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

19.3 MVP Terms and Conditions (Cont'd)

(G) MVP Service Level Assurance (MVP-SLA) Parameters (Cont'd)

(3) MVP-SLA Level 2 (Cont'd)

(b) Calculation

Level 2 Service Quality Assurance is applicable beginning with results from the (T)
third MVP Agreement year and only comes into play in the event the Telephone (T)
Company fails to perform at the previously described Level 1 standard (i.e., total (T)
combined quarterly and end-of-year average results less than 104 out of 144 possible points for any given year). In such an event, the MVP Agreement year-end average service measures for DS1 will also be compared to the targets set out in Table 3.0. Should any of these measures be worse than their
corresponding Level 2 targets, the additional 1% Level 2 Service Quality (T)
Assurance credit will be applied for the year preceding.

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

An annual true-up calculation will be performed after each anniversary of the MVP Agreement. The MVP Annual True-up Amount (MATA) provides an opportunity to receive monthly discounts that were not received because the monthly MARC was not met and/or the Access Service Ratio was not greater than or equal to 95%. The customer receives the MATA only if at the time of the annual true-up process the customer is in compliance with all of the terms of the MVP Agreement as stated in 19.3(B), preceding.

The MATA is calculated as follows:

	Total Annual		Total of Monthly Discount
MATA =	MVP Commitment	-	Credits Received
	Discount Amount		for the Year

The customer will receive a true-up credit from the Company in the amount of the MATA, if the customer qualifies as stated above.

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

19.3 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 19.3(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 19.3(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 = $1.1M.

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 19.3(I), following. (T)

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

19.3 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 19.3(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 19.3(J), following.

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

19.3 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 19.3(F), preceding, and Termination of MVP Due to Rate Reductions contained in 19.3(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 for 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. 1293 without becoming effective.

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

19.3 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 cumulative total of 30% from (x)
the contract effective date rates, either party may discontinue MVP, upon sixty (x)
(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. 1293 without becoming effective.

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

19.3 MVP Terms and Conditions (Cont'd)

(J) Termination of an 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:

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%	$\boxed{31\%}$

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%	$\boxed{16\%}$

(K) Failure to Maintain Eligibility (M)

If at any time during the term of the MVP Agreement, the customer fails to maintain any of the MVP eligibility (M)
conditions specified in Section 19.3(B), the Telephone Company reserves the right to terminate the MVP (T)
Agreement upon thirty (30) days written notice. In such cases, the Telephone Company will consider this (M)
Failure to Maintain Eligibility as an Early Termination of the MVP Agreement and thus subject to the (M)
applicability of the Termination Liability specified in Section 19.3(J). (T)

Material appearing on this page previously appeared on 3rd Revised Page 679.

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

19.3 MVP Terms and Conditions (Cont'd)

(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 19.2 to a unaffiliated customer, one of the following will apply: (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 19.3(J), 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 qualified access services in a new five (5) year MVP term agreement pursuant to Section 19.3(C), as long as MVP is still available and has not been grandfathered, or (T)

(2) assumes the remaining months of the current customer's (assignor or transferor) MVP term agreement for the assigned or transferred qualified access services as described in and pursuant to Section 19.3.1(A) following, (T) (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 (assignor or transferor) 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 qualified access services, as described in Section 19.3.1(A) following, the current MVP customer (assignor or transferor) must pay termination liability charges as set forth in Section 19.3(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) (T)

(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

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

19.3 MVP Terms and Conditions (Cont'd)

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

(1) (Cont'd)

(b) (Cont'd)

(2) assumes the remaining months of the current MVP customer (assignor or transferor) MVP term agreement for the assigned or transferred qualified access services as (T) described in Section 19.3.1(A), following, (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.

Services included in existing MARC:

Examples A: New customer current MARC + Amount of qualified access services assigned or 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 agreement for remaining (T)
length of term

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

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

(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 customers' MVP (T) (assignor or transferor) MVP term agreement and the new customer (assignee or (T) transferee) chooses not to assume the remaining MVP term agreement of the assigned or (T) transferred qualified access services as described in Section 19.3.1(A), the current MVP customer (assignor or transferor) must pay termination liability charges as set forth in Section 19.3(J), 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, assumes the remaining months of the current MVP customer (assignor or transferor) MVP term agreement for the assigned or (T) transferred qualified access services as described in Section 19.3.1(A), 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.

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

19.3 MVP Terms and Conditions (Cont'd)

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

(1) (Cont'd)

(c) (Cont'd)

Qualified Access Services retained as separate MVP term agreement for remaining length of term: (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 the MVP term agreements with MARC's of $20M and $10M respectively. (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 for the duration of the MVP term agreements with MARC's of $20M and $5M respectively. (N)

(D)

(D)

(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 19.3(J), for the most current MARC that includes 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, either (D) (D)

a) includes the assigned or transferred services in a new MVP and MARC as described in Section 19.3(L)(1)(a)(1) or; (N)
b) assumes the remaining months of the current MVP customer's (assignor or transferor) MVP Agreement for the assigned of transferred services as described in Section 19.3(L)(1)(a)(2) or Section 19.3(L)(1)(b)(2) or Section 19.3(L)(1)(c)
c) includes the assigned or transferred services in its current MVP and MARC as described in Section 19.3(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 qualified access 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 19.3(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) (C)

(Current MARC $20M) – ($12M included by new customer) = $8M. Termination liability will apply on $8M as described in Section 19.3(J). (T)

Material previously appearing on this page now appears on Original Page 679.2.1.

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

19.3 MVP Terms and Conditions (Cont'd)

(L) Right of Successor of an MVP Term Agreement (Cont'd)

(2) (Cont'd)

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 19.3 (L)(1)(a)(2), Section 19.3 (L)(1)(b)(2), or Section 19.3 (L)(1)(c) preceding. Current customer remaining does not qualify for MVP. Current customer (assignor or transferor) pays termination liability as follows.

(Current MARC $20M) – ($12M assumed by new customer)=$8M. Termination liability will apply on $8M as described in Section 19.3(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 19.3 (L)(1)(b)(1) preceding. Current customer remaining 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 19.3(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 19.3(J), will apply. (M)

Material now appearing on this page previously appeared on 1st Revised Page 679.2.

(N)

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

19.3.1 Assumption of Remaining Term Agreement for Transferred of Assigned Services

(A) General Description

(1) Description

When a new customer (assignee or transferee) chooses to assume the remaining term of a transferred MVP customer's MARC under a separate term agreement as described in Section 19.3(L), the new customer must follow the terms and conditions as described in Section 19.3.1.

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 term agreement.

Example:

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

(B) Application of Discounts

Discounts will apply to assigned or transferred qualified access services listed in Section 19.2. 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 Section 19.3.1(D) and (E):

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 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. (N)

Material previously appearing on this page now appears on Original Page 679.8.

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

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

(C) Term Period

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.

The amount of the MARC of the transferred or assigned services as described in Section 19.3 (L)(1)(c) preceding will be retained for the duration of the transferred or assigned agreement even if the new customer's (assignee or transferee) current MVP agreement expires prior to the transferred of assigned service agreement.

(D) Customer Obligations Under Transferred MARC Agreement

(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.

(3) New customer (assignee or transferee) must maintain the Access Service Ratio of 95% as described in Section 19.3(D), for all ACNA's and OCN's associated with the new customer and its affiliates.

(4) New customer must comply with additional customer obligations as defined in Section 19.3(B)(4), (5), and (6).

(E) Terms and Conditions

(1) New customers (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.

(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.

(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 (C)
satisfy their pre-existing MARC commitment[1] throughout the duration of the MVP term (C)
agreement.[2]

(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.

(1) This condition is only applicable to customers who purchase service after May 31, 2005. (N)
(2) This condition is only applicable to customers who purchase service after July 30, 2005. (N)

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One SBC Plaza, Dallas, Texas 75202

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

19.3.1 Assumption of Remaining MVP Term of Agreement for Transferred or Assigned Services (Cont'd) (T)

(E) Terms and Conditions (Cont'd)

(6) The Service Level Assurance Discounts as described in Section 19.3(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. (T)

(7) New customer (assignee or transferee) may re-establish the MARC, as described in Section 19.3(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 19.3.1(E)(1), (2) and (3) above. (T) (T) (T)

(8) The transferred MARC must be retained for the duration of the agreement as described in Section22.3(L)(1)(b) and (c) preceding regardless of the expiration date of the new customer's MVP term agreement. (N)

(9) MVP term agreements for an MVP remaining under this subsection 19.3.1 are only renewable under the terms and conditions described in Section 19.3(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. (N) (C)

(10) The new customer (assignee or transferee) must have a current separate qualified MVP term agreement pursuant to Section 19.3(C) in effect at the time of the transfer to qualify for and retain a transferred MARC of less than $10M under this Section 19.3.1. (N) (N) (N)

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

The MATA terms and conditions as described in Section 19.3(H), will apply to qualified access services billed under the unique BANs associated with the assigned or transferred qualified access services established per Section 19.3(D)(2).

(G) Failure to Meet Customer Obligations

If the customer fails to meet the terms and conditions as described in Section 19.3.1 (A), (B), (C),(D) and (E) as set forth above, the terms and conditions described in Section 19.3 (I) will apply.

(H) Termination Liability on Transferred MARC Commitment

Termination of the transferred MVP term agreement prior to the expiration date will result in applicable termination liabilities as described in Section 19.3(J). (T)

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

Example:

Customer assumes transferred MVP MARC term agreement in year 3. In year 4 the term agreement is terminated. The Year 4 termination liability as described in Section 19.3(J), will apply. (T)

Material now appearing on this page previously appeared on Original Page 679.4.

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

19.4 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 19.2 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 19.4(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	$11M	$300K
Level 2	$13M	$900K
Level 3	$15M	$1.6M
Level 4	$17M	$2.3M
Level 5	$19M	$3.0M
Level 6	$21M	$3.7M

Example 1 - An MVP customer generates $13M 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 $15M 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. (M)

Material appearing on this page previously appeared on 2nd Revised page 679.1.

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

19.5 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 19.2 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 19.5(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. (M)

Material appearing on this page previously appeared on Original Page 679.2.

(M)

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

19.5 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 $12M 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 $3.90M 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 2003 through April 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 SUNRISE discount to provide the resulting SUNRISE BCI discount of $1.725M. (M)

Material appearing on this page previously appeared on Original Page 679.3.