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BELLSOUTH LONG DISTANCE, INC.

d/b/a AT&T Long Distance Service New York Tariff No. 3 - Telephone Effective Date: April 3, 2011 Section 12 Leaf No. 26 Revision: 0 Superseding Revision:

SECTION 12.0 - CUSTOMIZED PRICING ARRANGEMENTS*

12.6 CPA Discounts, (Cont'd.)

12.6.2 Types of Discounts, (cont'd.)

Type E Discount: A "postalized rate discount" or "adjustable flat rate discount" is calculated as the difference between the Customer's usage charges for the Service types specified in the CPA for a billing month, after all other applicable discounts, and an amount equal to the number of seconds, minutes or other measure of usage of the same Service types multiplied by the appropriate rate or rates specified in the CPA. If the Company increases its standard base service schedule usage rates for Services receiving Type E Discounts under a CPA at any time during the Term, the Company may increase each or any of the postalized rates set forth in the CPA by the same percentage amount as the announced base service schedule rate increase for the same Service.

The following example is provided for illustration purposes only. The rates, discounts and charges depicted are not intended to be representative of actual rates, discounts or charges that a Customer might expect to receive.

Example of a Type E Discount Calculation (\$0.175/Minute):

Base service schedule rate Minutes	\$ 0.2500 1,000,000
Total (prior to all discounts)	\$ 250,000
Base service schedule volume discount (20%)	\$ 50,000 \$ 200,000
Base service schedule term discount (10%)	\$ 20,000
Total schedule discounts (\$50,000 + \$20,000)	\$ 70,000
Net of schedule discounts (\$250,000 - \$70,000)	\$ 180,000
Postalized Rate Discount (\$180,000 – [1,000,000 x \$0.175])	\$ 5,000
Net charges	\$ 175,000

^{*} Effective March 3, 2010, services will no longer be available to new customers under a Customized Pricing Arrangement (CPA).

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