

Marketing Bulletin



Subject: Upgrade and Replacement Program Updates
To: Nextel Direct Sales and Authorized Representatives

Date: 9/1/05
NHQ-PP-05-0023

Overview

On September 1, 2005, the Phone Upgrade and Replacement Program and Policies will remain mostly business as usual with the exception of a few changes.

What's New:

- Great news! Flat promotion price is available to all VPL customers on upgrades/replacements.
- Data service subscription (\$10-\$20/month) is required for upgrade/replacement purchases at the 2-Year Promotion Price and at the Flat Promotion Price (EVP's only).
- Upgrade Frequency Policy (UFP) will apply to phones purchased as new activations purchased **at the lowest promotional price**.
- Upgrade/Replacement price will be the National Promotion Price for all customers under an UFP period.
 - Existing customers without an UFP can still purchase an upgrade/replacement phone at the lowest promotional price.
- Cross-platform upgrade (i.e. iDEN to CDMA or CDMA to iDEN) pricing eligibility will follow the originating platform.

See Business Rules section for additional details for all of the above.

What's Continuing:

- Upgrade Frequency Term
 - 24 months apply Consumer and EVP customers.
 - 12 months apply to corporate and government-liable National Account and Public Sector customers.
- Upgrade Service Fee
 - \$15/unit (\$150 cap/order) on the Web and at the Customer Upgrade Support or Enterprise Sales lines.
 - Fee is waived for corporate and government-liable subscribers upgrading at the Customer Upgrade Support or Enterprise Sales lines.
 - \$35/unit (\$150 cap/order) in all other sales channels and customer touchpoints.
 - Fee applies to iDEN to iDEN upgrades/replacements only.

Target Customer

All existing and new customers.

Support Materials

The following materials are available:

E-flyer: SNC and INC > Collateral > E-Flyers

QRS: SNC and INC > Training > Quick Reference Sheets

Brochure: Expected on Day 30

Upgrade/Replacement Process and Policy Guide: SNC and INC > Policies & Procedures > Upgrades/Replacements

Authorized Channels/Segments

The Upgrade/Replacement Program and Policy changes apply to customers in all segments and across all sales channels.

Authorized Channels	Direct	Indirect	NRS	Nat'l Retail	Telesales	Web Sales	Partners
Enter "x" if applies to channel	X	X	X	X	X	X	

Authorized Segments	Individual	SMB	Maj. w/o VPL	Maj. w/ VPL	National	P.S.	EVP
Enter "x" if applies to segment	X	X	X	X	X	X	X

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Business Rules

Flat Promotion Price

- Flat Promotion Price is available to all Major w/VPL, National Account, Public Sector, and EVP customers on upgrades/replacements once every 12 months for corporate and government-liable subscribers and once every 24 months for EVPs.
 - Please note:** Customers currently under UFP will not be eligible for the flat promotion price until they are at the end of their Upgrade Frequency Policy period. National Promotion Price is available on upgrades/replacements during the UFP period.
- A new 1-year service agreement is required when purchasing at the Flat Promo Price for corporate and government-liable subscribers unless noted as exempt on the Named Account List.
- A new 2-year service agreement is required when purchasing at the Flat Promo Price for EVP customers.

Data Service Subscription

- A data service subscription (\$10-\$20/month) is required on upgrade/replacement purchases at the following prices below:
 - 2-Year Promotion Price for Individual, Small Medium Business, and Majors w/o VPL customers.
 - Flat Promo Price for EVP customers.
- Customers may cancel the data service trial within the first 30 days by contacting Customer Care.

UFP on New Activations and Eligible Upgrade/Replacement Pricing During UFP

- The UFP will apply to all new activations (gross adds and add-ons) purchased **at the lowest promotional price**; i.e. 2-Year Promotion Price for Individual, Small Medium Business, and Majors w/o VPL customers, and Flat Promo Price for Majors w/VPL, National Account, Public Sector, and EVP customers.
- During the UFP period, customers may upgrade/replace their phones at the National Promotion Price.
 - Please note:** Customers currently **not** under an UFP will still be able to purchase an upgrade/replacement at the lowest promotional price.

Customer Type	Upgrade Frequency Period	First Phone Purchase (at lowest promotional price)	Upgrades (purchased within UFP)
Individuals Small & Med Business Majors w/o VPL	Once every 24 months at lowest promo price	2-Year Promotion Price (2-year commitment)	National Promotion Price (1-year commitment)
EVP	Once every 24 months at lowest promo price	VPL Discounted Price (Flat Promotion Price) (2-year commitment)	National Promotion Price (1-year commitment)
Majors w/VPL, National Accounts, Public Sector	Once every 12 months at lowest promo price	VPL Discounted Price (Flat Promotion Price) (1-year commitment)	National Promotion Price (1-year commitment)

Cross-platform Upgrades (i.e. iDEN to CDMA or CDMA to iDEN)

- No upgrade fee will be charged for cross-platform upgrades.
- Activation and Early Termination Fees will be automatically credited to the customer's account and appear within 1-3 billing cycles.
- All cross-platform upgrades, including used phones, are required to sign a new service agreement. The no commitment option is not available.
- Upgrade pricing eligibility for the new handset is determined by the originating platform.

iDEN to CDMA (Nextel's Policy Applies)

- For Individuals, Small Medium Business, and Major w/o VPL Customers:
 - Eligible Upgrade Price = National Promotion Price if customer is under an UFP period.
 - Eligible Upgrade Price = 2-Year Promotion Price if customer is NOT under an UFP period.
- For Major w/VPL, National Account, and Public Sector, and EVP Customers:
 - Eligible Upgrade Price = National Promotion Price if customer is under an UFP period.
 - Eligible Upgrade Price = 2-Year Promotion Price if customer is NOT under an UFP period.

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**The Flat Promo Price is not available on CDMA handsets and Nextel is not contractually obligated to extend the flat promo price on them. However, the lowest price available, i.e. 2-Year Promo Price, will be provided to customers not under an UFP period for CDMA handsets.*

- o BOGO promotion is available for customers not under an UFP period.

CDMA to iDEN (Sprint’s Policy Applies)

- o For Consumers (including IL customers):
 - Below is a snapshot of Sprint’s New For You™ Upgrade Program Policy and discount for CDMA to iDEN as well as CDMA to CDMA upgrades:

Handset Life On File (HLOF)/ Consecutive Months of Service with same Sprint PCS phone.	New Service Agreement	Available Discount Off SRP
>24 months	2 yrs	\$150
	1 yr	\$75
12-23 months	2 yrs	\$75
	1 yr	\$25
0-11 months	N/A	\$0



- 2 new price codes will be created in Ensemble to support Sprint’s policy for customers in their 12-23 months HLOF:
 - **2YHLOF** for \$75 off of RRP with a new 2-year service agreement
 - **1YHLOF** for \$25 off of RRP with a new 1-year service agreement

- o For Business customers (CL):
 - Pricing discount eligibility is determined by the time remaining on the CDMA master services agreement and renewal of the master services agreement.
 - Scenario 1: The master agreement is not renewed or renewed with greater than 6 months remaining on the term.
 - Eligible Upgrade Price = SRP
 - Scenario 2: The master agreement is renewed within the last 6 months of the term or is renewed concurrently with the line porting to iDEN network
 - Eligible Upgrade Price = \$150 off of SRP [equivalent to 2-Year Promotional price 2YPP)] if porting line has been active for > 12 months.
 - Eligible Upgrade Price = \$50 off of SRP if porting line has been active < 12 months.
 - A new price code, **BIZUPG**, will be created in Ensemble to support this discount. This price code will carry a 1-year service agreement.
 - For IL customers, see policy above for Consumers.
- Once a subscriber upgrades to the new platform, the upgrade program policy for that new platform applies for subsequent upgrades.
- For cross-platform upgrade process and procedures, please refer to the M&Ps and playbook created for your respective sales channel or organization.

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