ACCESS SERVICE

19. Managed Value Plan (MVP)

19.1 General Description

MVP will no longer be available to new customers. Existing MVP customers will be eligible for the renewal options described in Section 19.3, upon expiration of their current MVP agreement, but will not be able to subscribe to a new MVP plan. (N)

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 Operating Company Name (OCN) 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
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

Issued: August 17, 2007
Effective: August 18, 2007

By Mary Pat Regan, Regional Vice President - Regulatory
225 W. Randolph Street
Chicago, IL 60606

ACCESS SERVICE

19. Managed Value Plan (MVP)

19.2 Services Available Under MVP (Cont'd)

With the exception of the provisions contained in 19.3(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. /1/

When additional qualified access services are added to the Service Available Under MVP in Section 19.2, 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 19.3 (D), following. The Monthly Access Revenue is used in the calculation of the Access Service Ratio, as described in 19.3 (D), following, and is also used as the customer's Monthly MARC achievement, as described in Examples 1 and 2 in Section 19.3 (E) (3), following. The customer's Annual MARC will not automatically be increased when new qualified access services are added to Section 19.2. However, customers will have the ability to increase their Annual MARC by using the Re-establishing the MARC Policy as outlined in 19.3 (C) (2), following. (N)

/1/ Material formerly appeared on 6th Revised Page 758 in this Section.

ACCESS SERVICE

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

19.3 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.

(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 19.3(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 19.3(D) following; and

(4) Remit bill payment as described in Section 2.4.1, preceding; and
establish electronic bill payment[/1/] within six (6) months of a properly (N)
signed MVP Agreement form; and (N)

(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 May 11, 2001 who have not previously established electronic bill payment are waived from this requirement.

19. Managed Value Plan (MVP)

19.3 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 reestablish the MARC on October 1, 2001, the next time the customer can re-establish the MARC in 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 listed in Section 19.2, preceding.

/2/ Must equal $10 million or greater in annual qualified access services billing for services as stated in Section 19.2, preceding.

By Rhonda J. Johnson, Vice President - Regulatory Affairs
225 W. Randolph Street
Chicago, IL 60606

19. Managed Value Plan (MVP)

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 (T)
affiliates must maintain an Access Service Ratio of 95% or Greater. The (T)
ratio, calculated monthly, is the total qualified access service billed
revenue minus the adjusted revenue for the associated rate elements not (T)
included in the intrastate 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, as defined in 19.2, preceding. (T)
- Monthly Wholesale Revenue is the customer's and its affiliates' current monthly recurring billed revenue for associated rate elements not (T) included in the intrastate 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 intrastate tariff as defined in 19.3(D), following for the month of (T) August 2000. (T)

ACCESS SERVICE

19. Managed Value Plan (MVP)

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 the Intrastate 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) (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)

ACCESS SERVICE

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

19.3 MVP Terms and Conditions (Cont'd)

(E) MVP Billing Discounts

(1) General

MVP discounts are applied to the customer's and its affiliates' qualified monthly MARC commitment. There are two types of MVP billing discounts available:

- MVP Commitment Discounts
- MVP Service Level Agreement (SLA) Discounts

In addition to the MVP billing discounts, Nonrecurring Installation Charges will be waived as described in 19.3(E)(5), following.

(2) Application

MVP Commitment Discounts will begin the first full month following the effective date of the MVP Agreement and are applied as a credit toward the customer's access service bill on a full month's basis. MVP Commitment Discounts will be issued on a monthly basis sixty (60) days in arrears. Monthly billing credits will be issued for every month the customer maintains MVP eligibility as stated in 19.3(B), preceding. All discounts will be subject to true-up as provided in 19.3(H), following.

(D)
(D)

MVP-SLA discounts will be applied to the total qualified annual MARC within 60 days following the MVP anniversary date, provided the customer has achieved its obligations contained in 19.3(B), preceding. (C) (C)

(D)
(D)

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

19.3 MVP Terms and Conditions (Cont'd)

(E) MVP Billing Discounts (Cont'd)

(3) MVP Commitment Discounts

The MVP Commitment Discount follows:

	YR 1	YR 2	YR 3	YR 4	YR 5
MVP Commitment Discount	9%	11%	12%	13%	14%

The MVP commitment discount is applied monthly, for those months where the criteria is met. If the customer does not receive the monthly commitment discount, it may still receive the discount, if it is in compliance with Section 19.3 by the contract anniversary date, through the true-up process described in 19.3(H).

Example 1:
A customer is in Year 1 of its MVP agreement. Its MARC is established at $12 million, per the guidelines in 19.3(C)(1), preceding. The customer achieves a qualified monthly billing of $1.07 million and has an Access Ratio of 97.53%.

The customer's MVP Commitment Discount is equal to $90,000, calculated as follows:

Annual MARC = $12M
Monthly MARC = $12M / 12 months = $1M
Monthly MARC achievement = $1.07M
MVP Commitment Discount = 9%
MVP Monthly Credit = $1.0M * .09 = $90,000 (T)

Example 2:
A customer is in Year 3 of its MVP agreement.
Its MARC is established at $12 million, per the guidelines in 19.3(C)(1), preceding. The customer achieves a qualified monthly billing amount of $1.18 million and has an Access Ratio of 96.8%.

The customer's MVP Commitment Discount is equal to $120,000, calculated as follows:

Annual MARC = $12M
Monthly MARC = $12M / 12 months = $1M
Monthly MARC achievement = $1.18M
MVP Commitment Discount = 12%

MVP Monthly Credit = $1.0M * .12 = $120,000

ACCESS SERVICE

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

19.3 MVP Terms and Conditions (Cont'd)

(E) MVP Billing Discounts (Cont'd)

(3) MVP Commitment Discount (Cont'd)

Example 3:
A customer is in Year 4 of its MVP agreement. Its MARC was re-established at $15 million, per the guidelines in 19.3(C)(1), preceding. The customer achieves a qualified monthly billing amount of $1.3 million and has an Access Ratio of 95%. The customer's MVP Commitment Discount is equal to $162,500, calculated as follows:

Annual MARC = $15M
Monthly MARC = $15M / 12 months = $1.25M
Monthly MARC achievement = $1.3M
MVP Commitment Discount = 13%
MVP Monthly Credit = $1.25M * .13 = $162,500

Example 4:
A customer is in year 3 of its MVP agreement.
Its MARC is established at $12 million, per the guidelines in 19.3(C)(1), preceding. The customer achieves a qualified monthly billing amount of $1.18 million and has an Access Service Ratio of 94.3%.

The customer receives no discount for only the month the Access Service Ratio is below 95%. The missed discount is subject to the annual true-up process explained in 19.3(H), following (N)

19. Managed Value Plan (MVP)

19.3 MVP Terms and Conditions (Cont'd)

(E) MVP Billing Discounts (Cont'd)

(4) MVP Service Level Assurance (MVP-SLA) Discounts

MVP customers will be eligible for additional credits if certain quality of service parameters are not met by the Telephone Company during the term of the MVP Agreement. Two separate MVP-SLA discounts may apply.

MVP-SLA Level 1 – A discount credit of 1% of the customer's annual MARC may be applied in the event the Telephone Company does not achieve its pre-determined targets for quality of service throughout the term of the MVP Agreement as described in Section 19.3(G)(2)(a), following.

MVP-SLA Level 2 – An additional discount credit of 1% of the customer's annual MARC may be applied if the Telephone Company fails to perform at the standards as described in Section 19.3(G)(3)(a), following.

(5) Nonrecurring Installation Charge Waivers

For all Access Service Requests (ASR) that have an Application Date (APP (N)
Date) on or after the effective date of the MVP Agreement, all nonrecurring initial (N)
installation charges associated with Term Pricing Plans of three(3) years or
longer, with the exception of expedited and special construction charges, (as set (T)
forth in Section 5.2.2 and 5.1.3 preceding), for the qualified access services (T)
described in 19.2, preceding, will be waived for the duration of a customer's
MVP Agreement, as long as the circuit remains in service for at least three years
or as long as the terms and conditions of the underlying terms are met. The
nonrecurring initial installation charges do not include subsequent changes (N)
and/or moves. Nonrecurring charges for optional features and function
associated with the initial installation of a circuit will be waived. Nonrecurring
charges for the subsequent addition of optional features and functions (after the
initial installation) will not be waived. If the underlying service is terminated (N)
before its term agreement expires, the customer will be billed the nonrecurring
charges associated with the underlying tariff when the circuit is disconnected or
the service is terminated. In the event MVP is terminated before the terms and
conditions of the underlying term plan are met, the nonrecurring charges
previously waived under MVP will be billed to the customer.

(F) Renewals

Prior to expiration of an MVP Agreement, an MVP customer may renew its agreement for an additional five (5) year term without incurring a termination liability, as contained in 19.3(J), following. All renewals must occur no later than three (3) months before the expiration date of the original MVP agreement. The MVP Commitment Discount for the MVP Agreement Renewal will be 14% for the five(5) years of the renewal agreement. The MARC for the new MVP Agreement Renewal will be the existing Annual MARC of the final year of the previous MVP Agreement. Only one renewal is permitted per MVP Agreement. Upon expiration of an MVP Agreement or an MVP renewal, and if an MVP tariff remains in effect and is not grandfathered, a new MVP Agreement may be established with a new MARC developed per the provisions contained in 19.3(C)(1), preceding.

ACCESS SERVICE

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

19.3 MVP Terms and Conditions (Cont'd)

(G) MVP Service Level Assurance (MVP-SLA) Parameters

(1) General

MVP customers may be eligible for additional credits based upon the quality of service delivered during the term of the MVP Agreement. MVP-SLA credits will be applied in the event that the Telephone Company's MVP-SLA service performance level objectives are not met.

MVP-SLA parameters are established for a twelve month interval commencing with the MVP Agreement date.

The service performance level parameters for each of these three (3) services shall address:

(a) On-Time Provisioning (OTP) – Calculated by dividing the number of customer requests for new service and rearrangement of existing service (C) that were missed for Telephone Company reasons by the total number of new service requests and rearrangements of existing service completed during the reporting period. The date used to determine whether or not the service request was missed is the Service Conformation Date provided on the Firm Order Confirmation (FOC). (C)

(b) Failure Frequency (FF) – Represented as an annualized percent of the MVP customer's total access circuit failures. Calculated by dividing the total number of Telephone Company circuit failures during the reporting period by the cumulative number of embedded circuits for the same period and multiplying the result by 12. Only "found trouble" reporting codes are considered to be failures. "Found trouble" reporting codes are (N) report codes CC, CO, FAC, STN and SVB. (N)

(c) Time to Restore (TTR)- Measure of outage duration calculated by dividing the total number of measured troubles that are less than or (C) equal to 3 hours in the reporting period by total number of troubles in the same reporting period. All measured troubles codes are included in this (C) calculation. These are CC, CO, FAC, NTF, STN, SVB and TOK. (N)

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)

(2) MVP-SLA Level 1

(a) Description

In the event that the Telephone Company fails to perform at or above the established service thresholds for any given MVP Agreement year, the MVP customer will be entitled to a 1% Level 1Service Quality Assurance credit.

MVP-SLA Level 1 Discounts are applicable to the following qualified services:

- Direct Analog Service - Section 7.2.3
- Base Rate Service – Section 7.2.9 (T)
- DS1 Service - Section 7.2.9 (T)

A minimum of circuits per service, a minimum number of new installation per service and a minimum number of trouble-ticket activities per service will be required in order to qualify that service for possible discounts under the MVP-SLA Level 1 service performance terms.[/1/] These minimum requirements are listed in Table A below:

MVP-SLA Qualified Service	Minimum In-Service Requirement	Minimum Installations Per Quarter	Minimum Trouble Tickets Per Quarter	
Direct Analog Service	50	20	20	
Base Rate Service	50	20	20	(T)
DS1 Service	50	20	20	(T)

Table A

/1/ Customers participating in MVP prior to August 8, 2002 are not required to meet the Minimum In-Service Requirement, the Minimum Installation Requirement, or the Minimum Trouble Ticket Requirement. (T)

ACCESS SERVICE

19. Managed Value Plan (MVP)

19.3 MVP Terms and Conditions (Cont'd)

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

(2) MVP-SLA Level 1 (Cont'd)

(a) Description (Cont'd)

At the end of a quarter, the customer's circuits in service, circuit installation, and circuit trouble tickets will be calculated for the quarter. If an MVP customer does not meet the minimum requirements to qualify for a particular service under the MVP-SLA service performance terms, the calculation of the total points earned will be as shown in 19.3 (G) (2) (b).[1] (N)

A service performance target has been established for each of the nine MVP Level 1 Service Assurance performance measures for each year of the MVP term, specified in Table 1.0. /2/ (T)

	TTR<3 Hours			FF			OPT		
	DS1	BASE	VG	DS1	BASE	VG	DS1	BASE	VG
YR1	78.50%	71.00%(N)	62.5%	13.50%	18.00%(N)	15.0%	90.00%	96.50%(N)	96.5%
YR2	82.50%	76.00%	65.0%	12.70%	16.00%	14.0%	95.00%	96.90%	96.9%
YR3	85.00%	80.00%	68.0%	12.00%	14.50%	13.0%	95.60%	97.20%	97.2%
YR4	87.00%	82.00%	69.0%	11.30%	13.50%	12.5%	96.20%	97.50%	97.5%
YR5	89.00%(C)	83.00%(N)	70.0%(C)	10.60%	13.00%(N)	12.0%(C)	96.70%(C)	97.70%(N)	97.7%(C)

/2/

Table 1.0

/1/ Customer participating in MVP Prior to August 8, 2002 are not required to meet the Minimum In-Service Requirements, the Minimum Installation Requirement, or the Minimum Trouble Ticket Requirement**.**

/2/ Material formerly appeared on 3rd Revised Page 765 in this Section.

19. Managed Value Plan (MVP)

19.3 MVP Terms and Conditions (Cont'd)

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

(2) MVP-SLA Level 1 (Cont'd)

(a) Description (Cont'd)

Service performance in each of the service categories will be averaged for each MVP customer by quarter and by year throughout the life of the MVP agreement. These service averages will then be used in the following Level 1 Service Assurance calculation to determine whether or not the 1% Level 1 Service Quality Assurance credit is applicable to the MVP subscriber for a given year. (T) (T)

(b) Calculation

At the conclusion of each MVP Agreement year, the 12-month averages for each measured service component will be compared to its corresponding target in Table 1.0. For those service components that meet or exceed this target, a point value will be assigned for each quarter and for the end of year. DS1 services will be valued at three points, Base Rate services at 2 points, and VG services at one point. For service performance below the benchmark, no points will be awarded. If, during a quarter, an MVP-SLA qualified service is not eligible due to the failure to meet one of the minimum requirements as identified in 19.3 (G) (2) (a) the corresponding point value for that particular qualified service will be assigned for that quarter. [/1/] As illustrated in Table 2.0, the maximum possible annual score (quarterly and annual totals combined) is 144 points. (C) (N) (N)

	Q1				Q2				Q3				Q4				**TOTAL YEAR**	**TOTAL POINTS**
	TTR	FF	OTP	**TOT**	TTR	FF	OTP	**TOT**	TTR	FF	OTP	**TOT**	TTR	FF	OTP	**TOT**		
DS1	3	3	3	**9**	3	3	3	**9**	3	3	3	**9**	3	3	3	**9**	**36**	**72**
BASE	2	2	2	**6**	2	2	2	**6**	2	2	2	**6**	2	2	2	**6**	**24**	**48**
VG	1	1	1	**3**	1	1	1	**3**	1	1	1	**3**	1	1	1	**3**	**12**	**24**
TOTAL				**18**				**18**				**18**				**18**	**72**	**144**

(N) (C)

Table 2.0

/1/ Customers participating in MVP prior to August 8, 2002 are not required to meet the Minimum In-Service Requirement, the Minimum Installation Requirement, or the Minimum Trouble Ticket Requirement.

19. Managed Value Plan (MVP)

19.3 MVP Terms and Conditions (Cont'd)

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

(2) MVP-SLA Level 1 (Cont'd)

(b) Calculation (Cont'd)
Any combined total quarterly and annual score greater than or equal to 104 points will be considered as reflective of a high overall service quality for any given year and no Level 1 Quality Assurance credit will be applicable. Combined scores of less than 104 points will result in the application of the additional 1% Level 1 Service Quality Assurance credit as set forth in 19.3 (E) (4). (T)

The following example illustrates how quarterly and end-of-year results will be used to determine whether or not a Level 1 credit is applicable. (T)

HYPOTHETICAL 1ST YEAR MVP SERVICE PERFORMANCE

DMOQ	MVP TARGET	1Q	PTS	2Q	PTS	3Q	PTS	4Q	PTS		EOY AVG	PTS	
DS1-OTP	**90.00%**	99.03%	3	98.08%	3	97.98%	3	97.98%	3		98.27%	12	
DS0 DIG-OTP	**96.50%**	98.04%	2	97.86%	2	97.99%	2	98.00%	2		97.97%	8	
DS0 VG-OTP	**96.50%**	99.53%	1	98.25%	1	97.97%	1	98.11%	1		98.47%	4	
DS1-FF	**13.50%**	15.60%	0	14.20%	0	13.48%	3	12.02%	3		13.83%	0	
DS0 DIG-FF	**18.00%**	20.44%	0	22.17%	0	21.89%	0	20.21%	0		21.18%	0	
DS0 VG-FF	**15.00%**	13.18%	1	14.46%	1	18.87%	0	16.34%	0		15.71%	0	
DS1-TTR<3	**78.50%**	82.12%	3	80.88%	3	82.00%	3	85.04%	3		82.51%	12	
DS0 DIG-TTR<3	**71.00%**	69.54%	0	71.50%	2	71.04%	2	73.30%	2		71.35%	8	
DS0 VG-TTR<3	**62.50%**	64.33%	1	63.80%	1	64.42%	1	66.45%	1		64.75%	4	
TOTAL POINTS			***11***	***+***	***13***	***+***	***15***	***+***	***15***	***=54***	***+***	***48***	***=102***

In the above example, the customer would receive a 1% Level 1 Quality Assurance credit. (T)

ACCESS SERVICE

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

(a) Description

The Level 2 Service Quality Assurance offers an additional 1% credit in addition to the 1% Level 1 Service Quality credit, previously described.

MVP-SLA Level 2 Discounts are applicable to the following qualified services:

- DS1 Service - Section 7.2.9 (T)

The minimum requirements identified in Section 19.3 (G)(2)(a), preceding, are also required for qualification for potential MVP-SLA Level 2 discounts. /1/

Level 2 targets are shown in Table 3.0 following:

	TTR<3	FF	OTP
YR1	NA	NA	NA
YR2	NA	NA	NA
YR3	55.3%	18.6%	62.1%
YR4	55.3%	18.6%	62.1%
YR5	55.3%	18.6%	62.1%

Table 3.0

/1/ Customers participating in MVP prior to August 8, 2002 are not required to meet the Minimum In-Service Requirement, the Minimum Installations Requirement, or the Minimum Trouble Ticket Requirement.

19. Managed Value Plan (MVP)

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 (T)
from the third MVP Agreement year and only comes into play in the (T)
event the Telephone Company fails to perform at the previously
described Level 1 standard (i.e., total combined quarterly and end-of- (T)
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 (T)
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.

ACCESS SERVICE

19. Managed Value Plan (MVP)

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)

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.

ACCESS SERVICE

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 agreemnts of 3 or more years that were waived under the terms of MVP. (N)

(N)

ACCESS SERVICE

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

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 the contract effective date 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. (N)

19. Managed Value Plan (MVP)

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%	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%

(K) Failure to Maintain Eligibility /1/

If at any time during the term of the MVP Agreement, the customer fails to maintain any of the MVP eligibility conditions specified in Section 19.3(B), the Telephone Company reserves the right to terminate the MVP 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 Agreement and thus subject to the applicability of the Termination Liability specified in Section 19.3(J). (T) (T)/1/

/1/ Material appearing on this page previously appeared on 1st Revised Page 766.8.

ACCESS SERVICE

19. Managed Value Plan (MVP)

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:

(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, with in 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

(2) assumes the remaining months of the current customer's MVP (assignor or transferor) term agreement for the assigned or transferred qualified access services as described in and pursuant to 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.

(b) If the new customer (assignee or transferee) is a current MVP customer whose existing MVP term agreement expires after the expiration date of 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 (T)
charges as set forth in Section 19.3(J) preceding, for the amount of the MARC attributable to the (T)
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 its current MVP MARC by increasing its current MARC by the amount of qualified access services assigned or transferred, or

ACCESS SERVICE

19. Managed Value Plan (MVP)

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 term period of the current MVP customer (assignor or transferor) term agreement for the assigned or transferred qualified access services as described in Section 19.3(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.

Example A: Services included in existing MARC:

New customer current MARC + Amount of qualified access services assigned or transferred = New customers re-established MARC

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

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

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

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

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

Customer retains two separate term agreements for the duration of the agreements with MARC's of $20M and $5M respectively. (N)
(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 (assignor or transferor) (T) 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 (T) 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 transferred qualified access (T) 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.

ACCESS SERVICE

19. Managed Value Plan (MVP)

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 term agreements for the duration of the term agreements with MARC's of $20M and $5M 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 term agreements for the duration of the term agreements with MARC's of $20M and $5M respectively.

(N)

(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. (D)

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

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

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. (C)

/1/

/1/ Material previously appearing on this page now appears on Original Sheet 766.8.2.1.

19. Managed Value Plan (MVP)

19.3 MVP Terms and Conditions (Cont'd)

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

(2) (Cont'd)

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 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) /1/ (C)

(Current MARC $20M) – ($12M included by new customer) = $8M. Termination liability will apply on $8M as described in Section 19.3(J). (D) /1/

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. (N)

(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)

/1/ Material appearing on this page previously appeared on Original Page 766.8.2.

ACCESS SERVICE

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

19.3 MVP Terms and Conditions (Cont'd) (N)

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

(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. (N)

If (1), (2), or (3) are not applicable, termination liability charges, as described in Section 19.3(J), will apply. (C)/1/ /1/

19.3.1 Assumption of Remaining Term Agreement for Transferred of Assigned Services (N)

(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%

(N)

/1/ Material appearing on this page previously appeared on Original Page 766.8.1.

19. Managed Value Plan (MVP)

19.3 MVP Terms and Conditions (Cont'd)

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

(B) Application of Discounts (Cont'd)

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.

(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. (T)

(N)
The amount of 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 (assigneed or transferee) current MVP agreement expires prior to the transferred or assigned service agreement. (N)

(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. (T)

(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).

By Mary Pat Regan, Regional Vice President - Regulatory
225 W. Randolph Street
Chicago, IL 60606

ACCESS SERVICE

19. Managed Value Plan (MVP)

19.3 MVP Terms and Conditions (Cont'd)

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

(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 satisfy their pre-existing MARC commitment[/1/] throughout the duration of the (C)
MVP term agreement[/2/]. (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 19.3(E), 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 19.3(C), on the re-established 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.

(8) The transferred MARC must be retained for the duration of the agreement as described in section 19.3(L)(1)(b) and (c) preceding regardless of the expiration date of the new customer's MVP agreement.

/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 August 3, 2005. (N)

19. Managed Value Plan (MVP)

19.3 MVP Terms and Conditions (Cont'd)

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

(E) Terms and Conditions (Cont'd)

(9) 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 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. (C)/1/

(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)

/1/ Material appearing on this page previously appeared on Original Page 766.8.5.

By Mary Pat Regan, Regional Vice President - Regulatory
225 W. Randolph Street
Chicago, IL 60606

19. Managed Value Plan (MVP)

19.3 MVP Terms and Conditions (Cont'd)

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

(F) MVP Annual True-up Amount (MATA) /1/

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). /1/

(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)

/1/ Material appearing on this page previously appeared on Original Page 766.8.5.

ACCESS SERVICE

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

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 terms period is May 22, 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. (N)

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

ACCESS SERVICE

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

19.4 VISTA Incentive Offer (cont'd)

(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 (May 22, 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 May 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)

By Rhonda J. Johnson, Vice President - Regulatory Affairs
225 W. Randolph Street
Chicago, IL 60606

ACCESS SERVICE

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

19.5 SUNRISE Incentive Offer (N)

(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 November 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 November 2003. Specifically, 12.5% (one month 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)

ACCESS SERVICE

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

19.5 SUNRISE Incentive Offer (cont'd) (N)

(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 (November 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 November 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 November 1, 2003 through September 30, 2004. This customer was also a VISTA customer and received a VISTA BCI discount of $300K in 2003. 12.5% of those VISTA discounts (12.5% x $300K = $37.5K) or $37.5k will be subtracted from the $1.8M SUNRISE discount to provide the resulting SUNRISE BCI discount of $1.7625M. (N)