

SECTION B

B.1

1352.216-70 CONTRACT TYPE (MARCH 2000)

This is a Firm-Fixed Price and Fixed-Price Requirements type contract for services (with supplies). It consists of a base period from August 15, 2007 to September 30, 2009 with one option.

B.2 Notes To Schedule

B.2.1 INFRASTRUCTURE COSTS -

In Contract Line Item Numbers (CLINs) 0001, Start-up Phase, the contractor shall invoice for set-up and installation related cost (excluding infrastructure hardware, software or maintenance system processing cost).

In CLIN 0002, Operational Phase, the contractor shall invoice these infrastructure cost. The Government will only pay for Infrastructure Cost after the Operational Capability Demonstration (OCD) has been successfully completed.

B.2.2 FFP SLINS FOR NON TRANSACTIONS - Payment for FFP Sub-Line Item Numbers (SLINs) (i.e., labor and non-recurring, non-labor cost, such as, facilities, infrastructure hardware, software, and maintenance, program management office, etc.) will be based on performance in accordance with the performance milestones on the SECTION J Attachment entitled "Table 3A-1".

B.2.3 FP REQUIREMENTS SLINS FOR TRANSACTIONS Contractor may invoice the Government monthly for FP Transaction unit SLINs (i.e., all transaction-based labor and non-labor cost, to include volume-driven recurring service center costs and any financial processing fees for activation, redemption and authorization of payment for coupons) based on successfully completed transactions.

B.2.3.1 FP REQUIREMENTS SLINS FOR COUPON DISTRIBUTION - A successfully completed transaction for Coupon Distribution is defined as the system processing of a consumer request for up to two coupons, activation of the coupon(s) in the Contractor's database and the mailing of the coupon(s) to the consumer household.

B.2.3.2 FP REQUIREMENTS COUPON REDEMPTION AND RETAILER PAYMENT - A successfully completed transaction for Coupon Redemption and Payment is defined as the financial processing of properly authorized coupon(s) redemption by the certified retailer and the Contractor's Reimbursement File is successfully processed for NIST to make payment to the certified retailer for redemption of the valid coupon(s).

B.2.4 CLIN0003 CONTINGENT FUNDS PROCESSING/CONTINGENT PERIOD - This CLIN is an optional CLIN. It may be authorized by the Government after the Assistant Secretary of the Department of Commerce requests the additional funding from Congress upon certification that the initial amount is insufficient to fulfill coupon requests (Contingent Funds). Once Contingent Funds are available to the Program (Contingent Period), only over-the-air households will be eligible to receive coupons. During this Contingent Period, households must certify that they do not receive cable or satellite service.

B.2.5 TRAVEL - The contractor shall bill all travel related cost in the other CLINs consistent with the contractor's Performance Work Statement (PWS).

Should the Government request and approve additional travel and travel related expenses in accordance with FAR 31.205-46, the Government will issue an order

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under CLIN 0005. The Government will issue a FP task order under CLIN 0005. All travel and travel related expenses will be approved and paid in accordance with the Federal Travel Regulations (FTR). The Not-to-Exceed (NTE) amount of \$25,000 for CLIN 0005 is to be used only for this specific Government directed travel.

B.3 CONSUMER EDUCATION CAP

In accordance with the Deficit Reduction Act of 2005 (<http://www.ntia.doc.gov/otiahome/dtv/>), the total funding for SLINs 0001AD and 0002AA which cover Consumer Education, in total or combined is capped at \$5,000,000 over the term of the contract.

B.4 FUNDING FOR COUPONS

In accordance with the Deficit Reduction Act of 2005, the Coupon Program provides initial funding of up to \$890,000,000 for a distribution of 22,250,000 coupons at \$40 each, and an option for a total program funding of up to \$1,340,000,000 for distribution of 33,500,000 coupons. These funds represent the total dollar value of coupons (at \$40 per coupon) and cannot be used for administrative costs by the Government to implement the Coupon Program and are not included in the contract value.

The total number of Coupon Distribution, Redemption and Payment transactions for CLIN 0002 based on funding is up to 22,250,000 coupons.

The total number of Coupon Distribution, Redemption and Payment transactions for CLIN 0003, entitled "Contingent Funds Processing/Contingent Period," based on receipt of Contingent Funds is up to an additional 11,250,000 coupons.