

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

AUG 28 2012

PUBLIC SERVICE
COMMISSION

In the Matter of:

BUDGET PREPAY, INC.

vs.

BELLSOUTH TELECOMMUNICATIONS, LLC
d/b/a AT&T KENTUCKY

Case No. _____

FORMAL COMPLAINT

Pursuant to 807 KAR 5:001, Section 12, Budget Prepay, Inc. (“Budget”) brings this Formal Complaint alleging that BellSouth Telecommunications, LLC d/b/a AT&T Kentucky (“AT&T”) is imposing an unlawful restriction on resale of bundled local and long distance cash back promotions (collectively “Bundled Promotions”); that AT&T is required, during the times that the Bundled Promotions were and are offered to its retail customers, to offer the Bundled Promotions for resale to Budget; and that AT&T’s actions are preferential, discriminatory and anti-competitive as AT&T seeks to impair competition, enhance its competitive position, and gain a competitive advantage through an inappropriate intra-corporate transaction and/or tying arrangement with its affiliate long distance company. In support of this Formal Complaint, Budget states as follows:

Identification of Parties

1. Budget is a Louisiana corporation with its principal place of business in Bossier City, Louisiana. Relevant to this Complaint, Budget is a “competitive local exchange carrier” (“CLEC”; Utility ID# 5153200). Budget’s post office address is 1325 Barksdale Blvd., Bossier City, LA 71111.

2. AT&T is a Georgia corporation with its principal place of business in Atlanta, Georgia. Relevant to this Complaint, AT&T is an “incumbent local exchange carrier” (“ILEC”; Utility ID# 12700), as defined by the Telecommunications Act, 47 U.S.C. § 251(h). AT&T’s post office address is 675 W. Peachtree St., Suite 4514, Atlanta, GA 30375.

Facts and Nature of Dispute

3. Budget and AT&T are parties to an Interconnection Agreement, executed on October 16, 2008, and entered into pursuant to the Telecommunications Act, under which AT&T is required to provide certain wholesale telecommunications services to Budget for resale by Budget to retail end-users.

4. Since March 21, 2010, AT&T has been, and is currently, offering and providing retail residential customers in Kentucky cash-back promotions available to certain qualifying new and existing customers and subscribers, and applicable to purchases of certain bundled qualifying services that include local service and long distance service (the “Bundled Promotions”). The Bundled Promotions are being marketed by “AT&T”, and provide that customers subscribing to certain service offerings provided by AT&T shall qualify for a \$100 or \$50 reward. The service offerings included in the Bundled Promotions specifically require local service to be provided to the customer by AT&T. The cash-back promotion is not available to customers without AT&T local service. Copies of AT&T materials relevant to Bundled Promotions are included in Exhibit A attached to and made a part hereof.

5. Prior to March 21, 2010, AT&T had been providing similarly bundled services with promotions offering cash-back rewards. Budget received a net reward amount for such prior bundled promotions.

6. At all relevant times that AT&T has provided the Bundled Promotions to retail customers involving rates in effect for more than 90 days, AT&T has not provided the Bundled Promotions to Budget for resale as required by the Interconnection Agreement and applicable law.

7. AT&T gives Budget no credits for resale rights associated with the Bundled Promotions.

8. AT&T has not sought or obtained a ruling from the Commission prior to imposing restrictions on resale of the Bundled Promotions.

9. Budget has submitted notices of billing dispute and claims for credits to AT&T for resale rights associated with the Bundled Promotions, and is currently withholding payment of disputed amounts pursuant to its Interconnection Agreement with AT&T.

Law and Violations

10. Applicable law includes:

a. 47 U.S.C. § 251(c)(4)(A) — requires an ILEC “to offer for resale at wholesale rates any telecommunications service that the carrier provides at retail to subscribers who are not telecommunications carriers”;

b. 47 U.S.C. §§ 251(b)(1) and 251(c)(4)(B) — mandate that an ILEC neither prohibit, nor impose unreasonable or discriminatory conditions or limitations on, the resale of such telecommunications service;

c. 47 C.F.R. § 51.613(a), (b) — permits ILEC resale restrictions only (1) against cross-class selling and (2) relating to genuinely short-term promotions in effect no more than 90 days, but otherwise only if the ILEC has proved to the relevant state commission that the restriction is reasonable and non-discriminatory;

d. 47 U.S.C. § 251(c)(4)(A) and 47 C.F.R. § 51.613(a)(2) — mandate that promotional offerings greater than 90 days in duration be offered for resale at wholesale rates, with the wholesale discount applied to the special promotional rate;

e. 47 C.F.R. § 51.603(a) — requires an ILEC to make its telecommunications services available for resale to requesting carriers on terms and conditions that are reasonable and non-discriminatory;

f. 47 C.F.R. § 51.605(e) — prohibits an ILEC from imposing restrictions (except as provided in 47 C.F.R. § 51.613) on resale by a requesting carrier of telecommunications services offered by the ILEC;

g. 47 U.S.C. § 272(e)(4) — mandates that, for any interLATA or intraLATA service provided to an interLATA affiliate, the ILEC must make that service available to all carriers at the same rates and on the same terms and conditions;

h. KRS 278.160 and 807 KAR 5:013, Section 13 — require that a utility adhere to the rates, charges and conditions of service in a special contract like the Interconnection Agreement and that no utility “charge, demand, collect, or receive from any person a greater ... compensation for any service ... than that prescribed in its filed schedules”; and

i. KRS 278.170(1) — prohibits a utility, as to rates or service, from giving any person an unreasonable preference or advantage, and from subjecting any person to any unreasonable prejudice or disadvantage.

11. In its 8/8/96 Local Competition Order, the FCC confirmed that the resale rules apply to promotional/discounted offerings:

Section 251(c)(4) provides that incumbent LECs must offer for resale at wholesale rates ‘any telecommunications service’ that the carrier provides at retail to noncarrier subscribers. **This language makes no exception for promotional or discounted offerings, including contract and other**

customer-specific offerings. We therefore conclude that no basis exists for creating a general exemption from the wholesale requirement for all promotional or discount service offerings made by incumbent LECs. A contrary result would permit incumbent LECs to avoid the statutory resale obligation by shifting their customers to nonstandard offerings, thereby eviscerating the resale provisions of the 1996 Act.

First Report and Order, FCC 96-325, CC Docket Nos. 96-98 and 95-185, 11 FCC Rec.

15499, ¶ 948 (August 8, 1996) (emphasis added). These rules apply to bundled services:

[T]he plain language of the 1996 Act requires that the incumbent LEC make available [to competing carriers] at wholesale rates retail services that are actually composed of other retail services, **i.e., bundled service offerings.**

Id. at ¶ 877 (emphasis added).

12. Thus, AT&T is required, during all relevant times it offers the Bundled Promotions to its retail customers, to offer to Budget the Bundled Promotions for resale at wholesale rates and without restriction.

13. AT&T has unilaterally restricted the Bundled Promotions from resale, contrary to the Interconnection Agreement between AT&T and Budget and applicable law.

14. Applicable law prohibits AT&T from evading its resale obligations by placing these telecommunications services in bundles, discounting them, and then restricting the promotional offering from resale.

15. AT&T's failure to make the Bundled Promotions available to Budget breaches the Interconnection Agreement and violates applicable law requiring that resale rights be made available for promotional offerings without restriction.

16. AT&T's charges and demands since August 29, 2010, for compensation that does not credit Budget for any cash-back rewards amount is in breach of the Interconnection Agreement and its statutory obligation to adhere to its filed schedules.

17. AT&T's actions are preferential, discriminatory and anti-competitive as AT&T seeks to impair competition, enhance its competitive position, and gain a competitive advantage through an inappropriate intra-corporate transaction and/or tying arrangement with its affiliate long distance company.

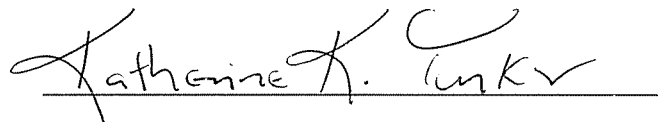
18. Budget has suffered and continues to suffer damages as a result of AT&T's violations.

Relief Requested

WHEREFORE, based upon the foregoing, Budget prays the Commission:

1. Serve an order on AT&T requiring that the matter complained of be satisfied, or that this complaint be answered by AT&T in writing;
2. Find that AT&T's actions with respect to Budget and the Bundled Promotions are in violation of applicable law and in breach of the Interconnection Agreement;
3. Direct AT&T to remit to Budget any amounts found to be due and owing to Budget with respect to the Bundled Promotions; and
4. Award any and all other relief to which Budget may be entitled.

Respectfully submitted



Katherine K. Yunker
yunker@desuetude.com
John B. Park
jpark@desuetude.com
YUNKER & PARK PLC
P.O. Box 21784
Lexington, KY 40522-1784
Phone: 859-255-0629
Fax: 859-255-0746

ATTORNEYS FOR BUDGET PREPAY, INC.

OF COUNSEL:

Katherine W. King
Randy Young
Randal R. Cangelosi
Carrie R. Tournillon

KEAN MILLER LLP
400 Convention Street, Suite 700
P. O. Box 3513 (70821-3513)
Baton Rouge, LA 70802
Phone: (225) 389-3723
Fax: (225) 388-9133

CERTIFICATE OF FILING AND SERVICE

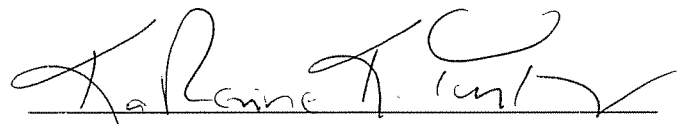
I hereby certify that on this the 28th day of August, 2012, the original and ten (10) copies of the foregoing were hand delivered to the Commission for filing, and a courtesy copy was sent, via U.S. Mail, first-class, postage prepaid, to:

Mary K. Keyer
AT&T SOUTHEAST
601 W. Chestnut Street, Suite 407
Louisville, KY 40203-2034

AT&T Contract Management
ATTN: Notices Manager
311 S. Akard, 9th Floor
Dallas, TX 75202-5398

Mo Andriate
BELLSOUTH TELECOMMUNICATIONS, LLC dba
AT&T KENTUCKY and AT&T SOUTHEAST
575 Morosgo Drive, NE, Room F1441
Atlanta, GA 30324-3300

AT&T Business Markets Attorney
675 Peachtree Street; Suite 4300
Atlanta, GA 30375-0001



Attorney for Budget PrePay, Inc.

Hurry! Act Now!
Call us toll free
1-866-653-2395

You can't count on just any phone service provider.

With AT&T, you have access to even more top-of-the-line services at everyday low prices. And in this economy, it's nice to know you can get the services you need and save some money. That's why every day more and more customers switch to AT&T.

For less than \$20 per month, you'll get:

- **Unlimited local calling** that keeps you connected all the time
- **An everyday low price**, not a short-term promotional price
- **Dependable service** for security systems and 911 emergencies
- **Predictable billing** every month that eliminates surprises

Plus, if you're looking for affordable high-speed Internet service, check out **FastAccess® DSL** for only **\$19.95 per month.**

Best of all, get up to \$325 CASH BACK when you sign up for other qualifying services.

Sincerely,

Deborah Peoples
Vice President, AT&T Consumer Sales & Service

call | **1-866-653-2395**

click | **att.com/connect**
and enter invitation code **60562799730.**

Si prefiere comunicarse con nosotros en español,
por favor llámenos al **1-866-792-7941.**

(See reverse side for important information.)

WIRELESS • HIGH SPEED INTERNET • HOME PHONE • ADVANCED TV



UNLIMITED Local Calling

Less than

\$20 per month¹ *EVERYDAY LOW PRICE*

- Enjoy security and peace of mind with a reliable connection at home
- Get the network with 99.9% reliability

UNLIMITED Long Distance Calling

Just

\$14 per month² *EVERYDAY LOW PRICE*

- Talk as much as you want, anytime you want

FastAccess® DSL

Just

\$19⁹⁵ per month³ *EVERYDAY LOW PRICE*

- 24-month price guarantee and no term commitment
- Access the nation's largest Wi-Fi network, including Starbucks†
- No activation fees

-- PLUS --

Get up to \$325 CASH BACK when you switch to AT&T and sign up for other qualifying services.*

0809/NAL



Call AT&T today for value, choice and reliability.

1-866-653-2395

Si prefiere comunicarse con nosotros en español,
por favor llámenos al 1-866-792-7941.

Mon. - Fri. 8 a.m. - 7 p.m. EST and
Sat. 8 a.m. - 5 p.m. EST

Your world. Delivered.



†Rollover Minutes: Unused Anytime Minutes expire after the 12th billing period. Night and Weekend and Mobile to Mobile minutes do not roll over. †Based on non-municipal company owned and operated hotspots. AT&T Wi-Fi Basic service not included with AT&T Worldnet service. Wi-Fi enabled device required. Other restrictions apply. See www.attwifi.com for additional services, details and locations. Wi-Fi at Starbucks available at U.S. company-operated Starbucks locations equipped with a hotspot.

Rate excludes taxes, surcharges, subscriber line, extended area service, installation and universal service fund fees. ***Up to \$325 Cash Back Offer: \$50 Cash Back for Local Service OR \$100 Cash Back for Local Service and Long Distance:** Customers who switch local telephone service to AT&T and purchase qualifying local service (Complete Choice[®] Basic, Complete Choice[®] Enhanced or Consumer's Choice Plus) receive \$50 cash back. Customers who switch service to AT&T and purchase qualifying local service (Complete Choice Basic, Complete Choice Enhanced or Consumer's Choice Plus) and a qualifying domestic Unlimited Long Distance plan receive \$50 cash back for the purchase of Unlimited Long Distance and \$50 for the purchase of local service. Offers end 9-30-09. **\$100 Cash Back:** \$50 each for purchase of \$39.99 or higher wireless plan with 2-year agreement and qualifying handset. DIRECTV[®] CHOICE XTRA[™] package or higher with either HD Access or DVR Service from AT&T | DIRECTV. Requires AT&T local and long distance service. Long distance not required with online orders at www.att.com or for wireless orders. Must be new customer to qualifying service(s). Offer ends 9-19-09. **\$125 Cable Switch Cash Back:** \$125 cash back reward available to residential customers switching existing cable Internet service to any speed of FastAccess[®] DSL. Offer excludes FastAccess DSL Lite service with a term commitment. Subscription to AT&T local service required. Customer must satisfy all outstanding obligations with current cable provider. Only one high-speed Internet cable switch offer per local telephone bill. Online redemption required. May not be combined with other Internet service cash back offers. Offer ends 9-19-09. Cash back redemption requires customer to retain qualifying service(s) a minimum of 30 days and at time processing of reward is completed. Checks will be sent within 4 to 6 weeks to eligible customers following redemption of reward. Checks may not be used to pay for local telephone service provided by AT&T. Cash back offers may not be combined with other AT&T promotional offers on the same services. **†Unlimited Local Calling:** Rates vary depending on state service area. Rates are subject to change. **‡AT&T Unlimited Nationwide Calling[™] Advantage 2:** This plan is for residential customers who switch or return to AT&T for local phone service, and provides unlimited domestic direct-dialed long distance. Available only with the purchase of ALL DISTANCE[®] or a basic access line. Plan is for residential, non-business use only. Plan cannot be used for long distance or local toll access to the Internet or for business purposes such as telemarketing, auto-dialing, or commercial or broadcast facsimile (FAX) where any of these calls would be long distance or local toll calls. If plan is used for unauthorized purposes, the Company may immediately suspend, restrict or cancel the customer's service. Quoted rate excludes a monthly Carrier Cost Recovery Fee of \$1.99 per month for long distance. This fee is not a government required charge. Availability, rates, terms and conditions are subject to change. **‡FastAccess[®] DSL Service** requires DSL modem/router and qualifying local service. Quoted price is for FastAccess DSL Lite (768k) with no term commitment. Other Charges: Taxes, excessive usage and other charges may apply. Other Terms: Speed claim(s) represent maximum downstream and/or upstream speed capabilities which may vary and are not guaranteed. Many factors can affect actual speeds. Advertised Internet speed options not available in all areas. **Guaranteed Price for 24 Months:** Price guarantee applies to monthly recurring charge for a period of 24 months from date of service, and does not include taxes, fees or excessive bandwidth usage charges. Offer excludes FastAccess[®] DSL Lite service with a term commitment. Offer ends 9-19-09. Altering, suspending or terminating service will cancel price guarantee. All Offers: Advertised services not available in all areas. Offers may be modified or discontinued at any time without notice. Other conditions apply to all offers. Offers valid for one service line at the intended local service address. ©2009 AT&T Intellectual Property. All rights reserved. AT&T, the AT&T logo and all other AT&T marks contained herein are trademarks of AT&T Intellectual Property and/or AT&T affiliated companies. Subsidiaries and affiliates of AT&T Inc. provide products and services under the AT&T brand. DIRECTV service is provided by DIRECTV.

Rethink Possible



Re: Your service at 311 W Quilly St, Griffin, GA 30223
If this address is not correct, please call us at 1-877-273-9696

*****AUTO**MIXED AADC 607

Talk all you want, enjoy high-speed Internet action.


 As low as \$14⁹⁵ a month [†]	 Only \$20 or less a month [†]	 For only \$14 a month ^{††}
High Speed Internet from AT&T (see details inside)	UNLIMITED Local Calling	UNLIMITED Long Distance Calling

Get up to **\$300 back** in promotion cards from AT&T with other qualifying services at non-promotional prices.*




talk is cheap so is surfing the net

Enjoy these services at great low prices. In this economy, it's nice to know you can get the services you need and save some money — up to \$300 back in promotion cards from AT&T! Your cable company talks the talk, but do they walk the walk?

 **surf the net**
High Speed Internet from AT&T
As low as
\$14⁹⁵
a month
for 12 months[†]

Hurry!
Limited-Time Offer.


- Downstream speeds up to 3 Mbps
- Includes on-the-go access to the entire national AT&T Wi-Fi Hot Spot network at no extra charge** (1-year term required)

 **talk-it up**
UNLIMITED Local Calling

Only
\$20
or less
a month[†]

- Enjoy the security and peace of mind that come with a reliable connection at home
- Get the network with 99.9% reliability

Everyday Low Price

 **keep talking**
UNLIMITED Long Distance Calling

For only
\$14
a month^{††}

- Pay one small price for UNLIMITED nationwide calling
- Call and talk as much as you want

Everyday Low Price

take action

Get each of these services at a great low price. Plus, find out how you can get up to **\$300 back** in promotion cards from AT&T when you switch and choose other qualifying services at non-promotional prices.*

call 1-877-273-9696

click att.com/connect
and enter Invitation code 60989409709.

Si prefiere comunicarse con nosotros en español, por favor llámenos al 1-877-998-5512.

(See reverse for details)

0511/DSL
ACTEQQ5c
ACTJEQG0-10-MA-L3-D1-GA



It's time to switch to AT&T!

- Only Wireless from AT&T offers Rollover Minutes* allowing you to keep your unused minutes month to month and avoid overage charges.¹
- Get high-speed Internet at home and on-the-go with access to the entire national AT&T Wi-Fi Hot Spot network at no extra charge.**
- AT&T home phone service, with 99.9% network reliability, provides a connection you can count on.
- Record and play back with your DVR in 100% digital picture and sound with TV service from AT&T.

WIRELESS • HIGH SPEED INTERNET • HOME PHONE • DIGITAL TV



Get a deal cable just doesn't offer — get AT&T!

1-877-273-9696

Si prefiere comunicarse con nosotros en español,
por favor llámenos al 1-877-998-5512.

Mon. - Fri. 8 a.m. - 7 p.m. EST and
Sat. 8 a.m. - 5 p.m. EST

Rollover Minutes: Unused Anytime Minutes expire after the 12th billing period. Night and Weekend and Mobile to Mobile Minutes do not roll over. **Access includes AT&T Wi-Fi Basic. Wi-Fi enabled device required. Other restrictions apply. See www.attwifi.com for details and locations. Use of Wi-Fi at home will count toward your AT&T High Speed Internet usage allowance.

Rate excludes taxes, surcharges, subscriber line, extended area service, installation and universal service fund fees. ***Up to \$300 Offer***: Must be new customer to qualifying service(s). **Long Distance Offers (End 9-30-11)**: Customers switching to AT&T long distance receive a \$100 promotion card for purchase of an unlimited long distance plan or \$50 for an AT&T ONE RATE* plan. Must be new or existing AT&T local service customer. Customer eligible for one promotion card (whether \$50 or \$100) per 12 month period. **DIRECTV* service and Cable Switch Offers from AT&T (End 7-16-11)**: \$50 card for combined purchase of qualifying high-speed Internet service and DIRECTV* CHOICE XTRA™ Package or higher with HD Access or DVR service from AT&T | DIRECTV. \$100 card when switching from existing cable Internet service to a qualifying high-speed Internet plan from AT&T. Online redemption and AT&T local service required. **Offer Redemption Terms**: Card redemption required. Card sent 4-6 weeks after redemption to customers who retain qualifying service(s). Not redeemable for cash, for use at automated gasoline pumps or for cash withdrawal at ATMs. Card expires 90 days after issuance. **For cardholder agreement/terms and conditions go to <http://rewardcenter.att.com/myrewardcard/agreement.pdf>**. Cards issued by U.S. Bank National Association, pursuant to a license from Visa U.S.A. Inc. **Wireless \$50 AT&T Promotion Card** for purchase of a select handset from a participating AT&T sales channel through 7-16-11 with a new 2-yr wireless voice rate plan of \$39.99 or higher. Must maintain qualifying services for a minimum of 30 consecutive days to receive card. Redemption requests must be received by 8-16-11. Allow 60 days for fulfillment. Card may be used only in the U.S., is valid for 120 days after issuance date, but is not redeemable for cash and cannot be used for cash withdrawal at ATMs or automated gasoline pumps. See terms at www.att.com/wirelessrebate.

†Unlimited Local Calling: Rates vary depending on state service area and are subject to change.

****AT&T Unlimited Nationwide Calling™ Advantage 2** plan is available to residential customers who switch to AT&T for local phone service and provides unlimited domestic direct-dialed long distance for residential, non-business use only. Plan cannot be used for long distance or local toll access to the Internet or for business purposes such as telemarketing, auto-dialing, or commercial or broadcast facsimile (FAX) where any of these calls would be long distance or local toll calls. If plan is used for unauthorized purposes, the Company may immediately suspend, restrict or cancel the Customer's Service. Quoted rate excludes a monthly Carrier Cost Recovery Fee of \$1.99 per month for long distance. This fee is not a government required charge.

†High Speed Internet from AT&T Promotion: DSL modem and local access line required. Quoted price for speeds up to 3.0 Mbps after bill credits. First two bill credits will be applied on same bill within the first three bill cycles. Taxes and other charges apply. DSL price includes 150 GB of data/mo. Additional \$10 charge per each 50 GB of data usage in excess of allowance. For more information, go to <http://MyUsage.att.com>. New customers only. After 12 months, standard rates apply unless canceled by customer at the end of 12 months. Early termination fee applies. Speed claim(s) represent maximum downstream and/or upstream speed capabilities which may vary and are not guaranteed. Offer expires 7-16-11. Other conditions apply. **All Offers**: Advertised services not available in all areas. Offers may be modified or discontinued at any time without notice. Other conditions apply to all offers. Offers valid for one service line at the intended local service address. AT&T employees or retirees may not be eligible for promotional offers. ©2011 AT&T Intellectual Property. All rights reserved. AT&T, the AT&T logo and all other AT&T marks contained herein are trademarks of AT&T Intellectual Property and/or AT&T affiliated companies. Subsidiaries and affiliates of AT&T Inc. provide products and services under the AT&T brand. DIRECTV service is provided by DIRECTV.

Offer Code: BE18-610E

ACTJEQGO-10-MA-13-D1-GA





Small Business > Long Distance & International Services > Long Distance Plans > If I want AT&T Long Distance, do I need AT&T's local pho...

Small Business Support

Support for: Small Business

Personalize your support



Ask a Question

Search FAQs

Text size:

Print |

Browse Support Topics

- Billing & Payments
- Online Account Management
- Wireless Services
- High Speed Internet
- Wi-Fi & Hotspots
- Technical Support & Repair
- Local Services
- Long Distance & International Services
- Local Toll
- Confirm Long Distance Carrier
- Long Distance Plans
- Order Long Distance
- Intralata Calling
- International Plans
- Order International Service
- International Dialing Instructions
- General Service Questions
- Help
- Easy Reach 800
- Bundles & Promotions
- Additional Voice Services
- Video & Data Services
- Dial Internet Support
- Directory Information
- Rewards
- Find Out More About AT&T
- Contacting AT&T

If I want AT&T Long Distance, do I need AT&T's local phone service?

Yes, you need local phone service with AT&T to get one of our Long Distance calling plans.

Solution Feedback

Was this solution easy to find?

Yes No

Need more help?

Did the solution help you?

Yes No

**RESIDENTIAL SERVICE GUIDE FOR
INTEREXCHANGE INTERSTATE, AND INTERNATIONAL SERVICES**

SECTION 7 - PROMOTIONS

7.2 Promotional Offerings

7.2.1 AT&T Visa[®] Reward Card Promotion

- (A) This promotion is available beginning March 21, 2010 and will end on March 31, 2011. Orders for new service must be activated by April 30, 2011. Residential Customers who qualify for this promotion will receive a redemption coupon per qualifying service for a one-time Visa[®] Reward Card.
- (B) During the promotion availability period, Customers must:
- .1 either, previously subscribed to local dial tone service of the Company's affiliated incumbent local exchange company ("Affiliated ILEC") and have cancelled that service, or; (2) previously subscribed to long distance service from the Company and have cancelled that service, or; (3) currently reside within the Company or Affiliate of the Company's local territory who is now moving service from a competitor of the Company or Affiliate of the Company to the Affiliated ILEC; and,
 - .2 newly subscribe to one of the following qualifying Company plans: AT&T Unlimited Nationwide Calling One, AT&T Unlimited Nationwide Calling Advantage 1, AT&T Unlimited Nationwide Calling Advantage 2, AT&T Unlimited Nationwide Calling Advantage 3, AT&T ONE RATE[®] Nationwide 5 Cents Advantage or AT&T ONE RATE[®] Nationwide Calling 1; and,
 - .3 contact the Company in response to a direct mail campaign specific to this promotion.
- (C) Customer must retain qualifying service a minimum of thirty (30) days and must redeem the redemption coupon/redemption form via a Company-designated website. Reward card will be mailed to Customer's address of record and will expire ninety (90) days after card issuance. Reward cards cannot be used to pay any bill or invoice from the Company or any affiliate of the Company. Void where prohibited, taxed or restricted. Other terms and restrictions apply. The Visa[®] reward card is subject to additional terms and conditions imposed by card issuer.
- (D) Residential Customers who qualify for this promotion will receive a redemption coupon per qualifying service as follows for a one-time Visa[®] Reward Card. Customers are eligible for one reward card in a 12-month period (whether a \$50.00 or \$100.00 reward card) and reward cards can be combined with other reward amounts from other promotions where specified.

<u>Qualifying Service(s)</u>	<u>Reward Amount</u>
AT&T Unlimited Nationwide Calling SM One	\$100.00
AT&T Unlimited Nationwide Calling SM Advantage 1	\$100.00
AT&T Unlimited Nationwide Calling SM Advantage 2	\$100.00
AT&T Unlimited Nationwide Calling SM Advantage 3	\$100.00
AT&T ONE RATE [®] Nationwide 5 Cents Advantage	\$50.00
AT&T ONE RATE [®] Nationwide Calling 1	\$50.00

- (E) This promotion is not available to directors, officers, retirees or employees of the Company or an Affiliate of the Company that receive concessions on their long distance service.

**RESIDENTIAL SERVICE GUIDE FOR
INTEREXCHANGE, INTERSTATE AND INTERNATIONAL SERVICES**

SECTION 4 – INTERSTATE SERVICE DESCRIPTIONS, RATES AND CHARGES

4.2 Rewards

As described below, AT&T Reward Cards are available to qualifying residential Customers of the Company who purchase one of the following plans from the Company: either, (1) AT&T Unlimited Nationwide CallingSM One, AT&T Unlimited Nationwide CallingSM Advantage 1, AT&T Unlimited Nationwide CallingSM Advantage 2 or AT&T Unlimited Nationwide CallingSM Advantage 3 ("Unlimited Qualifying Plan"); or, (2) AT&T ONE RATE[®] Nationwide Advantage or AT&T ONE RATE[®] Nationwide Calling 1 ("ONE RATE Qualifying Plan").

(A) Winback/Win/New -- Qualifying Customers:

- .1 Must be contacted by the Company or must contact the Company and request this reward;
- .2 Must not subscribe to any service from the Company at the time an Unlimited or ONE RATE Qualifying Plan is ordered;
- .3 Must previously have subscribed to service from the Company and have cancelled that service; or currently subscribe a long distance service or its equivalent from a wireline or wireless competitor of the Company or from a wireless Affiliate of the Company and be moving service to the Company; or never before have subscribed to long distance service or its equivalent from any company;
- .4 Must subscribe to an Unlimited or ONE RATE Qualifying Plan;
- .5 Must be a new or existing local service customer of an Affiliated ILEC of the Company;
- .6 Will receive a redemption coupon for a one-time \$100 AT&T Reward Card for purchase of an Unlimited Qualifying Plan;
- .7 Will receive a redemption coupon for a one-time \$50 AT&T Reward Card for purchase of a ONE RATE Qualifying Plan;
- .8 Are eligible for one AT&T Reward Card as described herein in a 12 month period (whether \$50 or \$100, depending on Qualifying Plan);
- .9 Must retain the Unlimited or ONE RATE Qualifying Plan at the time the Reward Card is sent (within 4 to 6 weeks after redemption) and must redeem the redemption coupon/redemption form via website. Reward Card will be mailed to Customer's address of record and will expire ninety (90) days after card issuance. Reward Cards cannot be used to pay any bill or invoice from the Company or any Affiliate of the Company in some states and are not redeemable for cash, for use at automated gasoline pumps or for cash withdrawal at ATMs. Void where prohibited, taxed or restricted. The reward card is subject to additional terms and conditions imposed by card issuer.

(N)

(N)