ATTACHMENT 3

AMERITECH

19. Managed Value Plan (MVP)

19.1 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 19.2, following. Additional MVP discounts are also available if the Telephone Company fails to meet MVP Service Level Assurance levels stated in 19.3(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.

19.2 Services Available Under MVP

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

Service	General/Basic Description	Rates and Charges	Price Flex Rates and Charges	
Entrance Facilities	6.1.3 (A)(1)(a)	6.9.2(A)(1)	21.5.1.2(A)(1)	
Direct Transport Service	6.1.3(A)(1)(b)	6.9.6 (A)(2),(3),(5)	21.5.1.2(A)(2)(3)(4)	
Direct Analog	7.2.3	7.5.3	21.5.1.2.3	
Base Rate, DS1 and DS3 Services	7.2.9	7.5.9	21.5.2.7	(T)
Optical Carrier Network (OCN) Point-to-Point Service	7.2.10	7.5.10	21.5.2.7	
OC-3, OC-12, OC-48 and OC-192 Dedicated SONET Ring Service	7.2.11	7.5.11	21.5.2.8	(T)

(D)

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

19.3 MVP Terms and Conditions (Cont'd)

(D) Access Service Ratio

As referenced in Section 19.3(B) (3) , preceding, the customer and its affiliates must (T)
maintain an Access Service Ratio of 95% or Greater. The ratio, calculated monthly, is (T)
the total qualified access service billed revenue minus the adjusted revenue for the (T)
associated rate elements not included in the interstate tariff divided by the total (T)
qualified access service 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:

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

Where:

- Monthly Access Revenue is the customer's and its affiliates' current monthly recurring billed revenue, as defined in 19.2, 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 19.3(D), following. (T)
- Fixed Wholesale Revenue is the customer's and its affiliates' monthly recurring billed revenue for associated rate elements not included in the interstate tariff as (T) defined in 19.3(D), following, for the month of August 2000. (T)

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

19.3 MVP Terms and Conditions (Cont'd)

(D) Access Service Ratio (Cont'd)
The customer's and its affiliates' Access Service Ratio must equal or exceed 95% for each month in order for the customer to receive the commitment discount that month. Months where the customer does not receive the commitment discount are subject to true-up as explained in 19.3(H).

The associated rate elements are listed in the table below. (T)

Service Level	Associated Rate Elements Not Included in Interstate Tariff
DS1/LT1	4-wire digital loop DS1 Entrance Facilities DS1 Interoffice Transport DS1 Cross Connects DS1 Multiplexing All DS1 non-tariffed Committed Information Rate Broadband Services
DS3/LT3	DS3 Loop DS3 Entrance Facilities DS3 Interoffice Transport DS3 Cross Connects DS1/DS3 Multiplexing All DS3 non-tariffed Committed Information Rate Broadband Services
OC-3 OC-12 OC-48	OC-3 Entrance Facilities OC-3 Interoffice Transport OC-3 Multiplexing OC-12 Entrance Facility OC-12 Interoffice Transport OC-12 Cross Connects OC-12 Multiplexing OC-48 Entrance Facilities OC-48 Interoffice Transport OC-48 Cross Connects OC-48 Multiplexing All OCN equivalent non-tariffed Committed Information Rate Broadband Service
Other Transport Products	Dark Fiber – Interoffice Dark Fiber – Loop Dark Fiber – Subloop Dark Fiber Cross Connects

(T)
(N)

As new associated rate elements are introduced and added to the table in Section 19.3 (D) all recurring revenues associated with the new associated rate elements will automatically be added to customer's Monthly Wholesale Revenue, as defined in Section 19.3 (D) preceding for calculation of the Access Service Ratio. (N)

(This page filed under Transmittal No. 1305)

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.

SOUTHWESTERN BELL TELEPHONE COMPANY

ACCESS SERVICE

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)

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

38.3 MVP Terms and Conditions (Cont'd)

(D) Access Service Ratio (Cont'd)

The customer's and its affiliates Access Service Ratio must equal or exceed 95% for each month in order for the customer to receive the commitment discount that month. Months where the customer does not receive the commitment discount are subject to true-up as explained in 38.3(H).

The associated rate elements are listed in the table below: (T)

Service Level	Associated Rate Elements Not Included in Interstate Tariff
DS1	4-wire digital loop DS1 Entrance Facilities DS1 Interoffice Transport DS1 Cross Connects DS1 Multiplexing All DS1 non-tariffed Committed Information Rate Broadband Services
DS3	DS3 Loop DS3 Entrance Facilities DS3 Interoffice Transport DS3 Cross Connects DS1/DS3 Multiplexing All DS3 non-tariffed Committed Information Rate Broadband Services
OC-3 OC-12 OC-48	OC-3 Entrance Facilities OC-3 Interoffice Transport OC-3 Cross Connects OC-3 Multiplexing OC-12 Entrance Facilities OC-12 Interoffice Transport OC-12 Cross Connects OC-12 Multiplexing OC-48 Entrance Facilities OC-48 Interoffice Transport OC-48 Cross Connects OC-48 Multiplexing All OC-N equivalent non-tariffed Committed Information Rate Broadband Services
Other Transport Products	Dark Fiber - Interoffice Dark Fiber - Loop Dark Fiber - Subloop Dark Fiber Cross Connects

(T)
(N)

As new associated rate elements are introduced and added to the table in Section 38.3(D) all recurring revenues associated with the new associated rate elements will automatically be added to the customer's Monthly Wholesale Revenue, as defined in Section 38.3(D) preceding for calculation of the Access Service Ratio. (N)

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

38.3 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. 2883 without becoming effective.

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

38.3 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%	$\boxed{16\%}$ (N)

QWEST

7. PRIVATE LINE TRANSPORT SERVICE

7.1 GENERAL

7.1.3 MULTI-PRODUCT PRICING PLANS

B.1. (Cont'd) (T)

Except as specified in 2.h., following, customers subscribing to RCP may not subscribe to VTPP or any other pricing plan for any of their RCP circuits. At the time an RCP is first established for a new RCP customer, all of the customer's VTPP and month-to-month DS1/DS3 Services must be converted to RCP. A customer can have only one RCP in effect at a time. (N)

2. Terms and Conditions

a. Grandfathered features and services, such as capacity service, are not included in the RCP monthly recurring calculations. The following DS1 Services are also excluded from the RCP calculations.

- Automatic Loop Transfer
- D.C. Line Power
- Transfer Arrangement
- Free-Framed DS1 Service

b. During the commitment period of 48 months, the customer's RCP services may be moved as set forth in 7.1.1.D. All applicable nonrecurring charges for the move will apply. The monthly rates for the moved RCP service will not change simply because the customer moved the service. The Termination Liability and Waiver Policy, as set forth in 7.1.8, will not apply to DS1 and DS3 Service moves under RCP.

c. Requests or orders to establish RCP, received by the close of business on the 15th of the month, will be effective with the following month's billing periods. For each billing period, RCP customers will then receive credit on their next month's billing for RCP. Except those services/features specified in a., preceding, all rate elements described in 7.11.4 and 7.12.4 are included in the calculation of the RCP credit. DS1 and DS3 credits are calculated and applied separately. Use the following method to calculate the credit amount.

- Determine the total eligible monthly billing for Services in a bill issued in the particular calendar month for which the RCP credit calculation is made.
- Divide the Services' total eligible monthly billing by the total number of in-service circuits as of the date the bill for the total eligible monthly billing amounts was issued. That figure is the average price.
- Multiply the average price times the number of circuits in-service as of the date the bill for the total eligible monthly billing amounts was issued, then
- Multiply the result times 22%. (N)

7. PRIVATE LINE TRANSPORT SERVICE

7.1 GENERAL

7.1.3 MULTI-PRODUCT PRICING PLANS

B. Regional Commitment Program (RCP) (Cont'd) (N)

3. Commitment Level

a. RCP is established by committing a minimum of 90% of the customer's aggregate Company-provided in-service DS1 circuits, and/or their aggregate Company-provided in-service DS3 circuits for a term of 48 months. The commitment level of 90% applies to all in-service DS1/DS3 circuits. The actual quantity will be adjusted monthly or annually to reflect 90% of the current Company-provided in-service circuits except as specified in 4., following.

b. This commitment level will remain for the duration of the term unless adjusted as set forth in 4., following. The calculation for DS1 and DS3 commitment levels is the same. For example, a customer with 1000 in-service DS1 circuits must commit to a minimum of 900 DS1 circuits in-service for 48 months.

c. For each month the in-service circuits fall below the commitment level, the customer will be charged a shortfall on their next month's billing. To calculate the shortfall amount, determine the average price as specified following and in accordance with the general terms and conditions for calculating total eligible monthly billing, in-service circuits and the average price in 2.c and d, preceding. Multiply the average price times the difference between the commitment level and the in-service circuits. The applicable shortfall charge(s) appears on the next month's billing.

For example, a customer who commits to 350 DS1 Service circuits but only has 250 in-service is charged a shortfall level of 100 circuits (i.e., 350 circuit commitment less 250 in-service DS1 Service circuits).

In this example, the total eligible monthly billing of $95,000 is divided by 250 in-service DS1 Service circuits to equal an average price of $380. The average price of $380 is then multiplied by the shortfall of 100 which equals the shortfall charge of $38,000.

Further the RCP credit is determined by multiplying the average price of $380 by the circuit commitment level of 350. That calculation equals $133,000. Multiply $133,000 times 22% which equals the RCP credit of $29,260. Even though there is a shortfall, the bill will show the full RCP credit.

The shortfall charge of $38,000 and the RCP credit of $29,260 will appear on the RCP customer's next months billing.

If a customer's shortfall is due to the sale of serving wire centers or exchanges of both end-points of the circuit, a shortfall charge will not apply. (N)

7. PRIVATE LINE TRANSPORT SERVICE

7.1 GENERAL

7.1.3 MULTI-PRODUCT PRICING PLANS

B. Regional Commitment Program (RCP) (Cont'd) (N)

5. Termination Liability and Waiver Policy

a. A discontinuance of all DS1 and DS3 Services under the RCP before the expiration date will result in the application of the Termination Liability as set forth in 7.1.8, following. The Termination Liability percentage is 50% for DS1 and DS3 Service under RCP. A decrease in the commitment level before the expiration date will also result in the application of the Termination Liability. The Waiver Policy, as set forth in 7.1.8, following does not apply to the discontinuance of all DS1 and DS3 Services under the RCP.

b. For example, to determine the Termination Liability in 7.1.8 for a decrease in the commitment level, multiply the number of decreased circuits by the average price, then multiply the number of months remaining in the RCP and then multiply the amount by 50%. For example, a decrease of 100 DS1 Service circuits multiplied by the average price of $380 times 10 remaining months times 50% (Termination Liability) equals $190,000.

c. DS1/DS3 Services included in an RCP may be migrated to other Company provided Tariffed services (including without limitation, migrations due to the availability of Company replacement technologies) and the commitment level may be reduced by a number of circuits migrated to other Tariffed services, at the customer's request, without incurring Termination Liability if the customer satisfies the conditions specified in the Waiver Policy, set forth in 7.1.8, following. One of the conditions of the Waiver Policy for migrations to other services is that the total value of the new service must be equal to or greater than 115% of the remaining value of the discontinued DS1/DS3 Services under the existing RCP.

d. To determine the remaining value of the DS1 and DS3 Services under RCP, multiply the number of decreased circuits by the average price, then multiply the number of months remaining in the RCP. For example, a decrease of 100 DS1 Service circuits multiplied by the average price of $380, times 10 remaining months, times 115% (Waiver Policy) equals $437,000. The value of the new services must be $437,000 or greater to waive the Termination Liability.

e. If the Waiver Policy does not apply, a reduction in the RCP commitment level by the number of circuits migrated to other Tariffed services will incur Termination Liability. (N)

7. PRIVATE LINE TRANSPORT SERVICE

7.1 GENERAL (CONT'D)

7.1.8 TERMINATION LIABILITY AND WAIVER POLICY

A. General

Termination Liability and Waiver Policy provides the terms and conditions for
customers subscribing to Pricing Plans (e.g. VTPP, DS3 Pricing Plan, Voice Grade (T-x)
Rate Stability, MBSS Pricing Plan or any other fixed term plan as set forth in this (C-M-x)
Section), as well as Portability in 7.1.1, preceding. As of May 29, 1995 new (T)
customers subscribing to PLTS Pricing Plans are subject to the Termination
Liability and Waiver Policy terms and conditions in lieu of the Grandfathered:
Discontinuance Charges, Upgrades in Capacity, Upgrades in Transmission Speed
and Upgrades in Service as set forth in the Pricing Plans. Customers with Pricing (T)
Plans in service prior to May 29, 1995 may utilize the terms and conditions of the
existing pricing plans or the Termination Liability and Waiver Policy. This offer
is valid until either the expiration date or the termination of the existing term. (M-x)
(D-x)

B. Termination Liability (M-x)

Customers with Pricing Plans in service prior to August 12, 1997 will retain a
Termination Liability of 15% until the expiration of their existing fixed period. (M-x)

When the entire service or a portion of the service prior to the expiration of the (T-x)
customer's pricing plan is discontinued by the customer, termination charges apply (T-x)
unless the customer satisfies the conditions specified in the Waiver Policy as set
forth in C., following.

(D-x)

(x) Proposed matter withdrawn and existing matter reinstated under the authorization of Special Permission No. 03-108.

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