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January 24, 2001

FILED³

JAN 24 2001

Missouri Public
Service Commission

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
200 Madison Street, Suite 100
P.O. Box 360
Jefferson City, Missouri 65102

RE: *In the matter of the application of Telmex USA, L.L.C. for a certificate of service authority to resell intrastate interexchange telecommunications services within the state of Missouri*

TA-2001-408

Dear Mr. Roberts:

Enclosed for filing in the above-referenced matter are the original and six (6) copies of the tariff of Telmex USA, L.L.C. A copy of the foregoing tariff has been hand-delivered or mailed this date to each party of record.

Thank you for your attention to this matter.

Sincerely,

James M. Fischer
James M. Fischer

By: *Judy Reynolds*

/jr
Enclosures

cc: Office of the Public Counsel
Dana K. Joyce, General Counsel

~~200100774~~

200100774

TITLE SHEET

MISSOURI TELECOMMUNICATIONS TARIFF

This Tariff contains the description, regulations, and rates applicable to the furnishing of long distance intrastate interexchange telecommunications service by Telmex USA, L.L.C. with principal offices at 9444 Farnham St., Suite 200, San Diego, California 92123. This Tariff is on file with the Missouri Public Service Commission and copies may be inspected, during normal business hours, at the Company's principal place of business.

Telmex USA, L. L. C. is a competitive telecommunications company providing competitive services in the state of Missouri.

Waivers of Statutory and Regulatory Requirements

The following statutory and regulatory requirements have been waived for the Company:

Section 392.210.2	Establishes Uniform System of Accounts for annual reports
Section 392.240(1)	Just and reasonable rates
Section 392.270	Ascertain property values
Section 392.280	Depreciation rates
Section 392.290	Issuance of securities
Section 392.300.2	Acquisition of stock
Section 392.310	Issuance of stock and debt
Section 392.320	Stock dividend payment
Section 392.330	Issuance of securities, debt, and notes
Section 392.340	Reorganization (s)
4 CSR 240-10.020	Depreciation and income
4 CSR 240-30.010(2)(C)	Copies of rate schedules
4 CSR 240-30.040	Uniform System of Accounts
4 CSR 240-33.030	Minimum charge rules
4 CSR 240-35	Bypass

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CONCURRING, CONNECTING OR
OTHER PARTICIPATING CARRIERS

None

SYMBOLS

The following are the only symbols used for the purposes indicated below:

- C - Changed regulation
- D - Discontinued rate or regulation
- I - Increase
- M - Matter relocated without change
- N - New rate or regulation
- R - Reduction
- S - Reissued matter
- T - Change in text, but no change in rate or regulation
- Z - Correction

TARIFF FORMAT

- A. Page Numbering - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are added to the Tariff from time to time. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between pages 14 and 15 would be 14.1.
- B. Page Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the Commission. For example, the 4th revised page 14 cancels the 3rd revised page 14.
- C. Paragraph Numbering Sequence - There are seven levels of paragraph coding. Each level of coding is subservient to its next higher level:

2.1

2.1.1

2.1.1 (A)

2.1.1 (A).1

2.1.1 (A).1.a

2.1.1 (A).1.a.i

2.1.1 (A).1.a.i (1)

SECTION 1 - DEFINITIONS AND ABBREVIATIONS

ANI: Automatic Number Identification. A process used to identify the calling station. For example, Customers such as call centers pay for caller's telephone numbers to be sent to them simultaneously with their incoming toll free service calls.

Applicant: Any entity or individual who applies for Service under this Tariff.

Authorization Code: A pre-defined series of numbers to be dialed by the Customer or End-User upon access to the Company's system to identify the caller and validate the caller's authorization to use services authorized by their account. The Customer is responsible for charges incurred through the use of the Customer's assigned Authorization Code.

Authorized User: A person, firm, corporation or other entity (including Customer) that 1) is authorized by the Customer to be connected to and utilize the Company's Services under the terms and regulations of this Tariff or 2) either is authorized by the Customer to act as the Customer in matters of ordering, changing or canceling Service or is placed in a position by the Customer, either through acts or omissions, to act as Customer in such matters. Such actions by an Authorized User shall be binding on Customer and shall subject Customer to any associated charges.

Blocking: A temporary condition that may be initiated so that the Customer cannot complete a telephone call.

Business Customer: A Customer whose use of the Services is primarily or substantially for a business, professional, institutional, or occupational purpose.

SECTION 1 - DEFINITIONS AND ABBREVIATIONS

Carrier Common Line Charges: The charges the long distance companies pay to the local telephone companies for carrier common line access service which provides for the use of end user's telephone company provided common lines by subscribers for access to such end users to furnish interstate communications.

Cardholder: The associate, member, Customer or other individual that uses the Company's Prepaid Calling Card Service.

CLEC: Competitive Local Exchange Carrier. Any carrier or reseller offering local exchange telecommunications services other than the incumbent LEC.

Company: Telmex USA, L.L.C.

Company-Provided: The switching, transmission, and other related telecommunications or computer equipment/facilities provided by the Company or by any combination of the Company, the LEC, or other authorized Third Party Vendors contracted by the Company.

Commission: Commission refers to the Public Service Commission or any succeeding agency.

Credit Card: Visa®, MasterCard®, or other Credit Cards issued by other companies the Company may accept.

Customer: A person or legal entity which subscribes to the Company's Services and thereby assumes responsibility for the payment of charges and compliance with the Company's Tariff.

SECTION 1 - DEFINITIONS AND ABBREVIATIONS

Customer Premises/Customer's Premises: Location(s) designated by a Customer where Service is originated/terminated.

Direct-Dialed: A call placed by the caller without operator assistance (either live or automated).

End User: The person or legal entity which uses the Service provided by the Company.

Equal Access: Enables the Customer to place long distance calls without the need to first dial a special code.

Flat Rate: Charging a rate per minute irrespective of the distance the call is carried or the time- of-day or day-of-week the call is placed.

Initial and Additional Period: The Initial Period denotes the minimum interval of time billed at the rate specified for a connection between given service points. The Additional Period denotes the interval of time used for measuring and charging time in excess of the Initial Period.

InterLATA: Any call or transmission that originates in one LATA and terminates in a different LATA.

IntraLATA: Any call or transmission that originates in one LATA and terminates within the same LATA.

SECTION 1 - DEFINITIONS AND ABBREVIATIONS

LATA: Local Access Transport Area. A geographically defined regulatory boundary established by the Modification of Final Judgement.

LEC: Local Exchange Carrier.

Local Access: The service between a subscriber's premise and a Company-designated POP.

Local Access Provider: An entity providing Local Access.

Modification of Final Judgment: The judicial opinion United States vs. American Telephone & Telegraph Company, 552 F. Supp. 131 (D.C. 1982). See United States v. Western Electric Co., 552 F. Supp. 131 (D.D.C. 1982), affd sub nom. Maryland v. United States, 460 U.S. 1001 (1983).

MRC: Monthly Recurring Charge.

MTM: Month-to-Month.

MTS: Message Telecommunications Service.

NPA: Numbering Plan Area. More commonly referred to as an area code.

NXX: NXX represents the first three digits of a Customer's telephone number. N is a number between 2 and 9. X is a number between 0 and 9.

PIC: Primary Interexchange Carrier.

PICC: PICC stands for Preferred Interexchange Carrier Charge.

SECTION 1 - DEFINITIONS AND ABBREVIATIONS

PIN: Personal Identification Number. A unique number assigned to each calling card for the purpose of accessing Service.

Platform: The proprietary technology and associated computer equipment that is used in conjunction with Prepaid Service(s).

Prepaid Calling Card: Prepaid Calling Card Service allows a Customer to purchase a predetermined amount of access to the Company's long distance Services prior to the use of Service. Prepaid Calling Cards are also called debit cards.

Prepaid Long Distance: Prepaid Long Distance Service allows a Customer to purchase a predetermined amount of access to the Company's long distance Services prior to the use of Service.

Prepaid Service(s): Prepaid Services include all Services offered under this Tariff which require payment in advance of use of Service.

P.S.C.: P.S.C. stands for Missouri Public Service Commission or any succeeding agency.

Reseller: A Customer that resells the Company's Service(s) with the Company's authorization.

Residential Customer: A Customer whose use of the Service is primarily or substantially of a social or domestic nature; and business use, if any, is incidental.

Service: Any or all services provided pursuant to this Tariff.

SECTION 1 - DEFINITIONS AND ABBREVIATIONS

Service Order: The standard Company order form(s), in effect from time-to-time, or Customer's forms accepted in writing by an authorized representative of the Company for Service which shall enable the Company to provide Service.

State: State refers to the State of Missouri.

Switched Access: A transmission line that is switched through the LEC or CLEC to reach the long distance network. Switched access arrangements are only available from the subscriber's local telephone company.

Switched Services(s): Any Services which use message switches to share inter-switch transport.

Third Party Vendor: A company, entity or individual, other than the Company, designated by the Company that provides the facilities and/or the equipment required to provide Service(s).

TFAN: Toll Free Access Number.

Toll Free Access Number: A telephone number established for the purpose of accessing one of the Company's Platforms where the caller does not incur a charge for placing the call to the access number. The area code for a toll free access number is either 800, 877, or 888 or other area code assignments as appropriate.

U.S.F.: U.S.F. stands for Universal Service Fund.

SECTION 2 - RULES AND REGULATIONS

2.1 Application of the Tariff

- 2.1.1 This Tariff contains the descriptions, regulations, and rates applicable to intrastate long distance telecommunications Service originating and terminating within the State under the terms of this Tariff offered by the Company with principal offices located at 9444 Farnham Street, Suite 200, San Diego, California 92123. Services are offered subject to the availability of facilities and the terms and conditions of this Tariff.
- 2.1.2 The Company shall not be deemed to have waived or impaired any right, power, requirement or option reserved by this Tariff (including, without limitation, the right to demand exact compliance with every term and condition herein), by virtue of any custom or practice of the Company at variance with the terms hereof, or any failure, refusal or neglect of Company to exercise any right under this Tariff or to insist upon exact compliance with its terms, or any waiver, forbearance, delay, failure or omission by Company to exercise any right, power or option hereunder.

SECTION 2 - RULES AND REGULATIONS

2.2 Limitations On Service

- 2.2.1 Service is offered subject to the availability of facilities, equipment, systems, the Company's ability to fulfill the request for Service, and/or billing arrangements with the DUC and/or LEC, the provisions of this Tariff and the rules of the Commission applying to long distance communications as published in 4 CRS 240-33. Service is not offered where operating conditions do not permit. The Company reserves the right, without incurring liability, to refuse to provide Service, to or from any location where the necessary facilities, equipment, systems, billing agreements, and/or switch software are not available.
- 2.2.2 All Services provided according to this Tariff are only available as add-ons to the companion interstate and international Services.
- 2.2.3 Without incurring liability, the Company reserves the right to discontinue Service or to limit the use of Service, when necessitated by conditions beyond the Company's control, or when the Customer or End User is using Service in violation of the law or in violation of the provisions of this Tariff.
- 2.2.4 Conditions under which the Company may, without notice, terminate Service without liability include, but are not limited to:
- (A) Customer's or End User's use of the Service which constitutes a violation of either the provisions of this Tariff or of any laws, government rules, regulations, or policies or if such actions are reasonably appropriate to avoid violation of applicable law; or
 - (B) Any order or decision of a court or other governmental authority which prohibits the Company from offering such Service; or

SECTION 2 - RULES AND REGULATIONS

2.2 Limitations On Service (continued)

2.2.4 (continued)

- (C) The Company deems termination necessary to protect the Company or third parties against unauthorized, fraudulent, or unlawful use of any Company Services, or to otherwise protect the Company's personnel, agents, or Service; or
- (D) Customer's or End User's misuse of the long distance network; or
- (E) Customer's or End User's use of the long distance network for any fraudulent or unlawful purpose; or
- (F) Emergency, threatened, or actual disruption of Service to other Customers; or
- (G) Unauthorized or fraudulent procurement of Service, including a misrepresentation of fact relevant to the conditions under which the applicant or Customer obtains or continues to receive Service; or
- (H) Abandonment of the Customer's Premises served; or
- (I) Insufficient or fraudulent billing information; or
- (J) Customer's check or draft is returned unpaid for any reason, after one attempt at collection; or

SECTION 2 - RULES AND REGULATIONS

2.2 Limitations On Service (continued)

2.2.4 (continued)

- (K) If at the time the Company issues a debit to the Customer's checking account or savings account, the debit is rejected by the bank for any reason. The Company will make at least one attempt at collection prior to termination of Service.

2.2.5 Conditions under which the Company may, with notice, terminate Service without liability include, but are not limited to:

- (A) use of invalid or unauthorized telephone numbers, or Credit Card numbers; or,
- (B) failure to pay for or provide assurances of, or security for, the payment of the Company's charges as per Section 2.8.1 or Section 2.8.2 of this Tariff; or
- (C) non-payment of any sum owed the Company by the due date printed on the bill; or
- (D) if there is a reasonable risk that criminal, civil or administrative proceedings or investigations based upon the transmission contents shall be instituted against the Company.
- (E) Failure of Customers of Prepaid Services to render payment in accordance with this Tariff in advance of Service prior to activation, reinstatement, or recharge.

SECTION 2 - RULES AND REGULATIONS

2.2 Limitations On Service (continued)

- 2.2.6 Initial and continuing Service is offered subject to the availability of necessary facilities and/or equipment, including those to be provided by other companies furnishing a portion of the Company's Service(s).
- 2.2.7 Service is furnished subject to the condition that there will be no abuse or fraudulent use of the Service. Abuse or fraudulent use of Service includes, but is not limited to:
- (A) Service that is used by the Customer or End User to frighten, abuse, torment, or harass another; or
 - (B) Service that is used by the Customer or End User in a manner which interferes with the use of Service by one or more other Customers; or
 - (C) Service that is used by the Customer or End User to place calls by means of illegal equipment, service, or device; or
 - (D) Service that is used by the Customer or End User to transmit a message or to locate a person or otherwise to give or obtain information, without payment of the applicable charge.
- 2.2.8 The Company's failure to give notice of default, to enforce or insist upon compliance with any of the terms or conditions herein, to grant a waiver of any term or conditions herein, or to grant the Customer an extension of time for performance, will not constitute the permanent waiver of any such term or condition herein. Each of the provisions of this Tariff will remain, at all times, in full force and in effect until modified in writing, signed by the Company and Customer.

SECTION 2 - RULES AND REGULATIONS

2.2 Limitations On Service (continued)

- 2.2.9 The Company may rely on third parties to provide a portion of the Company's Service. The selection of the Third Party Vendors is made by the Company. The Company reserves the right to change Third Party Vendors at any time.
- 2.2.10 The Company reserves the right, without incurring liability, to refuse to provide Service to or from any location where the necessary facilities and/or equipment are not available.
- 2.2.11 Recording of telephone conversations provided pursuant to the Company's Service under this Tariff is prohibited except as authorized by applicable federal, state, and local laws.
- 2.2.12 All outbound Services requiring Switched Access to reach the long distance network are only available to Customers located in those exchanges which have Equal Access. Unless the availability of a specific Service, optional pricing plan or add-on pricing plan limits that Service or plan to a specific state, group of states, area code, LATA, NPA-NXX, or routing configuration, the availability is all states within the United States where the Company has obtained the appropriate regulatory approvals to operate.
- 2.2.13 Calls that may not be completed using the Company's Prepaid Services include directory assistance service, operator services, conference service, busy line verification service, interruption service, calls requiring time and charges, air-to-ground calls, marine/satellite calls, and calls placed via dialing a 700, 900, TFAN, or other number as appropriate.

SECTION 2 - RULES AND REGULATIONS

2.2 Limitations On Service (continued)

2.2.14 The Customer obtains no property right or interest in any specific type of facility, service, connection, equipment, number process, credit card, travel card, prepaid or debit card, access code, or code (except entitlement in certain circumstances to apply prepaid debit cards to devices provided by the Company). All right, title, and interests to such items remain, at all times, solely with the Company.

2.3 Limitation of Liability

The Company's liability will be limited to that expressly stated in Sections 2.3.1 through 2.3.19 of this Tariff in connection with the provision of Service to Customer.

2.3.1 The liability of the Company for damages arising out of mistakes, omissions, interruptions, delays, errors, defects or other comparable actions occurring in the provision of Service(s) with a usage-sensitive rate structure, will in no event exceed an amount equivalent to the initial period charge to the Customer for the call during which such mistake, omission, interruption, delay, error or defect occurred. The Company shall not be liable for any damages caused by the negligence, gross negligence or willful misconduct of the Customer or Customer's agents, employees, officers, directors, contractors or vendors.

2.3.2 Unless otherwise stated in this Tariff, the liability of the Company for negligence arising out of mistakes, omissions, interruptions, delays, errors, defects or other comparable actions occurring in the provision of recurring Service(s) shall be limited to a service adjustment based on the amount of time such Service is out of service times the applicable monthly recurring charge for the Service.

2.3.3 The liability of the Company for gross negligence arising out of mistakes, omissions, interruptions, delays, errors or defects occurring in the provision of Service(s) shall not exceed the higher of the adjustments described in Section 2.3.1 or 2.3.2 of this Tariff, whichever is applicable, or the sum of \$1,000.

SECTION 2 - RULES AND REGULATIONS

2.3 Limitation of Liability (continued)

- 2.3.4 The liability of the Company for willful misconduct occurring in the provision of Service(s) shall not exceed the higher of the adjustments described in Sections 2.3.1, 2.3.2 or 2.3.3, whichever is applicable, or the sum of \$1,000.
- 2.3.5 The Company will not be liable to the Customer for damages or statutory penalties or be obligated to make any adjustment, refund or cancellation of charges unless the Customer has notified the Company orally or in writing of any dispute concerning charges, or the basis of any claim for damages, within sixty (60) calendar days after an invoice is rendered by the Company for the call giving rise to such dispute or claim. Any such notice must set forth sufficient facts to provide the Company with a reasonable basis upon which to evaluate the Customer's claim or demand.
- 2.3.6 Interruptions, delays, errors, or defects caused by or contributed to, directly or indirectly, by act or omission of the Customer or its customers, affiliates, agents, contractors, representatives, invitees, licensees, successors, or assignees or which arise from, or are caused by, the use of facilities or equipment of the Customer or related parties, will not result in the imposition of any liability whatsoever upon the Company. The Customer will pay to the Company any reasonable costs, expenses, damages, fees or penalties incurred by the Company as a result thereof. In addition, a portion or all of the Service may be provided over facilities of third parties. The Company will not be liable to the Customer or any other person, firm, or entity in any respect whatsoever arising out of defects caused by such third parties. The Company's liability, if any, with regard to the delayed installation of facilities or commencement of Service will not exceed \$1,000.
- 2.3.7 With respect to Service provided hereunder, the Company hereby expressly disclaims, without limitation, all warranties not stated in this Tariff, whether express, implied or statutory, and in particular disclaims all implied warranties of merchantability and of fitness for a particular purpose.

SECTION 2 - RULES AND REGULATIONS

2.3 Limitation of Liability (continued)

- 2.3.8 No contractors, agents or employees of connecting, concurring or other participating carriers or companies will be deemed to be contractors, agents or employees of the Company without the Company's written authorization.
- 2.3.9 Under no circumstances whatsoever will the Company's officers, agents, or employees be liable for any damages, including but not limited to direct, indirect, actual, consequential, special, or punitive damages, or lost profits.
- 2.3.10 The Company will not be liable for any failure of performance hereunder due to causes beyond its control including, but not limited to:
- (A) Unavoidable interruption in the working of transmission facilities; or
 - (B) Natural disasters such as storms, fire, flood, or other catastrophes; or
 - (C) Any law, order, regulation, direction, action or request of the United States Government, or any other governmental entity having jurisdiction over the Company or of any department, agency, commission, bureau, corporation or other instrumentality of any one or more of such governmental entity, or of any civil or military authority; or
 - (D) National emergencies, insurrections, riots, rebellions, wars, strikes, lockouts, work stoppages, supplier failures, shortages, breaches or delays, or other labor difficulties; or
 - (E) The unlawful acts of individuals, including acts of the Company's agents and employees if committed beyond the scope of their employment; or
 - (F) Explosions, vandalism, cable cut or other similar occurrences; or

SECTION 2 - RULES AND REGULATIONS

2.3 Limitation of Liability (continued)

(G) Preemption of existing Services to restore Service(s) in compliance with the F.C.C.'s rules and regulations; or

(H) Any failure to provide or maintain Service under this Tariff due to circumstances beyond the Company's control.

2.3.11 The Company will use its best efforts to provide Services consistent with industry standards. The Company will have no liability to the Customer for any loss of revenue or any other direct, special, incidental, consequential, or other damages the Customer may sustain resulting from the failure or inability of the Company to provide Service to its Customers; negligent or defective Services to Customers; equipment, computer, network, or electrical malfunctions of any kind, breakdowns, or outages; or any other cause, whether or not within the control of the Company.

2.3.12 If the Company learns of actual or possible unauthorized, fraudulent, or unlawful use of any Company Services, the Company will make an effort to contact the Customer, but Service may be blocked without notice and without liability to the Company. Service may be suspended by the Company without incurring liability by Blocking all calls or by Blocking calls to or from certain NPA-NXXs, certain countries, cities, or individual telephone stations for any Service offered under this Tariff. Service will be restored as soon as it can be provided without undue risk and only after accounts have been brought current.

2.3.13 The Company does not undertake to transmit messages but furnishes the use of its Services to its Customers for telecommunications. The Company is not liable for the content of the Customer's messages.

SECTION 2 - RULES AND REGULATIONS

2.3 Limitation of Liability (continued)

2.3.14 The Company may rely on Third Party Vendors for the performance of certain services such as Dedicated Access. Upon Customer request and execution and delivery of appropriate authorizing documents, the Company will act as agent for the Customer in obtaining such other services. Customer's liability for charges hereunder will not be reduced by untimely installation or non-operation of Customer-provided facilities and equipment.

2.3.15 The Company will not be liable for:

- (A) Any act or omission of any other company or companies furnishing a portion of the Service or furnishing facilities or equipment associated with such Service.
- (B) Damages caused by the fault or negligence or willful misconduct of the Customer or End User.
- (C) Any failure to provide or maintain Service under this Tariff due to circumstances beyond the Company's reasonable control.
- (D) Any direct, indirect, consequential, special, actual, or punitive damages, or for any lost revenues or profits of any kind or nature whatsoever arising out of any furnishing of, or interruption in, Service provided hereunder. Under no circumstances whatsoever will the Company's officers, agents, or employees be liable for such damages or lost revenue or lost profits.
- (E) Any indirect, incidental, special or consequential damages, lost revenue or lost profits of any kind, even if Company is advised of the possibility of such consequences.

SECTION 2 - RULES AND REGULATIONS

2.3 Limitation of Liability (continued)

2.3.15 (continued)

- (F) The use or abuse of any Service described herein by any party including, but not limited to, the Customer or End User. Use or abuse includes, but is not limited to, any calls placed by means of PBX-reorigination or any other legal or illegal equipment, service, or device. Compensation for any injury the customer may suffer to the fault of third parties must be sought from such other parties.
- (G) Any action, such as Blocking or refusal to accept certain calls, that Company deems necessary in order to prevent unauthorized, fraudulent, or unlawful use of its Service. Compensation for any injury the Customer may suffer due to the fault of parties other than the Company must be sought from such other parties.
- (H) The Company will not be liable for any claim where the Customer indemnifies the Company pursuant to Section 2.5 of this Tariff.
- (I) Failure or delay in the delivery of ordered Prepaid Calling Cards.

2.3.16 If someone other than the Customer (e.g., authorized or unauthorized) has use of the Service directly or indirectly through the Customer, then Customer agrees to forever indemnify and hold the Company and any affiliated or unaffiliated Third Party Vendor or operator of facilities employed in provision of the Service harmless from and against any and all claims, demands, suits, actions, losses, damages, assessments or payments which may be asserted by said parties.

SECTION 2 - RULES AND REGULATIONS

2.3 Limitation of Liability (continued)

- 2.3.17 The Company will have no liability to the Customer or any third party for any claims that a Prepaid Calling Card or PIN or Authorization Code associated with any Prepaid Service has been lost, stolen, or fraudulently used. In no event will the Company be obligated to restore any Prepaid Service account or otherwise reimburse any Cardholder or Customer for any calls charged to the Prepaid Service account which such Cardholder or Customer denies having made.
- 2.3.18 If the Company issues an Authorization Code, or PIN for Prepaid Long Distance or a Prepaid Calling Card, and the Authorization Code or PIN will not access the Company's Service, the Company's sole liability will be the manufacturing and shipping costs associated with replacing such cards or the issuance of another PIN and/or Authorization Code as appropriate. This obligation is exclusive and is in lieu of all other warranties, express or implied, including but not limited to, any warranty of merchantability or fitness for a particular purpose. In no event will the Company be liable for special or consequential damages arising from the relationship or the conduct of business contemplated herein.
- 2.3.19 If Company chooses to subcontract the printing of the Prepaid Calling Cards, Company cannot be held liable for delays of delivery or any other problem(s) that are directly related to the subcontractor.

SECTION 2 - RULES AND REGULATIONS

2.4 Use of Service

- 2.4.1 The Company's Services are available for use twenty-four hours per day, seven days per week. Unless otherwise restricted herein, Customers may use the Company's Service(s) to place and/or receive intrastate calls.
- 2.4.2 The Service offered herein may be used for any lawful purpose, including residential, business, governmental, or other use. The Customer is liable for all obligations under this Tariff notwithstanding any sharing or resale of Services and regardless of the Company's knowledge of same. The Company will have no liability to any person or entity other than the Customer and only as set forth herein. The Customer will not use nor permit others to use the Service in a manner that could interfere with Service provided to others or that could harm the facilities of others.

SECTION 2 - RULES AND REGULATIONS

2.4 Use of Service (continued)

2.4.3 Service furnished by the Company will not be used for any unlawful or fraudulent purposes including but not limited to use of electronic devices, invalid numbers, and false credit devices to avoid payment for Service contained in this Tariff either in whole or in part. Service furnished by the Company may not be used to make calls which might reasonably be expected to frighten, abuse, torment, or harass another. The Service may not be used for any purpose for which any payment or other compensation is received by the Customer except when the Customer is an authorized communications common carrier, an authorized resale common carrier, or an enhanced or electronic service provider who has subscribed to the Company's Service. However, this provision does not preclude an agreement between the Customer, Authorized User, or Joint User to share the cost of the Service as long as this arrangement generates no profit for anyone participating in a joint use or authorized use arrangement.

2.4.4 Service furnished by the Company may not be arranged for joint use or authorized use.

SECTION 2 - RULES AND REGULATIONS

2.5 Obligations of the Customer

2.5.1 The Customer will indemnify, defend, and hold the Company harmless from and against:

- (A) Any claim asserted against the Company (and all attorney fees and expenses incurred by the Company with respect thereto) arising out of or relating to the failure of the Company to provide Service to the Customer.
- (B) Any and all liabilities, costs, damages, and expenses (including attorney's fees), resulting (1) from Customer (or its employees's agent's or independent contractor's) actions hereunder, including, but not limited to breach of any provision in this Tariff, misrepresentation of Company services or prices, or unauthorized or illegal acts of the Customer, its employees, agents, or independent contractor or (2) from claims by third parties that any Prepaid Calling Cards, Authorization Codes, or PINs have been lost, stolen, or fraudulently issued or used; provided, however, that the Company will have no liability hereunder for special or consequential damages incurred by the Company; (3) or in the event that the Company chooses to have another company print their Prepaid Calling Cards, Company cannot be held liable for delays of delivery or any other problem that are directly to the third party.
- (C) Claims for libel, slander, infringement of patent or copyright, or unauthorized use of any trademark, trade name, or service mark arising out of Customer's or End User's material, data, information, or other content transmitted via Service. With respect to claims of patent infringement made by third persons, the Customer shall defend, indemnify, protect and save harmless the Company from and against all claims arising out of the combining with, or use in connection with, the Service(s) provided under this Tariff, any Circuit, apparatus, system or method provided by the Customer.

SECTION 2 - RULES AND REGULATIONS

2.5 Obligations of the Customer (continued)

2.5.1 (continued)

- (D) Violation by Customer or End User of any other literary, intellectual, artistic, dramatic, or musical right.
- (E) Violations by Customer or End User of the right to privacy.
- (F) Any other claims whatsoever relating to, or arising from, message content or the transmission thereof.
- (G) All other claims arising out of any act or omission of the Customer or End User in connection with Service provided by the Company.
- (H) Any loss, claim, demand, suit, or other action, or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or persons, for any personal injury to, or death of, any person or persons, and for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the provision of Service, whatever the cause and whether negligent or otherwise.
- (I) Claims related to lost or stolen calling cards, except as described in Section 2.24 of this Tariff.
- (J) Claims of patent infringement arising from combining or connecting Channels with equipment and systems of the Customer or Authorized Users.

SECTION 2 - RULES AND REGULATIONS

2.5 Obligations of the Customer (continued)

2.5.1 (continued)

- (K) Defacement of, or damage to, the Customer's Premises resulting from the furnishing, installation, and/or removal of Channel facilities or the attachment of instruments, equipment and associated wiring on or from the Customer's Premises.
- (L) Claims arising out of the use of Services or Company-Provided equipment in an unsafe manner (such as use in an explosive atmosphere) or the negligent or willful act of any person other than the Company.
- (M) Any suits, claims, losses or damages, including punitive damages, attorney fees and court costs by third persons arising out of the construction, installation, operation, maintenance, or removal of the Customer's Circuits, facilities, or equipment connected to Services. This includes without limitation, Workmen's Compensation claims, actions for infringement of copyright and/or unauthorized use of program material, libel and slander actions based on the content of communications transmitted over the Customer's Circuits, facilities or equipment, and proceeding to recover taxes, fines, or penalties for failure of the Customer to obtain or maintain in effect any necessary certificates, permits, licenses, or other authority to acquire or operate Service(s).
- (N) Claims by the Customer or third parties that Prepaid Services have been fraudulently used.

SECTION 2 - RULES AND REGULATIONS

2.5 Obligations of the Customer (continued)

- 2.5.2 If a Customer directly or indirectly authorizes third parties to use the Service, the Customer will indemnify and hold the Company harmless against any and all claims asserted by said party, demands, suits, actions, losses, damages, assessments or payments which may be asserted or demanded by said parties or by others as a result of said parties' actions or omissions.
- 2.5.3 The Company's failure to provide or maintain Service under this Tariff will be excused by the Customer for all circumstances beyond the Company's reasonable control.
- 2.5.4 The Customer will indemnify and save the Company harmless from any and all liability not expressly assumed by the Company in Section 2.3 of this Tariff and arising in connection with the provision of Service to the Customer, and will protect and defend the Company from any suits or claims alleging such liability, and will pay all expenses (including attorneys' fees) and satisfy all judgments which may be incurred by or rendered against the Company in connection therewith.
- 2.5.5 The Customer is responsible for payment for all calls originated at the Customer's number(s), accepted at the Customer's number, billed to a Customer's calling card, or incurred at the specific request of the Customer. The Customer is responsible for paying for all Services the Company provides to or from the Customer's number(s), regardless of whether the Customer's facilities were fraudulently used or used without Customer's knowledge in full or in part. These responsibilities are not changed due to any use, misuse or abuse of the Customer's Service or Customer-provided equipment by third parties, the Customer's employees or the public.

SECTION 2 - RULES AND REGULATIONS

2.5 Obligations of the Customer (continued)

- 2.5.6 The termination or disconnection of Service(s) by the Company pursuant to Sections 2.2.5, 2.2.6, and 2.20 of this Tariff or if the Customer cancels Service pursuant to Section 2.19 of this Tariff, does not relieve the Customer of any obligations to pay the Company for charges due and owing for Service(s) furnished up to the time of termination or disconnection. The remedies set forth herein will not be exclusive, and the Company will at all times be entitled to all rights available to it under either law or equity.
- 2.5.7 The Customer is responsible for taking all necessary legal steps for interconnecting Customer-provided terminal equipment with the long distance network. The Customer will ensure that the signals emitted into the long distance network do not damage Company-Provided equipment, injure personnel, or degrade Service to other Customers or other users of the long distance network. The Customer is responsible for securing all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection. In addition, the Customer will comply with applicable LEC signal power limitations.
- 2.5.8 The Customer will be responsible for the payment of all charges for Services provided under this Tariff and for the payment of all excise, sales, use, gross receipts or other taxes that may be levied by a federal, state, or local governing body or bodies applicable to the Service(s) furnished under this Tariff unless specified otherwise herein. Also see Section 2.17 of this Tariff for additional information regarding the Customer's obligations concerning taxes.
- 2.5.9 The Customer will be liable for reimbursing the Company for damages to facilities or Company-Provided equipment caused by the negligence or willful acts of the Customer's officers, employees, agents, contractors, or authorized or unauthorized End User(s).

SECTION 2 - RULES AND REGULATIONS

2.5 Obligations of the Customer (continued)

- 2.5.10 If Service is terminated pursuant to Section 2.2.5, Section 2.2.6 or Section 2.20 of this Tariff or if the Customer cancels Service pursuant to Section 2.19 of this Tariff, the Customer will be deemed to have canceled Service as of the date of such termination or cancellation and will be liable for any cancellation charges set forth in this Tariff.
- 2.5.11 The Customer will indemnify and hold the Company harmless against any and all liabilities, costs, damages, and expenses resulting from claims by third parties that any calling card or PIN, Authorization Code, has been lost, stolen, or fraudulently issued or used; provided, however, that the Company will have no liability hereunder for special or consequential damages incurred by the Company.
- 2.5.12 If the Company is acting as an agent of the Customer for ordering Dedicated Access for the provision of Switched Service(s) and if the Customer is to be exempted from the monthly Special Access Surcharge charged by the Local Access Provider, it is the Customer's responsibility to provide the Company with an Exemption Certificate.
- 2.5.13 If as a result of inaccurate information provided by the Customer, Circuits need to be moved, replaced, or redesigned, the Customer is responsible for the payment of all such charges. In the event the Company incurs costs and expenses caused by the Customer or reasonably incurred by the Company for the benefit of the Customer, the Customer is responsible for the payment of all such charges.

SECTION 2 - RULES AND REGULATIONS

2.5 Obligations of the Customer (continued)

- 2.5.14 If an entity other than the Company (e.g. another carrier or supplier) imposes charges on the Company in connection with service provided to a specific Customer and those charges are not specifically listed in this Tariff, those charges will be billed to the Customer on a pass-through basis. The Customer is responsible for payment of such charges.
- 2.5.15 The Customer is responsible for the payment of all charges for Service(s) provided under this Tariff and for the payment of all assessments, duties, fees, surcharges, taxes, or similar liabilities whether charged to or against the Company or the Customer. This includes but is not limited to amounts the Company is required by governmental, quasi-governmental, or other entities to collect and/or to pay to designated entities. The Company may adjust its rates and charges or impose additional rates and charges on its Customer in order to recover these amounts. Unless specified otherwise herein, if an entity other than the Company (e.g., another carrier or supplier) imposes charges on the Company in connection with a Customer's Service, that entity's charges may be passed through to the Customer. The Customer is responsible for the payment of all such charges.
- 2.5.16 A Customer shall not use any service mark or trademark of the Company or refer to the Company in connection with any product, equipment, promotion, or publication of the Customer without prior written approval of the Company.

SECTION 2 - RULES AND REGULATIONS

2.5 Obligations of the Customer (continued)

- 2.5.17 In the event suit is brought or an attorney is retained by the Company to enforce the terms of this Tariff, the Customer shall reimburse the Company, in addition to any other remedy, for attorneys' fees, court costs, costs of investigation, and other related expenses incurred in connection therewith.
- 2.5.18 If a Prepaid Calling Card has a customized design, the design will be subject to the Company's review and approval, in the Company's sole discretion. The Company will deliver to the Customer a prototype of a customized Prepaid Calling Card. The Customer will advise the Company, in writing, of its approval of, or request for revisions of, such prototype prior to the Company's fulfillment of the Customer's order. Any such requested revisions to the customized design will be subject to the Company's approval.
- 2.5.19 Upon the Customer's receipt of Company Prepaid Calling Cards, the Customer will assume all risk of loss or misuse of such Prepaid Calling Cards.
- 2.5.20 Upon the Customer's receipt of Company issued Authorization Codes or PINS for Prepaid Services, the Customer will assume all risk of loss or misuse of such Authorization Codes and PINs.

SECTION 2 - RULES AND REGULATIONS

2.6 Obligations of a Reseller

- 2.6.1 The terms and conditions of this Tariff, including but not limited to the obligations contained in Section 2.5 and in Sections 2.6.2 through 2.6.7 hereof, apply to Customers that are Resellers. Failure to comply with any term, rule, or regulation of this Tariff may result in the Company immediately and irrevocably terminating Service(s) without incurring any liability. Notification of termination of Service(s) may be in writing or in another expeditious manner selected by the Company.
- 2.6.2 In the event of non-payment by a Reseller's subscriber, the Company may be requested by the Reseller to block such subscribers's service because of non-payment of charges. Before the Company blocks Service to a Reseller's subscriber, the Reseller must certify that proper notice has been given to the subscriber. Proper notice must meet state and federal rules for Blocking Service due to non-payment. The Reseller is responsible for all costs incurred to disconnect or block the location from Service(s).
- 2.6.3 Resellers will be responsible for paying all taxes, surcharges, and fees based upon the taxing jurisdiction's rules and regulations.
- 2.6.4 In addition to the other provisions in this Tariff, Resellers will be responsible for all interaction and interface with their own subscribers or customers. The provision of Service will not create a partnership or joint venture between the Company and the Reseller nor result in a joint offering to third parties.

SECTION 2 - RULES AND REGULATIONS

2.6 Obligations of a Reseller (continued)

- 2.6.5 If the Customer resells Services, the Reseller is responsible for providing all billing, collection, and customer service functions for all of its locations, including resolving any unauthorized presubscription disputes.
- 2.6.6 In addition to the other provisions in this Tariff, Resellers must have the appropriate authority in all areas where the Reseller provides service and provide such documentation to the Company when requested.
- 2.6.7 If a Reseller switches a subscriber's long distance provider without obtaining permission from the subscriber, the Company may charge the Reseller for the unauthorized presubscription change charges plus all additional charges imposed and costs incurred. The Reseller is financially liable for all lines at all locations until such time as the lines and/or locations are presubscribed to a different long distance service provider. In instances where the Reseller has presubscribed lines and/or location to its Service without proper authorization, the Reseller must:
 - (A) Inform the subscriber of the unauthorized change in long distance service providers; and
 - (B) Insure that the subscriber's service is returned to the long distance service provider of choice; and
 - (C) Pay all applicable charges.

SECTION 2 - RULES AND REGULATIONS

2.7 Obtaining Services

2.7.1 General

To obtain Service, the Company requires the Customer to provide the Company with whatever authorization the Company deems appropriate. Upon the Company's acceptance of this authorization, all applicable provisions in the Company's Tariff, as amended from time-to-time, become the agreement for Service between the Company and the Customer. Acceptance or use of Service offered by the Company shall be deemed an application for such Service and an agreement by the Customer to subscribe to, use, and pay for such Service in accordance with this Tariff. The Applicant must also establish credit satisfactory to the Company as provided in Section 2.7.2 of this Tariff.

2.7.2 Establishment of Credit

(A) Applicant

For all Services except the Company's Prepaid Services, the Company reserves the right to require all Applicants to establish credit worthiness to the reasonable satisfaction of the Company. Upon receipt of the signed letter of agency or other authorization the Company deems appropriate, the Applicant will be deemed to have authorized the Company to obtain such routine credit information and verification as the Company requires.

(B) Customer

If the conditions of Service or the basis on which credit was originally established have materially changed, an existing Customer may be required to establish additional credit. The Company reserves the right to examine the credit record and check the references of any Customer at any time.

SECTION 2 - RULES AND REGULATIONS

2.8 Customer Deposits / Advance Payments

2.8.1 Customer Deposits

(A) General

For Services other than Prepaid Services, any Applicant whose credit is not acceptable to the Company as provided in Section 2.7.2 of this Tariff may be required to make a deposit to be held by Company as a guarantee of payment for Service provided under this Tariff. In addition, an existing Customer may be required to make a deposit or to increase a deposit presently held by the Company if the conditions of Service or the basis on which credit was originally established have materially changed.

(B) Amount of Deposit

The amount of any deposit will not exceed the estimated charges for two months' Service. The Company will determine the amount of the deposit.

(C) Interest on Deposits

The Company will pay an interest rate on any security deposit it receives. The deposit shall bear interest at a rate which is equal to one percent (1%) above the prime lending rate as published in the *Wall Street Journal* for the last business day of September. This rate shall be adjusted annually on October 1 using the prime lending rate as published in the *Wall Street Journal* on the last business day of September of each year, plus one percent (1%). Interest shall be credited annually upon the account of the Customer or paid upon the return of the deposit, whichever occurs first.

SECTION 2 - RULES AND REGULATIONS

2.8 Customer Deposits / Advance Payments (continued)

2.8.1 Customer Deposits (continued)

(D) Return of Deposit

A deposit will be returned:

- When an application for Service has been canceled prior to the establishment of Service; or
- At the end of one year of satisfactory payments for Service; or
- Upon discontinuance of Service.

Notwithstanding the foregoing, prior to the return, deposits will be applied to any outstanding charges to the Customer for Service, and only the excess, if any, will be returned.

SECTION 2 - RULES AND REGULATIONS**2.8 Customer Deposits / Advance Payments (continued)****2.8.2 Advance Payments**

Customers and Applicants who, in the Company's judgment, present an undue risk of non-payment may be required at any time to provide the Company such other assurances of, or security for, the payment of the Company's charges for its Services as the Company may deem necessary, including, without limitation, advance payments for Service, third party guarantees of payment, pledges or other grants of security interests in the Customers' assets, and similar arrangements. The required advance payments or other security may be increased or decreased by the Company as it deems appropriate in the light of changing conditions. In determining whether a Customer presents an undue risk of nonpayment, the Company shall consider the following factors:

- (A) the Customer's or Applicant's payment history (if any) with the Company and its affiliates;
- (B) Customer's ability to demonstrate adequate ability to pay for the Service;
- (C) credit and related information provided by Customer, lawfully obtained from third parties or publicly available;
- (D) information relating to Customer's management, owners, and affiliates (if any); and
- (E) the Applicant's or Customer's actual long distance usage. The Company does not pay interest on advance payments.

SECTION 2 - RULES AND REGULATIONS

2.9 Rendering Bill

2.9.1 General

- (A) The Company uses cycle billing. The billing period is one (1) month. Except for fraud, charges may be assessed for unbilled traffic up to two (2) years in arrears.
- (B) The Company may also utilize direct billing by the Company or an authorized billing agent. The availability of the billing option is controlled by the Company not the Customer.
- (C) If a Customer presents an undue risk of nonpayment at any time, the Company may require the Customer to pay its bills in cash or the equivalent of cash. In the event the Company incurs fees or expenses, including attorney's fees, in collecting, or attempting to collect, any charges owed the Company, the Customer will be liable to the Company for the payment of all such fees and expenses reasonably incurred.
- (E) Where billing systems allow, Credit Card billing and automatic withdrawal from the Customer's checking or savings account are available. However, if a Customer presents an undue risk of nonpayment at any time, the Company may require the Customer to pay its bill in cash or the equivalent of cash.

SECTION 2 - RULES AND REGULATIONS

2.9 Rendering Bill (continued)

2.9.1 General (continued)

- (F) For the purpose of computing partial-month charges, a month is considered to consist of thirty (30) days. If the Company has ordered Dedicated Access as an agent of the Customer, the Company will not cease billing the Special Access Surcharge until the Company receives the Exemption Certificate (as defined herein) from the Customer and the Local Access Provider acknowledges receipt of the Customer's Exemption Certificate.
- (G) Any Applicant for Service that was furnished Service under a former contract with the Company shall pay or make satisfactory arrangements for paying any bill outstanding and unpaid for such Service, before any additional Service will be furnished.
- (H) In the event that the Company's ability to commence or to continue to provide Service in a timely manner is delayed or interrupted because of the non-performance by the Customer of any obligation set forth in this Tariff, the Customer shall pay to the Company amounts equal to the monthly recurring charges which would have been paid had the Company been able to commence or to continue to provide Service.

SECTION 2 - RULES AND REGULATIONS

2.9 Rendering Bill (continued)

2.9.1 General (continued)

- (l) If billing systems or other support is not available for a Service, feature, surcharge, or other charge element at the time Service is provisioned, the Company will bill for that Service, feature, surcharge, or other charge element as soon as it is capable of doing so.

2.9.2 Direct Billing By Company And/Or Authorized Billing Agent

(A) Other Billing Arrangements

Bills are sent to the Customer's current billing address no later than thirty (30) days following the close of billing. Call detail is available with the bill. Payment in full is due by the due date disclosed on the bill which is no less than twenty-one (21) days of the invoice date on the bill. Charges are payable only in United States currency. Payment may be made by check, money order, or cashier's check made payable as named on the bill and sent to the address as listed on the bill. If the bill is not paid within thirty (30) days from the invoice date, the Company may impose a late charge on the delinquent amount. A late charge applies to any past due balance. The Company may charge a late charge of 1.5% per month. The one-time penalty shall apply on the undisputed amount or on the disputed amount if a dispute is resolved in favor of the Company. When another telecommunications carrier provides the billing function on behalf of the Company, the other carrier's late payment charge applies.

SECTION 2 - RULES AND REGULATIONS

2.9 Rendering Bill (continued)

2.9.2 Direct Billing By Company Or Authorized Billing Agent (continued)

(B) Credit Card Billing

With Credit Card billing, the charges for Services provided by the Company are billed on the Customer's designated and approved Credit Card. Charges are billed monthly in accordance with the terms and conditions between the Customer and the Customer's designated Credit Card company. Call detail will not be included in the Credit Card bill. Call detail will be provided by the Company in a separate mailing.

(C) Automatic Withdrawal From Checking or Savings Account

If the Customer utilizes automatic withdrawal, the charges for Services provided by the Company are automatically debited to the Customer's designated checking account or savings account. Call detail will be provided by the Company in a separate mailing.

(D) Prepaid Services

All charges for Prepaid Services must be paid in advance. No Prepaid Authorization Codes or PINs will be activated until payment, in U. S. Dollars and in full, has been received by the Company. Payment shall be made in cash (U.S. funds), check or money order payable in U.S. funds, or Company approved Credit Card. If the Customer pays via check, the Authorization Code or PIN is activated after the check clears the bank. The Company does not render a bill for Prepaid Services. A copy of the call detail will be provided pursuant to a Customer's request within thirty (30) days of the call date.

SECTION 2 - RULES AND REGULATIONS

2.10 Disputed Charges

- 2.10.1 The Company will not be required to consider any Customer claim for damages or statutory penalties, or adjustments, refunds, credits or cancellation of charges, unless the Customer has notified the Company, orally or in writing, of any dispute concerning charges, or the basis of any claim for damages, within sixty (60) calendar days after an invoice is rendered or a debit is effected by the Company for the call giving rise to such dispute or claim.
- 2.10.2 Any such notice must set forth sufficient facts to provide the Company with a reasonable basis upon which to evaluate the Customer's claim or demand. Such notice must be sent to the Company's Customer Service Department as per Section 2.11 of this Tariff. If the Customer is not satisfied with the Company's resolution of a billing inquiry, the Customer may make application to the Commission for review and disposition of the matter.
- 2.10.3 Failure of the Customer to participate in the Company's effort to resolve a dispute or claim will constitute a waiver of the Customer's rights to a continuance of Service.

SECTION 2 - RULES AND REGULATIONS

2.11 Customer Service Department

Customer correspondence must be addressed to the attention of the Customer Service Department and sent to the appropriate office. The Customer may also contact the Company's Customer Service Department by calling a toll free number. The Company's Customer Service address and toll free number are printed on the Customer's bill. For Customers subscribing to Prepaid Calling Card Service, the Customer Service number is displayed on the card and provided in the information sent to the Customer with the calling card. For Customers using Credit Card billing or automatic withdrawal from the checking or savings account, the Company's Customer Service address and toll free number are provided with the Customer's call detail. Customer Service Representatives are available from 6:00AM until 9:00PM Monday through Saturday Pacific Time.

SECTION 2 - RULES AND REGULATIONS

2.12 Mileage Measurements

2.12.1 The mileage between rate centers is calculated based on V and H coordinates as obtained by reference to AT&T Tariff FCC No. 10. Calculation between Serving Wire Centers is based on V and H coordinates as obtained by reference to NECA FCC Tariff No. 4. The mileage for a call between Access Lines associated with stations that use the same rate center is one mile. If Feature Group B is used, the distance will be measured from the rate center of the tandem location or network site to which the Feature Group B line is connected. If Feature Group D access is used, the distance will be measured from the rate center of the calling number.

2.12.2 Airline mileage between service locations is calculated as follows:

Airline mileage is calculated as follows:

The square root of:
$$\frac{(V_1 - V_2)^2 + (H_1 - H_2)^2}{10}$$

Where V_1 and H_1 are the V and H coordinates of point 1 and V_2 and H_2 are the coordinates of point 2.

Mileage is rounded up to an integer value to determine the airline mileage.

2.13 Timing of Calls

The Customer's long distance usage charge is based on the actual usage of the long distance network. Usage begins when the called party picks up the receiver and the local telephone company sends a signal to the switch which utilizes hardware answer supervision or software tone detection. A call is terminated when the calling party hangs up.

SECTION 2 - RULES AND REGULATIONS

2.13 Timing of Calls (continued)

2.13.2 Chargeable time ends when the calling station hangs up thereby releasing the network connection. If the called station hangs up but the calling station does not, chargeable time ends when the network connection is released either by the automatic timing equipment in the telecommunications network or by the operator.

2.14 Rate Periods

Different rates may be applicable to a call at different times of the day and on certain days of the week, as specified in the appropriate rate schedule for that call. All times shown are local time at the calling station in the case of an outbound call and at the called station in case of an inbound toll free call.

2.15 Determining Rate In Effect

For outbound Services that are time-of-day sensitive, the time-of-day at the central office or POP associated with the calling station determines the rate in effect. For Toll Free Services that are time-of-day sensitive, the time-of-day at the central office or POP associated with the called station determines the rate in effect. If a unit of time is split between two (2) or more rate periods, each rate period applies to the portion of the call that occurred during that rate period rounded to the nearest billing increment. If a call is completed by an operator, the time at the beginning of each initial or additional rate period determines the applicable rate period. When a message spans more than one rate period, total charges for each rate period are calculated and the results for each rate period are totaled to obtain the total message charge.

SECTION 2 - RULES AND REGULATIONS

2.16 Application of Charges

2.16.1 Rounding

Each usage sensitive Switched Service has its own specific initial period and additional period (collectively referred to as billing increments) as specified in Section 3 of this Tariff. For all Services, fractions of a billing increment are rounded up to the next higher increment for billing purposes. The usage charges for each completed call during a billing month will be computed. If the charge for the call includes a fraction of a cent of \$.005 or more, the fraction of such charge is rounded up to the next higher whole cent. Otherwise, the charge is rounded down to the next lower whole cent. Rounding for charges for Service(s) is on a call-by-call basis.

2.17 Taxes, Surcharges, and Fees

2.17.1 General

- (A) In addition to the charges specifically pertaining to Services, certain federal, state, and local surcharges, taxes, and fees apply to Services. The Company may impose a surcharge on its Customers to recover amounts it is required by governmental or quasi-governmental authorities to collect from or pay to others in support of statutory or regulatory programs. These taxes, surcharges, and fees are calculated based upon the point of origination of the call, the point of termination of the call, the length of each call, and the taxing jurisdiction's rules and regulations. All state and local taxes, (i.e., sales tax, gross receipts tax, municipal tax) are listed as separate line items and are not included in the quoted rates for services paid for in arrears. All charges and fees subject to the Commission's jurisdiction except taxes and franchise fees will be submitted to the Commission for prior approval.

SECTION 2 - RULES AND REGULATIONS

2.17 Taxes, Surcharges, and Fees (continued)

2.17.1 General (continued)

- (B) Pending the conclusion of any litigation challenging a jurisdiction's or body's right to impose any assessments, duties, fees, surcharges, taxes, or similar liabilities, the Company may elect to waive or impose and collect a charge covering such assessments, duties, fees, surcharges, taxes, or similar liabilities, unless otherwise constrained by court order or direction. All such charges will be shown as a separate line item on the Customer's bill. If the Company has collected any assessments, duties, fees, surcharges, taxes, or similar liabilities and any of the challenged assessments, duties, fees, surcharges, taxes, or similar liabilities are found to have been invalid and not enforceable, the Company will credit or refund such sums to each affected Customer if (1) the Company has retained such funds or (2) the Company has remitted such funds to the collecting jurisdiction or body and the funds have been returned to the Company.

2.17.2 Prepaid Services

The rates indicated in Section 4 of this Tariff are inclusive of all federal, state, and local surcharges, taxes, and fees except point-of-sale taxes.

SECTION 2 - RULES AND REGULATIONS

2.17 Taxes, Surcharges, and Fees (continued)

2.17.3 Tax Exemption Certificate

- (A) In order to be granted tax exempt status, a Customer claiming tax exempt status must provide the Company with copies of all tax exemption certificates and documents required by the Company at the time Service is ordered. New Customers are required to provide the requested documentation at the time Service is ordered.
- (B) Failure to provide the required documentation at the time Service is ordered will result in all taxes as noted herein being levied by the Company on the Customer's Service, and the Customer will be responsible for the payment of all such charges.
 - .1 At the Company's option, the Company may accord the Customer tax exempt status upon receipt of the required documentation after Service is ordered. However, the Customer will be billed for all applicable taxes and will be responsible for the payment of same until such time as the Company has ceased billing the applicable taxes.
 - .2 The Company is not liable for refunding the amount of the taxes paid by the Customer. The Customer is responsible for seeking refunds for such taxes from the appropriate taxing authority.
- (C) Failure to pay the appropriate taxes prior to tax exempt status being accorded by the Company will result in termination of Service.

SECTION 2 - RULES AND REGULATIONS

2.18 Interruption of Service

- 2.18.1 Without incurring liability, the Company may interrupt the provision of Services at any time in order for tests and inspections to be performed to assure compliance with Tariff regulations and the proper installation and operation of Customer's equipment and facilities and may continue such interruption until any items of non-compliance or improper equipment operation so identified are rectified.
- 2.18.2 To prevent possible unauthorized, fraudulent, or unlawful use of Service, the Company may initiate Blocking of all calls or Blocking calls to or from certain NPA-NXXs, cities, or individual telephone stations for any Service offered under this Tariff. Service will be restored as soon as it can be provided without undue risk and only after accounts have been brought current.
- 2.18.3 For Prepaid Services, the Company will not issue a credit for a call in which a wrong number, cutoff, or poor transmission condition occurred. Prepaid Services are not subject to the credit allowance set forth in Section 2.18.4 or 2.18.5.
- 2.18.4 No credit for recurring monthly charges will be issued for outages less than twenty-four consecutive hours in duration. For Customers with Service subject to a monthly recurring charge, Service interruptions of greater than twenty-four (24) consecutive hours duration will receive a credit equal to the number of hours of Service interruption divided by 720 hours times the monthly recurring charge for the Service.
- 2.18.5 For Services, other than Prepaid Services, with usage-sensitive rates, credit allowances for cutoff, wrong number, or poor transmission are subject to the general liability provisions set forth in Section 2.3.1 of this Tariff. If the Customer desires a credit for any Service interruption, the Customer must contact the Company via telephone or in writing. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission by the Customer within the Customer's control, or is not in wiring or equipment, if any, furnished by the Customer.

SECTION 2 - RULES AND REGULATIONS

2.19 Cancellation of Service By Customer

2.19.1 Prepaid Services may be canceled upon expiration of the account balance.

2.19.2 For all other Services, a Customer may cancel Service by giving ten (10) days' oral or written notice to the Company. Such notice should be addressed to the Company's Customer Service organization at the telephone number or the address specified in Section 2.11.1 of this Tariff.

2.20 Termination of Service By Company

2.20.1 The Company may terminate Service to the Customer upon ten (10) days' oral or written notice to Residential Customers and five days oral or written notice to Business Customers for any condition listed in Section 2.2.6 of this Tariff. If the Company delivers the notice to the Customer's Premises, it will be left in a conspicuous place. When notice is mailed, the notice will be addressed to the Customer's last known billing address and mailed first class or express overnight delivery. The selection of the method of delivery of the notice is made by the Company.

2.20.2 The termination of Service(s) by the Company pursuant to this section does not relieve the Customer of any obligations to pay the Company for charges due and owing for Service(s) furnished up to the time of termination. The remedies set forth herein will not be exclusive and the Company will at all times be entitled to all rights available to it under either law or equity.

2.21 Restoration of Services

The use and restoration of Services in emergencies will be in accordance with the priority system specified in Part 64, Subpart D of the rules and regulations of the Federal Communications Commission.

SECTION 2 - RULES AND REGULATIONS

2.22 Terminal Equipment

Services may be used with or terminated in Customer-provided terminal equipment or Customer-provided communications systems such as a telephone set, PBX or key system. Such terminal equipment shall be furnished and maintained at the expense of the Customer. The Customer is responsible for all costs at the Customer's Premises, including personnel, wiring, electrical power, and the like, incurred in the use of the Service. When such terminal equipment is used, the equipment shall comply with applicable rules and regulations of the Federal Communications Commission, including but not limited to, Part 68. In addition, equipment must comply with generally accepted minimum protective criteria standards and engineering requirements of the telecommunications industry which are not barred by the Federal Communications Commission.

2.23 Notices

Any notices provided by Company pursuant to this Tariff are deemed given and effective upon the earlier of (a) actual receipt by Customer or (b) three days after mailing if sent by mail, the day after express overnight delivery, or the day the notice is left at the Customer's Premises.

2.24 Lost Or Stolen Calling Card, Authorization Code, or PIN

Upon knowledge of facts which would alert a reasonable person to the possibility of unauthorized use of the Customer's calling card, Authorization Code, or PIN, the Customer will alert and give notice to the Company of such facts. Upon receipt of notice, the Company will deactivate the Authorization Code or PIN associated with the Service. If requested by the Customer, Authorization Code or a new calling card and PIN will be issued to the Customer. The Customer will be excused from liability only with respect to unauthorized calls placed after receipt of such notice by the Company.

SECTION 2 - RULES AND REGULATIONS

2.25 Fraud Control

If the Customer notifies the Company that a particular Prepaid Calling Card has been lost or stolen prior to the activation of its PIN, the Company will use its best efforts to ensure that such PIN is not activated.

2.26 Changes To Rates and Charges

In accordance with Commission rules, the Company may adjust its current rates and charges for Services by filing revised Tariff pages with the Commission.

2.27 Minimum Call Completion Rate

A Customer can expect a call completion rate (number of calls completed/number of calls attempted) of not less than 98% during peak use periods.

2.28 Promotions

The Company will, from time to time, offer one or more of the following promotional offerings or trial Service offerings designed to attract new Customers, retain existing Customers, win back former Customers, stimulate Customer usage, test potential new Services and/or increase existing Customer awareness of Services by waiving or reducing certain rates, charges, fees, or penalties in response to media advertising, direct mail solicitation, telemarketing and/or direct sales presentations. The promotional offerings may contain a requirement that the Customer remain subscribed to a particular Service for a period not to exceed three years. These offerings may be limited to certain dates, times of day and/or locations determined by the Company. The Company will provide written notice to the Commission no less than seven (7) days prior to the beginning of each promotion period.

SECTION 3 - DESCRIPTION OF SERVICES

3.1 Prepaid Long Distance Service

3.1.1 Description of Service

Prepaid Long Distance Service is a prepaid telephone Service that allows Customers to obtain a predetermined amount of access to the Company's long distance Services. The Company does not serve as the Customer's Primary Interexchange Carrier. Prepaid Long Distance Service is available via a domestic TFAN and an Authorization Code. This Service is a dollar based Service, meaning that there is a fixed amount of dollars (i.e., \$5, \$10, \$20, \$50, or some other denomination) available to the Customer who purchases the Service.

The Customer dials a domestic TFAN and hears recorded messages that guide the Customer through the Platform. The Platform validates the Customer's Authorization Code, determines whether sufficient time or value remains on the account and, if so, completes the call to the called telephone number dialed by the Customer. The Customer is orally informed of the available balance of the account. The Customer may place calls from any location where such access is made available at the sole discretion of the Carrier. All Calls are billed in one minute increments subject to a minimum connect time of one minute. All calls are rounded to the next highest minute.

Calls are real-time rated during call progression. The total price of each call, including applicable taxes, is calculated on the basis of usage and any applicable recurring and non-recurring charges. The total price is deducted from the available account balance associated with each account. The Platform decrements the Customer's account balance as the Customer conducts a call. The Customer receives a warning tone one minute before the balance reaches zero. Calls in progress will be terminated when there is an insufficient balance to continue the call.

SECTION 3 - DESCRIPTION OF SERVICES

3.1 Prepaid Long Distance (continued)

3.1.1 Description of Service (continued)

Customer account balances may be increased at any time during business hours or via an alternate automated system if and when such a system becomes available. Once an account is exhausted, however, the Customer cannot complete long distance calls using the Company's Prepaid Long Distance Service until additional Service is purchased. When the additional Service is purchased, the Customer may be issued a new PIN. The Company offers various payment plans.

3.2.2 Availability

Prepaid Long Distance Service is available to Residential Customers and Business Customers.

3.2 Prepaid Calling Card Services

3.2.1 Description of Service

The Company's Prepaid Calling Card service is a prepaid long distance service that allows Customer's to obtain a predetermined amount of access to the Company's long distance services. The card is a dollar based service, meaning there is a fixed amount of dollars (i.e., \$5, \$10, \$20, \$50, or some other denomination) available to the Customer who purchases a card.

SECTION 3 - DESCRIPTION OF SERVICES

3.2 Prepaid Calling Card Services (continued)

3.2.1 Description of Service (continued)

Prepaid Calling Card service is offered via TFANs and is available to a Cardholder from a touchtone phone. The Cardholder dials a TFAN and hears recorded messages that guide the Cardholder through the Platform. The Platform validates the Cardholder's PIN, determines whether time remains on the card and, if so, completes the call to the called telephone number dialed by the Cardholder. The Cardholder is orally informed of the available balance of the Prepaid Calling Card account. All Calls are billed in one minute increments subject to a minimum connect time of one minute. All calls are rounded to the next highest minute.

Calls are real-time rated during call progression. The total price of each call, including applicable taxes, is calculated on the basis of usage and is deducted from the available account balance associated with each Prepaid Calling Card. The Platform debits the Cardholder's account balance as the Cardholders places a call. The Cardholder receives a warning tone one minute before the balance reaches zero. Calls in progress will be terminated when the balance reaches zero.

The Cardholder may access the network from anywhere in the State by dialing a universal TFAN, a PIN, and the called telephone number. A Prepaid Calling Card is not reusable once the usage has been exhausted.

3.2.2 Availability

Prepaid Calling Cards are available to Residential Customers and Business Customers.

SECTION 3 - DESCRIPTION OF SERVICES

3.2 Prepaid Calling Card Services (continued)

3.2.3 Features

(A) Instructions Available In Multiple Languages

The Company may make available to the Cardholder different TFAN access numbers for instructions in English or Spanish, or other languages as appropriate.

(B) Sequential Calling

Sequential calling allows the Cardholder to make several calls without disconnecting from the Platform after the completion of each call.

3.3 Promotional Services

Prepaid Long Distance Service and Prepaid Calling Card Service are available on a promotional basis. Promotional Services are available to Customers who intend to give the Service away to the End-Users as either a premium or promotional item.

SECTION 4 - RATES AND CHARGES

4.1 Prepaid Long Distance Service

4.1.1 Rate Plans

	Rate per Minute or Fraction Thereof	
	1st Minute	Add'l Minute
Option 1	0.25	.25
Option 2	1.07	.07
Option 3	0.15	.15
Option 4	1.07	.07

4.2 Prepaid Calling Card Service

4.2.1 Usage Charges

	Rate per Minute or Fraction Thereof	
	1st Minute	Add'l Minute
Option 1	0.25	.25
Option 2	1.07	.07
Option 3	0.15	.15
Option 4	1.07	.07

SECTION 4 - RATES AND CHARGES

4.3 Promotional Services

4.3.1 Promotional Prepaid Long Distance

The rate per minute for all promotional prepaid long distance calls is \$1.00 per minute or fraction thereof.

4.3.2 Promotional Prepaid Card

The rate per minute for all promotional prepaid calling cards is \$1.00 per minute or fraction thereof.

SECTION 4 - RATES AND CHARGES

4.3 Miscellaneous Charges

4.3.1 Return Check Charge

If a Customer's check is returned by the bank, the Company may charge the Customer a return check charge. The amount of the return check charge is \$25.00.

4.3.2 Payphone Surcharge

Pursuant to the FCC's Order in CC Docket 96-128, this surcharge applies only to dial-around calls, i.e., calls originating using a carrier's access code, a Customer's 800 and other toll-free numbers, calling cards, and prepaid phone card calls, from payphone instruments. This surcharge does not apply for 0+ call for which the payphone provider would otherwise receive compensation.

(A) Prepaid Services

The Customer shall pay the Company a per call surcharge of \$0.50 per call for all such traffic.