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June 29, 2011

Jesse P. Clay, Jr.
 Deputy Executive Director for Administrative Matters
 DC Public Service Commission
 1333 H Street, NW, 2nd Floor, West Tower
 Washington, DC 20005

RE: Washington, DC RFP PSC-11-04 – Best and Final Offer

Dear Mr. Clay:

The following represents AT&T's Best and Final Offer for the above referenced RFP.

| Pricing Without Outreach | | | Pricing With Outreach | | |
|--------------------------|-------------------|-------------------|-----------------------|-------------------|-------------------|
| Year | Contract Period* | TRS | Year | Contract Period* | TRS |
| 1-Initial | 07/2011 - 10/2012 | \$ 1.00 | 1-Initial | 07/2011 - 10/2012 | \$ 1.05 |
| 2-Option | 11/2012 - 10/2013 | \$ 1.00 | 2-Option | 11/2012 - 10/2013 | \$ 1.05 |
| 3-Option | 11/2013 - 10/2014 | \$ 1.00 | 3-Option | 11/2013 - 10/2014 | \$ 1.05 |
| | | Session Minute | | | Session Minute |

*Assumes initial contract period of 16 months with two one-year option years.

We appreciate the opportunity to provide this Best and Final Offer to the District and we look forward to the evaluation process.

Sincerely,

Gregory P. Smith
 Director-Market Development
 AT&T Services, Inc.