Communications, Revisions to Tariff F.C.C. No. 2, Order, 5 FCC Rcd 6777 (1990), the Bureau granted petitions to reject or suspend and investigate Transmittal Nos. 2404 and 2535 on the grounds that AT&T was required to make a substantial cause showing before it could change the terms and conditions for long-term service contracts. The Bureau concluded that AT&T had failed to make a showing that satisfied the test. In its Order, the Bureau stated:

> The *RCA Americom Decisions* establish that a carrier must demonstrate substantial cause for changes in long-term service arrangements. This special showing for changes in long-term agreements was not changed by the Price Cap Rules. . . . AT&T has failed to provide a persuasive showing of substantial cause for the instant changes. Therefore, . . . these tariff transmittals are rejected for this reason.

5 FCC Rcd at 6778 (footnotes omitted).

In this case, AT&T has provided a perfunctory and unpersuasive showing of substantial cause. AT&T's showing consists of a two and a half page letter

that doesn't even reach substantial cause until the last page.[3] The showing consists of two sentences. First, AT&T states that it is filing Tr. No. 8179 to prevent a single transaction that elevates form over substance to avoid shortfall charges. Second, AT&T claims that no customer has a legitimate expectation that it could transfer locations out of a plan without transferring the plan.

AT&T's substantial cause showing is unpersuasive for three reasons. First, if AT&T's real concern is with a particular individual customer who is seeking to render itself "an assetless shell, unable either to fulfill its commitments or to pay its shortfall or termination charges,"[4] AT&T already has far more powerful remedies than Tr. No. 8179 to address that concern. AT&T itself notes in its letter that it has already tariffed provisions that protect it from the very problem that it now claims requires Tr. No. 8179. The letter notes that Sections 2.2.4.B.2. of AT&T's Tariff No. 1 and 2.2.4.A.2. of Tariff No. 2 prohibit "fraudulent means or schemes to avoid payment of tariffed charges."[5] Moreover, AT&T has extensive rights and remedies through the bankruptcy courts and traditional creditors' remedies that adequately protect its interests and dwarf the remedies

---

[3] The first part of AT&T's showing is an argument that no substantial cause showing is required because Tr. No. 8179 is only a "clarification." This section includes two paragraphs advancing new and novel interpretations of unrelated tariff language. Because this discussion is irrelevant to the lawfulness of Tr. No. 8179, PSE will not address it other than to note that the interpretations advanced in the Meade letter are so untenable (i.e., interpreting the deposit requirement provision to mean that a customer transferring traffic can be required to pay a deposit as a condition of processing the transfer; interpreting the transfer section to require customers to whom *locations* are transferred to assume *plan* obligations) are fully consistent with the unreasonable lengths to which AT&T is apparently willing to go to impede resale.

[4] Letter from Richard R. Meade, Senior Attorney, AT&T, to David Nall, Deputy Chief, Tariff Division, FCC, at p. 2 (February 16, 1995).

[5] *Id.*

available from the FCC with its limited jurisdiction. AT&T hardly needs to disrupt every contract tariff it has filed (and it has filed more than two thousand of them) and all of its term plans, when its rights as a creditor are already well protected.

Second, AT&T claims in its substantial cause showing that customers have no legitimate expectation that they can transfer traffic and not plans. In fact, AT&T itself has created that expectation by routinely processing such transfers. Moreover, such transfers, and the expectation that they will continue, serve quite legitimate and pro-competitive business purposes. Here are just a few examples of the circumstances under which customers would quite legitimately want to transfer locations and not plans, each of which would be frustrated by the changes in Tr. No. 8179:

A customer transfers substantially all of the locations in a plan to another reseller (who then qualifies for a new contract tariff with better rates for those locations, for example) and simultaneously transfers into the plan replacement traffic that exceeds its commitment levels.

A customer transfers locations as above and has excess traffic in other plans that can be moved in if the remaining locations don't generate sufficient traffic.

A customer transfers locations as above and adds new replacement locations over a two or three month period with sufficient traffic to meet the plan's minimums.

A customer transfers locations as above and knows that the traffic at the remaining locations will increase because the end user at those locations previously was splitting traffic between suppliers and now picks the reseller as its sole supplier going forward.

A customer transfers locations as above and exercises its rights under AT&T's tariffed discontinuance provisions to terminate the plan without liability, extinguishing any traffic commitment.

None of these cases would be exempted from the Draconian effect of Tr. No. 8179 because the revisions proposed therein sweep together legitimate traffic transfers and transfers for a fraudulent purpose. But there is nothing inherently sinister, and more important, there is nothing *unusual* about transfers of substantially all locations in a plan. AT&T has received and processed many such transfer requests in the past.

Third, AT&T has no substantial cause to implement the change in Tr. No. 8179 because the problem it identifies in its substantial cause showing as a justification for the transmittal isn't corrected by the revisions. AT&T's concern supposedly is that a plan holder will strip itself of assets by transferring locations to another reseller. AT&T's solution in Tr. No. 8179 is to force those locations to stay in the old plan. But AT&T cannot stop end users from presubscribing to another AT&T reseller or another facility-based IXC. Thus, a reseller can lose all of its locations even if Tr. No. 8179 takes effect. Indeed, by preventing a reseller from transferring locations to another term offering that may have a better rate, AT&T may stimulate end users to abandon its network altogether. Perhaps it hopes only that it will be able to solicit the locations as direct customers of its own service. In either case, the "solution" in Tr. No. 8179 will not accomplish the purpose AT&T claims to be serving and that purpose therefore does not justify the disruption to customers of long-term offerings.

Because AT&T has therefore failed to demonstrate substantial cause for the disruption of long-term service arrangements that it seeks to introduce through the instant filing, the Bureau must reject Tr. No. 8179.[6]

2. Tr. No. 8179 is Vague and Ambiguous

The second basis for rejecting Tr. No. 8179 is that the filing is vague and ambiguous in violation of § 61.2 of the Commission's Rules which requires tariffs to contain clear and explicit explanatory statements of the rates and regulations. As noted above, the new provision in Transmittal No. 8179 applies when "the anticipated result" of a transfer of locations would be that the remaining locations, based on usage in the preceding year, would fail to meet the minimum commitment for the offering.

AT&T does not explain what an "anticipated result" is. Whose anticipation will govern? If a reseller anticipates that it will exercise its right to discontinue an offering without liability after transferring locations and AT&T anticipates that it will not honour its tariff but will instead try to prevent a reseller from discontinuing, which anticipated result governs?

---

[6] On previous occasions, AT&T has avoided rejection on substantial cause grounds by including provisions that "vintage" or "grandfather" existing plans, thus preserving the rights of current term plan customers and obviating the need for a substantial cause showing. In the instant transmittal, AT&T failed to grandfather existing plans. Moreover, in its supporting letter, AT&T complains that doing so would create "needless regulatory complexity." Apparently, this "complexity" is one that AT&T usually can handle since it has itself created innumerable vintages of contract tariffs by using (and re-opening) 90-day ordering windows. But grandfathering is no solution here in any case because the provision is so patently unreasonable. Grandfathering existing customers or offerings would only delay the disastrous injury to competition, unless AT&T is assuming that resellers will not order any offerings in the future.

Thus, the provision as drafted creates numerous problems of interpretation and application. A customer cannot ascertain from reading the tariff whether its transfer will be subject to the provision.

3. Tr. No. 8179 Introduces an Unreasonable Practice That On Its Face Violates Section 201 of the Act

Tr. No. 8179 is unjust and unreasonable on its face, and therefore unlawful, because it is unreasonably overbroad and anti-competitive on its face and thus violates § 201 of the Communications Act which prohibits unreasonable practices.

AT&T claims that the purpose of the filing is to prevent a particular transaction in which a reseller is attempting to insulate its assets from AT&T's legitimate claims for payment under tariff by "selling" its "service" to a third party and leaving itself with little or no remaining assets. But, as described in Section III.1, above, the revisions in Tr. No. 8179 would address not only this single case but *all* substantial transfers of locations from *all* plans regardless of the reseller's status or purpose. By sweeping so broadly, Tr. No. 8179 would have an anti-competitive effect on the interexchange marketplace by discouraging resale and denying access to AT&T's newest discounted offerings. Moreover, access is denied not only to resellers but to their end users as well who would be denied access to newer discounts.

Moreover, by pegging permissible transfers to past traffic levels from the remaining locations in an offering, Tr. No. 8179 effectively guts other provisions in AT&T's long-term offerings that establish *annual* commitments. Most of

AT&T's term plans and contract tariffs establish percentage discounts on the rates for generic services in return for minimum annual commitments. A minimum annual commitment ought to mean what it says; a customer has one year to generate sufficient traffic to meet its minimum. Thus, if a customer with an annual commitment transfers substantially all of the locations in the offering to another AT&T service in month two or three, for example, it has nine or ten months to generate replacement traffic under the tariff. But Tr. No. 8179 would short circuit this aspect of the offerings. Rather than give customers the annual period they bargained for, the new provision would strip the customer of its plan whenever the customer seeks to transfer substantially all of its locations, even if it is transferring *into* the plan sufficient traffic to meet its commitment. If that customer is in month two or three, "substantially all" of its locations may not yet be a large number of customer accounts.

Thus, customers with seasonal traffic spikes or those whose traffic is starting off at low levels but is growing rapidly – neither of whom would have trouble meeting their minimums after a year – would have to give up their plan if they tried to re-align their service mix by transferring some locations out and transferring others in. By thus gutting the minimum annual period that is central to the rationale for long-term offerings, Tr. No. 8179 introduces provisions that are unreasonable on their face and the Bureau should reject it.[7]

---

[7] Alternatively, the Bureau could suspend and investigate the Transmittal. If it chooses to do so, the Bureau should investigate AT&T's actual practices with respect to transfers of locations and the specific transfer it cites in its pleading. The Bureau should direct AT&T to answer specific questions and produce documents related to the circumstances of this filing. In particular, the

CONCLUSION

AT&T's Tr. No. 8179 fails to demonstrate substantial cause to justify the changes to long-term service arrangements proposed therein. Moreover, the proposed revision is vague, ambiguous and unreasonable on its face. Therefore, the Bureau must reject the transmittal.

Respectfully submitted,

Colleen Boothby /cgm

Colleen Boothby
LEVINE, BLASZAK, BLOCK & BOOTHBY
1300 Connecticut Avenue, N.W.
Suite 500
Washington, D.C. 20036
(202) 223-4980

Counsel for Public Service Enterprises
of Pennsylvania, Inc.

Dated: February 22, 1995

105.01\8179p2r.doc

Bureau should investigate how many transfers of substantially all locations AT&T has honoured in the past; the number and frequency of discontinuances requested (and implemented) in the wake of such transfer requests; the incidence of location transfers by customers who subsequently defaulted on their term commitments; and, with respect to the particular transaction cited by AT&T in its pleading, the evidence available to AT&T regarding the likelihood that the transferring customer would default on its term commitment and the timing and extent of AT&T's knowledge regarding PSE's role in the transaction. In particular, AT&T should explain why it was willing to transfer two of the plans without controversy but refused to transfer the others once a TSA to PSE was submitted.

CERTIFICATE OF SERVICE

I, Leah Moebius, hereby certify that on this 22nd day of February, 1995, true and correct copies of the foregoing Petition to Reject or Suspend and Investigate AT&T's Revisions to AT&T F.C.C. No. 1 and AT&T F.C.C. No. 2, Transmittal No. 8179 were served by facsimile, hand delivery, or first class mail upon the following parties:

R. Meade*
M. F. DelCasino*
American Telephone & Telegraph Co.
55 Corporate Drive
Room 32D55
Bridgewater, NJ 08807
908/953-8360

Geraldine Matisse**
David Nall**
Debra Sabourin**
R. L. Smith**
Tariff Division, Common Carrier Bureau
Federal Communications Commission
1919 M Street, N.W.
Room 518
Washington, D.C. 20554

Leah Moebius

* By facsimile and first class mail
**By hand delivery

105.01 8179svc.doc

Exhibit D

June 5, 1995

Transmittal No. 8661

Secretary
Federal Communications Commission
Washington, DC 20554

Attention: Common Carrier Bureau

The accompanying tariff material issued by AT&T Communications and bearing Tariff F.C.C. Nos. 1 and 2, effective June 6, 1995, is sent to you for filing in compliance with the requirements of the Communications Act of 1934, as amended. This material consists of tariff pages as indicated on the following check sheets:

Tariff F.C.C. No. 1 - 3604th Revised Page 1
Tariff F.C.C. No. 1 - 300th Revised Page 1.4
Tariff F.C.C. No. 2 - 1191st Revised Page 1

This filing withdraws material pertaining to Transfer or Assignment regulations filed under Transmittal No. 8179 on February 16, 1995 and subsequently deferred under Transmittal Nos. 8231, 8300, 8359, 8428, 8489, 8546 and 8610 to be effective on June 6, 1995.

Waiver of Sections 61.58 and 61.59 of the Federal Communications Commission's Rules and Regulations was requested under Application No. 2362 and has been granted under Special Permission No. 95-676.

Acknowledgment and date of receipt of this filing are requested to the address below. A duplicate letter of transmittal is attached for this purpose. Petitions can be served either by facsimile (908-953-8360) to the attention of Mr. R. Meade or in person to Mr. M. F. DelCasino, Administrator - Rates and Tariffs, AT&T Communications, 55 Corporate Drive, Room 32D55, Bridgewater, NJ 08807.

(Original Signed By M. DelCasino)

Administrator - Rates and Tariffs

Duplicate Letter
Attachment:
Tariff Pages (5)
Copy of Letter, with attachment, concurrently sent to:
Commercial Contractor
Chief, Tariff Review Branch, Public Reference Copy

Printed in U.S.A.

AT&T COMMUNICATIONS
Mr M. F. DelCasino
Adm. Rates and Tariffs
Bridgewater, NJ 08807
Issued: June 5, 1995

TARIFF F.C.C. NO. 1

1604th Revised Page 1
Cancels 1603rd Revised Page 1
Effective: June 6, 1995

LONG DISTANCE MESSAGE TELECOMMUNICATIONS SERVICE
CHECK SHEET

The Title Page and Pages 1 through 249 inclusive of this tariff are effective as of the date shown. Original and revised pages as named below and AT&T Communications Supplement Nos. 416, 419, 420, 421, 422, 423 and 424 contain all changes from the original tariff that are in effect on the date shown.

Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated
Title	9th	10.8.4	24th	38.1	17th	56.3	18th	65.3.1	5th
1	1604th*	10.8.8.1	24th	39	14th	56.4	18th	63.4	9th
1.1	533rd	10.8.4.2	22nd	39.1	10th	56.5	16th	65.4.1	Original
1.2	307th	10.8.4.3	22nd	40	10th	56.6	3rd	65.5	8th
1.3	249th	10.8.4.4	24th	41	5th	56.7	3rd	65.6	Original
1.4	300th*	10.8.4.5	26th	42	3rd	57	20th	66	13th
1.5	385th	10.8.4.6	14th	43	18th	57.1	29th	66.1	28th
1.6	246th	10.8.4.7	15th	43.1	6th	57.1.1	4th	66.2	32nd
1.7	134th	10.8.4.8	18th	43.2	Original	57.2	10th	66.2.1	5th
1.8	109th	10.8.4.9	19th	44	19th	57.2.1	3rd	66.2.2	2nd
1.8.1	1st	10.8.4.10	18th	45	11th	57.3	18th	66.3	28th
1.9	313th	10.8.4.11	25th	46	9th	58	11th	66.3.1	10th
1.10	43rd	10.8.4.12	20th	47	28th	58.1	1st	66.3.2	10th
1.10.1	18th	10.8.4.13	18th	48	19th	58.2	3rd	66.3.3	6th
1.11	71st	10.8.4.14	16th	48.1	3rd	58.3	1st	66.3.3.1	6th
1.11.1	3rd	10.8.4.14.1	Original	49	16th	58.4	1st	66.3.3.2	1st
1.12	18th	10.8.4.15	20th	50	2nd	58.5	1st	66.3.4	2nd
1.13	203rd	10.8.4.16	28th	51	12th	58.6	1st	66.3.5	2nd
1.14	255th	10.8.4.17	23rd	52	3rd	58.7	1st	66.4	26th
1.15	3rd	10.8.4.18	27th	53	13th	58.8	1st	66.4.1	3rd
2	10th	10.8.4.19	3rd	53.1	9th	58.9	1st	66.5	14th
3	6th	10.8.5	14th	53.2	2nd	58.10	1st	66.5.1	13th
4	19th	10.9	10th	54	27th	58.11	1st	66.5.1.1	14th
4.1	3rd	10.10	6th	54.1	13th	58.12	1st	66.5.2	11th
5	16th	10.11	1st	54.2	1st	58.13	1st	66.5.2.1	5th
6	24th	10.12	1st	55	35th	58.14	1st	66.5.3	10th
6.1	2nd	11	12th	55.1	25th	58.15	1st	66.5.3.1	12th
7	23rd	11.1	1st	55.1.1	15th	58.16	1st	66.5.3.2	6th
7.1	25th	12	39th	55.1.1.1	6th	58.17	1st	66.5.4	9th
8	22nd	12.1	Original	55.1.1.1.1	2nd	58.18	1st	66.5.5	1st
8.1	18th	13	12th	55.1.2	3rd	58.19	1st	66.5.6	1st
8.2	9th	14	3rd	55.1.3	8th	58.20	1st	66.5.7	1st
8.3	2nd	15	10th	55.2	45th	58.21	1st	66.5.7.1	13th
8.4	3rd	16	2nd	55.2.1	13th	58.22	1st	66.5.7.2	11th
8.5	3rd	17	2nd	55.2.1.1	4th	58.23	1st	66.5.7.3	11th
8.6	3rd	18	2nd	55.2.1.1.1	1st	58.24	1st	66.5.7.4	10th
9	11th	19	2nd	55.2.2	17th	58.25	1st	66.5.7.5	11th
9.1	2nd	20	6th	55.2.3	12th	58.26	1st	66.5.7.6	10th
10	35rd	21	10th	55.2.4	4th	58.27	1st	66.5.7.7	14th
10.1	35th	21.1	1st	55.3	21st	58.28	1st	66.5.7.8	13th
10.1.1	8th	22	12th	55.4	18th	58.29	1st	66.5.7.9	12th
10.2	25th	22.1	6th	55.4.1	9th	58.30	1st	66.5.7.10	10th
10.2.1	10th	23	7th	55.4.2	8th	58.31	2nd	66.5.7.11	10th
10.2.2	1st	24	2nd	55.4.3	3rd	58.32	1st	66.5.7.12	10th
10.3	18th	25	9th	55.4.4	8th	58.33	1st	66.5.7.13	10th
10.4	30th	25.1	8th	55.4.5	6th	58.34	1st	66.5.7.14	11th
10.4.1	10th	25.1.1	Original	55.4.6	4th	58.35	1st	66.5.7.15	11th
10.4.2	2nd	25.2	1st	55.4.7	7th	59	9th	66.5.7.16	11th
10.4.3	3rd	25.3	1st	55.4.8	5th	60	8th	66.5.7.17	10th
10.4.4	2nd	25.3.1	3rd	55.4.8.1	13th	61	68th	66.5.7.18	11th
10.5	16th	26	20th	55.4.8.2	4th	61.1	30th	66.5.7.19	11th
10.5.1	12th	26.1	14th	55.4.8.2.1	5th	61.1.1	18th	66.5.7.20	11th
10.5.1.1	4th	26.2	9th	55.4.8.3	5th	61.2	18th	66.5.7.21	9th
10.5.1.2	1st	26.3	12th	55.4.8.4	4th	62	27th	66.5.7.22	10th
10.5.2	6th	26.4	5th	55.4.8.5	5th	63	16th	66.5.7.23	10th
10.5.2.1	Original	26.5	3rd	55.4.9	3rd	63.1	2nd	66.5.7.24	11th
10.5.3	2nd	27	4th	55.4.10	3rd	63.2	6th	66.5.7.25	9th
10.5.4	9th	28	14th	55.4.11	6th	64	31st	66.5.7.26	10th
10.5.4.1	2nd	28.1	4th	55.4.12	5th	64.1	21st	66.5.7.27	12th
10.5.5	6th	28.2	4th	55.4.13	8th	64.1.1	8th	66.5.7.28	12th
10.5.5.1	2nd	28.3	32nd	55.4.14	6th	64.1.2	1st	66.5.7.29	9th
10.5.5.1.1	Original	29	12th	55.4.15	3rd	64.2	5th	66.5.7.30	10th
10.5.6	8th	30	7th	55.5	8th	65	17th	66.5.7.31	12th
10.5.7	6th	31	5th	55.6	6th	65.1	8th	66.5.7.32	10th
10.6	71st	32	2nd	55.7	16th	65.1.1	5th	66.5.7.33	3rd
10.7	84th	33	2nd	56	77th	65.2	20th	66.5.7.34	3rd
10.7.1	38th	34	2nd	56.1	38th	65.2.1	8th	66.5.7.35	3rd
10.7.1.1	Original	35	4th	56.1.1	14th	65.2.2	7th	66.5.7.36	3rd
10.8	53rd	36	4th	56.2	23rd	65.3	16th	66.5.7.37	3rd
10.8.1	21st	37	6th	56.2.1	6th				
10.8.2	21st	38	14th						
10.8.3	17th								

* New or Revised Page.

Printed in U.S.A.

AT&T COMMUNICATIONS
Mr. M. F. DelCastro
Adm. Rates and Tariffs
Bridgewater, NJ 08807
Issued: June 5, 1995

TARIFF F.C.C. NO. 1

300th Revised Page 1.4
Cancels 299th Revised Page 1.4
Effective: June 6, 1995

LONG DISTANCE MESSAGE TELECOMMUNICATIONS SERVICE
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	Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated
129	4th	147.14	2nd	158	24th	166.4	3rd	166.52	8th
129.1	3rd	147.15	8th	158.1	3rd	166.5	6th	166.58.1	1st
130	2nd	147.15.1	2nd	159	24th	166.6	8th	166.59	11th
131	10th	147.16	10th	160	27th	166.7	7th	166.59.1	1st
131.1	6th	147.17	3rd	160.1	3rd	166.8	9th	166.60	12th
132	12th	147.17.1	4th	160.2	3rd	166.8.1	1st	166.60.1	1st
132.1	Original	147.18	2nd	161	27th	166.9	10th	166.61	9th
133	19th	147.18.1	3rd	162	24th	166.9.1	1st	166.61.1	1st
134	19th	147.19	2nd	162.1	24th	166.10	11th	166.62	10th
134.1	9th	147.20	3rd	162.1.1	21st	166.10.1	2nd	166.62.1	1st
134.1.1	2nd	147.20.1	1st	162.1.1.1	3rd	166.11	9th	166.63	7th
134.1.2	Original	147.21	4th	162.1.2	14th	166.11.1	1st	166.63.1	9th
134.2	8th	147.22	1st	162.1.3	10th	166.12	8th	166.63.2	1st
134.2.1	10th	147.23	1st	162.1.4	11th	166.12.1	1st	166.63.3	1st
134.3	10th	147.24	4th	162.1.5	6th	166.13	11th	166.64	7th
134.4	6th	147.25	7th	162.1.6	4th	166.13.1	1st	166.65	5th
134.4.1	6th	147.26	13th	162.2	38th	166.14	11th	166.66	5th
134.4.2	7th	147.26.1	1st	162.2.1	19th	166.14.1	1st	166.67	4th
134.4.3	6th	147.27	3rd	162.2.1.1	4th	166.15	9th	166.68	6th
134.4.4	7th	147.27.1	3rd	162.2.2	14th	166.15.1	1st	166.69	5th
134.4.4.1	1st	147.28	2nd	162.2.2.1	1st	166.16	10th	166.70	8th
134.4.4.2	1st	147.28.1	1st	162.2.3	13th	166.16.1	1st	166.71	6th
134.4.4.2.1	Original	147.29	5th	162.2.4	6th	166.17	7th	166.72	6th
134.4.4.2.2	Original	147.30	8th	162.2.5	5th	166.17.1	10th	166.72.1	2nd
134.4.4.3	2nd	147.30.1	1st	162.3	19th	166.17.2	1st	166.72.2	2nd
134.5	2nd	147.31	7th	162.3.1	12th	166.17.3	1st	166.72.3	2nd
134.6	3rd	147.32	6th	162.3.1.1	Original	166.18	7th	166.72.4	3rd
134.7	2nd	147.33	8th	162.3.2	12th	166.19	5th	166.72.5	3rd
134.8	3rd	147.34	8th	162.3.2.1	12th	166.20	8th	166.72.6	2nd
134.9	2nd	147.34.1	5th	162.3.3	10th	166.21	6th	166.72.7	2nd
135	4th	147.34.2	1st	162.3.3.1	1st	166.22	6th	166.72.8	2nd
136	14th	147.34.3	2nd	162.4	16th	166.23	5th	166.72.9	2nd
137	15th	147.34.4	3rd	162.4.1	2nd	166.24	8th	166.72.10	2nd
138	15th	147.35	5th	162.4.2	2nd	166.25	6th	166.72.11	2nd
139	14th	147.35.1	1st	162.4.3	2nd	166.26	6th	166.72.12	2nd
140	16th	147.35.2	1st	162.4.4	1st	166.27	4th	166.72.13	2nd
141	23rd	147.36	2nd	162.4.5	2nd	166.28	4th	166.72.14	2nd
141.1	3rd	147.37	2nd	162.4.6	3rd	166.29	4th	166.72.15	2nd
142	10th	147.38	4th	162.4.6.1	1st	166.30	4th	166.72.16	2nd
143	14th	147.39	2nd	162.4.7	Original	166.31	5th	166.72.17	2nd
144	23rd	147.40	4th	162.4.8	Original	166.32	6th	166.72.18	2nd
144.1	7th	147.41	2nd	162.4.9	1st	166.33	6th	166.72.19	2nd
145	19th	147.42	1st	162.5	7th	166.34	4th	166.73	2nd
146	18th	148	2nd	162.6	5th	166.35	4th	166.74	2nd
147	17th	149	21st	162.6.1	Original	166.36	4th	166.75	6th
147.1	5th	150	11th	162.7	4th	166.37	4th	166.75.1	4th
147.2	8th	150.1	4th*	162.7.1	2nd	166.38	8th	166.76	5th
147.3	5th	151	3rd	162.7.2	1st	166.39	4th	166.77	7th
147.4	4th	151.1	5th	163	7th	166.40	6th	166.78	6th
147.4.1	2nd	151.2	22nd	164	11th	166.41	6th	166.79	9th
147.5	14th	151.3	7th	164.1	3rd	166.42	4th	166.80	7th
147.5.1	3rd	151.4	6th	165	4th	166.43	4th	166.81	7th
147.6	12th	151.5	8th	165.1	11th	166.44	4th	166.82	5th
147.7	7th	151.6	7th	165.2	3rd	166.45	4th	166.83	4th
147.7.1	13th	151.7	3rd	165.3	8th	166.46	2nd	166.84	4th
147.7.1.1	1st	151.8	2nd	165.4	2nd	166.47	2nd	166.85	8th
147.7.2	11th	151.9	1st	165.5	4th	166.48	3rd	166.85.1	4th
147.7.3	6th	152	13th	165.6	10th	166.49	2nd	166.86	6th
147.7.4	7th	153	12th	166	37th	166.50	2nd	166.87	6th
147.7.4.1	8th	154	12th	166.1	18th	166.51	3rd	166.88	4th
147.7.5	8th	154.1	4th	166.1.1	5th	166.52	11th	166.89	8th
147.7.5.1	5th	155	12th	166.1.2	3rd	166.53	6th	166.90	4th
147.7.6	7th	155.1	8th	166.2	8th	166.53.1	1st	166.91	5th
147.7.7	4th	156.2	3rd	166.2.1	13th	166.54	8th	166.92	7th
147.7.7.1	8th	156	19th	166.2.2	5th	166.54.1	1st	166.93	6th
147.7.7.2	3rd	156.1	14th	166.2.3	9th	166.55	10th	166.94	4th
147.7.8	12th	156.1.1	11th	166.2.3.1	7th	166.55.1	1st		
147.7.9	2nd	156.1.1.1	7th	166.2.3.2	6th	166.56	10th		
147.8	3rd	156.2	5th	166.3	26th	166.56.1	2nd		
147.9	5th	157	19th	166.3.1	10th	166.57	10th		
147.10	2nd	157.1	4th	166.3.2	5th	166.57.1	1st		
147.11	1st			166.3.3	5th				
147.12	1st								
147.13	2nd								

* New or Revised Page.

Printed in U.S.A.

6.2.7. Multi-Location Calling Plan (MLCP) (continued) Tx

Dx

Dx

6.2.7. Multi-Location Calling Plan (MLCP) - Certain Custom Network Services are available as part of the MLCP. The terms and conditions of the MLCP are described in Section 6.9. following.

X Issued on not less than one day's notice under authority of Special Permission No. 95-676.

AT&T COMMUNICATIONS
Mr. M. F. DelCasino
Adm. Rates and Tariffs
Bridgewater, NJ 08807
Issued: June 5, 1995

TARIFF F.C.C. NO. 2
1191st Revised Page 1
Cancels 1190th Revised Page 1

Effective: June 6, 1995

WIDE AREA TELECOMMUNICATIONS SERVICE

CHECK SHEET

The Title Page and Pages 1 through 285 inclusive of this tariff are effective as of the date shown. Original and revised pages as named below and AT&T Communications Supplement Nos. (D), 176, 177 and 178 contain all changes from the original tariff that are in effect on the date shown.

Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated	Page	Number of Revision Except as Indicated
Title	21st	30	6th	61.5.1	4th	69.1.1	1st	73.3.2	Original
1	1191st*	31	7th	61.5.2	13th	69.2	19th	73.4	2nd
1.1	255th	32	16th	61.5.3	6th	69.2.1	2th	74	20th
1.2	110th	33	13th	61.6	14th	69.2.1.1	Original	75	39th
2	6th	33.1	1st	61.7	19th	69.3	18th	75.1	20th
3	4th	34	3rd	61.7.1	8th	69.3.1	3rd	75.2	6th
4	8th	34.1	21st	61.8	5th	69.4	14th	76	20th
5	20th	34.2	17th	61.9	8th	69.5	3rd	77	11th
6	8th	34.3	3rd	61.10	12th	69.6	1st	77.1	3rd
7	32nd	34.4	2nd	61.10.1	2nd	69.7	4th	77.2	3rd
7.1	17th	35	7th	61.11	2nd	69.8	5th	77.3	4th
7.2	Original	35.1	9th	61.12	11th	69.9	3rd	77.4	9th
8	21st	35.2	14th	61.13	2nd	69.10	5th	77.4.1	4th
8.1	21st	35.3	12th	61.14	1st	69.11	3rd	77.4.2	6th
8.1.1	Original	35.4	4th	61.15	6th	69.12	6th	77.4.3	4th
8.1.2	Original	35.5	1st	61.16	19th	69.13	1st	77.5	7th
8.2	14th	35.6	2nd	61.16.1	5th	69.14	2nd	77.6	4th
8.3	20th	35.7	1st	61.17	12th	69.15	2nd	77.7	8th
8.4	23rd	36	5th	61.17.1	1st	69.15.1	1st	77.8	13th
8.4.1	15th	37	7th	61.17.2	Original	70	31st	77.9	31st
8.4.2	9th	38	4th	61.18	13th	70.1	26th	77.9.1	14th
8.5	26th	39	3rd	61.18.1	6th	70.1.1	8th	77.10	5th
8.5.1	2nd	40	8th	61.19	8th	70.1.1.1	3rd	77.11	5th
8.6	35th	41	6th	61.19.1	7th	70.1.2.2	2nd	77.12	9th
8.6.1	36th	42	5th	61.19.2	2nd	70.1.2	4th	77.12.1	Original
8.6.1.1	27th	43	6th	61.20	7th	70.1.3	5th	77.13	3rd
8.6.1.2	22nd	43.1	3rd	61.21	5th	70.1.4	5th	77.13.1	Original
8.6.1.3	28th	44	6th	61.21.1	7th	70.1.5	5th	77.14	1st
8.6.1.4	24th	44.1	4th	61.21.2	7th	70.1.5.1	3rd	77.14.1	Original
8.6.1.5	19th	45	24th	61.21.3	4th	70.1.5.2	2nd	77.15	1st
8.6.2	3rd	45.1	1rd	61.21.4	1st	70.1.6	7th	77.15.1	Original
8.7	7th	46	5th	61.21.5	2nd	70.1.6.1	8th	77.16	1st
9	8th	46.1	8th	61.22	6th	70.1.6.2	1st	77.17	1st
10	10th	47	13th	61.23	7th	70.1.7	6th	77.18	2nd
11	5th	47.1	5th	61.23.1	2nd	70.1.8	4th	78	5th
12	6th	48	32nd	61.24	3rd	70.1.8.1	3rd	79	4th
13	7th	48.1	3rd	61.24.1	Original	70.1.8.2	1st	80	5th
14	2nd	49	1rd	61.25	4th	70.1.8.9	2nd	81	4th
15	2nd	50	21st	61.25.1	10th	70.1.9	1st	82	5th
16	7th	50.1	1st	61.25.1.2	3th	70.2	14th	83	4th
17	2nd	51	20th	61.26	2nd	70.2.1	5th	84	4th
18	13th	51.1	Original	61.26.1	1st	70.2.2	2nd	85	5th
19	11th	52	18th	61.26.2	2nd	70.2.3	1st	86	8th
19.1	6th	52.1	2th	61.26.3	1st	70.3	17th	87	10th
20	16th*	53	17th	62	14th	70.4	16th	88	9th
21	11th	54	15th	63	18th	70.4.1	13th	89	4th
22	5th	54.1	2nd	64	8th	70.4.2	1st	90	4th
22.1	2nd	55	12th	65	19th	70.5	29th	91	4th
22.2	5th	55.1	9th	65.1	7th	70.5.1	3rd	92	4th
22.3.1	1st	55.2	7th	65.2	1st	70.6	48th	93	4th
22.3	Original	56	5th	66	8th	70.6.1	20th	94	13th
23	4th	57	5th	66.1	3rd	70.7	25th	95	4th
23.1	Original	58	22nd	66.2	2nd	70.7.1	3rd	96	7th
24	10th	58.1	14th	66.3	8th	70.8	23rd	96.1	2nd
25	8th	59	8th	66.4	2nd	70.8.1	3rd	97	9th
26	7th	59.1	6th	66.5	4th	70.9	4th	98	6th
26.1	Original	60	27th	67	34th	70.10	6th	98.1	6th
27	7th	61	30th	67.1	12th	70.10.1	3rd	98.2	6th
27.1	Original	61.1	16th	67.1.1	2nd	71	27th	98.3	6th
28	5th	61.2	5th	67.2	6th	71.1	13th	98.4	5th
28.1	8th	61.3	30th	68	20th	72	7th	98.5	6th
28.2	3rd	61.3.1	8th	68.1	4th	73	18th	98.6	5th
28.3	8th	61.3.2	4th	68.2	4th	73.1	23rd	98.7	4th
28.4	Original	61.4	11th	68.3	2nd	73.2	14th		
28.5	1st	61.4.1	6th	69	24th	73.3	8th		
29	13th	61.5	5th	69.1	21st	73.3.1	1st		

* New or Revised Page

Printed in U.S.A.

2.1.7. **Limitations on the Provision of WATS (continued)**

B. **Restoration of Service** - In the event of failure, WATS will be restored in compliance with Part 64, Subpart D, of the FCC's Rules and Regulations.

C. **Hazardous Locations** - An access line will not be furnished at a location the Company considers hazardous (e.g., explosive atmosphere environments). In such cases, the Company, if so requested, will terminate the access line at a mutually agreeable alternate location. The Customer will then be responsible for extension of the access line to the hazardous location.

2.1.8. **Transfer or Assignment** - WATS, including any associated telephone number(s), may be transferred or assigned to a new Customer, provided that:

A. The Customer of record (former Customer) requests in writing that the Company transfer or assign WATS to the new Customer.

B. The new Customer notifies the Company in writing that it agrees to assume all obligations of the former Customer at the time of transfer or assignment. These obligations include (1) all outstanding indebtedness for the service and (2) the unexpired portion of any applicable minimum payment period(s). Cx
Cx

C. The Company acknowledges the transfer or assignment in writing. The acknowledgment will be made within 15 days of receipt of notification.

The transfer or assignment does not relieve or discharge the former Customer from remaining jointly and severally liable with the new Customer for any obligations existing at the time of transfer or assignment. These obligations include: (1) all outstanding indebtedness for WATS, and (2) the unexpired portion of any applicable minimum payment period(s). When a transfer or assignment occurs, a Record Change Only Charge applies (see Record Change Only, Section 3).

Nothing herein or elsewhere in this tariff shall give any Customer, assignee, or transferee any interest or proprietary right in any 800 Service telephone number.

Dx
..

..
Dx

2.1.9. **Retention of 800 Service Telephone Numbers** - Customers may retain the same 800 Service telephone number when moving to another location within the Mainland or Hawaii.

X Issued on not less than one day's notice under authority of Special Permission No. 95-076.

EXHIBIT E

WIDE AREA TELECOMMUNICATIONS SERVICE

TABLE OF CONTENTS

Page

Check Sheet..... 1
Lists of Concurring, Connecting and Other Participating Carriers..... 9
Explanation of Symbols - Coding of Tariff Revisions..... 10
Trademarks and Service Marks..... 10
Explanation of Abbreviations..... 11

How To Use This Tariff

General..... 12
Tariff Structure..... 12
Location of Material..... 12
Abbreviations and Definitions..... 12
Technical Publication Information..... 13
Tariff Format..... 13
Check Sheets and Supplements..... 14

Section 1 - Application of Tariff

1.1. APPLICATION..... 16
1.1.1. General..... 16
1.1.2. Jurisdiction..... 16

Section 2 - General Regulations

2.1. UNDERTAKING OF THE COMPANY..... 18
2.1.1. General..... 18
2.1.2. Transmission Medium..... 18
2.1.3. Responsible Organization (RESP ORG)..... 18
A. Assignment and Reservation of 800 Numbers..... 18
2.1.4. Provision of WATS..... 18
A. Engineering, Installation and Maintenance..... 19
2.1.5. Provision of Customer Equipment..... 19
2.1.6. Through Transmission of Signals..... 19.1
2.1.7. Limitations on the Provision of WATS..... 19.1
A. Availability..... 19.1
B. Restoration of Service..... 20
C. Hazardous Locations..... 20
2.1.8. Transfer or Assignment..... 20
2.1.9. Retention of AT&T 800 Service Telephone Numbers..... 21

WIDE AREA TELECOMMUNICATIONS SERVICE

TABLE OF CONTENTS

Section 2 - General Regulations (continued)

		Page
2.5.8.	Deposits	28
2.5.9.	Types of Charges	28
	A. Recurring Charge	28
	B. Directory Assistance Charge	28.1
	C. Surcharge	28.2
	D.	28.3
	E. Nonrecurring Charges	29
	1. Installation Charge	29
	2. Conversion Charge	29
	3. Record Change Only Charge	29
	4. Service Ordering Charge	29
	5. Move Charge	29
2.5.10.	Cancellation or Delay of an Order	31
	A. Delay of Due Date by the Customer	31
	B. Delay of Due Date by the Company	31
	C. Cancellation of an Order	31
	D. Cancellation Involving Special Construction	32
	E. No-Miss Installation Guarantee	32
2.5.11.	Fractional Charges and Credits	33
	A. Computing Charges or Credits for a Fractional Part of a Month	33
	B. Computing Fractional Charges or Credits for a Rate Change	34
	C. Rounding to the Nearest Cent	34
2.5.12.	Gross Receipts Tax	34.1
2.5.13.	Revenue Volume Pricing Plan	34.2
2.5.14.	Multi-Location Calling Plan	34.2
2.5.15.	AT&T 800 Term Plan-Location and Service Specific	34.2
2.5.16.	AT&T 800 Customer Specific Term Plan	34.2
2.5.17.	AT&T Global 800 Customer Pricing Plan	34.4
2.5.18.	Discontinuance Without Liability	34.5 N
2.6.	CREDIT ALLOWANCES FOR INTERRUPTIONS	35
2.6.1.	General	35
2.6.2.	When Credit Allowance Does Not Apply	35
2.6.3.	Use of Another Means of Communication	35
2.6.4.	Calculation of Credit Allowances	35.1
	A. Interruptions of 24 Hours or Less	35.1
	B. Interruptions Over 24 Hours	35.1
2.6.5.	Uninterrupted Service Guarantee	35.2
2.6.6.	When Uninterrupted Service Guarantee Does Not Apply	35.3
2.6.7.	Uninterrupted Service Guarantee II	35.3
2.6.8.	Pre-Planned Service Assurance Guarantee	35.4
2.6.9.	Customer Satisfaction Guarantee	35.6
2.7.	CONNECTIONS	36
2.7.1.	General	36
2.7.2.	Responsibilities of the Customer	36
	A. Compatibility With WATS	36
	B. Interface Information	36
	C. Interference and Hazard	36
	D. Testing and Maintenance	36

2.1.7. **Limitations on the Provision of WATS (continued)**

B. **Restoration of Service** - In the event of failure, WATS will be restored in compliance with Part 64, Subpart D, of the FCC's Rules and Regulations.

C. **Hazardous Locations** - An access line will not be furnished at a location the Company considers hazardous (e.g., explosive atmosphere environments). In such cases, the Company, if so requested, will terminate the access line at a mutually agreeable alternate location. The Customer will then be responsible for extension of the access line to the hazardous location.

2.1.8. **Transfer or Assignment** - WATS, including any associated telephone numbers, may be transferred or assigned to a New Customer, subject to each of the following provisions: C

A. The Customer of record (Current Customer) requests in writing (using a standard AT&T Transfer of Service form available from AT&T)* that AT&T transfer or assign the service to the New Customer. The standard AT&T Transfer of Service form shall not contain terms that are inconsistent with the terms of this Section, and shall not impose any obligations on the Current Customer or the New Customer other than as provided in this Section.

B. The New Customer notifies AT&T in writing (using the same Transfer of Service form signed by the Current Customer)* that it agrees to assume all obligations of the Current Customer as of the Effective Date of the transfer. These obligations include, for example: all outstanding indebtedness for the service, the unexpired portion of any applicable minimum payment period(s), the unexpired portion of any term of service and usage and/or revenue commitment(s), and any applicable shortfall or termination liability(ies).

C. The service is not interrupted at the time the transfer or assignment is made.

D. The Current Customer will no longer be AT&T's Customer for the service as of the Effective Date of the transfer, which will be the earlier of: (a) the date on which AT&T agrees in writing to the transfer or assignment; or (b) the thirtieth day after AT&T receives a fully executed original of the Transfer of Service form, unless AT&T advises the New Customer that it does not agree to the transfer or assignment within such thirty-day period. AT&T may not unreasonably withhold its agreement to a transfer or assignment of service. AT&T may, for example, withhold its agreement to a transfer or assignment of service if the Current Customer or New Customer fails to supply the executed original(s) of the Transfer of Service form, fails to adequately identify the Current Customer or the service being transferred, asks that the transfer or assignment be made subject to conditions, or fails to pay a deposit required in connection with the intended transfer pursuant to Section 2.5.8, following. In the event that AT&T does not agree to a transfer or assignment, it will provide a written statement of its reason(s) for not doing so.

E. The Current Customer remains jointly and severally liable with the New Customer for any obligations existing as of the Effective Date of the transfer, except as provided in 1., following. These obligations include, for example: all outstanding indebtedness for the service, the unexpired C

* The requirement that the transfer or assignment be made using the standard AT&T Transfer of Service form shall apply to transfer or assignment requests made on or after November 9, 1995. C
Certain material previously found on this page can now be found on Page 21. C

** All material on this page is new. **

2.1.8.E. Transfer of Assignment (continued)

portion of any applicable minimum payment period(s), the unexpired portion of any term of service and usage and/or revenue commitment(s), and any applicable shortfall or termination liability(ies).

1. If the service being transferred or assigned is subject to an AT&T term plan, flex plan, or other discount plan with revenue or volume commitments offered under this Tariff, or a Contract Tariff under which WATS is provided (a Pricing Plan), then, to the extent specified in (a) through (c) following, the Current Customer is relieved of liability for charges that may be incurred after the Effective Date of the transfer, either as a result of a failure to meet revenue or volume commitments or monitoring conditions associated with such Pricing Plan (Shortfall Charges) or as a result of the discontinuance with liability of such Pricing Plan (Termination Charges). For purposes of these provisions, a charge is incurred on the date that the events giving rise to the charge become fixed (i.e., on the last day of a commitment period or the day on which a Pricing Plan is discontinued), not on the date the charge is billed.

(a) For a Shortfall Charge incurred for a commitment period that includes the Effective Date of the transfer, the Current Customer remains jointly and severally liable with the New Customer only for a percentage of the total Shortfall Charge equal to the number of days in the commitment period prior to such Effective Date divided by the total number of days in the commitment period.

(b) For a Termination Charge incurred less than 180 days after the Effective Date of the transfer, the Former Customer remains jointly and severally liable with the New Customer only for a percentage of the total Termination Charge equal to the difference between 180 and the number of days between such Effective Date and the date on which the Termination Charge is incurred, divided by 180.

(c) For a Shortfall Charge incurred for a commitment period after the commitment period that includes the Effective Date of the transfer, or for a Termination Charge incurred at least 180 days after the Effective Date of the transfer, the Former Customer is fully relieved of liability

F. Nothing herein or elsewhere in this tariff shall give any Customer, assignee, or transferee any interest or proprietary right in any 800 Service telephone number.

2.1.9. **Retention of 800 Service Telephone Numbers** - Customers may retain the same 800 Service telephone number when moving to another location within the Mainland or Hawaii. M M

2.2 USE

2.2.1. **General** - WATS may be used for any lawful purpose consistent with its transmission parameters. WATS is furnished for the transmission of voice and non-voice communications. For non-voice communications, typical uses are data, facsimile, signaling, metering, or other similar communications, subject to the transmission capabilities of the service.

2.2.2. [Reserved for future use.]

2.2.3. **Abuse** - The abuse of WATS is prohibited. The following activities constitute abuse:

A. Using WATS to make calls which might reasonably be expected to frighten, abuse, torment, or harass another, or

B. Using WATS in such a way that it interferes unreasonably with the use of the service by others.

C. Using AT&T 800 Service or any other telephone number advertised or widely understood to be toll free, in a manner that would result in (1) the calling party or the subscriber to the originating line being assessed, by virtue of completing the call, a charge for the call; (2) the calling party being connected to a pay-per-call service; (3) the calling party being charged for information conveyed during the call; unless in either (1), (2) or (3) the calling party has a presubscription or comparable arrangement or discloses a credit or charge card number during the call; or (4) the calling party being called back collect for the provision of audio or data information services, simultaneous voice conversation services or products. The Customer must also comply with (a) Titles II and III of the Telephone Disclosure and Dispute Resolution Act (Pub. L. No. 102-556) (TDDRA) and (b) the regulations prescribed by the Federal Communications Commission and the Federal Trade Commission pursuant to those Titles.

D. Acquiring or reserving an 800 number provided by AT&T for the primary purpose of selling, brokering, bartering or releasing it for a fee or other consideration.

2.2.4. **Fraudulent Use** - The fraudulent use of, or the intended or attempted fraudulent use of, WATS is prohibited. The following activities constitute fraudulent use:

A. Using or attempting to use WATS with the intent to avoid the payment, either in whole or in part, of any of the Company's tariffed charges by:

1. Rearranging, tampering with, or making connections not authorized by this tariff to any WATS service component, or

Certain material on this page formerly appeared on Page 20.

2.5.8. **Deposits** - The following deposit provisions are applicable to WATS. A deposit does not relieve the Customer of the responsibility for the prompt payment of bills on presentation. If the Customer refuses to pay a deposit required under this Section, AT&T may refuse to provide new service, or restrict or deny existing service for which the deposit is required. In lieu of a cash deposit, AT&T will accept, as a deposit, irrevocable and commercially sound Bank Letters of Credit, Surety Bonds or Guarantees. C

A. **Deposit for Recurring Charges** - The Company will require a deposit from a Customer (1) who has a proven history of late payments to AT&T or (2) whose financial responsibility is not a matter of record (determined in accordance with 1., following). AT&T will hold the deposit as security for the payment of charges. The amount of this deposit will not three times the sum of the estimated average monthly usage charges and/or the monthly service charges.

1. To determine the financial responsibility of a Customer and/or the specific amount of any deposit required, AT&T will rely upon commercially reasonable factors to access and manage the risk of non-payment. These factors may include, but are not limited to, payment history for telecommunications service, the number of years in business, history of service with AT&T, bankruptcy history, current account treatment status, financial statement analysis, and commercial credit bureau rating.

B. **Deposit For Shortfall Charges*** - The Company will require a deposit from a Customer that meets each of the elements specified in 1. through 3., following, to be held as a guarantee for the payment of any charge that may be incurred as a result of a failure to meet revenue or volume commitments or monitoring conditions (Shortfall Charge) under an AT&T term plan, flex plan, or other discount plan with revenue or volume commitments offered under this Tariff, or a Contract Tariff under which WATS is provided (a Pricing Plan). The amount of this deposit will not exceed the estimated Shortfall Charge, to be determined in accordance with the applicable tariff provisions under which such Shortfall Charges would be assessed, based on the total annualized charges or usage calculated as specified in the applicable category under 2., following. A deposit will not be required under this Section if the amount of the estimated Shortfall Charge is less than $300,000. A deposit will be required when each of the three following requirements is met:

1. The Customer has subscribed to a Pricing Plan that includes a revenue or volume commitment based on charges or usage over a period of one year or longer.

2. The Customer is in one of the following categories (a) through (c). For purposes of these determinations, if any commitment under the Pricing Plan is based on charges or usage over a period of longer than one year, the commitment will be treated as an annual commitment equal to the amount of the commitment, divided by the number of months in the commitment period, multiplied by twelve.

(a) AT&T has accepted the Customer's order for service under the Pricing Plan and the Customer has identified locations or telephone numbers that are to be served under the Pricing Plan, but the total annualized charges or usage from such locations and telephone numbers are less than 50% of the annual commitments applicable during the first year of the Pricing Plan. Such total annualized charges or usage will be twelve times the greater of (i) the past month's billed usage or (ii) the average C

*Section 2.5.6.B does not apply for any Pricing Plan that was in service as of December 9, 1995 or earlier. C
Certain material previously found on this page can now be found on Pages 28.1 and 28.1.1.

2.5.6.B.2.(a) **Deposit for Shortfall Charges** - (Continued)

monthly billed usage during the preceding twelve months, or if billed usage information is not available for the preceding twelve months, then during the number of preceding months for which such billed usage information is available.

(b) The Customer has been taking service under the Pricing Plan for at least three full billing months, and the total annualized charges or usage under the Pricing Plan are less than 80% of any currently applicable annual commitment under the Pricing Plan. Such total annualized charges or usage will be twelve times the greater of (i) the past month's billed charges or usage or (ii) the average monthly billed charges or usage during the current commitment period.

(c) The Customer has requested that AT&T remove specified locations or telephone numbers from the Pricing Plan, and the total annualized charges or usage from the locations or telephone numbers that would remain under the Pricing Plan are less than 80% of any currently applicable commitment under the Pricing Plan. Such total annualized charges or usage will be determined using the same methodology as specified in (b), preceding.

3. The Customer's net assets (based on a review of an audited financial statement, if available, and other information available to AT&T) are less than three times the amount of its total commitments to AT&T under tariffed service arrangements, or the Customer's financial responsibility is not a matter of record (determined in accordance with A.1., preceding).

C. **Interest on a Cash Deposit** - Interest will be paid to a Customer for the period that a cash deposit is held by AT&T. The interest rate used will be as follows:

1. Simple interest at the rate of six percent annually unless a different rate has been established by the appropriate legal authority in the state where WATS is installed, in which event that rate will apply.

2. When the Local Exchange Company's local exchange service tariff applies a Late Payment Charge, the same interest rate applicable to that late payment charge will apply.

D. **Return of a Deposit** - Any deposit for recurring charges collected under A., preceding, will be credited to a Customer's account if applicable, when the Customer has established credit, or when the Customer has established a prompt payment record with AT&T for one year. Any deposit for shortfall charges collected under B., preceding, will be credited to a Customer's account, upon demand of the Customer, when the Customer's actual billed charges or usage under the Pricing Plan during the current commitment period divided by the number of months elapsed in the current commitment period, multiplied by twelve, are at least 80% of each currently applicable annual commitment under the Pricing Plan, for at least three consecutive months. AT&T may require a new deposit even after a deposit has been returned to the Customer under this Section if the conditions of Sections A. or B., preceding, are met. When the service for which the deposit has been required is discontinued, the deposit is applied to the final bill and any credit balance is refunded to the Customer with applicable interest accrued.

Certain material previously found on this page can now be found on Page 28.1.1.