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Missouri Public Service Commission

## SOUTHWESTERN BELL TELEPHONE, L.P. d/b/a SBC MISSOURI

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CASE NO. TO-2005-0035

DIRECT TESTIMONY

 $\mathbf{OF}$ 

SYLVIA ACOSTA FERNANDEZ

# NP

St. Louis, Missouri October 29, 2004

Exhibit Ho.	4
late Remarked Case No	<u>T0-2003-0033</u>
Reporter	

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# SCHEDULES

SCHEDULE 1 – BACKGROUND FOR S. FERNANDEZ SCHEDULE 2 – BUSINESS PRODUCT DESCRIPTIONS SCHEDULE 3 – SBC MISSOURI MAY DAY ISDN PRI PROMOTIONAL TARIFF SCHEDULE 4HC - SBC MISSOURI PLEXAR IN SERVICE SCHEDULE 5P – 4Q03 INFOTECH NATIONWIDE BUSINESS SYSTEM TRENDS SCHEDULE 6P – MISSOURI CLEC ADVERTISING SPEND SCHEDULE 6P – MISSOURI CLEC ADVERTISING SPEND SCHEDULE 7– AUGUST 2004 WEB CONTENT SURVEY SCHEDULE 8P – SBC MISSOURI ADVERTISING SPEND SCHEDULE 9 – LOCAL ACCESS BUNDLE COMPARISON SCHEDULE 10 - UNLIMITED BUNDLE COMPARISON SCHEDULE 11 - MCI BUSINESS COMPLETE DIRECT MAIL SCHEDULE 12 – MCI BUSINESS COMPLETE FLIER SCHEDULE 13 – BIRCH PROMOTIONAL TARIFF FREEDOM PAK

# INTRODUCTION

3	Q.	WHAT IS YOUR NAME AND BUSINESS ADDRESS?
4	А.	My name is Sylvia Acosta Fernandez and my business address is 530 McCullough, San
5		Antonio, Texas 78215.
6		
7	Q.	HAVE YOU PREPARED AN EXHIBIT THAT PROVIDES INFORMATION
8		REGARDING YOUR EMPLOYMENT, EDUCATIONAL BACKGROUND AND
9		APPEARANCES BEFORE THE COMMISSION?
10	A.	Yes. That information is attached as Schedule 1.
11		
12	Q.	WHAT IS THE PURPOSE OF YOUR TESTIMONY?
13	A.	The purpose of my testimony is to:
14		a) describe SBC Missouri's core business voice services;
15		b) demonstrate that effective competition continues to exist statewide for core
16		business voice services by providing evidence that SBC Missouri customers can
17		purchase similar services from alternative providers that are functionally equivalent
18		to or substitutable for SBC Missouri's services at comparable rates, terms and
19		conditions;
20		c) describe how the current classification does not allow full competition to provide
21		even greater choices to Missouri customers;
22		d) describe SBC Missouri's current business "go to market" strategy and how
23		competitive classification in the remaining 158 exchanges will further benefit
24		Missouri business and

e) recommend to the Commission that it find SBC Missouri's business access line 1 services, related EasyOptions® Services, High Capacity Access Exchange services 2 and Plexar® competitive and move these services closer to regulatory parity with 3 those of SBC's Missouri's competitors in Missouri. 4 5 WHAT PRODUCTS AND SERVICES WILL YOU BE DISCUSSING? 6 Q. I will be discussing the various services our business customers use to make and receive 7 Α. calls over the Public Switched Telephone Network (PSTN). These services include: 8 a. "non complex" or basic business access services including exchange access 9 line services, Basic Rate ISDN (DigiLine<sup>sm</sup> Service), and other line-related 10 services and features such as Hunting, Caller ID and the tariffed packages 11 that include these features; 12 b. "complex" services such as Analog Trunks (PBX trunks), "High Capacity 13 Exchange Access Line Services," including Digital Loop Service, 14 SuperTrunk and Primary Rate ISDN (SmartTrunk<sup>sm</sup>) Service (digital PBX 15 trunks), SelectData® and Plexar® (Centrex Service) which is a central office 16 based substitute for key system/PBX service. 17 Please refer to Schedule 2, Business Product Descriptions, for a detailed description of 18 the core business services SBC Missouri currently offers and seeks to have classified as 19 competitive statewide. 20 Q. WHAT ARE THE MAIN POINTS YOU WOULD LIKE TO CONVEY TO THE 21 **COMMISSION?** 22

-	1	A.	The Commission should consider the following points when evaluating whether SBC
	2		Missouri's business core services face effective competition:
	3		• Between July 2004 and July 2001, SBC Missouri has seen a loss of 17% of its
	4		business access lines in service.
	5		• There are <u>alternative providers</u> providing substitutable or functionally equivalent
	6		services to SBC Missouri's business non-complex and complex core services and
	7		therefore, the Commission should find that effective competition exists for SBC
	8		Missouri's business core services.
	9		• While the obvious competition to SBC Missouri's business services include
	10		traditional services offered by competitive local exchange carriers (CLECs), there
	11		are also non-traditional forms of competition from providers of wireless, Internet-
	12		based (IP) telephony, electronic mail (e-mail), and customer premises equipment
	13		(CPE)
	14		* SBC Missouri faces pricing constraints that do not apply to its competitors.
	15		• Missouri customers are not receiving the full benefit of a competitive market
	16		because SBC Missouri's existing pricing constraints limit its ability to respond to
	17		changing customer demands and a competitive marketplace.
	18		
	19	Q.	YOU PREVIOUSLY TESTIFIED IN SBC MISSOURI'S FIRST COMPETITIVE
	20		CLASSIFICATION CASE (CASE NO. TO-2001-467). WHAT WAS THE
	21		PURPOSE OF YOUR TESTIMONY IN THAT CASE?
	22	A.	The purpose of my testimony was to show the myriad of services available from
	23		alternative providers and the extent to which those services are functionally equivalent

at comparable rates, terms and conditions to the core business access line services and related line item services offered by SBC Missouri.

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# Q. WHAT WAS THE OUTCOME OF CASE NO. TO – 2001-467 WITH RESPECT TO BUSINESS SERVICES YOU PRESENT HERE?

A. Pursuant to Section 392.245, in December 2001, the Commission found that business access line services, High Capacity Access Exchange service, associated line-related business services and optional business MCA service in the St. Louis and Kansas City exchanges faced effective competition and should be competitively classified.<sup>1</sup>

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# 11 Q. HAS COMPETITION IN THE BUSINESS SEGMENT OF THE MARKET

CONTINUED TO GROW SINCE CASE NO. TO - 2001-467 WAS DECIDED?

Yes. The access line losses realized statewide in Missouri partially reflect the Α. 13 competitive environment. In July 2001, business access lines in Missouri were 809,703 14 compared to July 2004 of 674, 910. This represents a 17% decline in our access line 15 "in service." The access line in service losses only portray a piece of the impact of 16 many alternative providers. This decline does not reflect losses of new customers that 17 SBC Missouri doesn't ever have an opportunity to compete to win. Competition 18 continues to expand and thrive throughout all of SBC Missouri's exchanges. The level 19 20 of competition can be seen by the continuous stream of sales and marketing information business customers are receiving from SBC Missouri and its competitors. Through 21 these sales and marketing efforts for both traditional and alternative services, the 22

<sup>&</sup>lt;sup>1</sup> The Commission also found that several other services, for which I did not testify to, faced effective competition.

benefits (savings, convenience) achieved from purchasing "bundled" offers are 1 evident. 2 3 **BASIC ACCESS LINE SERVICES** 4 WHAT IS BUSINESS ACCESS SERVICE? Q. 5 6 A. Business access service gives a customer the ability to send and receive telephone calls or to connect to data networks through the public switched telephone network (PSTN). 7 Analog Trunks allow the customer to connect its PBX or key telephone system to the 8 PSTN. Business access services can be very simple - basic access lines and a stand 9 alone telephone – or complex – digital trunks behind a PBX such as ISDN PRI service. 10 11 HOW ARE BUSINESS ACCESS LINES AND TRUNKS TYPICALLY 12 Q. **PURCHASED?** 13 Missourí customers have many alternatives available to purchase business access lines Α. 14 and PBX trunks. They may purchase these services on a stand-alone basis at month to 15 month rates or they may receive discounted prices under a term agreement or in a 16 "bundle" that combines the basic access line with line-related services such as Caller ID 17 and perhaps other popular services like Hunting. 18 19 Q. WHAT ARE LINE-RELATED SERVICES? 20 21 A. Line-related or "vertical" services are services a business customer with non-complex telecommunications needs may add to the access line for additional functionality. 22 Examples of line-related services include services such as Call Waiting, Three-Way 23

Calling, Call Forwarding, Caller ID, or Speed Calling. In Missouri these services are referred to as Easy Option services. For customers that have more complex needs, a key system or PBX will perform these line-related services.

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# Q. WHAT IS METROPOLITAN CALLING AREA SERVICE AND HOW DOES IT FIT IN THIS CASE?

Α. Metropolitan Calling Area (MCA) service is an expanded calling area plan that exists in 7 St. Louis, Kansas City and Springfield. It is an optional service that customers can 8 9 purchase when their businesses reside in MCA exchanges outside the St. Louis, Kansas City and Springfield exchanges where MCA service is considered "mandatory" which 10 means the MCA calling scope is part of their local charge. CLECs compete vigorously 11 within the MCA areas so optional MCA service should be declared competitive along 12 with the underlying access line services in the optional MCA exchanges in the St. Louis, 13 Kansas City and Springfield MCAs. 14

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# Q. WHAT TYPES OF COMPETITION EXIST FOR BUSINESS ACCESS LINE AND LINE-RELATED SERVICES?

A. There are two main types of competitive providers – traditional and non traditional
 providers. CLECs are the most evident type of traditional competitor for business
 access line customers, providing services that are substitutable for or functionally
 equivalent to SBC Missouri's services. CLECs today focus on bundled solutions –
 bundling local with vertical features or messaging as well as long distance. CLECs are
 also creating "super bundles" that is, local services (line and features), broadband (with

Internet access) and long distance and wireless services at a discount. Bundling l 2 provides greater savings to the business customer. CLECs and SBC Missouri have developed attractive bundled pricing arrangements. These are designed to sell the most 3 popular telecommunications solutions presented in a bundle that is easy for a business 4 customer to evaluate and purchase. 5 6 In addition, SBC Missouri faces competition from non-traditional forms of competition 7 such as wireless carriers and Internet-enabled technologies such as Internet-telephony 8 9 and electronic mail (e-mail). 10 HIGH CAPACITY EXCHANGE ACCESS LINE SERVICES 11 WHAT ARE HIGH CAPACITY EXCHANGE ACCESS LINE SERVICES? О. 12 High Capacity Exchange Access Line services provide customers with up to 24 13 Α. 56/64Kbps channels of switched access to the local PSTN on a single DS-1 (1.544 14 Megabits per second) transport facility. 15 16 WHAT TYPES OF HIGH CAPACITY EXCHANGE ACCESS LINE SERVICES Q. 17 ARE AVAILABLE TO BUSINESS CUSTOMERS IN MISSOURI? 18 There are generally three types of High Capacity Exchange Access Line services A. 19 commonly available to business customers in Missouri: 20 The first type utilizes ISDN Primary Rate Interface (PRI) as the underlying 21 technology. 22

1		• The second type utilizes simple time division multiplexing (TDM) for digital
2		trunking over a DS-1.
3		• The third type is commonly known as Integrated Access. Integrated Access
4		service also utilizes simple TDM and DS-1 technologies.
5		
6		Integrated Access allows customers to use the 24 channels for access to multiple voice
7		and data services. In addition to using the service or local PSTN access, a customer
8		may also use some of the channels for exchange private line access. Some competitive
9		offerings allow customers to use a single DS-1 for switched access to local, dedicated
10		access to long distance, Frame Relay and Internet services.
11		
12	Q.	WHICH HIGH CAPACITY EXCHANGE ACCESS LINE SERVICES DOES
13		SBC MISSOURI OFFER?
14	А.	SBC Missouri offers the following High Capacity Exchange Access Line Services in
15		Missouri:
16		ISDN PRI
17		• SmartTrunk
18		Select Video Plus®
19		• SelectData®
20	,	TDM/DS-1 - digital trunking
21		• SuperTrunk
22		Digital Loop Service
23		Integrated Access

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• Access Advantage Plus (limited to access to local regulated services)

# Q. PLEASE DESCRIBE THE COMPETITIVE LANDSCAPE IN MISSOURI FOR RETAIL HIGH CAPACITY EXCHANGE ACCESS LINE SERVICE.

Missouri business customers have many alternatives to SBC Missouri's High Capacity A. 5 Exchange Access services -- including purchasing functionally equivalent services from 6 CLECs such as AT&T, Birch Telecom, MCI Worldcom, Sprint and Allegiance. PRI 7 and Digital Trunking services are purchased predominantly by large business and 8 Internet Service Provider (ISP) customers. PRI and Digital Trunking services are 9 standard products for CLECs selling to the large business PBX market or the ISP 10 inbound dial access networking market. CLECs are SBC Missouri's main competitors 11 in these markets. CLECs have been reselling SBC Missouri's retail products like 12 SuperTrunk and SmartTrunk at discounted rates to customers since the passage of the 13 Act. 14

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In addition, CLECs commonly provide High Capacity Exchange Access servicesusing SBC Missouri network facilities (e.g., unbundled network elements (UNEs)). CLECs take advantage of the economics of critical customer mass and buy their own PRIequipped switches and then utilize SBC Missouri's unbundled loops to reach the customers from the CLEC's own switch. CLECs can also build their own loop facilities and use their own switch, thereby totally bypassing SBC Missouri's network.

High Capacity Exchange Access Line services are designed for large business customers, with high volumes of telecommunication traffic. Large PBX business customers are lucrative targets for CLECs. CLECs also compete directly and effectively with SBC Missouri to provide service to Internet Service Providers (ISPs).

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# Q. WHAT TYPES OF COMPETITION EXISTS FOR HIGH CAPACITY EXCHANGE ACCESS LINE SERVICES?

A. Most, if not all, CLECs who compete for large business and ISP sales offer equivalent
services to SmartTrunk, SBC Missouri 's ISDN PRI service. CLECs also offer
equivalent services to SuperTrunk and Digital Loop Service, which are digital PRI is a
mature technology and numerous CLECs offer PRI services at extremely competitive
rates.

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# 14 Q. WHAT ARE SOME OF THE RECENT COMPETITIVE OFFERS YOU WAVE

15 SEEN IN THIS SEGMENT OF THE MARKET?

- 16 A. In this higher end of the market, CLECs are very aggressive at undercutting SBC
- 17 Missouri on PRI service. As the following table shows, typical competitive monthly
- rates for PRI services are around \$540 to \$850. This is very aggressive pricing given
- that SBC Missouri's equivalent pricing is typically over \$1,000 per month.



SBC		SBC	Competitor Offers			
Tari	Tariff Rate Promotional Rate		Birch MCI		Nuvox	
\$104	\$1045 (3yr) \$968 (3yr)		\$800(1yr)-IC\$600, \$700(2yr)- IC\$300 INCL: 7 Features or- \$540(1yr)-IC\$600, \$458(2yr- IC\$300 INCL: Call Block only LD:\$.049(domestic)		\$630(1yr)	
Q.		V HAS SBC MIS ERS?	SSOURI RESPONDE	D TO THESE CO	MPETITIVE	
А.	SBC	Missouri respond	led by developing a pro	omotional bundle fo	r PRI services in 2	
	referi	red to as the Miss	ouri "May Day." This	promotion is still av	ailable today and	
offers aggressive rates f		s aggressive rates	for the PRI with an op	ption to bolt on eithe	r Outbound Caller	
or first 1000 block of DID numbers for \$10 per month. Refer to Schedule 3 for		Schedule 3 for a c				
	of the promotional tariff filing.					
Q.	IS TI	HERE ANY FUI	NCTIONAL DIFFER	ENCE BETWEEN	SBC MISSOUR	
	HIG	H CAPACITY F	XCHANGE ACCES	S LINE SERVICE	AND THAT OF	
	CON	IPETITOR OF	SBC MISSOURI'S B	USINESS HIGH C	APACITY	
	EXC	HANGE ACCE	SS LINE SERVICE?			
A.	No. I	Digital Trunking S	Services from CLECs'	and SBC Missouri's	DS-1 based Digit	
	Trun	king Services are	functionally the same.	There is no function	nal difference bet	
	SmartTrunk (ISDN PRI) and a CLEC's PRI. The number and types of switch featur					
	- O III CAL	(1) mar (102) (1)			is of switch lead	
			transfer) may vary from			

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### PLEXAR SERVICE

# Q. WHAT IS BUSINESS PLEXAR SERVICE?

A. As Schedule 2 describes, Plexar is a central office based communications system that allows business customers to use SBC Missouri's central office technology instead of purchasing their own switching equipment. The Plexar family of services includes Plexar-1, Plexar Express, Plexar II and Plexar-Custom. A business customer has no capital outlay since Plexar switching equipment is provided, housed and maintained in SBC Missouri central offices. The industry refers to this service as "Centrex".

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Plexar service provides basic call processing capabilities, such as call hold, call transfer, and three-way calling. Additionally, some Plexar services also offer advanced voice and data call handling, such as Basic Rate Interface (BRI) and Integrated Service Digital Network (ISDN) capabilities. Essentially, Plexar is a central office based PBX.

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# Q. HOW DO CLECS PROVIDE BUSINESS PLEXAR SERVICE?

- A. Resellers purchase SBC Missouri's Plexar service at wholesale prices and then "resell"
  the service to end user customers. Facility-based providers provide Plexar-like service
  and features through their own switching equipment.
- 20

# Q. IS THERE ANY FUNCTIONAL DIFFERENCE BETWEEN SBC MISSOURI'S PLEXAR SERVICE AND THAT OF A COMPETITOR RESELLING SBC MISSOURI'S BUSINESS PLEXAR SERVICE?

A. No. A reseller uses SBC Missouri's network to provide service. SBC Missouri resells
 its telecommunications services to the CLEC at a discount off of its retail rate. The
 CLEC bills the customer directly for services purchased by the end user customer.

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# Q. IS THERE ANY FUNCTIONAL DIFFERENCE BETWEEN SBC MISSOURI'S

PLEXAR SERVICE AND PLEXAR-LIKE SERVICES OFFERED BY CLECS

# USING THEIR OWN SWITCHING FACILITIES?

A. No. A CLEC that uses its own switch, either with its own loops or combined with loops
from SBC Missouri, can offer Plexar-like service with equivalent functionality to
Plexar. Below are the Internet hyperlinks of known facilities based CLECs that offer

11 Centrex service in Missouri.

Company	Web link
Everest	http://www.everestgt.com/business_vs.php
IDT	http://www.idtsolutions.com/products/voice/centrex.asp
MCI	
XO	http://www.xo.com/products/smallgrowing/voice/local/centrex/index
	.html
Big River	http://www.bigrivertelephone.com/services.html
Nuvio	http://www.nuvio.com/centrex.php

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Q. DO SBC MISSOURI AND OTHER TELECOMMUNICATIONS PROVIDERS
 HAVE THE ABILITY TO UTILIZE CUSTOMER SPECIFIC PRICING (CSP)
 FOR PLEXAR-TYPE SERVICES?
 Yes. Pursuant to Section 392.200.8 RSMo 2000 SBC Missouri and other carriers have

- 18 the ability to utilize CSP pricing for Plexar type services. In fact, this provision existed
- 19 before the legislature authorized local competition (i.e., the creation of CLECs) because
- 20 the legislature recognized that CPE provided a competitive alternative to Plexar-type

1		services. The intent was to allow open competition and reclassifying Plexar as
2		competitive would give Missouri business customers more choices.
3		
4	Q.	DO CPE ALTERNATIVES FUNCTION THE SAME OR ARE
5		SUBSTITUTABLE FOR SBC MISSOURI'S PLEXAR SERVICE?
6	A.	Yes, business customers may purchase PBX or key telephone systems from many
7		vendors. These vendors provide service that is substitutable for SBC Missouri's Plexar
8		service. In addition, the vendors install and maintain the equipment for the customers.
9		The final point is that many of the web pages specifically call out the comparison
10		between Centrex service and key systems and PBXs. This further supports SBC
11		Missouri's position that CPE is a direct, functionally equivalent substitute for Plexar.
12		
13	Q.	WHAT TYPES OF COMPETITION EXIST FOR BUSINESS PLEXAR
13 14	-	WHAT TYPES OF COMPETITION EXIST FOR BUSINESS PLEXAR
	-	
14	SERV	VICE?
14 15	SERV	VICE? For decades Plexar has faced competition from key telephone systems and PBXs.
14 15 16	SERV	VICE? For decades Plexar has faced competition from key telephone systems and PBXs. Key telephone systems and PBXs were developed and offered to replace some of the
14 15 16 17	SERV	VICE? For decades Plexar has faced competition from key telephone systems and PBXs. Key telephone systems and PBXs were developed and offered to replace some of the central office based offerings for larger business customers. Over time, the prices for
14 15 16 17 18	SERV	VICE? For decades Plexar has faced competition from key telephone systems and PBXs. Key telephone systems and PBXs were developed and offered to replace some of the central office based offerings for larger business customers. Over time, the prices for PBX systems have been driven down by competition and by advances in switch
14 15 16 17 18 19	SERV	VICE? For decades Plexar has faced competition from key telephone systems and PBXs. Key telephone systems and PBXs were developed and offered to replace some of the central office based offerings for larger business customers. Over time, the prices for PBX systems have been driven down by competition and by advances in switch technology. PBXs and key telephone systems continue to be an attractive alternative for
14 15 16 17 18 19 20	SERV	VICE? For decades Plexar has faced competition from key telephone systems and PBXs. Key telephone systems and PBXs were developed and offered to replace some of the central office based offerings for larger business customers. Over time, the prices for PBX systems have been driven down by competition and by advances in switch technology. PBXs and key telephone systems continue to be an attractive alternative for

PBX, key system and Centrex growth is declining over time, VoIP demand is projected to grow as more customers migrate from traditional circuit switched services to IP services. Since January 2002, Plexar "in service" has declined about \*\* \_\_\_\_\_\*\*. Refer to Highly Confidential Schedule 4, SBC Missouri Plexar In Service, for monthly station in service counts.

Proprietary Schedule 5 provides analysis of the 4Q03 InfoTech nationwide Business System trends. This schedule shows Centrex line growth to be declining while VoIP is predicted to rise. From 2003 to 2008 Centrex lines are forecasted to decline by \*\* \*\* but VoIP is predicted to grow by \*\* \*\* over the same period. In my

opinion, SBC Missouri's Plexar station losses shown in Schedule 4 are primarily due to substitution (PBX, key systems) or migration to IP enabled CPE.

# 14 Q. IS IT YOUR OPINION THAT A PBX OR AN ID DDM IS THE FUNCTIONAL 15 EQUIVALENT TO PLEXAR?

A. Yes. Like Plexar, a PBX is a telephone system that switches calls between users on
 station lines while allowing all users to share a certain number of local exchange access
 lines. Most state-of-the art PBXs today use digital switching technology rather than
 analog. A PBX generally includes the following:

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• PBX trunk lines provided by the local exchange service provider.

- A premises-based PBX switch (computer) that manages the switching of the station calls (intercom) within the PBX system and calls to and from the PSTN.
  - The inside wiring between the PBX switch and individual PBX stations.



1		• A console (switchboard for attendant service).
2		• Direct Inward Dialing (DID) provided by the local exchange service provider.
3		
4		An IP PBX provides the same feature functionality as a traditional PBX or Plexar but it
5		uses the data network to transport both voice and data.
6		
7	COM	IPETITIVE LANDSCAPE
8	Q.	PLEASE DESCRIBE THE GENERAL COMPETITIVE LANDSCAPE IN
9		MISSOURI FOR SBC MISSOURI BUSINESS SERVICES.
10	A.	As mentioned earlier, between July of 2001 and 2004, SBC Missouri has lost
11		approximately 17% of its business access lines. The existence of a number of both
12		traditional and non traditional competitive alternatives as well as bypass provides clear
13		evidence that SBC Missouri faces a very competitive market for all of its popular non-
14		complex and complex core business access services. For years, SBC Missouri has faced
15		competition from:
16		<ul> <li>CLECs that are facilities based as well as non facilities based;</li> </ul>
17		<ul> <li>CPE alternatives such as PBXs and key telephone systems;</li> </ul>
18		<ul> <li>Non-traditional alternatives such as wireless, Internet or IP telephony, e-mail and</li> </ul>
19		<ul> <li>Bypass – businesses that choose to build their own private voice networks</li> </ul>
20		
21		The number of traditional alternatives is evidence of a fully competitive market.
22		Alternatives emerged within the Missouri marketplace because it is financially
23		rewarding to these alternative providers to offer the business customer choices -
24		statewide. Further evidence that the Missouri market is fully competitive is the

emergence of non traditional alternatives such as IP telephony, e-mail and other forms of communication that businesses make use of instead of using the public switched telephone network (PSTN).

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# Q. IS THE COMPETITIVE NATURE OF THE BUSINESS MARKET A <u>RECENT</u> DEVELOPMENT?

Absolutely not. The business market, especially the large business market, has been 7 A. competitive for years – even before the existence of CLECs. For example, business 8 customers have a long history of seeking alternatives to SBC Missouri business services 9 such as vertical features and Plexar. Early on, various CPE providers offered many of 10 the alternatives. PBXs were developed and offered to replace central office based 11 offerings for larger customers. Prices for PBX systems have come down over the years, 12 making them attractive alternatives for medium and small business customers. Some 13 large business customers, such as Washington University, Bi-State Development 14 Agency, and Edward Jones have opted to construct private networks to handle much of 15 their communication needs. Additionally, CPE has been developed to offer functionally 16 equivalent capabilities to many of SBC Missouri's optional central office based 17 18 features.

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# 20 Q. WHAT FACTORS HELP EXPLAIN WHY THERE IS GROWING

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# **COMPETITION FOR BUSINESS CORE SERVICES?**

A. There are two clear reasons. First, businesses are always searching for ways to lower
their operational costs in order to increase their profitability. Secondly, it's clearly

profitable for competitors to enter into the telecommunications market – if it were not lucrative, then why would both the number of alternative providers rise as well as the myriad of substitutable products. Many business customers are geographically concentrated in metropolitan areas. Facility-based alternative carriers are able initially to reach a high concentration of high volume customers without building networks that serve the entire state.

8 These local service providers use a network infrastructure that does not mirror SBC Missouri's statewide infrastructure, allowing market entrants to serve large areas with 9 lower average levels of investment than that employed by SBC Missouri. If a potential 10 customer is located in an area where the competitor has not yet constructed facilities, the H competition can rely upon resale of SBC Missouri's telecommunications services or 12 purchase unbundled network elements (UNEs) to serve the customer without having to 13 make any additional capital investments. The basic economics of the alternatives lead 14 other service providers to offer business customers comparable service alternatives at 15 generally lower prices. Unlike SBC Missouri, they do not have to balance revenue and 16 contribution sources between an embedded base of lower margin residence and rural 17 customers against higher margin business customers. 18

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# Q. WHAT <u>LEVEL OF COMPETITION</u> DO YOUR BUSINESS ACCESS LINE SERVICES FACE IN MISSOURI?

A. SBC faces a <u>very competitive</u> market <u>statewide</u> for all of its business access line
 services. Based on information found on the Commission's web site, there are on

average about 30 certified CLECs certified to offer business services in SBC Missouri exchanges. These competitors utilize aggressive marketing strategies (bundling and aggressive monthly rates) and direct, focused selling tactics (direct mail, outbound telemarketing, door to door sales) to gain market share. Some advertise through mass media (print ads, radio or TV), outdoor (Birch billboards) and make use of the Internet (permission marketing) to communicate the choices they offer Missouri businesses.

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# 8 Q. REGARDING ADVERTISING, CAN YOU QUANTIFY THE LEVEL OF 9 ADVERTISING BY YOUR COMPETITORS?

Yes, through external advertising agency analysis commissioned by me, I can estimate 10 A. annual telecommunications advertising expenditures for the state of Missouri. SBC 11 Missouri competitors spent nearly \*\* \*\* in mass media and online 12 advertising from 1002 to 2004. (Refer to Proprietary Schedule 6, Missouri CLEC 13 Advertising Spend.) These expenditures show the level of our competitors' focus on 14 Missouri businesses, with many of these competitors having doubled or tripled their 15 spend. During this study period: 16

- AT&T spent just under \*\* \*
  - Sprint spent just under \*\* \*\*
- Verizon spent \*\* \*\*
- Birch spent almost \*\* \*:
  - CenturyTel spent \*\* \*
- MCI spent \*\*
  - McLeod spent \* \* \*\*



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#### Q. WHAT IS THE SOURCE OF THIS INFORMATION?

A. This information was obtained through a study I commissioned our advertising agency to undertake. Based on public records for advertising in print, radio, TV and banner advertising, the agency is able to use rate sheets to calculate an estimated spend. This information was collected from Competitrack, Nielsen Adviews, and surveys of supplier reports. The survey data was used in combination with publicly available rate sheets to calculate the estimate.

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# Q. WHAT IS THE "KEY MESSAGE" SBC MISSOURI'S COMPETITORS' HAVE DELIVERED VIA ADVERTISING?

A. There is a common theme running in the advertising – it's bundling. While the schedule doesn't show all the competitors that advertised in Missouri (nor does it reflect direct mail expenditures), it does show that Missouri businesses are exposed to a trend of utilizing advertising to more effectively reach business decision makers. Missouri businesses have been targeted repeatedly with advertising describing the numerous bundled choices available.

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# 19 Q. ARE THERE OTHER FORMS OF ADVERTISING THAT YOUR

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**COMPETITORS USE?** 

A. Yes. Not all advertising is overt or easy to find publicly. Our research has found CLEC
 advertising also makes use of banner ads on Internet sites as well as promotional content
 on various web sites. Analysis of Internet sites shows the vast choices they offer Missouri

	1		businesses. Please refer to Schedule 7 which shows examples of the actual web content
	2		for Birch, NuVox, AT&T, McLeodUSA, MCI and Sprint.
	3		
	4	Q.	HAS SBC MISSOURI RESPONDED TO THE INCREASED COMPETITIVE
	5		ADVERTISING AND IF SO, IN WHAT WAYS?
	6	А.	Yes. Given the fact that CLECs increased their level of advertising and direct sales
	7		efforts, SBC Missouri has responded with advertising of its own. From 1Q02 to 2Q04,
	8		SBC Missouri spent ** ** to reach Missouri business customers. The competitive
	9		market SBC Missouri operates in is what drove the decision to increase advertising
	10		from ** ** in 2002 to ** ** in 2004. Refer to Proprietary Schedule 8 for a
	11		summary of SBC advertising in Missouri.
_	12		
	13	Q.	PLEASE EXPAND ON THE TYPES OF NON-TRADITIONAL COMPETITION
	14		THAT EXISTS FOR BUSINESS ACCESS LINE SERVICES?
	15	A.	Missouri customers have the option of utilizing "non-traditional" services such as
	16		wireless service, cable modems, and Internet based telephony or IP Telephony and e
	17		mail.
	18		
	19		Wireless service is widely available throughout SBC Missouri's exchanges in Missouri.
	20		Increasingly, the business customer is choosing to reduce the number of wireline
	21		business access lines and instead utilizing wireless services. Besides the obvious
	22		applications for "mobile" users such as salespeople and real estate agents, many diverse
	23		small businesses have adopted wireless service as their only means to stay in contact

with their customers. For example, a landscaper can work on jobs and still be able to 1 receive calls allowing him/her to schedule additional jobs. Wireless service is 2 particularly attractive to business customers because the service often includes long 3 distance calling at no extra charge. 4 5 Cable modems offered by cable TV companies and DSL offered by telecommunications 6 companies eliminate the need for additional access lines. 7 8 The Internet is now pervasive and accessible to all business customers in SBC 9 Missouri's exchanges, and the various Internet-related capabilities such as e-commerce, 10 e-mail, web pages, and Internet-based or IP telephony provides even more alternatives 11 to SBC Missouri's business access line services. The growth of the Internet and e-12 commerce applications has also provided attractive business voice choices. There are 13 an increasing number of e-tailers that allow visitors to click on an lean on their web site 14 to use the IP network to complete a voice call, thereby reducing the demand for 15 traditional business access services. 16 17 *VoIP (Voice over Internet Protocol)* service is an immediate and growing competitive 18 alternative to SBC Missouri's "traditional circuit switched" core telecom services 19 (POTS) such as basic access, ISDN and others. Examples of some of the VoIP 20 providers that offer business service in Missouri and their service offerings are provided 21 below. The competitive freedom that VoIP providers currently enjoy has created an

environment that drives innovation and investment in VoIP and other alternatives. And

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Missouri customers benefit. The table below identifies several providers that are

offering business VoIP services.

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Company	VolP	Weblink
DeltaThree	Yes	http://www.iconnecthere.com/
Global Crossing	Yes	http://www.globalcrossing.com/xml/services/serv voice voip over.xml
IDT Net2Phone Subsidiary	Yes	http://web.net2phone.com/solutions/corporate/
i2 Telecom	Yes	http://www.j2telecom.com/products.html
MCI	Yes	
McLeodUSA	Trialing	http://www.mcleodusa.com/ResourceRetrieval?fil
Time Warner	Yes	http://www.timewarnercable.com/corporate/produ
		cts/digitalphone/default.html
Vonage	Yes	http://www.vonage.com/
Nuvio	Yes	http://www.nuvio.com/voice.php
Covad	Yes	http://www.covad.com/voip/index.shtml

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#### 6 **BENEFITS FROM COMPETITIVE CLASSIFICATION STATEWIDE**

#### HOW HAS THIS COMPETITIVE ENVIRONMENT BENEFITED BUSINESS Q. 7 **CUSTOMERS IN MISSOURI?** 8

Further evidence of a fully competitive market is the evolution of the product offer 9 Α. strategy toward bundling to deliver savings. In response to customer demands, 10

telecommunications providers such as SBC Missouri and its competitors are focused on 11

bundling traditional core business access with complimentary services such as long 12

distance, Internet access and broadband at rates that are lower than if the services had 13

been purchased separately. Bundling is evidence that service providers acknowledge 14

the competitive nature of the market and that all business customers have choices for 15

business access and related services. Telecommunications providers recognize that 16

decision makers are well informed and do not need to be sold stand alone products.

17

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Rather, decision makers have the knowledge gathered from personal experience as a

business owner or gathered from other business owners and the Internet so they want to focus on a complete solution, not individual components that make up a total solution. Bottom line: bundling provides greater savings to customers because SBC Missouri and its competitors recognize businesses want choice. Business customers have benefited because competition drives greater choices and savings. Such benefits can be seen in the recent bundled offers from CLECs that target small businesses as depicted in **Schedule 9**, Local Access Bundle Comparison and **Schedule 10**, Unlimited Bundle Comparison, and as described below:

In 2003, MCI and AT&T launched "unlimited offers" that bundled local, popular

vertical features and unlimited domestic long distance for under \$60 per month.

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Effective July 2, 2004 Birch filed a promotional tariff referred to as Freedom
 Pak/Pak Plus that offered an aggressive bundle of a local acœss line plus 500
 MOUs of domestic long distance, seven free vertical features for \$31 per month.
 The promotion was filed to expired September 30<sup>th</sup>, but was extended as it was
 presumably a successful offer for Birch. This is further evidence that Missouri

customers benefit from competition - more choices than just SBC Missouri.

Vonage and AT&T are putting substantial marketing and advertising effort
 behind their Voice Over Internet Protocol (VoIP) offerings. Both advertise a
 bundled solution of unlimited local, long distance, popular vertical features and
 high speed broadband connectivity for under \$100 per month.

 Other CLECs such as McLeodUSA http://www.mcldwireless.com/Home.do and Sprint at http://www.sprint.com/business/products/categories/small.jsp that offer

Missouri customers the convenience of bundling local access, long distance, broadband and wireless on one bill.

# 4 Q. WHAT ARE SOME OF THE RECENT OFFERS THAT HAVE RESULTED 5 FROM EFFECTIVE COMPETITION IN MISSOURI.

CLECs have been very effective at enlarging their market share through bundling of 6 A. services at very competitive bundled rates both in the small business market as well as 7 the larger business market. MCI was one of the first CLECs to introduce an unlimited 8 local and long distance bundle targeted for customers with non complex 9 telecommunications needs. In 2003, MCI introduced Business Complete Unlimited, 10 which offers unlimited local calling, domestic long distance calling, bundled with Easy 11 Option features like Caller ID, all for \$34.99 for the first line. Schedule 11 is a copy of 12 a direct mail piece MCI used to describe this offer to a St. Louis customer. Schedule 12 13 is a promotional flier that states the MCI offer. ATET also offered a bundled unlimited 1-1 offer, All In One, which is almost identical to MCI's business unlimited offer. In 15 response, SBC Missouri launched business unlimited in July 2003 at a price point of 16 \$38.99 for the first line. 17

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Another promotion that Missouri businesses have recently been offered is Birch's Freedom Pak/Pak Plus offering. This bundled offer provides a \$28 per month access line plus \$3 per month for 500 long distances minutes of use or \$2 for a block of 200 long distances minutes. Along with these blocks of MOUs, Birch offers up to seven

vertical features for no charge. Please refer to Schedule 13, which is a copy of Birch's promotional tariff filing, for the specific details.

# Q. ARE THE CLECS GAINING CUSTOMERS IN THE MISSOURI

# MARKETPLACE?

A. Yes. Significant numbers of customers have responded to the CLECs' aggressive selling tactics. The telecommunications bundled services offered by SBC Missouri's competitors are similar, and very aggressively priced because it's easy to compete through a differentiated offer that touts "savings." What differentiates a provider is very simple and straightforward – deliver the most value in terms of service, reliability, product, and packaging and do so at a competitive rate. Dy the nature of competition, not all companies will succeed at the same level; some will do a better job than others.

## 14 Q. WHAT DOES SEC MISSOURI SEEK IN THIS CASE AND MENT?

Α. SBC Missouri seeks to meet all Missouri business' telecommunications needs at a price point that meet customers' expectations. SBC Missouri must have competitive classification for its business services in all exchanges, not just the two of the 160 exchanges served by SBC Missouri that have been competitively classified. Giving SBC Missouri this flexibility will benefit all Missouri businesses because it will lead to more choices for these customers where ever they do business – and greater choices drives toward more competition that leads to increased savings (through bundles, new products) and greater improvements to customer service. Competitive classification will give SBC Missouri the ability to: 

	1		<ul> <li>Respond more quickly to competitors' offerings with a reduced filing</li> </ul>
	2		interval and approval process;
	3		<ul> <li>Freely move prices up and down to respond to changes in the competitive</li> </ul>
	4		marketplace and
	5		
	6		Businesses don't want to have to take the time to analyze their telecommunications bills
	7		on the basis of the exchange in which the location exists. Missouri businesses want
	8		affordable business rates statewide. They want the certainty that they are achieving the
	9		maximum savings for all their locations, not just those the Commission believes are
	10		competitive.
	11		
-	12	Q.	ARE MISSOURI BUSINESS CUSTOMERS RECEIVING THE FULL BENEFITS
	13		OF COMPETITION?
	14	А.	No. Missouri customers are not receiving the full benefit of a competitive market
	15		because SBC Missouri's existing pricing constraints limit its ability to compete on an
	16		equal basis with its competitors.
	17		
	18	Q.	HOW DOES THE CURRENT CLASSIFICATION OF BUSINESS SERVICES
	19		IMPACT SBC MISSOURI'S MARKETING EFFORTS?
	20	A.	The current classification disadvantages customers that have many locations statewide.
	21		SBC Missouri's marketing efforts are similar to those of CLECs. We use door to door
	22		premises selling, outbound telemarketing, mass market and online advertising. Many of
	23		SBC Missouri's marketing efforts, such as advertising and direct mail, are statewide -

they are designed to meet customer needs regardless of where their site is located. 1 Many businesses have locations both in St. Louis and Kansas City as well as in other 2 3 exchanges throughout the state. In my experience, business customers prefer uniform pricing throughout the state, rather than having to keep track of different rates for St. 4 5 Louis, Springfield, Cape Girardeau, etc. Customers want choices that extend to all locations where they do business. If the Commission permits SBC Missouri to have 6 7 competitive classification statewide, it will examine how to apply these classification's benefits. SBC Missouri wants the same flexibility its competitors have. 8

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# Q. HOW ARE SBC MISSOURI'S COMPETITORS REGULATED AND WHAT ARE THE IMPLICATIONS?

A. CLECs are classified as competitive and all the services they sell are competitively classified. With a competitive carrier classification, CLECs are able to change their prices (up or down) on short notice to the Commission without the need of providing cost support for the change. In short they have the ability to respond to market dynamics more rapidly than does SBC Missouri. Because evidence of effective competition exists statewide, the Commission should permit SBC Missouri to have the same flexibility to meet the needs of its customers or its potential customers.

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# 20 CONCLUSION

# Q. ARE THERE ALTERNATIVE PROVIDERS OFFERING FUNCTIONALLY EQUIVALENT OR SUBSTITUTABLE SERVICES FOR SBC MISSOURI'S BASIC ACCESS LINE SERVICES, THE ASSOCIATED LINE-RELATED

<u> </u>	1		SERVICES, HIGH CAPACITY EXCHANGE ACCESS SERVICES AND
	2		PLEXAR?
	3	A	Yes. My testimony has demonstrated that there are numerous providers offering
	4		functionally equivalent and substitutable services for SBC Missouri's business services.
	5		
	6	Q.	DO THESE COMPETITORS PROVIDE THESE SERVICES AT
	7		COMPARABLE RATES, TERMS AND CONDITIONS?
	8	А.	Yes.
	9		
	10	Q.	WHAT CLOSING REMARKS SUM UP THE FURPOSE OF YOUR
	11		TESTIMONY?
	12	А.	To sum:
	13		• Expanding competitive classification for business services to all exchanges
	1-;		statewide is consistent with the competitive landscape.
	15		<ul> <li>SBC Missouri's competitors adjust prices to meet customer needs without</li> </ul>
	16		regulatory constraint. Their price adjustments are neither tied to an index nor
	17		limited to a certain percentage increase per year and nor should SBC Missouri's
	18		be tied.
	19		The pricing constraints placed on SBC Missouri limit our ability to price
	20		services in response to the market. Structuring new pricing plans that can differ
	21		from SBC Missouri's existing rate structure gives CLECs considerable
	22		marketing advantages over SBC Missouri. Giving SBC Missouri the same

1		ability to structure new pricing plans on business access services will provide
2		Missouri business customers with more choices.
3		<ul> <li>Customers are looking for a telecommunications provider that provides value to</li> </ul>
4		them in a bundled solution that is easy to evaluate and understand. This value is
5		derived from price and customer service. Customers choose the provider they
6		prefer based on total value proposition.
7		• Customers are sophisticated, know they have choices, and want a provider that
8		can package the needed services at a value everywhere they do business. CLECs
9		bundle the most popular services and aggressively price them statewide.
10		<ul> <li>Missouri customers want packages that eliminate some of the decision making.</li> </ul>
11		They also want a great value. This is what competition provides.
12		• Given expanded competitive classification, SBC Missouri will examine how to
13		modify its prices and product offers to provide more choices and more customer
1.1		focused offers.
15		The Commission should find that SBC Missouri's business access services, line-
16		related services, High Capacity Access Exchange services and Plexar face
17		effective competition and declare them competitive.
18		
19	Q.	DOES THIS CONCLUDE YOUR TESTIMONY?
20	A.	Yes.

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#### **BACKGROUND FOR SYLVIA FERNANDEZ**

#### Q. By whom are you employed and in what position?

 A. I am employed by SBC Management Services Inc. My title is Director-Packaging Simplification.

#### Q. What are your primary responsibilities as Director – Packaging Simplification?

- My primary responsibilities include the strategy and development of new access line bundles, access line package promotions and access line voice purchasing "agreements" for SBC's four main regions: Midwest (Ameritech), West (Pacific), East (Connecticut) and Southwest (including Missouri) as well as in SBC Telecom areas (those markets outside of the incumbent footprint. These bundles or packages typically include:
  - business exchange access line products, such as basic access lines and Primary
     Rate ISDN, central office based services;
  - SBC long distance services; and
  - enhanced services, such as voice messaging, Cingular wireless and unified communications (a converged messaging service that allows the user to retrieve messages and faxes from disparate sources. The service combines email messages, landline voicemail messages, Cingular Wireless voicemail messages, and faxes into one format so the user can receive them all by phone or online.)

 Customer premises equipment (CPE) that complements these business voice services?

#### Q. Please describe your work experience with SBC.

Α.

Schedule 1

I have been employed in various capacities by SBC since 1988, with the majority of my career in business marketing. I started with SBC in St. Louis, Missouri where I lived and worked for nine of the 16 years I have been employed by SBC.

I have held my current position as Director-Packaging Simplification since October 2003. From April 2001 to October 2003, I was a Director responsible for developing the overall access line services marketing programs, covering all size business access services and related services such as intraLATA toll, messaging, and ISDN. Prior to April 2001 I served as the Channel Marketing Director and was responsible for creating and executing marketing programs specifically targeted at small businesses. In addition, I have held a variety of marketing positions in the company, such as, Market Research analyst, Small Business Market Manager, and Product Manager for access line voice CPE and DSL.

#### Q. Please describe your educational background.

- A. I hold both a Bachelor of Business Administration and Master of Business Administration degree from St. Mary's University, San Antonio, Texas. I have also completed several telecommunications and marketing courses over the past 16 years including at Northwestern's Kellogg School of Management.
- Q. Have you previously testified before the Missouri Public Service Commission (Commission)?
- A. Yes, in August 2001. The case was TO-2001-467 pertaining to SBC Missouri's application for competitive classification. I was a witness representing basic voice services for business.

#### SOUTHWESTERN BELL TELEPHONE, L.P., D/B/A SBC MISSOURI Business Product Descriptions

#### SWB offers the following basic business services.

<u>Business Access Line (BAL)</u> is a line that provides business customers the ability to make and receive telephone calls. These lines can be used to make voice telephone calls or to transmit data to or from the public switched network. Access lines are sold individually or can be set up with multiple access lines that "hunt." The hunting feature enables a call to "roll over" to the next available line when the called line is busy.

Customers may opt to purchase flat rate BALs where all the local usage is included in the monthly charge, or they may purchase measured BALs where local usage may be charged for outgoing calls based on call duration, time of day and distance. Additionally, message rate service is available in some areas. Customers who purchase message rate service are charged on a per call basis. Both measured and message rate customers pay a small monthly recurring fee in addition to applicable usage fees.

<u>Reserve Line</u> is a measured BAL that provides flat rate business customers with a lower cost additional access line. Reserve Line is a way for a small business with one to four telephone lines to add a business line without having to pay the full cost of a regular line. Because Reserve Line is a measured service, customers pay a low monthly recurring rate and pay for the minutes used each month. BALs, Measured BALs, Reserve Line can be used to make voice telephone calls or to transmit data to or from the public switched telephone network (PSTN). Optional features can be added to access lines to increase their functionality. These features are often referred to as Call Management Features or Vertical Features. Examples include Caller ID, Call Forwarding and Call Return. The Vertical Features will be described in more detail later.

<u>Analog Trunks/ MultiLine Service</u> allow for connection from the central office to a Private Branch Exchange (PBX) or "key system" located on the customer's premise. A PBX is customer owned and managed equipment (customer premises equipment or CPE) that acts as a switch - providing the connectivity for inbound and outbound calls to the public switched network (PSTN). A key system is similar to a PBX, but is designed for smaller customers. Key systems typically come in fixed configurations (such as eight lines in and sixteen user stations, to give one example). The customer selects the number of serving trunks that are required to provide the desired grade and volume of service. Trunks can be set up in hunting and have some network "vertical services" or "Custom Calling Features" available.

<u>Direct Inward Dialing (DID)</u> - DID trunks are trunks from the Central Office (CO) that pass the digits of the dialed DID number to the PBX or key system (with the standardized signal) which number was dialed by the caller. The PBX or key system than directs the call to the corresponding station.

Digital Loop Service provides customers with digital access to and from the PSTN for circuit switch "voice" and circuit switched "data." This service is delivered on a DS1 facility and provides up to 24 line terminations. Each digital loop arrangement can contact both direct inward dialing (DID) and Non -DID line terminations.

<u>SuperTrunks</u> offer a direct T1 connection from SWB's digital switch to the customers' premises as an option of Digital Loop Service. Each SuperTrunk provides 24 exchange channels and will allow all channels to receive and make calls. However, SuperTrunks do not allow for line side features such as Caller ID. PBXs with direct connect capability are what is generally used with Super Trunks.

<u>Access Advantage Plus ( $\Delta A$ +)</u> is a high-capacity line, which provides 24 channels to connect the customer business variety of telecommunications services, all through a single circuit (DS1). With AA+, customers are able to make calls, fax, access email and Internet, and transport data - all over one conduit connecting to our Central Office. Equipment the customer needs to provide includes: CSU/DSU, 1/0 multiplexer, D4 channel bank, and router. The D4 channel bank is required to retain any line-side Custom Calling Features or "Vertical Services" such as Call Waiting, Call Return, or Three-way Calling.

<u>Plexar®/Centrex</u> is a central office based communications system, which allows business customers to use SBC Missouri's central office technology instead of purchasing their own switching equipment. The industry often refers to this service as "Centrex".

Plexar service provides basic call processing capabilities, such as call hold, call transfer, and three-way calling. Additionally, some Plexar services also offer advanced voice and data call handling, such as Basic Rate Interface (BRI) and Integrated Service Digital Network capabilities (ISDN). Today, there are multiple vendors in Missouri offering PBX equipment and key systems that are comparable to Plexar service. SBC Missouri offers four Plexar offerings:

#### SOUTHWESTERN BELL TELEPHONE, L.P., D/B/A SBC MISSOURI Business Product Descriptions

Plexar®-I is a communications system arrangement for business customers that combines two or more individual local exchange access lines into a Plexar-I group. This service offers the small business market an alternative to key telephone service using standard telephone sets with touch-tone.

Plexar® Express is a communications system for small and medium sized business customers that offers a standard and optional feature array comparable to a Key Telephone System (KTS) or a small Private Branch Exchange (PBX) system. Plexar Express stations are designed for each user at the business location based on the needs of the customer's business.

Plexar®-II is a business communications system that offers standard and optional features comparable to most mediumsized KTS and PBX systems. Plexar-II stations are designed for each user at the business location based on needs of the customers business. Plexar-II has a wide variety of optional features available, including Automatic Call Distributor (ACD) and Basic Rate Interface Integrated Service Digital Network (ISDN) to meet any size customer's needs.

Plexar-Custom is a communications system that is comparable to a state-of-the-art PBX system. The minimum station size is 75 or more stations within any serving central office. Plexar-Custom stations are designed for each user at the business location based on the needs of the business. Further, Plexar-Custom like PBX has a wide variety of optional features available, including ACD, Station Message Detail Recording (SMDR) and BRI, to meet any size customer's needs. Plexar Custom prices are developed using the Customer Specific Pricing (CSP) process.

SBC Missouri also offers a variety of line-related services or "vertical services." In Missouri they are also referred to as EasyOptions® Services. These services can be added to an existing business line to give the customer more "utility" out of the line. These services may be purchased individually or as part of a "package" of other services. These products include:

Call Waiting - Alerts a customer using their telephone that another caller is trying to reach them.

<u>Call Waiting ID</u> - Displays name and/or number of additional caller when a customer is already on a telephone call. Must have compatible CPE (Customer Provided Equipment).

Call Waiting ID Options - Using compatible CPE, a customer can choose how to handle an additional telephone call:

- Provide caller with a busy announcement
- Forward the call to a "wait a minute" or "call me back" message
- Route the new call to a voice mailbox (must subscribe to voice mail)
- Allow the new caller to join the conversation in progress.

Call Forwarding - Customer can transfer all incoming calls to another telephone number.

Three-way calling - Customer can add a third party to an existing call without operator assistance.

<u>Speed Calling</u> - (Classified as competitive effective May 14, 1993.) Customer can place calls to other telephone numbers by dialing a code rather than a complete telephone number. Speed Call 30 (residence) and Speed Call 8 (business) have been grandfathered to existing customers in Missouri.

<u>Call Return</u> - Customer can automatically redial the telephone number of the last incoming call. If returned number is busy, the telephone company's equipment keeps trying to call the number being redialed for a maximum of 30 minutes in order to establish the call.

Auto Redial - Customer can redial the last outgoing telephone number. If recalled number is busy, SBC Missouri equipment will keep trying to call the number for a maximum of 30 minutes.

<u>Priority Call</u> - Provides the customer with a distinctive ring or call waiting tone when the customer is being called from preselected telephone numbers. The customer can construct and modify a list of pre-selected numbers by dialing a unique code.

<u>Call Blocker</u> - Customer can block calls from pre-selected telephone numbers and/or the last incoming call. The customer builds a screening list and can add numbers by entering a code.

<u>Call Trace</u> - Enables customer to initiate a trace of the origin of the last incoming call by dialing an activation call. SBC Missouri equipment will record incoming call information.



#### SOUTHWESTERN BELL TELEPHONE, L.P., D/B/A SBC MISSOURI Business Product Descriptions

Selective Call Forwarding - Enables the customer to forward incoming calls from pre-selected telephone numbers to another telephone number. The customer can construct and modify a list of pre-selected telephone numbers by dialing an activation code.

Simultaneous Call Forwarding - Gives the customer the ability to forward multiple incoming calls simultaneously to another telephone number designated by the customer.

<u>Call Forwarding – Busy Line</u> -When the customer's phone is busy, incoming calls are forwarded to another telephone number designated by the customer.

<u>Call Forwarding – Don't Answer</u> - Allows incoming calls that are not answered after a pre-determined number of rings to be automatically forwarded to a pre-designated telephone number.

<u>Call Forwarding – Busy Line/Don't Answer</u> - Allows incoming calls that encounter a busy condition or are not answered after a pre-determined number of rings to be automatically forwarded to a pre-designated telephone number.

<u>Remote Access to Call Forwarding</u> - Provides a customer that subscribes to Call Forwarding service the ability to activate/deactivate, or change the Call Forwarding feature from a remote location by dialing a remote access number provided by SBC Missouri.

<u>Personalized Ring</u> - Allows a customer to establish up to three telephone numbers on the same local exchange access line and distinguish calls to each number by a distinctive ring.

Caller ID Service (two types)

- Calling Number Delivery Provides customer with Calling Party Number (CPN) that can be read and shown by compatible CPE.
- Calling Name Delivery Provides the name associated with CPN to customer, and can be read by compatible CPE.

Anonymous Call Rejection - Allows the customer to automatically reject calls that have been blocked or marked anonymous by the calling party.

<u>Call Transfer Disconnect</u> - Enables the customer to add another line to an established call, creating a three-way call. The subscriber may then disconnect from the three-way call, freeing their line and allowing the remaining two parties' conversation to continue.

<u>Privacy Manager</u> - Allows the customer to intercept incoming calls that are identified as anonymous, out-of-area, unavailable, or private before the telephone rings. The caller is played a recording that indicates the number they have dialed does not accept calls from unidentified telephone numbers. At the tone, the caller is asked to record his name or the company he represents. If the caller complies, the call is completed. If not, the call is disconnected.

Internet Caller ID Service - Allows the customer to be notified of an incoming call via a pop-up dialog box on their personal computer while logged on to the Internet.

#### SBC Missouri also offers a variety of local service bundles including

<u>Custom BizSaver<sup>sm</sup> Package</u> - is a product grouping designed for small businesses that allows customers to customize a telecommunications solution with unlimited local access and calling features. Custom BizSaver<sup>SM</sup> Package lets customers subscribe to up to 10 business access lines at discounted flat rates. Choose from a combination of the following useful features: Call Waiting, Call Forwarding, Three-Way Calling, Call Return, and Caller ID Name and Number. (Actual features included depend on the package you select.) Minimum requirements are either one Flat-line or one Multi-line bundle on the primary line and a term agreement. Term plans of 12-, 24-, or 36-month.

<u>Business Solutions</u> – customizable, money-savings package complete with essential business features and a wide variety of options designed to handle customers' specific telecommunications requirements.

Features

- Multiple Business Access Lines deliver comprehensive call coverage and accessibility for your customers.
  - Each package includes features such as Call Forwarding and Remote Access to Call Forwarding to help customers manage calls.





#### SOUTHWESTERN BELL TELEPHONE, L.P., D/B/A SBC MISSOURI Business Product Descriptions

- Caller ID available with Business Preferred, lets customers know who is calling before customers answer the line.
- Never miss an opportunity to speak with a customer with CallNotes® voicemail.
- InLine® wire maintenance plans help protect you against unexpected repair expense.
- Discounts off tariff for 1 year verbal agreement

Business Preferred - the mtm 8 feature discount package includes:

- Caller ID Name/Number
- Call Forwarding
- Remote Access to Call Forwarding
- Three-Way Calling
- Auto Redial
- Priority Call
- Call Return
- Call Waiting

Business Essentials - the mtm 4 feature discount package includes:

- Call Forwarding
- Remote Access to Call Forwarding
- Three-Way Calling
- PLUS one feature of your choice from the following list:
  - o Anonymous Call Rejection
  - Auto Redial
  - o Call Blocker
  - Call Return
  - o Call Waiting
  - Personalized Ring 1st Ring
  - Priority Call
  - o Selective Call Forwarding
  - Speed Calling 8 (not available in Missouri or Kansas)
  - o Speed Calling 30

#### SBC Missouri also offers Integrated Services Digital Network (ISDN) based services.

ISDN (Integrated Services Digital Network) is an architecture that maximizes the transmission capability of existing copper wires, letting customers send both voice and data over a single twisted pair connection. Used for telecommuting, screen sharing, desktop video conferencing, large file transfer and Internet access. ISDN has two interfaces. They include Basic Rate ISDN (BRI) and Primary Rate ISDN (PRI).

Digiline Service<sup>®</sup> is a BRI ISDN service which offers two 64 Kilo bits per second (Kbps) B channels and one 16 Kbps D channel. One or both B channels may be configured for circuit switching or packet switching. Calls over a B channel configured for circuit switching may be either voice or data. The D channel carry out of band signaling for the B channel(s) and may also be configured for packet switching. DigiLine, when configured for circuit switching, provides access to and from the PSTN. DigiLine, when configured for packet switching, provides access to SWB's Public Packet Switched Network (PPSN) -- often referred to as the Internet cloud.

<u>SmartTrunk<sup>sm</sup> Service</u> provides access to and from the PSTN for circuit switched voice (CVS) and circuit switched data (CSD) communications via a PRI interface. SmartTrunk can also be configured to provide packet switched data (PSD) capability. This capability provides access to SBC Missouri's PPSN or the Internet cloud. SmartTrunk employs a 1.544 Mbps facility divided into 23 B channels and one D channel. B channels are used for voice and data communications while the D channel provides out-of-band signaling.

<u>SelectData®</u> is an inbound-calling-only service, which provides ISDN PRI functionality for digital data transport and/or analog modem calls (voice grade), on a single channel basis. Individual calls may be received at transmission speeds up to 64 Kbps. Outbound calls may not be placed with SelectData service.





#### SOUTHWESTERN BELL TELEPHONE, L.P., D/B/A SBC MISSOURI Business Product Descriptions

<u>SelectVideo@ Plus</u> is an intraLATA dial-up multi-rate switched digital data service provisioned via a fully configured PRI interface. SelectVideo Plus will provide digital connections ranging from 64 Kbps to 1536 Kbps (synchronous) in 64 Kbps increments of bandwidth via the PSTN. The specific rate is user-selectable on a per call basis.

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Fernandez - Schedule 3

P.S.C. Mo.- No. 41

No Supplement to this tariff will be issued except for the purpose of canceling this tariff.

Integrated Services Tariff Section 2 2nd Revised Sheet 6.04 Replacing 1st Revised Sheet 6.04

#### SMARTTRUNK<sup>SM</sup>

#### 2.13 PROMOTIONAL RATES (cont'd)

D. SmartTrunk<sup>SM</sup> Promotion – May Day II

(CT)

(CT)

A promotional period will begin July 1, 2004 and end December 30, 2004 for eligible business customers who order SmartTrunk Service and who commit to a 12-, 24- or 36-month Service Term. Business customers who order new SmartTrunk Service, or who renew SmartTrunk contracts which expire during the promotional period, or who add additional Interfaces and/or Ports to their existing SmartTrunk Service will receive a discounted monthly rate on the SmartTrunk Interface(s), as well as for the B Channel Circuit Switched Voice/Circuit Switched Data Transport Business Trunk Equivalent Flat Rate Usage. Customers may optionally add Calling Information Delivery and/or 100 number Direct Inward Dial (DID) Calling Blocks to the above mentioned orders, and receive a discount on monthly rates for those services as well. Port-only orders are eligible for discounts on the B-Channels, CLID and DID, however for these types of orders the SmartTrunk Port rate itself will not be discounted. Customers who are converting existing contracts to longer service term periods are not eligible. Promotional rates are as follow:

Product Name	<u>USOC</u>	<u>12-Mo</u>	12-Month Term 24-		24-Month Term		<u>h Term</u>
		<u>Initial</u>	Renewal	<u>Initial</u>	<u>Renewal</u>	<u>Initial</u>	<u>Renewal</u>
PRI Interface	1ZZUB	\$510.00	\$390.00	\$488.75	\$368.75	\$475.00	\$365.00
PRI Port	1ZZU5	480.00	360.00	390.00	300.00	355.00	275.00
CSV/CSD Transport							
Flat Rate Usage,							
per B-Channel	1ZZU6	14.50	14.50	13.25	13.25	13.00	13.00
Optional Caller ID	ZVN	10.00	10.00	10.00	10.00	10.00	10.00
Optional DID 100							
Block	1ZZQ8	10.00	10.00	10.00	10.00	10.00	10.00

These discounted rates will apply for the duration of the Service Term commitment. Additionally, all associated nonrecurring Installation Charges as set forth in this and other applicable tariffs will be waived for qualifying orders placed during this promotional period. Service must be installed by February 28, 2005.

In the event of early termination of this service as provided under the 12-, 24- or 36-month Service Term, the customer will be liable for any and all waived Installation Charges, in addition to termination charges as set forth in this and other applicable tariffs.

Issued: June 1, 2004

Effective: July 1, 2004

By CINDY BRINKLEY, President-SBC Missouri Southwestern Bell Telephone, L.P., d/b/a SBC Missouri St. Louis, Missouri

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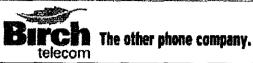
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## Customer service

lonex customers, please cell (800) 860-8401; all others, (888) 772-4724,

SEARCH Sito Cr

#### About Birch

Residential service

**Business** products Sales offices

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News

Job openings

Agent program

**Business** relations Terms of service

#### Existing St CUSTOMERS

» Account migration

- » BirchMail (voice mail)
- » EfirchNet VPN
- » Customer service
- View your bill
- » Meke a payment.
- » Get eineil
- » Manage your site
- » Merger info

## **Products & Services**

## 时在日本中省公司运行

Integrated services

 Satisfaction buildanteer We're so sure you'll be happy with our service that we quarantee it.

delivered over a dedicated T-1 connection.



Complete our to 2 ingen g have à sales specialist contact you.

Call our töll-free number: (866) 347-3843

Or, give the nearest See a call.

#### Voice: One-line businesses

· the Interneting SM

 Smartti. Small business essentials with big value for one-line businesses.

An integrated local, long-distance and high-speed Internet service

#### Voice: Multiple-line businesses

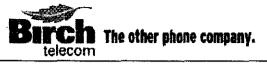
- ARTEN A RUBBLE VOMER & COMORD Customize your 3 Feature Value Package package with the features you want most.
- Never that the Velle 1 have
- Maximize productivity and value with the package.
- Sinch Leng Distance

Make long-distance calls any time, any day for a low, flat rate.

INTERESTED?

St. Sugar

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Customers, please call (800) 860-8401; all others, (888) 772-4724.

## SEARCH

#### About Birch

Residential service Business products Sales offloes Contact us News Job openings Agent program Business relations Terms of service

## Existing

» Account miarstion

- » <u>BirchMail</u> (volce mail)
- BirchNet VPN
   Customer service
- \* View your bill
- Make a payment
- × Get email
- » Manage vour site
- » Merger into



## **Products & Services**

#### STREET, Solo Street

Integrated service

 <u>Satisfactory titratenteen</u> We're so sure you'll be happy with our service that we guarantee it.



# INTERESTED?

Complete our

have a sales specialist contact you.

Call our toll-free number: (866) 347-3843

Or, give the nearest a call.

# An integrated local, long-distance and high-speed Internet service delivered over a dedicated T-1 connection.

#### ► Volce: One-line businesses

• Mr. M. Graton SM

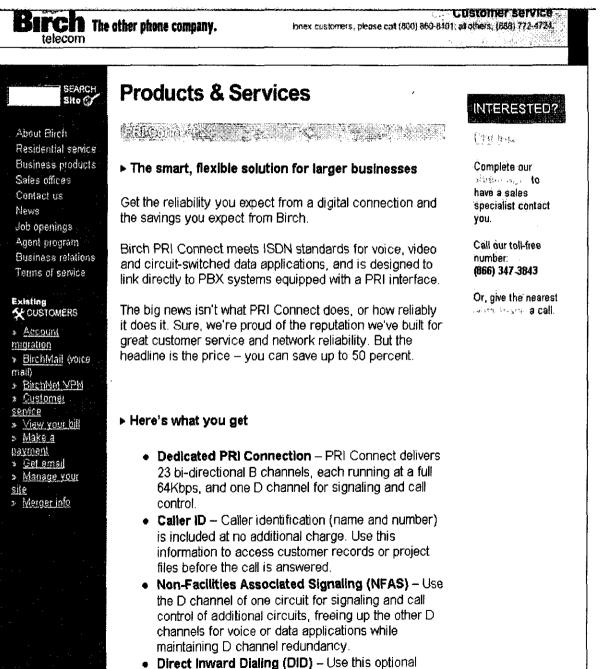
• Specify

Small business essentials with big value for one-line businesses.

#### ► Voice: Multiple-line businesses

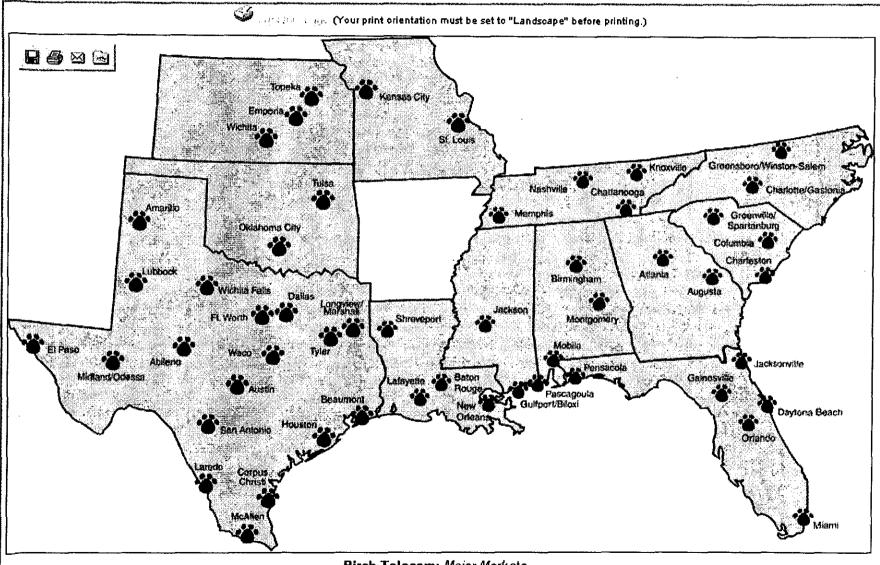
- Iprep + camp Value Package
   Customize your 3 Feature Value Package package with the features you want most.
- · Seven & many to Value Frickan
- Maximize productivity and value with the package.
- <u>thigh Large Distance</u>
   Make long-distance calls any time, any day for a low, flat rate.





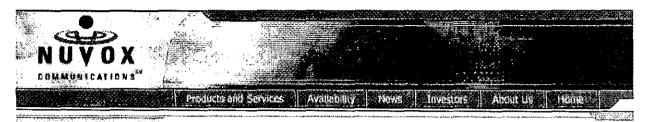
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#### Birch Telecom: Major Markets

Sign



## Voice Services 💌

#### ISDN-PRI

Toll Services CompleteVoice Pius •

#### Overview

Features and Benefits

Market Availability

Contact Us

Voice Mail

CompleteVoice Plus Features and Benefits

CompleteVoice Plus offers the following features via Business Lines or Trunk Services:

#### Local Service

- Business Line Service offers robust calling features
- Trunk Services provide DID, DOD or two-way transmissions
- Features available at an additional cost.
  - NuVox Voice Mall offers a broad range of messaging features to enhance your business communications capabilities.
  - Remote Listing Service provides callers with a local number that may be forwarded to your business location.

#### Long Distance

- Outbound and inbound services enable you to call anywhere in the world
- 200 minutes of long distance per line per month (includes interstate, intrastate, local toll and 8XX calls - calling card and international calls are not included)
- Calling cards make it possible to call long distance from any location in the U.S., at any time of day
- Account codes allow you to track long distance billing information

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NUVOX		
COMMUNICATIONS		
	Products and Services Availability News Investors About Us	Home
	ISDN-PRI Features and Benefits	Sign-up for Service
Voice Services 🔹	ISUN-FRI Features and benefits	aiðinah let asialai
ISDN-PRI *	Standard Service Features	
Overview	where	
Features and Benefits	• 23 "B" and "D" service	
Market Availability	<ul> <li>Simple flat rate pricing in most areas</li> </ul>	
Contact Us	<ul> <li>Includes port, interface and channels</li> </ul>	

· Sales

 Calling Name and Number Delivery Interface delivers calling party telephone number and/or listed name (where technically available) to the called party

-

- Dynamic Channel Allocation enables a customer to designate the quantity of call types
- Dialed Number Identification Service (DNIS) provides the PBX/ACD with the toll-free telephone number that was dialed by the caller

#### Optional Service Features

**CompleteVoice Plus** 

Voice Mail

- Backup "D" channel enhances survivability when three or more ISDN PRIs share a "D" channel
- Direct Inward Dialing (DID) provides direct access to extension numbers
- OID Numbers available

NuVox Communications, Inc. 2001

Legal Notices



NUYOX		
	Products and Services Availability News Investors About Us Home	
oloe Services 👻	Market Availability	Sign-up for Service
DN-PRI oll Services	NuVox offers service for this product in the following markets:	
mpleteVoice Plus *		
Overview	Akron, OH.	
Features and Benefits	Atlanta, GA.	
Market Availability	Charleston, SC.	
Contact Us	<ul> <li>Charlotte, NC.</li> <li>Cincinnati, OH.</li> </ul>	
ice Mail	<ul> <li>Columbia, SC.</li> </ul>	
	<ul> <li>Columbus, OH.</li> <li>Dayton, OH.</li> <li>Oreensboro, NC.</li> <li>Greenville, SC.</li> <li>Indianapolis, IN.</li> <li>Jacksonville, FL.</li> <li>Kansas City, MO.</li> <li>Knoxville, TN.</li> <li>Lexington, KY.</li> <li>Little Rock, AR.</li> <li>Louisville, KY.</li> <li>Miami / Ft. Lauderdale FL.</li> <li>Nashville, TN.</li> <li>Oklahoma City, OK.</li> <li>Raleigh, NC.</li> <li>Springfield, MO.</li> <li>Tulsa, OK.</li> <li>Wichita, KS.</li> <li>Wilmington, NC.</li> </ul>	





## Market Availability

#### Overview

FLEXUNX \*

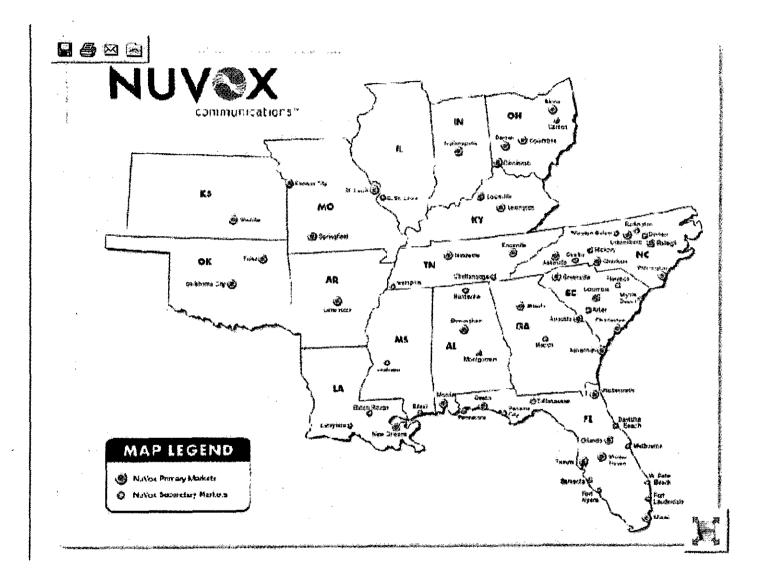
Features and Benefits

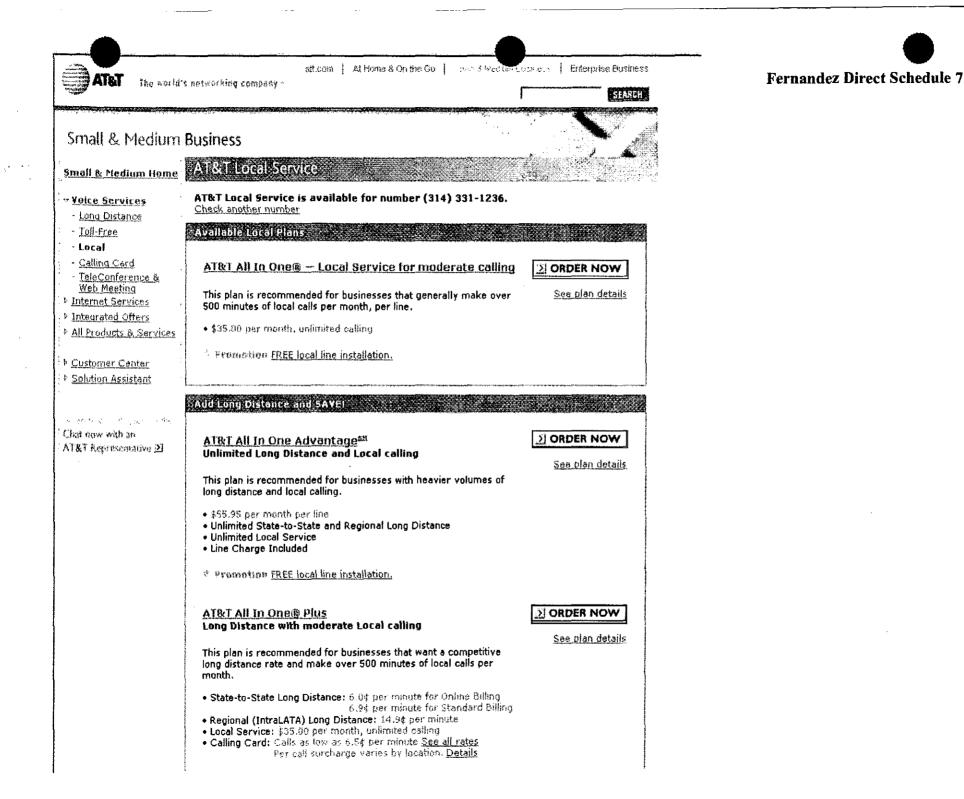
Market Availability \*

Contact Us

NuVox offers service for this product in the following markets:

- Akron, OH.
- Atlanta, GA.
- Charleston, SC.
- Charlotte, NC.
- Cincinnati, OH.
- · Columbia, SC.
- Columbus, OH.
- · Dayton, OH.
- Greensboro, NC.
- Greenville, SC.
- Indianapolis, IN.
- Jacksonville, FL.
- Kansas City, MO.
- · Knoxville, TN.
- Lexington, KY.
- · Little Rock, AR.
- Louisville, KY.
- Miami / Ft. Lauderdale FL
- Nashville, TN
- Oklahoma City, OK.
- Raleigh, NC.
- Springfield, MO.
- St. Louis, MO.
- Tuisa, OK
- Wichita, KS.
- · Wilmington, NC.







ENTERPRISE BUSINESS:	SERVICE PORTFOLIOS   INSIGHT & NEWS   CUSTOMER CENTER
	AT&T ISDN Primary Rate Interface

#### SERVICE PORTFOLIOS

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AT&T ISDN Primary Rate Interface supports your the high-volume transmission needs of your business by utilizing high-capacity, dedicated T1.5 lines. The key feature of the ISDN PRI is the use of out-of-band message-oriented signaling, carried in a separate digital channel (D-channel). The D channel is also responsible for much of the intelligence and flexibility of ISDN. The type of information transmitted by the D channel includes information about the caller, such as the caller's telephone number, or information about the call itself, such as what service is to be used for the call, and a call completion indicator.

#### FEATURES & BENEFITS

Provide access to a wide range of services

- Allows for customized call handling
- Establishes temporary signaling connections to create an ISDN Distributed Communications System, networking a company's PBXs

OPTIONS TO BE SERVICE OF STREET

• AT&T Information Forwarding Service II (INFO-2)

#### 

AT&T ISDN Primary Rate Interface requires customization and tailoring to your environment. For further information, you can contact an AT&T representative by calling 1-800-222-0400.

#### Request Additional Information

Send us your questions/comments about this service.

#### Related Products

AT&T Switched Digital Services

AT&T Video Gateway Service

AT&T Executive Video Conferencing Service

AT&T Toll-Free Multimedia Service

#### Customer Testimonials

ARGI

Douglas County School System

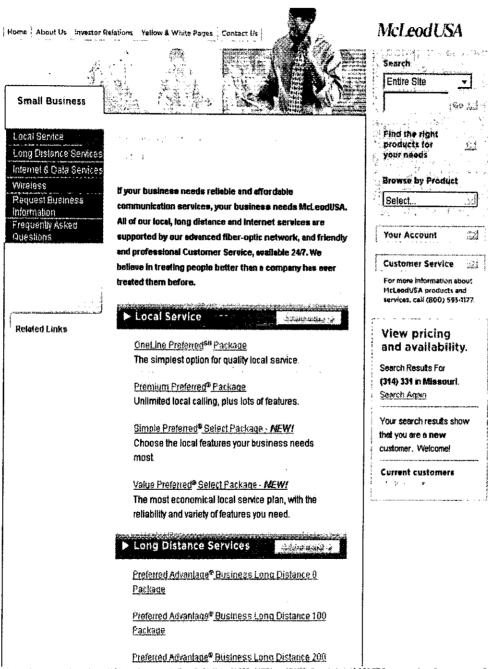
#### Additional Resources

Video Conferencing Solution Finder

Business Applications Using ISDN -

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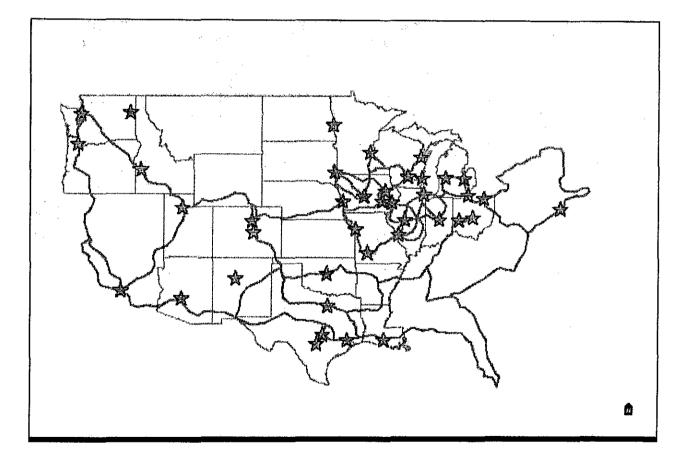




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# The McLeodUSA' Network





\* Business Home

FADs

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Local and Long Distance

Check Pricing & Availability

" MCI Business Complete

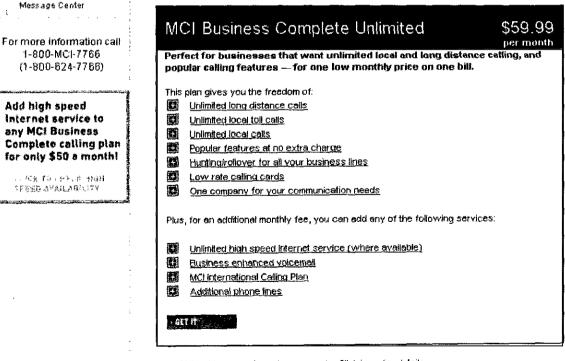
Features & Benefits

## Your Phone Number (314) 331-1236 is Available for MCI Business Complete

MCI Business Complete offers plans to fit every business need. Whether you make a lot of long distance calls, need high speed internet access, or just want the convenience of one bill for everything, we have something for every business.

If the phone number above is not the correct number, <u>click here</u> to go back and re-enter a different phone number.

Choose the Plan that is Right For Your Business



Additional taxes and surcharges apply. Click here for details.

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MCI	Home	Products	News	Aboul MCI	Company Values	Customer Service	
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		Local IS	DN-P	RI			Contact Ua

Local Integrated Services Digital Network/Primary Rate Interface (ISDN-PRI) provides a high-speed, intelligent connection to the MCI network. Local ISDN-PRI supports voice, data, video, and applications such as internet Access, Remote LAN Access, Call Centers, Disaster Recovery, and File Transfer. This service supports simultaneous voice and digital data calls over an industry standard primary rate interface T1 (1.544 Mbps).

#### Which Businesses Can Use Local ISDN-PRI?

Local ISDN-PRI is ideal for:

- Medium to Large Size Business customers
- Customers needing clear 64 Kbps for faster call setup for voice/data or video.

#### Why Local ISDN-PRI?

- Flexibility. Local, long distance, voice, and digital data calls are provided over the same T1 connection. Customers can also establish high-speed digital connectivity instantly. Local ISDN-PRI provides bandwidth when you need it and connectivity where you need it.
- Faster call setup. A separate high-speed signaling channel means callers receive faster call setup.
- Trunking efficiency. The faster call setup and ability to support multiple call types can result in a significant reduction in the number of trunks required.
- The power of information. The ability to receive Caller ID information on inbound calls makes Local ISDN-PRI ideal for Call Center applications. Local ISDN-PRI allows you to access account information and serve your customers more efficiently.
- Low rates. Competitive local service rates and discount plans are available. MCI long distance calls made on Local ISDN-PRI receive the benefits of on-net pricing.
- Enhanced features. These help businesses operate more effectively and efficiently. These features include:
  - O Non-Facilities Associated Signaling (NFAS), NFAS is the ability to have a D-channel on one PRI to provide the signaling and control of other PRIs. This allows the other PRIs to utilize all 24 of the B-channels for traffic.
  - O Backup D-Channel. When utilizing NFAS, it's important to realize that the failure of the D-channel will result in failure of all PRIs controlled by that D-channel. The backup D-channel provides customers with the mechanism to automatically switch over from the primary D-channel to the backup D-channel if the active D-channel fails
  - O Caller ID. Provides customers with the calling information of inbound calls. The customer CPE must be properly equipped to view this information.

Voice
 Local
 Business Lines
 Trunks
 Full Service T1
 Local ISDN PRI
 Outbound Long Distance
 Calling Cards
 Toll Free
 Conferencing
 SkyTet Wireless Services
 Octaet Center Services
 MCI Advantage

Managed Services

- Internet
- > Dota
- , Sotellite
- Government Services
- Wholesale Services
- All Products
- Partner Center
- Resource Center
- Manage My Account
- Customer Service
- · Contact Us



Transform your phone into a professional answering service that answers calls and records messages around the clock with digital clarity.

PCS\* Service from Sprint

Sprint Business

. . . . . . Welcome

Landline Phone

Networking

internet & iP

Size Introduction

Small

Medium

Enterprise

Special Offers

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Solutions by industry

Wireless Phone Conferencing

Solutions by Business

Small Office Home Office

How Sprint Helps Business

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\$ 56'9E \$ 66'7E

36.95

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Pricing above represents competitor's advertised pricing. \$ 00'5E \$ 00 65

Yeation highlighted areas represent a lower price than SBC; gray represents service not available or not included in package

«Yonage business offers include a "tree" fax time with each business account. Yonage prices are highlighted because they include that "frae" fax lime. Yonage service requires a broadband connection.

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-Quicking services TATA weiv of woled july ee? \*\*

east with MRC (MRC) promotion gives a 5% discount for a 1 yr. barm; 10% for a 2 yr. barm and 15% for a 3 yr. barm.

\*\*\*\*CM \$4'00'CE \$3'00' CLA \$4'00' 3MC \$4'00' CED \$2'00' CE \$2'00' AM \$9'20

## **Unlimited Bundles**

#### Advertised Offers

				Sprint Complete	Vonage***	the strengt
Product	Advantage (No Term)	Advamage	Unlimited <sup>ate</sup>	Sense for Business (No Term)	Vole	SBC (1 Yr Term)
Local Service:	SCHOOL STRUCTURE ALL ADDRESS					A Service and the service of the ser
Access	Included	Included	Included	Included	Included	Included
Local Calling	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Long Distance:						
Bundled Long-Distance	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Custom Features:				"Premium"		
Caller ID			Included	Included		
Caller ID w/Name					Included	
Caller ID Block			<del></del> ,		Included	
Call Waiting	Included	Included	Included	Included	Included	Included
Call Forward	Included	Included	Included	Included	Included	Included
Call Forward - NA/Bsy	Included	Included				······································
Auto Callback	ەن ئەر يېلىرى ئەر يېلىرى			- <sup>4</sup>	included	Included
Call Screen						
Call Transfer		. 19 			Included	
3-Way Calling	Included	Included	Included	Included	Included	Included
Speed Calling	Included	Included	Included	Included		
Repeat Dial					Included	
Toll Restriction		11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1				
Voice Mail			·····	Included	included	1 H
MO	\$55.95	\$52.95	\$59.99	\$54.00	\$49.99	\$48.9

10/25/2004

\*\*MCI offers 5, 10, and 15% discount on 1, 2, and 3 year term contracts respectively

\*\*Vonage includes one free fax line with each business account; prices highlighted due to free second line. Prices however, do NOT include broadband connection fee Gray areas represent service not available or not included in package Fernandez Schedule 11



Ta:

Phone: Fax:

Fram: Phone: Fax:

Date and Time of transmission: Monday, November 24, 2003 12:38:44 PM

Number of pages including this cover: 05

It was a pleasure speaking to you about the many advantages of MCI. As we decussed, attached is the information outlining the features and benefits MCI affers.

Fappreciate your time, and look forward to speaking with you.

Sincarely.



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Thank you for your interest in MCI Business Completer Unlimited 1 enjoyed speaking with you about service options from MCI<sup>a</sup>, and discussing all the ways that we can meet your business communications needs.

The details of the service that we discussed are shown in writing below. Please take a few moments to review the information. I believe you will find it to be valuable. I'll call you in a few days to answer any questions that our may have about this and any of our other services.

Sincerely,

Your Sales Representative

#### We Have Solutions to Help Grow Your Business

Simplify your Small Business telecommunication needs with MCI Business Complete Unlimited. Get unlimited local and maintowide long distance calling from the office for the low charge of \$59.99 per month for your primary line. Plus, you'll get great features like Call Waiting, Caller ID, Call Featured line, Three-Way Calling and Speed Dial 8 on your primary line at no additional charget

With MCI Business Complete Unlimited, you'll enjoy:

- Unlimited local and long distance calling every month. No time of day restrictions, No distinction between local, local roll, instate long distance or state to-state calls.
- Our must popular features: Caller ID, Call Waiting, Speed Dial 8, 3-Way Calling, and Call Forwarding are automotically included at no additional charge to you!

#### Now that you have the facts, please look them over. Pil call you soon to discuss this further.

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I enjoyed apeaking with you about acroice options from MCIN, and discussing all the ways that we can meet your lausances communications needs. The details of the service that we discussed are shown in waiting below. Please take a few memories to review the information. I believe you will find it to be valuable. The call you in a few days to answer nor questions that you may have about this and any of our other services.

Sinterely, Year Sules Representative

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#### We Have Solutions to Help Grow Your Business

Simplify your Small lineiness idecomposition areas with MCI Business Complete Advanage.

- Emirated local calling avery month: No time of day respections.
- A flat rate of 60 per minute on state-to-state and instate long distance calls: No aced to warry shout paying high many on your busin and or instance long distance calls.
- Our mons popular features: Caller ID, Call Waiting, Spool Dist 8, 3-Way Calling, and Call Forwarding are assematically included at no additional charge to you?

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Alabama	\$19.99	\$27,99
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Calorado	139.99	\$27.99
Connecticut	1.19,99	\$20.99
District of Columbia	\$34.99	\$21,99
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Firmsta.	\$31.99	\$21.99
Generate	\$39.99	\$29,09
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Indiana	\$39.99	\$24.99
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Thank you for your interest in MCI Business Completer Service. I conject speaking with you about service options from MCI<sup>8</sup>, and discussing all the ways that we can meet your business communications needs.

The details of the service that we discussed are shown in writing below. Please take a few momenta to service the information. I believe you will find it to be valuable. I'll call you in a few days to answer any questions that you may have about this and any of our other services.

Sincerely,

Your Sales Representative

#### We Have Solutions to Help Grow Your Business

Simplify your Soull Husiness relection on needs with MCI Business Complete Service. Whether your business needs high quality relection munications service to keep in touch with customers locally, across the state, throughout the country and even around the world...MCI Business Complete offers a product designed to provide you with great value and savings. Now, you can tely on one company to meet all your needs and have local and long distance services consolidated on one hill?

Sign up today and receive 25% off your local line fees on your first full invoice.\*

#### Now that you have the facts, please look them over. Fil call you soon to discuss this further.

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Fernandez Schedule 12

1-800-211-9430

St. Louis, MO

**ICI Business Complete** 

If the Features you need

Unlimited Local Calling

**Unlimited** Long Distance

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Caller ID

Call Waiting

**Call Forwarding** 

Hunting optional

II the features your

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w monthly rate of

3 Way Calling

Speed Dial

MCI

11/13/2003

A new calling plan designed specifically for small businesses like yours

# Unlimited Local Unlimited Long Distance <u>One Low Price!</u>

# Call today and receive \$30 off!

UNLIMITED CALLING AND FEATURES All of your long distance and local calls and calling features for your business are covered in one low monthly fee of \$59.99.\*

ENJOY \$30 OFF WHEN YOU CALL TODAY Call today and we will give you \$30 off your bill for your first month!

#### VOICEMAIL

The optional voicemail plan provides a way to manage calls when away from the office or on the other line. You can'check messages by phone or on the web. A "Notify Me" feature alerts you to new messages by pager or by e-mail.

#### ONE COMPANY, ONE BILL

MCI Business Complete makes keeping track of expenses easier. All of your local and long distance calls and all the features you need are <u>combined in one detailed statement</u>.

#### EASY SIGN UP

MCi provides two convenient ways to sign up. Call 1-800-211-9430 to speak with a Customer Service Representative or visit us online at <u>www.mci.com/businesscomplete/1</u> and enroll at any time. Sign up by December 28, 2003 and reter to promotion code XM50.

#### 200071

# CALL 1-800-211-9430

WWW.MCI.COM/BUSINESSCOMPLETE/1

#### Birch Telecom of Missouri, Inc.

#### 4. SERVICES (continued)

#### 4.14 Promotions

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From time to time, the Company may elect to offer special promotions to its customers. These promotions will generally consist of a reduced price, a waiver of installation charges, or a free service with a purchase of another service.

Any promotional waiver or discounted rate will apply only one time per customer for each service in any given wire center prefix during the course of the promotional period, subject to prior notification and approval by the Commission.

The Company will provide written notice to the Commission no less than seven (7) days prior to the beginning of each promotion period identifying the promotion and the exchanges within which the promotion will be offered. If facilities permit, all residence and/or business customers will be offered the same opportunity to take advantage of the same terms and conditions under the promotions in which to subscribe to residence or business services.

Issued: January 29, 1999

David E. Scott, President Birch Telecom of Missouri, Inc. 1004 Baltimore Ave., Suite 900 Kansas City, MO 64105 Effective: March 1, 1999

#### SERVICES (continued)

- 4.14 Promotions
  - 4.14.1 Birch Basic Business Line

New customers subscribing to 6 or more Birch Basic Business Lines between November 27, 2000 and February 28, 2001 are eligible for a promotional rate of \$25.00 per line for all lines. This promotion applies only to customers in St. Louis Metropolitan Exchange Area Rate Groups D-Principal, D-MCA 1 and D-MCA 2 as defined in section 3.1.6 and 4.3.3 of this tariff.

Issued: November 20, 2000

ì

Birch Telecom of Missouri, Inc. David E. Scott, President 2020 Baltimore Avenue Kansas City, MO 64108 Effective: November 27, 2000

Birch Telecom of Missouri, Inc.

4. SERVICES (continued)

4.14 Promotions

2nd Revised Sheet No. 123 Replacing 1st Revised Sheet No. 123

Missouri Public

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4.14.2 Multi-Line Discount and Promotion

- vice Commission

Between August 6, 2001 and October 31, 2001, Business customers subscribing to three or more lines or trunks at one service location are eligible for the following promotional offer:

 A discount of \$2.00 off of the single line or trunk rate that applies to the third and each additional line or trunk for the life of the service as long as three or more lines or trunks are maintained, and

2. Long distance service(1) at:

\$.06 / min for Outbound 1+ Calls \$.08 / min for Inbound Toll Free Calls

Customers currently subscribing to Birch for business lines or trunks are not eligible for this promotion.

#### 4.14.3 Multi-Line Long Distance Promotion

Between August 6, 2001 and October 31, 2001, Customers who currently subscribe to three or more business lines or trunks are eligible for long distance service(1) at the following promotional rates when they agree to an 18-month term pricing plan:

\$.06 / min	for	Outbound 1+	Calls
\$.08 / min	for	Inbound Toll	. Free Calls

These rates apply as long as three or more lines are maintained by the customer.

Missouri Public

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Are Compassion

 Long Distance rates apply to calls made within the Continental United States only. All Rules and Regulations found in the Company's Interexchange Tariff, MO PSC No. 1, will apply to long distance services.

Issued: July 30,2001

David E. Scott, President Birch Telecom of Missouri, Inc. 2020 Baltimore Avenue Kansas City, MO 64108 Effective: August 6,2001

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#### 4. SERVICES (continued)

#### 4.14 Promotions

#### 4.14.3 ISDN PRI Promotion

Birch Telecom will offer Customers an ISDN PRI promotion without a term commitment and a waiver of the installation charge. In addition, the reduced monthly recurring rate includes the T1 facility and 23 channels will be incorporated with the promotion. Optional services including long distance, etc. will be offered at current tariffed rates. Business rules and product requirements are unchanged.

Customers that sign up during the promotional period of October 7, 2003 to December 31, 2003 will receive the promotional monthly recurring rate of \$475.00 for a minimum of two years. A contract will be signed to confirm other conditions but no term period is required.

Customers who are unable to participate due to contractual obligations with other service providers are eligible to receive a ISDN PRI Rain Check. The Rain Check entitles them to the promotional price in exchange for signing a contract with Birch Telecom to take ISDN PRI Service upon contract termination with the present provider. Customer will be required to provide a copy of their current contract and the termination date and current charges. ISDN PRI Promotion Rain Checks are valid until December 31, 2004.

To be eligible for this promotion the customer must have their current network access service with another carrier within the Birch Missouri serving area and now wish to migrate their network access service to Birch Missouri.

Issued: September 25, 2003

David E. Scott, President Birch Telecom of Missouri, Inc. 1004 Baltimore Ave., Suite 900 Kansas City, MO 64105 Effective: October 7, 2003

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#### 4. SERVICES (continued)

- 4.14 Promotions
  - 4.14.4 Mighty Mouth Promotion

Birch Telecom will offer to Customers a Mighty Mouth promotion, which will offer a reduced monthly recurring rate without a term commitment and a waiver of the installation charge. The rate includes all 24-channels and the T1 facility. Optional services including long distance, vertical features, etc. will be offered at current tariffed rates. Business rules and product requirements are unchanged

Customers that sign up during the promotional period October 7, 2003 through December 31, 2003 will receive the promotional rate of \$455.00 monthly recurring charge for a minimum of two years. A contract will be signed to confirm other conditions but no term period is required

Customers unable to participate due to contractual obligations with other service providers are eligible to receive a Mighty Mouth Rain Check. The Rain Check entitles them to the promotional price in exchange for signing a soft contract with Birch Telecom to take Mighty Mouth upon contract termination with the present provider. Customer will be required to provide a copy of their current contract and the termination date and current charges. Mighty Mouth Promotion Rain Checks are valid until December 31, 2004.

To be eligible for this promotion the customer must have their current network access service with another carrier within the Birch Missouri serving area and now wish to migrate their network access service to Birch Missouri.

Issued: September 25, 2003

David E. Scott, President Birch Telecom of Missouri, Inc. 1004 Baltimore Ave., Suite 900 Kansas City, MO 64105 Effective: October 7, 2003

(N)

Original Sheet No. 126

## 4. SERVICES (continued)

### 4.14 Promotions

4.14.5 Integrator Promotion

Birch Telecom will offer an Integrator promotional credit to Customers for the monthly recurring rate of \$90.00 for the 1st data channel and the installation charge of \$300.00. Additional data channels, local access lines/trunks, features, etc. will be offered at current tariffed rates.

Customers will be required to sign a 2-year term commitment to receive this promotion. The Integrator promotion will be offered from October 7, 2003 through December 31, 2003.

To be eligible for this promotion the customer must have their current network access service with another carrier within the Birch Missouri serving area and now wish to migrate their network access service to Birch Missouri.

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Issued: September 25, 2003

David E. Scott, President Birch Telecom of Missouri, Inc. 1004 Baltimore Ave., Suite 900 Kansas City, MO 64105 Effective: October 7, 2003

#### 4. SERVICES (continued)

4.14 Promotions (continued)

4.14.7 PRI Connect Service Promotion

Birch Telecom will offer to new Customers a PRI Connect Service promotion. The promotion will offer a reduced monthly recurring rate which includes the ISDN PRI facility with 23 B channels and 1 D channel. Optional services including long distance, NFAS, etc. will be offered at current tariffed rates. Business rules and product requirements are unchanged.

Customers, who sign up during the promotional period of April 1, 2004 through June 30, 2004, will receive the promotional monthly recurring rate of \$475.00 for the duration of their contract. A contract will be signed to confirm other conditions and 24-month or 36-month term plan is required.

To be eligible for this promotion the customer must have their current network access service with another carrier within the Birch Missouri serving area and now wish to migrate their network access service to Birch Telecom.

Customers who sign up for the PRI Connect Promotion are eligible for the PBX Connect Service Promotion.

### 4.14.8 PBX Connect Service Promotion

Birch Telecom will offer to new Customers a PBX Connect Service promotion. The promotion will offer a reduced monthly recurring rate includes the T1 facility and 24 channels as the promotion. Optional services will be offered at current tariffed rates. Business rules and product requirements are unchanged.

Customers, who sign up during the promotional period of April 1, 2004 through June 30, 2004, will receive the promotional monthly recurring rate of \$475.00 for the duration of their contract. A contract will be signed to confirm other conditions and 24-month or 36-month term plan is required.

Customers who sign up for the PBX Connect Service Promotion are eligible for the PRI Connect Service Promotion.

To be eligible for this promotion the customer must have their current network access service with another carrier within the Birch Missouri serving area and now wish to migrate their network access service to Birch Telecom.

(N)

Issued: March 25, 2004

David E. Scott, President Birch Telecom of Missouri, Inc. 1004 Baltimore Ave., Suite 900 Kansas City, MO 64105

#### 4. SERVICES (continued)

- 4.14 <u>Promotions</u> (continued)
  - 4.14.9 Multi-Line Discount Promotion

Birch Telecom will offer the Multi-Line Promotion to Birch Business Basic Line Customers. The promotion is a \$2.00 per line discount for month-to-month, 12-month term or a 24-month term Customers.

To qualify, the Customer must subscribe to a minimum of three (3) lines at a single location. Customers who subscribe to Birch Basic Business Line Service with 1 or 2 lines at a single location, during the promotion period, will be eligible to receive the discount when the Customer subscribes to a third line at that single location. The discount will apply to the third line and each additional line thereafter for the remainder of the Customer's contract or, until the customer disconnects service or changes to another contract for term Customers.

The promotion is not available to Residential or Smart Biz Customers.

This promotion will be available from April 1, 2004 through June 30, 2004 unless sooner canceled by Birch Telecom.

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Issued: March 25, 2004

David E. Scott, President Birch Telecom of Missouri, Inc. 1004 Baltimore Ave., Suite 900 Kansas City, MO 64105 Effective: April 1, 2004

Bi	rch Tel	issouri, Inc. Original Sheet 1	Original Sheet No. 129			
4.	SERVICES (continued)					
	4.14	Promotio	ns (continued)			
		4.14.10	Birch Telecom Conversion Discount Promotion I	(N)		
			This promotion is for Birch Telecom existing Customers who are converting from an Off-Net product to Integrator Service. A Birch Telecom representative will contact Customers who qualify regarding this promotion. In order to qualify, the Customer must be receiving current discounts from Birch Telecom amounting to less than 25% off of their invoice.	L		
			This promotion will offer Customers the choice of four rate plans listed below.			
			<ol> <li>Month-to-Month service plan consisting of: No term plan required Rates are equal to the current tariff 12-month term Integrator Service rates Free hunting service Waiver of the non-recurring surcharge</li> </ol>			
			<ul> <li>2) 12-month term plan consisting of:</li> <li>A 5% discount of current tariff rates for Integrator Service</li> <li>Free hunting service</li> <li>Waiver of the non-recurring surcharge</li> <li>Free Voice Mail</li> <li>Free Call Forwarding to Voice Mail</li> </ul>			
			<ul> <li>3) 24-month term plan consisting of:</li> <li>A 10% discount of current tariff rates for Integrator Service</li> <li>Free hunting service</li> <li>Waiver of the non-recurring surcharge</li> <li>Free Voice Mail</li> <li>Free Call Forwarding to Voice Mail</li> </ul>			
			<ul> <li>4) 36-month term plan consisting of:</li> <li>A 10% discount of current tariff rates for Integrator Service</li> <li>Free hunting service</li> <li>Waiver of the non-recurring surcharge</li> <li>Free Voice Mail</li> <li>Free Call Forwarding to Voice Mail</li> </ul>			

Customers must subscribe to this promotion by December 31, 2004, unless sooner canceled by Birch Telecom.

(N)

Issued: May 19, 2004

David E. Scott, President Birch Telecom of Missouri, Inc. 1004 Baltimore Ave., Suite 900 Kansas City, MO 64105 Effective: May 25, 2004

Birch Telecom of Missouri, Inc. Original Sheet						
١.	SERVICES (continued)					
	4.14	Promotions (continued)				
		4.14.10	Birch Telecom Conversion Discount Promotion II	(N		
			This promotion is for Birch existing Customers who are converting from an Off-Net product to Integrator Service. A Birch Telecom representative will contact Customers who qualify regarding this promotion. In order to qualify, the Customer must be receiving current discounts from Birch Telecom amounting to over 25% off of their invoice.			
			This promotion will offer Customers the choice of four rate plans listed below.			
			<ol> <li>Month-to-Month service plan consisting of: No term plan required Rates are equal to the current tariff 12-month term Integrator Service rates Free hunting service Waiver of the non-recurring surcharge</li> </ol>			
			2) 12-month term plan consisting of: Free hunting service Waiver of the non-recurring surcharge Free Voice Mail Free Call Forwarding to Voice Mail			
			<ul> <li>3) 24-month term plan consisting of:</li> <li>Free hunting service</li> <li>Waiver of the non-recurring surcharge</li> <li>Free Voice Mail</li> <li>Free Call Forwarding to Voice Mail</li> </ul>			
			4) 36-month term plan consisting of: Free hunting service Waiver of the non-recurring surcharge Free Voice Mail Free Call Forwarding to Voice Mail			
			Customers must subscribe to this promotion by December 31, 2004, unless sooner canceled by Birch Telecom.	 (N		

Issued: May 19, 2004

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David E. Scott, President Birch Telecom of Missouri, Inc. 1004 Baltimore Ave., Suite 900 Kansas City, MO 64105 Effective: May 25, 2004

#### 4. SERVICES (continued)

4.14 Promotions (continued)

## 4.14.10 Integrator Credit Promotion

Birch Telecorn will offer two promotion options for Integrator Service Customers who sign a 24-month or 36-month term commitment contract. An existing customer may elect to sign up for the promotions if the Customer signs a new contract.

The promotion options are as follows:

Integrated Credit Now Option:

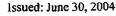
The Customer, who has six (6) or more lines, will receive the first (2) two month's monthly recurring charge waived. The Customer, who has (5) five or less lines, will have the first month's monthly recurring charge waived. The charges include all fees for lines, Internet and features. The waiver will not apply to surcharges, taxes or assessments.

Exception: Customers in Rate Group B, MCA-3 minimum line requirements are (8) eight lines and Customers in Rate Group B, MCA-4 minimum line requirement is (7) seven lines. The Integrator Credit Now Option for Customers, in these two rate groups, will receive only the (2) two month's monthly recurring charge waiver.

If a Customer terminates their contract prior to receiving their credits, the credits will be forfeited. The tariffed term penalties will also apply.

This promotional option will be offered in conjunction with PRI Connect Promotion Credit, PBX Connect Promotion Credit, the Freedom Pack Promotion, the Freedom Pack Plus Promotion or Multi Line Discount Plus Promotion. This promotion cannot be combined with the Integrated Credit Over Time Promotional Option, Web Hosting Value Bundle Promotion or BirchNet VPN Value Bundle Promotion.

(N)



David E. Scott, President Birch Telecom of Missouri, Inc. 1004 Baltimore Ave., Suite 900 Kansas City, MO 64105

### 4. SERVICES (continued)

4.14 <u>Promotions</u> (continued)

4.14.10 Integrator Credit Promotion (continued)

### Integrated Cash Over Time Option:

The Customer will receive a 10% Discount on the monthly recurring charge for lines, Internet and features. The discount will not apply to surcharges, taxes or fees. The minimum line requirement for Integrator Service is (6) six lines.

Exception: Customers in Rate Group B, MCA-3 minimum line requirements are (8) eight lines and Customers in Rate Group B, MCA-4 minimum line requirement is (7) seven lines.

If a Customer terminates their contract, the tariffed termination penalties apply. The 10% discount will not calculate into the penalty.

This promotional option may offered in conjunction with PRI Connect Service Promotion Credit, PBX Connect Service Promotion Credit, the Freedom Pack Promotion, the Freedom Pack Plus Promotion, or Multi-Line Discount Plus Promotion. This promotion cannot be combined with the Integrated Credit Now Promotional Option, Web Hosting Value Bundle Promotion or BirchNet VPN Value Bundle Promotion.

If a Customer falls below the product minimums, then the promotion option will no longer be valid and the customer will no longer receive the discount. If a Customer adds a new location to their account, the new location will qualify for the promotion. Only available in Birch Telecom facilities market where the service is offered. This promotion is available for business Customers only. This promotion is effective from July 2, 2004 through September 30, 2004.

Issued: June 30, 2004

David E. Scott, President Birch Telecom of Missouri, Inc. 1004 Baltimore Ave., Suite 900 Kansas City, MO 64105 Effective: July 7, 2004

(N)

## 4. SERVICES (continued)

#### 4.14 <u>Promotions</u> (continued)

# 4.14.11 PRI Connect Service Promotion Credit

Birch Telecom will offer two promotional options for PRI Connect Service Customers, who sign a 24-month or 36-month term commitment contract. An existing customer may elect to sign up for the promotions if the Customer signs a new contract.

The promotional options are as follows:

## Credit Now Option:

The Customer will receive the first (2) two-month's monthly recurring charge waived. The charges include all fees for circuit and channels. The waiver will not apply to surcharges, taxes or assessments.

If a Customer terminates their contract prior to receiving their two-month credit, those credits are forfeited. The tariffed term penalties will apply.

This promotional option may be offered in conjunction with Integrator Credit Promotion, the PBX Connect Service Promotion Credit, the Freedom Pack Promotion, the Freedom Pack Plus Promotion or Multi Line Discount Plus Promotion. This promotion cannot be combined with the PRI Connect Service Credit-Over Time Promotional Option, Web Hosting Value Bundle Promotion or BirchNet VPN Value Bundle Promotion.

### Credit Over Time Option:

The Customer will receive a 10% Discount on the monthly recurring charge for circuit and channels. The discount will not apply to surcharges, taxes or assessments.

If a Customer terminates their contract, the tariffed termination penalties apply. The 10% discount will not calculate into the penalty.

This promotional option may offered in conjunction with Integrator Credit Promotion, the PBX Connect Service Promotion Credit, the Freedom Pack Promotion, the Freedom Pack Plus Promotion or Multi-Line Discount Plus Promotion. This promotion cannot be combined with the PRI Connect Service Credit-Now Promotional Option, Web Hosting Value Bundle Promotion or BirchNet VPN Value Bundle Promotion.

If a Customer falls below the product minimums, then the promotion option will no longer be valid and the customer will no longer receive the discount. If a Customer adds a new location to their account, the new location will qualify for the promotion. Only available in Birch Telecom facilities market, where the service is offered. This promotion is available for business customer only. This promotion is effective from July 2, 2004 through September 30, 2004.

Issued: June 30, 2004

David E. Scott, President Birch Telecom of Missouri, Inc. 1004 Baltimore Ave., Suite 900 Kansas City, MO 64105

(N)

Effective: July 7, 2004

## 4. SERVICES (continued)

4.14 Promotions (continued)

## 4.14.12 PBX Connect Service Promotion Credit

Birch Telecom will offer two promotional options for PBX Connect Service Customers, who sign a 24-month or 36-month term commitment contract. An existing customer may elect to sign up for the promotions if the Customer signs a new contract.

The promotional options are as follows:

## Credit Now Option:

The Customer will receive the first (2) two-month's monthly recurring charge waived. The charges include all fees for circuit and channels. The waiver will not apply to surcharges, taxes or assessments. If the Customer orders additional PBX Connect channels during or after the promotional period, the two-month monthly recurring charge will not be waived on the new channels.

If a Customer terminates their contract prior to receiving their two-month credit, those credits are forfeited. The tariffed term penalties will apply.

This promotional option may be offered in conjunction with Integrator Credit Promotion, the PRI Connect Service Promotion Credit, the Freedom Pack Promotion, the Freedom Pack Plus Promotion or Multi-Line Discount Plus Promotion. This promotion cannot be combined with the PBX Connect Service Credit-Over Time Promotional Option, Web Hosting Value Bundle Promotion or BirchNet VPN Value Bundle Promotion.

(N)

Issued: June 30, 2004

David E. Scott, President Birch Telecom of Missouri, Inc. 1004 Baltimore Ave., Suite 900 Kansas City, MO 64105

### 4. SERVICES (continued)

4.14 Promotions (continued)

### 4.14.12 PBX Connect Service Promotion Credit (continued)

#### Credit Over Time Option:

The Customer will receive a 10% discount on the monthly recurring charge for circuit and channels. The discount will not apply to surcharges, taxes or assessments. If the Customer orders additional PBX Connect Service channels after the promotional period, the discount will be applied the new channels.

If a Customer terminates their contract, the tariffed termination penalties apply. The 10% discount will not calculate into the penalty.

This promotional option may offered in conjunction with Integrator Credit Promotion, the PRI Connect Service Promotion Credit, the Freedom Pack Promotion, the Freedom Pack Plus Promotion or Multi-Line Discount Plus Promotion. This promotion cannot be combined with the PBX Connect Service Credit Now Promotional Option, Web Hosting Value Bundle Promotion or BirchNet VPN Value Bundle Promotion.

If a Customer falls below the product minimums, then the promotion option will no longer be valid and the customer will no longer receive the discount. If a Customer adds a new location to their account, the new location will qualify for the promotion. Only available in Birch Telecom facilities market, where the service is offered. This promotion is available for business only. This promotion is effective from July 2, 2004 through September 30, 2004.

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Issued: June 30, 2004

David E. Scott, President Birch Telecom of Missouri, Inc. 1004 Baltimore Ave., Suite 900 Kansas City, MO 64105 Effective: July 7, 2004

- 4. SERVICES (continued)
  - 4.14 Promotions (continued)
    - 4.14.13 Multi-Line Discount Plus Promotion

Birch Telecom will offer the Multi-Line Promotion to Birch Business Basic Line Customers. The promotion is a \$1.00 discount per line for the Customer who signs up for the promotion. To qualify, the Customer must subscribe to a minimum of three (3) lines at a single location. Customers with three (3) or more lines will be credited the discount per line beginning at the first line and the discount will be applied on all eligible lines. BirchNet DSL lines are not eligible for this promotion. Birch Telecorn will not assess the non-recurring charge to the Customer's account during the promotional period.

New Customer will be required to sign a 24-month term agreement. Current month-to-month Customers requesting the promotion will be required to sign a 24-month term agreement. Current term Customers requesting the promotion will be required to sign a new 24-month term agreement

This promotion will begin on July 2, 2004 and run until September 30, 2004 unless sooner canceled by Birch Telecom. Promotion cannot be combine with Freedom Pack Promotion or Freedom Pack Plus Promotion. This promotion is not available to Residential or Smart Biz Customers

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Issued: June 30, 2004

David E. Scott, President Birch Telecom of Missouri, Inc. 1004 Baltimore Ave., Suite 900 Kansas City, MO 64105 Effective: July 7, 2004

### 4. SERVICES (continued)

4.14 <u>Promotions</u> (continued)

#### 4.14.14 The Freedom Pack Promotion

Birch Telecom will offer the Freedom Pack Promotion to Customers, who purchase a minimum of three (3) lines, a block of 200 long distance minutes and five (5) to seven (7) features, for a \$2.00 monthly recurring charge.

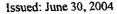
New Customers will be required to sign up for a 24-month term plan. Existing term Customers will be required to renew with a 24-month term plan. Existing month-to-month Customers will be required to sign a 24-month term plan. Birch Telecom will waive the non-recurring charge for existing Customers who sign up for this promotion. The Freedom Pack will not be available for resale Customers.

Birch Telecom will offer the Customer a choice of features that are listed in Section 4.5.8.B.7 of the Missouri PSC Tariff No. 3. The Customer may choose a minimum of five (5) features to a maximum of seven (7) feature for each line. Any additional features will be billed to the Customer at the tariffed rate.

The block of 200 long distance minutes will be pooled at the service location level and are mandatory on all eligible lines at the service location. BirchNet DSL lines are not eligible for this promotion. The long distance minutes will be determined by the number of lines with the Freedom Pack, times 200 minutes.

This promotion will begin on July 2, 2004 and run until September 30, 2004. Promotion cannot be combine with Freedom Pack Plus Promotion or Multi-Line Discount Plus Promotion.

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David E. Scott, President Birch Telecom of Missouri, Inc. 1004 Baltimore Ave., Suite 900 Kansas City, MO 64105

#### 4. SERVICES (continued)

4.14 Promotions (continued)

## 4.14.15 The Freedom Pack Plus Promotion

Birch Telecom will offer the Freedom Pack Plus Promotion to Customers, who purchase a minimum of three (3) lines, a block of 500 long distance minutes and five (5) to seven (7) features, for a \$3.00 monthly recurring charge.

New Customers will be required to sign up for a 24-month term plan. Existing term Customers will be required to renew with a 24-month term plan. Existing month-to-month Customers will be required to sign a 24-month term plan. Birch Telecom will waive the non-recurring charge for existing Customers who sign up for this promotion. The Freedom Pack will not be available for resale Customers.

Birch Telecom will offer the Customer a choice of features that are listed in Section 4.5.8.B.7 of the Missouri PSC Tariff No. 3. The Customer may choose a minimum of five (5) features to a maximum of seven (7) features for each line. Any additional features will be billed to the Customer at the tariffed rate.

The block of 200 long distance minutes will be pooled at the service location level and are mandatory on all eligible lines at the service location. BirchNet DSL lines are not eligible for this promotion. The long distance minutes will be determined by the number of lines with the Freedom Pack, times 200 minutes

This promotion will begin on July 2, 2004 and run until September 30, 2004. Promotion cannot be combine with Freedom Pack Promotion or Multi-Line Discount Plus Promotion.

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