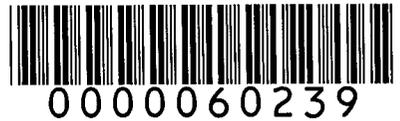


ORIGINAL



XO Communications

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111 East Broadway  
Suite 1000  
Salt Lake City, UT 84111  
USA

2003 APR -4 P 1:51

April 3, 2003

AZ CORP COMMISSION  
DOCUMENT CONTROL

Lori Miller  
Tariff Administrator  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

Dear Ms. Miller:

T-03601A-98-0417

XO Arizona, Inc. presents this letter to introduce a new promotion being offered to our customers.

**On-Net Promotion**

The On-Net Promotion offers eligible Customers two free months of service (as described below) for each year of their term commitment and a reduced installation fee. This promotion is available to New Customers, defined as Customers who have not received service from Company for at least one year prior to receiving service under this promotion, and existing Company Customers who add new service locations, defined as a Customer location that has not received service from Company for at least one year prior to receiving service under this promotion. In order to be eligible for this promotion, Customers must subscribe to the services listed below, for a two or three year term commitment, on or before June 30, 2003; and service must be provided via Company on-net facilities. All customers are also required to meet minimum revenue commitments.

Services offered under this promotion: any XOptions that includes Dedicated Internet Access; ISDN PRI; switched T1; network access for DS1 private lines; or local lines and trunks. All products with a DSL component and XOptions M - Satellite Office Solutions are ineligible for this promotion. Customers receiving local line or trunk service under this promotion must purchase a minimum of ten (10) local lines or trunks.

The free months will be the 7<sup>th</sup>, 13<sup>th</sup>, 19<sup>th</sup>, 25<sup>th</sup>, 31<sup>st</sup>, and 37<sup>th</sup> months of Customer's contract and, because Company bills in advance for recurring charges, will appear as automatic credits on the Customer's account in the Customer's 6<sup>th</sup>, 12<sup>th</sup>, 18<sup>th</sup>, 24<sup>th</sup>, 31<sup>st</sup> and 36<sup>th</sup> billing cycles. The free month is defined as the applicable monthly recurring charge (MRC) for the product(s) chosen by the Customer. Credits for monthly recurring charges do not include usage, taxes, user fees, or surcharges. Customers signing a two year term will also receive a 50% discount off the installation charges associated with the service chosen. Customers signing a three year term will also receive a waiver of the installation charges associated with the service chosen. This promotion may not be combined with any other promotion or offer and will be available until June 30, 2003, unless sooner canceled, withdrawn or modified. In cases where the free month is outside of the Customer's contract term, all contract terms and conditions apply.

If you have any further questions with regard to this notification, please do not hesitate to contact me at (801) 983-0013.

Sincerely,

Collette Marthia  
Regulatory Analyst

Arizona Corporation Commission  
DOCKETED

APR 04 2003

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