22. Managed Value Plan (MVP) (Cont'd)

22.3 MVP Terms and Conditions (Cont'd)

(H) MVP Annual True-up Amount (MATA) (Cont'd)

Example 1:

A customer is at the end of year 1 of its MVP Agreement. Its MARC is established at $12 million per the guidelines in 22.3(C)(1), preceding and the customer has an Access Service Ratio of 95.7%, then:

The Total Annual MVP Commitment Discount Amount =

$12 million * 9% = $1.08 million.

The customer exceeded the annual MARC of $12 million, but because it did not meet the monthly MARC in one month of the previous year, the total credits received for year 1 of the MVP Agreement = 11 months * the monthly credit of $.09M = $.99M.

Then the customer will receive a MATA credit equal to

$1.08M - $.99M = $.09M

Example 2:

A customer is at the end of year 2 of its MVP Agreement. Its MARC is established at $12 million per the guidelines in 22.3(C)(1), preceding and the customer has an Access Service Ratio of 95.7%, then:

The Total Annual MVP Commitment Discount Amount =

$12 million * 11% = $1.32 million.

The customer exceeded the annual MARC of $12 million, but because it did not meet the monthly MARC in one month of the previous year and did not have an Access Service Ratio of greater than or equal to 95% in another month, the total credits received for year 2 of the MVP Agreement = 10 months * the monthly credit of $.11M = $1.10M.

Then the customer will receive a MATA credit equal to

$1.32M - $1.1M = $.22M

Any annual true-up credits or adjustments will be applied to the customer's bill within sixty (60) days following the anniversary of the MVP Agreement.

If the customer fails to achieve MARC or has an Access Service Ratio less than 95% on the anniversary date of the MVP Agreement, the customer must choose one of the options contained in 22.3(I), following. (T)

22. Managed Value Plan (MVP) (Cont'd)

22.3 MVP Terms and Conditions (Cont'd)

(I) Failure to Meet Customer Obligations

If the customer fails to achieve the Annual MARC or to maintain an Access Service Ratio equal to or greater than 95%, the customer must choose from the following options, specific to its failure: (T)

(1) Failure to Achieve the MARC

If the customer fails to achieve the Annual MARC for any MVP plan year, it must comply with either (a) or (b) following:

(a) The customer pays the difference between the Annual MARC and the actual Annual Billing; or

(b) The customer terminates its MVP Agreement and pays Termination Liabilities set forth in 22.3(J), following.

(2) Failure to Meet the Access Service Ratio

If the customer and its affiliates fail to have an Access Service Ratio greater than or equal to 95% on the anniversary date of the MVP Agreement, the customer must immediately indicate in writing to the Telephone Company that it will meet or exceed the 95% Access Ratio within two months from the anniversary date. Failure to do so will cause the MVP Agreement to be terminated and the customer and its affiliates will pay the Termination Liability Charges set forth in 22.3(J), following.

22. Managed Value Plan (MVP) (Cont'd)

22.3 MVP Terms and Conditions (Cont'd)

(J) Termination of an MVP Agreement

If a customer elects to terminate MVP Agreement prior to its expiration date, written notification must be provided to the Telephone Company indicating the customer's intention to terminate the agreement. This notification must include the date upon which the customer wishes to terminate the agreement.

(1) Termination Liability

Upon termination of the MVP Agreement, the customer will be billed a Termination Liability charge, with the exception of MVP Renewals contained in 22.3(F), preceding, and Termination of MVP Due to Rate Reductions contained in 22.3(J)(2), following, equal to:

(a) 100% of all MVP Discounts received during the six (6) months immediately prior to the date of termination; plus the following schedule:

(1) If terminated in Year 1, 10% of the MARC for the remaining portion of Year 1, plus 10% of the MARCs for the remaining years of the agreement.

(2) If terminated in Year 2, 12.5% of the MARC for the remaining portion of Year 2, plus 12.5% of the MARCs for the remaining years of the agreement.

(3) If terminated in Year 3, 12.5% of the MARC for the remaining portion of Year 3, plus 12.5% of the MARCs the remaining years of the agreement.

(4) If terminated in Year 4, 12.5% of the MARC for the remaining portion of Year 4, plus 12.5% of the MARC for Year 5.

(5) If terminated in Year 5, 10% of the MARC for the remaining portion of Year 5.

(b) The customer will also be billed for nonrecurring charges associated with term agreements of 3 or more years that were waived under the terms of MVP.

(x)
(x)

x Issued under authority of Special Permission No. 02-052 of the F.C.C. in order to restore currently effective provisions and to withdraw material filed under Transmittal No. 57 without becoming effective.

22. Managed Value Plan (MVP) (Cont'd)

22.3 MVP Terms and Conditions (Cont'd)

(J) Termination of an MVP Agreement (Cont'd)

(1) Termination Liability (Cont'd)

Example:
A customer requests termination of an MVP Agreement 3.5 years into the agreement. The customer met the MARC four of the preceding six months. This customer's Year 3 MARC is $10.6M and the Year 3 monthly MARC is $883,333.33. The termination liability is:

Credits paid the preceding 6 months =
($883,333.33 * 13%)*4 = $459,333.33

Plus

Remaining MARC for
Year 3 $5.3M X 12.5% = $662,500
Year 4 MARC $10.6M X 12.5% = $1,325,000
Year 5 MARC $10.6M X 12.5% = $1,325,000

The customer will pay a Termination Liability of $3,771,833.33

(2) Termination of MVP Agreement Due to Rate Reductions

If qualified MVP access tariff rates are reduced a (x)
cumulative total of 30% from the contract effective date (x)
rates, either party may discontinue MVP, upon sixty (60) days written notice without incurring MVP termination liability.

In order to determine if the 30% reduction threshold has been met or exceeded, the rate reduction percentage change for each qualified MVP access rate element is calculated, then the weighted average of those percentages (based on product volumes) is used as the threshold percentage.

x Issued under authority of Special Permission No. 02-052 of the F.C.C. in order to restore currently effective provisions and to withdraw material filed under Transmittal No. 57 without becoming effective.

22. Managed Value Plan (MVP) (Cont'd)

22.3 MVP Terms and Conditions (Cont'd)

(J) Termination of any MVP Agreement (Cont'd)

(2) Termination of MVP Agreement Due to Rate Reductions (Cont'd)

The following examples show the calculation of the reduction threshold: (N)

Example 1:

Product	Volume	Volume % of Total	Current Price	Initial Price	% Change	Weighted Average
Product 1	100	17%	$ 100	$ 140	29%	5%
Product 2	200	33%	$ 135	$ 150	10%	3%
Product 3	300	50%	$ 85	$ 155	45%	23%
Total	600	100%	$ 320	$ 445	28%	31%

Example 2:

Product	Volume	Volume % of Total	Current Price	Initial Price	% Change	Weighted Average
Product 1	100	17%	$ 100	$ 140	29%	5%
Product 2	200	33%	$ 135	$ 150	10%	3%
Product 3	100	17%	$ 85	$ 155	45%	8%
Total	400	67%	$ 320	$ 445	28%	16%

(N)

22. Managed Value Plan (MVP) (Cont'd)

22.3 MVP Terms and Conditions (Cont'd)

(K) Failure to Maintain Eligibility

If at any time during the term of the MVP term agreement, the customer fails to maintain any of the MVP eligibility conditions specified in 22.3(B), preceding, the Telephone Company reserves the right to terminate the MVP term agreement upon thirty (30) days written notice. In such cases, the Telephone Company will consider this Failure to Maintain Eligibility as an Early Termination of the MVP term agreement and thus subject to the applicability of the Termination Liability specified in 22.3(J), preceding. (T) (T) (T)

(L) Right of Successor of an MVP Term Agreement (T)

If a current MVP customer, at any time during the term of an MVP term agreement, assigns or transfers part or all of the qualified access services identified in Section 22.2 to a unaffiliated customer, one of the following will apply: (T) (T)

(1) If the current MVP customer (assignor or transferor) continues to qualify for MVP with the remaining qualified access services, but cannot meet its existing MARC, a one-time adjustment to the MARC will be made pursuant to either (a), (b), or (c).

(a) If the new customer (assignee or transferee) is not a current MVP customer and either cannot qualify for MVP with the new qualified access services assigned or transferred or chooses not to subscribe to MVP, the current MVP customer (assignor or transferor) must pay termination liability charges as set forth in Section 22.3(J), preceding, for the amount of the MARC attributable to the qualified access services assigned or transferred. If, however, within sixty (60) days of the assignment or transfer, the new customer (assignee or transferee), who must qualify for MVP,

(1) includes all of the assigned or transferred services in a new five (5) year term MVP term agreement pursuant to Section 22.3(C), as long as MVP is still available and has not been grandfathered, or (T)

(2) assumes the remaining months of the current MVP customer's (assignor or transferor)MVP term agreement for the assigned or transferred services as described in and pursuant to Section 22.3.1(A)following, (T) (T)

the Telephone Company will waive termination liability for the current MVP customer (assignor or transferor) on the portion of the existing MARC attributable to the assigned or transferred qualified access services.

(b) If the new customer (assignee or transferee) is a current MVP customer whose existing MVP term agreement expires after the expiration date of the current MVP customer's (assignor or transferor) MVP term agreement and the new customer (assignee or transferee) chooses not to include the assigned or transferred qualified access services in its MVP MARC, or chooses not to assume the remaining MVP months of the assigned or transferred services, as described in Section 22.3.1(A) following, the current MVP customer (assignor or transferor) must pay termination liability charges as set forth in Section 22.3(J), preceding, for the amount of the MARC attributable to the qualified access services assigned or transferred. If, however, within sixty (60) days of the assignment or transfer, the new customer (assignee or transferee), who must qualify for MVP, (T) (T)

22. Managed Value Plan (MVP) (Cont'd)

22.3 MVP Terms and Conditions (Cont'd)

(L) Right of Successor of an MVP Term Agreement (Cont'd) (T)

(1) (Cont'd)

(b) (Cont'd)

(1) includes all of the assigned or transferred qualified access services in its current MVP MARC by increasing its current MARC by the amount of qualified access services assigned or transferred, or (T)
(2) assumes the remaining term period of the current MVP customer's (assignor or transferor) MVP term agreement (T) for the assigned or transferred services as described in Section 22.3.1(A) following,

the Telephone Company will waive termination liability for the current MVP customer (assignor or transferor) on the portion of the existing MARC attributable to the assigned or transferred services.

Services included in existing MARC:

Examples A: New customer current MARC + Amount of qualified access services assigned or (T) transferred= New customers re-established MARC

Current MARC $10M (expires in August, 2007) + (T) Services assigned or transferred $2M = Re-established MARC $12M(expires in August, 2007) (T)

Services retained as separate MVP term (T) agreement for remaining length of term: (T)

Example B: Current customer MARC $20M expires in August, (T) 2007. Transferred Services MARC $10M expires in September, 2006

Customer retains two separate MVP term (T) agreements for the duration of both MVP term (N) agreements with MARC's of $20M and $10M respectively.

Example C: Current MARC of $20M expires in August, 2007. Transferred services MARC of $5M expires in September, 2006.

Customer retains two separate MVP term agreements for the duration of the agreements with MARC's of $20M and $5M respectively. (N)

(D)

(D)

Certain material previously appearing on this page now appears on 1st Revised Page 22-22.2.

22. Managed Value Plan (MVP) (Cont'd)

22.3 MVP Terms and Conditions (Cont'd)

(L) Right of Successor of an MVP Agreement (T)

(1) (Cont'd)

(c) If the new customer (assignee or transferee) is a current MVP customer whose existing MVP term agreement expires prior to the expiration date of the current customer's (assignor or transferor) MVP term agreement and the new customer (assignee or transferee) chooses not to assume the remaining MVP term agreement of the assigned or transferred qualified access services as described in Section 22.3.1(A) following, the current MVP customer (assignor or transferor) must pay termination liability charges as set forth in Section 22.3(J), preceding, for the amount of the MARC attributable to the qualified access services assigned or transferred. (M) (M) (M) (T) (M) (T) (M) (M)

If, however, within sixty (60) days of the assignment or transfer, the new customer(assignee or transferee), who must qualify for MVP, assumes the remaining term period of the current MVP customer's (assignor or transferor) MVP term agreement for the assigned or transferred qualified access services as described in Section 22.3.1(A), following, the Telephone Company will waive termination liability for the current MVP customer (assignor or transferor) on the portion of the existing MARC attributable to the assigned or transferred qualified access services. (T) (T)

Qualified Access Services retained as separate MVP term agreement for remaining length of term: (T) (T)

Example A: Current MARC $20M expires in August, 2006 Transferred Services MARC $10M expires in September, 2007. (T)

Customer retains two separate MVP term agreements for the duration of both MVP term agreements with MARC's of $20M and $10M respectively. (T) (N)

Example B: Current MARC of $20M expires in August, 2006. Transferred services MARC of $5M expires in September, 2007.

Customer retains two separate MVP term agreements or the duration of the MVP term agreements with MARC's of $20M and $5M respectively. (N)

(D)

(D)

Material now appearing on this page previously appeared on Original Page 22-22.1.
Material previously appearing on this page now appears on 1st Revised Page 22-22.3.

(This page filed under Transmittal No. 227)

ACCESS SERVICE

22. Managed Value Plan (MVP) (Cont'd)

22.3 MVP Terms and Conditions (Cont'd)

(L) Right of Successor of an MVP Term Agreement (Cont'd) (T)

(2) Pursuant to existing MVP Terms and Conditions, if the current MVP customer (assignor or transferor) cannot qualify for MVP with the remaining qualified access revenues, the customer (assignor or transferor) must pay termination liability charges as set forth in Section 22.3(J), preceding, for the most current MARC that includes the qualified access services assigned or transferred. (M)

If, however, within sixty (60) days of the assignment or transfer, the new customer (assignee or transferee), who must qualify for MVP, either (M)

(D)

(D)

a) includes the assigned or transferred services in a new MVP and MARC as described in Section 22.3(L)(1)(a)(1); (N)
b) assumes the remaining months of the current MVP customer's (assignor or transferor) MVP term agreement for the assigned of transferred services as described in Section 22.3(L)(1)(a)(2) or Section 22.3(L)(1)(b)(2) or Section 22.3(L)(1)(c); or
c) includes the assigned or transferred services in its current MVP and MARC as described in Section 22.3(L)(1)(b)(1), (N)

the Telephone Company will waive termination liability for the current MVP customer (assignor or transferor) on the portion of the existing MARC attributable to the assigned or transferred services.

Example A: Current customer (assignor or transferor) has MARC of $20M, and transfers $12M to new customer (assignee or transferee) who includes the transferred services in a new MVP and MARC in keeping with the provision in Section 22.3(L)(1),(a),(1) preceding. Current customer remaining revenue does not qualify for MVP. Current customer (assignor or transferor) pays termination liability as follows: (C) (C)

(Current MARC $20M) - ($12M included by new customer) = $8M. Termination liability will apply on $8M as described in Section 22.3(J). (T)

Material now appearing on this page previously appeared on Original Page 22-22.2.
Material previously appearing on this page now appears on 1st Revised Page 22-22.4 and 1st Revised Page 22-22.5.

(This page filed under Transmittal No. 227)

22. Managed Value Plan (MVP) (Cont'd)

22.3 MVP Terms and Conditions (Cont'd)

(L) Right of Successor of an MVP Term Agreement (Cont'd) (T)

Example B: Current customer (assignor or transferor) has MARC of $20M, and transfers $12M to new customer (assignee or transferee) who assumes the transferred services in a separate MVP term agreement in keeping with the provisions in Section 22.3 (L)(1)(a)(2), Section 22.3(L)(1)(b)(2), or Section 22.3(L)(1)(c) preceding. Current customer remaining does not qualify for MVP. Current customer (assignor or transferor) pays termination liability as follows: (N)

(Current MARC $20M)-($12M assumed by new customer)=$8M. Termination liability will apply on $8M as described in Section 22.3(J).

Example C: Current customer (assignor or transferor) has MARC of $20M, and transfers $12M to new customer (assignee or transferee) who includes the assigned or transferred services in its current MVP and MARC in keeping with the provisions in Section 22.3(L)(1)(b)(1) preceding. Current customer remaining revenue does not qualify for MVP. Current customer (assignor or transferor) pays termination liability as follows:

(Current MARC $20M)-($12M included by new customer)=$8M. Termination liability will apply on $8M as described in Section 22.3(J). (N)

(3) In keeping with existing terms and conditions, if the current MVP customer (assignor or transferor) can qualify for MVP and can achieve its existing MARC with the remaining qualified access revenues, no adjustment to the MARC will be made. (M)

If (1),(2), or (3) are not applicable, termination liability charges, as described in Section 22.3(J), will apply. (M)

Material now appearing on this page previously appeared on Original Page 22-22.3.
Material previously appearing this page now appears on 1st Revised Page 22-22.5.

22. Managed Value Plan (MVP) (Cont'd)

22.3.1 Assumption of Remaining Term of Agreement for Transferred or Assigned Services (Cont'd) (M)

(A) General Description (Cont'd)

(1) Description (Cont'd)

When a new customer (assignee or transferee) chooses to assume the remaining term of a transferred MVP customer's MARC under a separate MVP term agreement as described in Section 22.3(L), the new customer must follow the terms and conditions as described in Section 22.3.1. (M) (T) (M)

The MARC will be calculated as follows:

(a) MARC calculation:

Amount of transferred MARC commitment, divided by twelve (12) months, equals monthly MARC commitment for the remaining term of the MVP term agreement. (M) (T) (M)

Example:

$12M MARC transfer / 12 months = $1M monthly MARC commitment (M)

(B) Application of Discounts (M)

Discounts will apply to assigned or transferred qualified access services listed in Section 22.2. MVP Commitment discounts will begin the first full month following the effective date of the assignment or transfer. Discounts will apply to the monthly MARC based on the year in which the MVP MARC commitment is transferred or assigned as long as the customer meets all the obligations, terms and conditions addressed in 22.3.1(D) and (E) following:

Year	Yr 1 Transfer	Yr 2 Transfer	Yr. 3 Transfer	Yr. 4 Transfer	Yr. 5 Transfer
% discount	9%	11%	12%	13%	14%

Example: Customer assumes a transferred MVP MARC commitment in Year 3 of an existing MVP term agreement. A discount of 12% will be applied monthly during Term Year 3 as long as all terms and conditions are met. The subsequent years applicable discount schedule will be based on the anniversary dates associated with the original (transferred) MVP term agreement through the end of the transferred MVP term agreement period. (M) (T) (M) (M) (T) (T) (T)

Material now appearing on this page previously appeared on Original Pages 22-22.3 and 22-22.4.
Material previously appearing on this page now appears on 1st Revised Page 22-22.6 and Original Page 22-22.7.

(This page filed under Transmittal No. 227)

22. Managed Value Plan (MVP) (Cont'd)

22.3.1 Assumption of Remaining Term of Agreement for Transferred or Assigned Services (Cont'd)

(C) Term Period (M)

The term period on a transferred MARC as described herein will be the length of time remaining on the transferred MARC commitment.

Example: Customer assumes MVP MARC at the beginning of MVP Year 3. The assignee or transferee will have MVP Year 3, Year 4 and Year 5 of the MVP term agreement remaining. (M) (T)

The amount of the MARC of the transferred or assigned services as described in Section 22.3(L)(1)(c) preceding will be retained for the duration of the transferred or assigned MVP term agreement even if the new customer's (assignee or transferee) current MVP term agreement expires prior to the transferred or assigned services agreement. (N)

(D) Customer Obligations under Transferred MARC Agreement (M)

(1) New customer (assignee or transferee) must maintain the transferred MARC for the term period of the transferred MVP term agreement.
(2) New customer (assignee or transferee) must establish unique Billing Account Numbers (BANs) for the transferred qualified access services covered by the transferred MARC commitment completely separate from current BANs for their existing qualified access services. (M)
(3) New customer (assignee or transferee) must maintain the Access Service Ratio of 95% as described in Section 22.3(D), for all ACNA's and OCN's associated with the new customer and its affiliates. (M)
(4) New customer must comply with additional customer obligations as defined in Section 22.3(B)(4),(5),(6). (M)

(E) Terms and Conditions (M)

(1) New customer (assignee or transferee) cannot use existing qualified access services in place at the time of the transfer to satisfy the transferred MARC commitment for the duration of the MVP term agreement including any applicable renewal period. (M) (T) (M)
(2) New customer (assignee or transferee) cannot move existing qualified access services to the unique BANs associated with the transferred qualified access services for the duration of the MVP term agreement including any applicable renewal period. (M) (T) (M)

Revised material now appearing on this page previously appeared on Original Pages 22-22.4 and 22-22.5.
Material previously appearing on the page now appears on Original Pages 22-22.7 and 22-22.8.

22. Managed Value Plan (MVP) (Cont'd)

22.3.1 Assumption of Remaining Term of Agreement for Transferred or Assigned Services (Cont'd)

(E) Terms and Conditions (Cont'd)

(3) New customer (assignee or transferee) may not increase their MARC commitment to include qualified access services existing at time of transfer throughout the duration of the MVP term agreement including any applicable renewal period.

(4) New customer (assignee or transferee) may not transfer services billed under the unique BANs associated with the assigned or transferred services to their pre-existing BANs to satisfy their pre-existing MARC commitment throughout the duration of the MVP term agreement including any applicable renewal period.[1] (C)

(5) New customer (assignee or transferee) may continue to order new qualified access services under the unique BANs associated with the transferred qualified access services as long as the new qualified access services are not qualified access services transferred from another of the assignees or transferees SBC accounts with the Telephone Company.

(6) The Service Level Assurance Discounts as described in Section 22.3(G), will only apply to the qualified access services included in the transferred MARC commitment or any new qualified access services purchased under the unique BANs that contain the assigned or transferred qualified access services.

(7) New customer (assignee or transferee) may re-establish the MARC, as described in Section 22.3(C), on the re-establishment dates contained in the transferred MVP term agreement for the duration of the term as long as the customer does not use existing qualified access services as described in Section 22.3.1(E)(1),(2), and (3) above.

(8) The transferred MARC must be retained for the duration of the MVP term agreement as described in Section 22.3(L)(1)(b) and preceding regardless of the expiration date of the new customer's MVP term agreement.

(9) MVP term agreements for an MVP remaining under this subsection 22.3.1 are only renewable under the terms and conditions described in Section 22.3(F) and only if the transferred MARC exceeds $10M. The renewal period begins once the MVP term agreement for the MVP remaining term expires. The renewal option is only available for the qualified access services billed under the unique BANs associated with the assigned or transferred qualified access services.

(10) The new customer (assignee or transferee) must have a current separate qualified MVP term agreement pursuant to Section 22.3(C) in effect at the time of the transfer to qualify for and retain a transferred MARC of less than $10M under this Section 22.3.1.

(1) This condition is only applicable to customers who purchase service after May 31, 2005. (N)
(N)

22. Managed Value Plan (MVP) (Cont'd) (M)

22.3.1 Assumption of Remaining Term of Agreement for Transferred or Assigned Services (Cont'd)

(F) MVP Annual True-up Amount (MATA)

The MATA terms and conditions as described in Section 22.3(H) will apply to the qualified access services billed under the unique BANs associated with the assigned or transferred qualified access services established per Section 22.3.1(D)(2).

(G) Failure to Meet Customer Obligations

If the customer fails to meet the obligations and terms as set forth above, the terms and conditions as described in Section 23.3.1(A), (B), (C), (D), and (E) above, the terms and conditions described in Section 22.3(I), will apply.

(H) Termination Liability on Transferred MARC Commitment (M)

Termination of the transferred MVP term agreement prior to the expiration date will result in applicable termination liabilities as described in Section 22.3(J). (T) (M)

The applicable termination liability will be determined based on the current year of the term agreement at the time of termination and will apply to the transferred or assigned MVP MARC commitment.

Example: Customer assumes transferred MVP MARC agreement in Year 3. In Year 4 the MVP term agreement is terminated. The Year 4 termination liability as described in Section 22.3(J) will apply. (M) (T) (M) (M)

Revised material now appearing on this page previously appeared on Original Page 22-22.6.

22. Managed Value Plan (MVP) (Cont'd) (N)

22.4 VISTA Incentive Offer

(A) General Description

The VISTA Incentive Offer is an MVP volume discount pricing plan for non-MARC revenues that provides a Billing Credit Incentive (BCI) discount in accordance with the terms and conditions set forth below.

(B) VISTA Incentive Offer Terms and Conditions

(1) The VISTA Incentive Offer applies to non-MARC revenues, which are recurring revenues associated with the qualified access services listed in Section 22.2 that exceed the customer's monthly MARC commitment.

(2) The VISTA Incentive Offer term period is April 5, 2003 through November 30, 2003.

(3) Monthly non-MARC revenues generated during the VISTA Incentive Offer term period will be totaled and used to determine whether the MVP customer qualifies for a BCI discount.

(4) A BCI discount applies when an MVP customer's total non-MARC revenues generated during the VISTA Incentive Offer term period meet the Non-MARC Revenue Volume requirements set forth in 22.4(C).

(5) The BCI discount will be applied as a one-time credit to the December 2003 customer bill.

(6) If a customer terminates its MVP plan prior to its term expiration and this occurs during the VISTA Incentive Offer term period, the VISTA Incentive Offer does not apply.

(7) The VISTA Incentive Offer expires on November 30, 2003.

(C) Volume Tiers and BCI Discounts

Volume Tiers	**Total Non-MARC Revenue Volumes**	**BCI Discount**
Level 1	$12M	$300K
Level 2	$14M	$900K
Level 3	$16M	$1.6M
Level 4	$18M	$2.3M
Level 5	$20M	$3.0M
Level 6	$22M	$3.7M

Example 1 - An MVP customer generates $14M in total monthly non-MARC revenues during the VISTA Incentive Offer term period (April 5, 2003 - November 30, 2003). The customer will receive a BCI discount of $900K as a credit to the December 2003 bill.

Example 2 - An MVP customer generates $16M in total monthly non-MARC revenues during the months of April 2003 through September 2003. However, the customer elects to terminate the MVP plan on October 1, 2003, which is prior to the expiration of the MVP term period. The VISTA Incentive Offer does not apply to the customer's non-MARC revenues and a BCI discount will not be provided. (N)

22. Managed Value Plan (MVP) (Cont'd) (N)

22.5 SUNRISE Incentive Offer

(A) General Description

The SUNRISE Incentive Offer is an MVP volume discount pricing plan for non-MARC revenues that provides a Billing Credit Incentive (BCI) discount in accordance with the terms and conditions set forth below.

(B) SUNRISE Incentive Offer Terms and Conditions

(1) The SUNRISE Incentive Offer applies to non-MARC revenues, which are recurring revenues associated with the qualified access services listed in Section 22.2 that exceed the customer's monthly MARC commitment.

(2) The SUNRISE Incentive Offer term period is October 1, 2003 through September 30, 2004.

(3) Monthly non-MARC revenues generated during the SUNRISE Incentive Offer term period will be totaled and used to determine whether the MVP customer qualifies for a BCI discount.

(4) A BCI discount applies when a MVP customer's total non-MARC revenues generated during the SUNRISE Incentive Offer term period, meet the non-MARC Revenue Volume requirements set forth in 22.5(C).

(5) The BCI discount will be applied as a one-time credit to the November 2004 customer bill. The SUNRISE BCI discount will be reduced by a pro rata share of any 2003 VISTA BCI discounts received, if applicable,, which represent the overlapping period in the term plans of October and November 2003. Specifically, 25% (two months of the eight month VISTA term period) of the VISTA BCI discounts will be subtracted from the SUNRISE BCI discount in arriving at the final credit.

(6) If a customer terminates its MVP plan prior to its term expiration and this occurs during the SUNRISE Incentive Offer term period, the SUNRISE Incentive Offer does not apply.

(7) The SUNRISE Incentive Offer expires on September 30, 2004. (N)

22. Managed Value Plan (MVP) (Cont'd) (N)

22.5 SUNRISE Incentive Offer (Cont'd)

(C) Volume Tiers and BCI Discounts

Volume Tiers	Total Non-MARC Revenue Volumes	BCI Discount
Level 1	$1M	$150K
Level 2	$3M	$750K
Level 3	$6M	$1.80M
Level 4	$9M	$2.85M
Level 5	$12M	$3.90M
Level 6	$15M	$4.95M

Example 1 - An MVP customer generates $9M in total monthly non-MARC revenues during the SUNRISE Incentive Offer term period (October 1, 2003 - September 30, 2004). The customer will receive a BCI discount of $2.85M as a credit to the November 2004 bill.

Example 2 - An MVP customer generates $6M in total monthly non-MARC revenues during the months of October 1, 2003 through September 30, 2004. However, the customer elects to terminate the MVP plan on May 1, 2004, which is prior to the expiration of the MVP term period. The SUNRISE Incentive Offer does not apply to the customer's non-MARC revenues and a BCI discount will not be provided.

Example 3 - An MVP customer generates $6M total monthly non-MARC revenues during the months of October 1, 2003 through September 30, 2004. This customer was also a VISTA customer and received a VISTA BCI discount of $300K in 2003. 25% of those VISTA discounts (25% x $300K = $75K) or $75K will be subtracted from the $1.8M SUNRSISE discount to provide the resulting SUNRISE BCI discount of $1.725M. (N)

38. Managed Value Plan (MVP)

38.1 General Description

Managed Value Plan (MVP) is a qualified access discount plan that provides customers with billing discounts for a commitment to maintain a predetermined annual recurring billing amount for five years. MVP is available to any customer with at least ten (10) million dollars in annual billing for the qualified access services listed in 38.2, following. Additional MVP discounts are also available if the Telephone Company fails to meet MVP Service Level Assurance levels stated in 38.3(G), following.

When MVP is ordered, the customer must provide all of the Access Customer Name Abbreviations (ACNA) and Other Company Name (OCN) codes included under the MVP Agreement.

38.2 Services Available Under MVP

MVP billing discounts apply to recurring revenues for the qualified (T)
access services contained in the tariff sections listed in the table (T)
below: (T)

(N)

Service	General/Basic Description	Rates and Charges	Price Flex Rates and Charges
Entrance Facilities	6.5.1(A)	6.9.2(A)	39.5.1(A)
Direct Trunked-Transport	6.5.1(B)	6.9.2(B)	39.5.1(B)
Voice Grade Service	7.3.4(A)	7.3.4(G)	39.5.2.3
MegaLink Data Service	7.3.9(A)	7.3.9(F)	39.5.2.6
High Capacity Service	7.3.10(A)	7.3.10(F)	39.5.2.7
Self-Healing Transport Network (STN)	19.1	19.4	39.5.2.11
MegaLink Custom Service	20.1	20.5	39.5.2.12
Dedicated SONET Ring Service	29.1	29.4	39.5.2.15
OC-192 Dedicated SONET Ring Service	30.1	30.4	39.5.2.16
Broadband Circuit Service (BCS)*	35.1	35.3	39.5.2.14
Optical Carrier Network (OCN) Point-to-Point Service	40.1	40.3	39.5.2.17

(N)

*Effective, January 11, 2002, BCS will no longer be available to customers. Grandfathered BCS customers will maintain their existing service arrangement until their contract expires unless they choose to convert to another service. No changes to existing BCS service arrangements will be permitted, nor will any renewals be allowed.

*This option is obsolete and limited to existing customers at existing locations, as of January 11, 2002.

Certain material previously appearing on this page now appears on Original Page 38-2.1.

38. Managed Value Plan (MVP) (Cont'd)

38.2 Services Available Under MVP (Cont'd)

With the exception of the provisions contained in 38.3(E)(5), following, all terms and conditions for the qualified services listed above are governed by its respective tariff sections. MVP discounts are in addition to, and do not alter, any of the existing service discount plans available in its respective tariffs. (M)

When additional qualified access services are added to the Services Available Under MVP in Section 38.2, all recurring revenues associated with the new qualified access services will automatically be added to the customer's Monthly Access Revenue, as defined in Section 38.3(D), following. The Monthly Access Revenue is used in the calculation of the Access Service Ratio, as described in 38.3 (D), following, and is also used as the customer's Monthly MARC achievement, as described in Examples 1 and 2 in Section 38.3(E)(3), following. The customer's Annual MARC will not automatically be increased when new qualified access services are added to Section 38.2. However, customers will have the ability to increase their Annual MARC by using the Re-establishing the MARC Policy as outlined in 38.3(C)(2), following. (N)

Certain material appearing on this page previously appeared on 4th Revised Page 38-2.

38. Managed Value Plan (MVP) (Cont'd)

38.3 MVP Terms and Conditions

(A) MVP Term Period

The term for a MVP Agreement is five (5) years and will commence on the billing date immediately following receipt of a properly signed MVP Agreement form. The initial billing period establishes the start of the five (5) year period where MVP discounts are in effect with the Telephone Company. MVP discount credits will accrue beginning with the first full month after the effective date of the MVP Agreement. The discount credits will be applied to the customer's Access Service bill on a monthly basis, subject to the conditions of this tariff, beginning within sixty (60) days following the effective date of the agreement. (x) (x) (x) (x)

(B) Customer Obligations

To participate under MVP, a customer must agree to:

(1) Establish an initial Minimum Annual Revenue Commitment (MARC). The MARC may be re-established as described in 38.3(C)(2), following; and

(2) Maintain recurring qualified access billed revenue equal to or greater than the MARC during the MVP Agreement period; and

(3) Maintain an Access Service Ratio, for the customer and its affiliates, equal to or greater than 95% measured on each anniversary of the MVP agreement date. The Access Service Ratio is defined in 38.3(D) following; and (x) (x) (x)

(1) (4) Remit bill payment as described in Section 2.5.3, preceding, and establish electronic bill payment[1] within six (6) months of a properly signed MVP Agreement form; and (x) (x) (x)

(5) Utilize industry agreed upon standards for mechanized ordering of qualified access services as contained in:

Ordering and Billing Forum
ATIS/OBF-ASR-041
Access Service Request, Mechanized Interface Specification; and

(1) Customers participating under MVP prior to December 30, 2000 who have not previously established electronic bill payment are waived from this requirement.

x Issued under authority of Special Permission No. 02-052 of the F.C.C. in order to restore currently effective provisions and to withdraw material filed under Transmittal No. 2883 without becoming effective.

38. Managed Value Plan (MVP) (Cont'd) (N)

38.3 MVP Terms and Conditions (Cont'd)

(B) Customer Obligations (Cont'd)

(6) Utilize industry agreed upon standards for maintenance and trouble reporting as contained in:

ANSI T1.227 - American National Standard for Telecommunications-Operations, Administration, Maintenance, and Provisioning (OAM&P)-Extension to Generic Network Information Model for Interfaces between Operations Systems across Jurisdictional Boundaries to Support Fault Management.

ANSI T1.228 - American National Standard for Telecommunications-Operations, Administration, Maintenance, and Provisioning (OAM&P)-Services For Interfaces between Operations Systems across Jurisdictional Boundaries to Support Fault Management (Trouble Administration).

(C) Minimum Annual Revenue Commitment (MARC)

MVP billing discounts are applied to a customer's qualified monthly committed MARC, in the manner described in Section 38.3(E)(2). To receive the discount on a monthly basis, the customer must meet or exceed the predetermined MARC prorated on a monthly basis, maintain an Access Service Ratio greater than or equal to 95%, and continue to fulfill the other requirements contained in 38.3(B), preceding. MVP billing discounts will be applied in the form of a monthly credit on the customer's access bill. (N)

38. Managed Value Plan (MVP) (Cont'd)

38.3 MVP Terms and Conditions (Cont'd)

(C) Minimum Annual Revenue Commitment (MARC) (Cont'd)

(1) Determining the MARC

The customer's initial Minimum Annual Revenue Commitment (MARC) is calculated based on the total of the previous three (3) months recurring billing for qualified access services, multiplied by four (4).

The MARC is calculated as follows:

(Recurring Billing[1] Amount for Previous Three (3) Months) X 4 = MARC[2]

(2) Re-establishing the MARC

The MARC may be increased semi-annually, effective with the contract anniversary date. The MARC may be increased but never decreased. The minimum increase of the MARC is 5%. The revised MARC represents the customer's MVP revenue commitment for the remainder of the MVP five (5) year agreement upon which discounts will be calculated. (D)

The following illustrates sample MARC re-establishment dates: (N)

A customer MVP Agreement effective date and associated initial MARC are established on October 1, 2000. The customer cannot re-establish the MARC until October 1, 2001. If the customer does not re-establish the MARC on October 1, 2001, the next time the customer can re-establish the MARC is April 1, 2002. The following dates are the only other days upon which the MARC may be re-established:

October 1, 2002	April 1, 2004
April 1, 2003	October 1, 2004
October 1, 2003	April 1, 2005

The effective date of the revised MARC is the corresponding MARC re-establishment date. (N)

[1] Based upon actual recurring billing, for qualified access services as stated in Section 38.2, preceding.

[2] Must equal $10 million or greater in annual qualified access services billing for services as stated in Section 38.2, preceding.

38. Managed Value Plan (MVP) (Cont'd)

38.3 MVP Terms and Conditions (Cont'd)

(D) Access Service Ratio

As referenced in Section 38.3(B)(3), preceding, the customer (T) and its affiliates must maintain an Access Service Ratio of 95% or greater. The ratio, calculated monthly, is the total (T) qualified access service billed revenue minus the adjusted revenue for the associated rate elements not included in the (T) interstate tariff divided by the total qualified access service (T) billed revenue. To remain in compliance with the MVP agreement, the ratio must be greater than or equal to 95% on the anniversary date of the MVP agreement.

The 95% ratio is calculated as follows:

$$\frac{\text{Monthly Access Revenue} - (\text{Monthly Wholesale Revenue} - \text{Fixed Wholesale Revenue})}{\text{Monthly Access Revenue}}$$

Where:

- Monthly Access Revenue is the customer's and its affiliates' current monthly recurring billed revenue, for qualified access services as defined in 38.2, preceding.
- Monthly Wholesale Revenue is the customer's and its affiliates' current monthly recurring billed revenue for associated rate elements not included in the interstate (T) tariff services as defined in 38.3(D), following. (T)
- Fixed Wholesale Revenue is the customer's and its affiliates' monthly recurring billed revenue for associated (T) rate elements not included in the interstate tariff as (T) defined in 38.3(D), following, for the month of August 2000. (T)