

EXHIBIT 3

Sections 11 and 12

of

Stipulation and Recommendation
And Amended Alternative Regulation Plan,
Commitment 2000, For
Cincinnati Bell Telephone
PUCO Case No. 96-899-TP-ALT
Effective January 1, 1998

11. Contracts

Contracts shall be available to customers that have reasonably available competitive alternatives or unique circumstances, and should be subject to the following procedures.

- a. A contract shall be effective upon the signing of the contract.
- b. The contract shall be filed with the Commission within ten (10) days after signing, and will be automatically approved on the 30th day, unless the filing is suspended.
- c. CBT shall provide Commission Staff of the Telecommunications Division of the Utilities Department with:
 - 1) The cost information to demonstrate that the price is above the price floor and the imputation test, if applicable;
 - 2) Evidence of or a description of competition; and
 - 3) A cross reference of the contracted services to the tariffed offerings, Cell classifications, price floors, and price ceilings.
- d. CBT may seek pre-approval of contractual arrangements. Once approved under the 30-day process, individual customer contracts that meet the parameters of the pre-approved contract will be considered approved upon filing with the Commission.

Unique, one-of-a-kind contracts, which include tariffed services for which there are no reasonably available competitive alternatives, will be considered on a case-by-case basis under the 30-day process outlined above.

The Company agrees to price contractual arrangements for regulated services above the total LRSIC, plus allocated joint and common costs, for those regulated services included in the contract and may submit average LRSIC data accompanied by assumptions based on the characteristics of the customer that support the customer specific pricing proposed. When a contract includes a non-residential basic access line, CBT will demonstrate to the Commission Staff that the price for the contract covers the sum of LRSIC, plus allocated joint and common cost(s), for those regulated services in the contract. In the event that a residential service is included in a contract, which CBT alleges to be priced at a level below LRSIC for such service, CBT will identify each such service that is priced below LRSIC and will demonstrate to the Commission Staff that the price for the contract, including such residential service, is priced above the sum of the retail price(s) for such services which are alleged to be priced below LRSIC, plus allocated joint and common costs, of other regulated components of the contract. By signing this Stipulation, no party shall be deemed to have agreed that any residential or other service is currently priced below LRSIC.

CBT may request confidential and proprietary status for selected aspects of its end-user contracts and will follow the Commission's generic procedures in this area for determining whether such a request will be granted. Twelve (12) months after the close of the "fresh look" window the following incremental flexibility will be granted for contracts: (1) all nonresidential services can be provided under contract; and (2) residential service contracts may be proposed by CBT, subject to a pre-filing review by the Commission Staff and an opportunity for comment by

interested parties. CBT agrees to provide the OCC with copies of such proposed residential service contracts when submitted to the Commission Staff for review.

12. Packaging/Bundled Service Offerings

Bundles, including existing services, will be processed under the new services tariff filing procedures outlined above based on the service located in the most restrictive Cell. When a “bundle” or “package” includes a non-residential basic access line, CBT will demonstrate to the Commission Staff that the price for the “bundle” or “package” covers the sum of LRSIC plus allocated joint and common cost(s), for these regulated services in the “bundle” or “package.” In the event that a residential service is included in a “bundle” or “package,” which CBT contends is allegedly priced at a level below LRSIC for such service, CBT will identify each such service that is priced below LRSIC and will demonstrate to the Commission Staff that the price for the “bundle” or “package,” including such residential service, is priced above the sum of the retail price(s) for such services, which are alleged to be priced below LRSIC, plus allocated joint and common costs of other regulated components of the “package” or “bundle.” By signing this Stipulation, no party shall be deemed to have agreed that any residential or other service is currently priced below LRSIC. The pricing flexibility for “bundles” or “packages” will be that associated with the Cell pricing rules applicable to the most restrictive service classification included in the “bundle” or “package” (subject to Attachment I).

The Company may establish reasonable withdrawal dates for all discontinued bundles providing that the underlying services remain available for individual purchase by customers. The Company will propose the specific timeframe for withdrawal at the time of the

discontinuation of the packaged offering. Customers will be given reasonable notice prior to the withdrawal of any “bundle” or “package.”