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NEW APPLICATION

HEIN & ASSOCIATES, P. C.

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RECEIVED
AZ CORP COMMISSION

Nov 3 2 56 PM '98

DOCUMENT CONTROL

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October 27, 1998

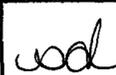
rharris@helein.com

DOCKET NO. T-03651A-98-0633

Arizona Corporation Commission
DOCKETED

NOV 03 1998

Docket Control Center
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

DOCKETED BY	
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Re: OLS, Inc.
Application for Certificate of Convenience and Necessity

Ladies and Gentlemen:

On behalf of OLS, Inc. ("OLS"), a long distance resale carrier, we transmit herewith an original and ten (10) copies of its Application for Certificate of Convenience and Necessity.

An extra copy of this letter and filing is enclosed. Please date-stamp it and returned it in the postage-paid envelope provided. Please direct all inquiries and correspondence related to this filing to the undersigned.

Sincerely,



Rogena Harris

Enclosures

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED
AZ CORP COMMISSION

Nov 3 2 56 PM '98

JIM IRVIN,
CHAIRMAN
RENZ D. JENNINGS,
COMMISSIONER
CARL J. KUNASEK,
COMMISSIONER

DOCUMENT CONTROL

IN THE MATTER OF THE)
APPLICATION OF)
OLS, INC.)
FOR A CERTIFICATE)
OF CONVENIENCE AND NECESSITY)
TO PROVIDE INTEREXCHANGE)
TELECOMMUNICATIONS SERVICES)
WITHIN THE STATE OF ARIZONA)

DOCKET NO. _____

APPLICATION OF

OLS, INC.

FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY

GENERAL REQUIREMENTS

A. Applicant:

OLS, Inc.
1030 Cambridge Square, Suite E
Alpharetta, GA 30201
(770) 569-9988

B. Management Contact for Applicant:

Geri Clary
Vice President
OLS, Inc.
1030 Cambridge Square, Suite E
Alpharetta, GA 30201
(770) 569-9988

C. Attorney for Applicant:

Rogena Harris
Helein & Associates, P.C.
8180 Greensboro Drive, Suite 700
McLean, Virginia 22102
(703) 714-1307 (voice)
(703) 714-1330 (facsimile)

D. Nature of Services to be Provided:

1. In accordance with Ariz. Rev. Stat. Ann. Section 40-101 et seq. (1991) and Ariz. Comp. Admin. R. & Regs. R14-2-503 (1991), OLS, Inc. (hereinafter "Applicant" or "OLS") hereby files an application for a certificate of convenience and necessity from the Arizona Corporation Commission (hereinafter "Commission") to provide intrastate, interLATA and intraLATA telecommunications services (resale of presubscribed "1+" long-distance service, 800/888/877 inbound service, and calling card service) within Arizona. The telecommunications services Applicant proposes to offer within Arizona will be similar to Applicant's existing interstate service for which no Commission authority is required.

2. Applicant's service provides for the switchless resale of the tariffed services of certified facilities-based carriers, such as WorldCom Network Services, Inc., to businesses and residences.

3. Applicant's service will be available 24 hours a day, seven days a week, for calls originating and terminating in Arizona.

4. Applicant submits the following reasons in support of its belief that the Commission should grant its application:

(a) Applicant's proposed resale of long-distance telephone service will offer low cost, competitively priced telecommunications services.

(b) In addition to providing its subscribers with the cost advantages realized by the resale of facilities-based capacity, Applicant's proposed service will help to optimize the use of existing telecommunications facilities and contribute to their efficient use.

and operation.

- (c) The Commission's granting of the instant application is consistent with the Commission's Order in Decision No. 57339, Docket No. U-2507-88-045, et al. (April 5, 1991), in which the Commission recognized that competition within the intrastate, interLATA telecommunications market provides long-term benefits to Arizona consumers, among which benefits are the following: (i) lower-priced and better quality services; (ii) innovative packaging of telecommunications resources as well as increased diversification and reliability of supply of telecommunications services; and (iii) development of an expanded telecommunications supply industry in Arizona with attendant employment opportunities for Arizona residents.

5. Applicant understands that the Commission's order granting authority to Applicant will require the filing of tariffs setting forth Applicant's telecommunications services and rates. Such rates need not be supported by cost data and should become automatically effective after a reasonable waiting period determined by the Commission because the marketplace will dictate price. In addition, Applicant understands that it will be subject to the Commission's present complaint procedures. Applicant requests that the Commission apply modified complaint procedures to resolve customer disputes with Applicant as a competitive provider of long-distance services.

6. Applicant requests that the Commission grant it authority to provide "1+" outbound, inbound, and calling card long-distance services on a resale basis in Arizona.

7. Applicant requests that its application be granted on an ex parte basis. Applicant is prepared to offer its low-cost, long-distance telecommunications services immediately upon Commission authorization and to begin providing the benefits of its service offerings to Arizona consumers.

E. Corporate Status of Applicant:

Applicant is a privately-held corporation, incorporated under the laws of the State of Georgia.

F. Corporate Documents, Officers, and Directors:

1. A copy of Applicant's Certificate of Incorporation is attached as Exhibit 1. Applicant's Certificate of Authority to Do Business in the State of Arizona has been applied for, and will be forwarded upon receipt and will be attached as Exhibit 2.

2. Copies of Applicant's current Certificate of Good Standing from the State of Georgia is attached as Exhibit 3.

3. Names of Officers and Directors:

Gary K. Eubanks - President, Chief Executive Officer and Secretary
Geri Clary - Vice President, Chief Financial Officer and Treasurer

4. Not applicable (Applicant is not an Arizona corporation).

G. Not applicable (Applicant is not a partnership).

H. Not applicable (Applicant is not a sole proprietorship).

I. Description of facilities that will be used to provide service in Arizona:

Applicant will provide presubscribed "1+" resale of outbound and inbound long-distance service. All facilities and equipment used to provide Applicant's service are operated and maintained by Applicant's underlying carrier, currently WorldCom Network Services, Inc.

J. Not applicable (no construction will be necessary).

K. Not applicable (no construction will be necessary).

L. Current Balance Sheet and One Year Projected Balance Sheet:

A copy of Applicant's current balance sheet is attached as Exhibit 4. A copy of Applicant's one year projected balance sheet will be filed with the Commission upon request.

M. Current Income Statement:

A copy of Applicant's current income statement is attached as Exhibit 6.

N. Date Utility Expects to Make a Profit:

Applicant expects to make a profit in Arizona within 3 months of commencing operations.

O. Proposed Tariff:

A copy of Applicant's proposed tariff is attached as Exhibit 7.

P. Map of Service Area

A copy of Applicant's proposed service area is attached as Exhibit 8.

Q. Complaint Processing Procedures

Applicant's complaint processing procedures are described in Exhibit 9.

R. List of Approved States

A list of states in which applicant is approved is at Exhibit 10.

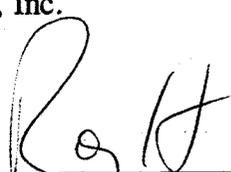
S. Diagram of Call Network

A diagram of Applicant's Call Network is found in Exhibit 11.

Respectfully submitted this 28th day of October, 1998.

OLS, Inc.

By:



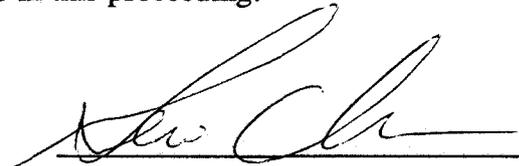
Rogena Harris
Helein & Associates, P.C.
8180 Greensboro Drive, Suite 700
McLean, Virginia 22102

Its Attorneys

STATE OF GEORGIA

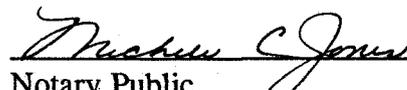
COUNTY OF Dawson

Geri Clary, being duly sworn, deposes and says: that she is the Vice President, Chief Financial Officer, and Treasurer of OLS, Inc.; that she has read the foregoing petition and knows the contents thereof, and that the same is true of her own knowledge except as to the matters therein stated upon information and belief; and as to those matters she believes them to be true; and that she consents to the verified affidavit being used as evidence in this proceeding.



Geri Clary

Subscribed and sworn to before me this the _____ day of September, 1998.



Notary Public

My commission expires:
Notary Public, Dawson County, Georgia
My Commission Expires September 13, 1999

EXHIBIT 1

Certificate of Incorporation

and

Articles of Incorporation

Secretary of State
Corporations Division
Suite 315, West Tower
2 Martin Luther King Jr. Dr.
Atlanta, Georgia 30334-1530

CONTROL NUMBER: 9713485
EFFECTIVE DATE: 04/17/1997
COUNTY : FULTON
REFERENCE : 0045
PRINT DATE : 04/17/1997
FORM NUMBER : 311

GERI CLARY
1030 CAMBRIDGE SQUARE
SUITE E
ALPHARETTA, GA 30201

CERTIFICATE OF INCORPORATION

I, Lewis A. Massey, the Secretary of State and the Corporation Commissioner of the State of Georgia, do hereby certify under the seal of my office that

OLS, INC,
A DOMESTIC PROFIT CORPORATION

has been duly incorporated under the laws of the State of Georgia on the effective date stated above by the filing of articles of incorporation in the office of the Secretary of State and by the paying of fees as provided by Title 14 of the Official Code of Georgia Annotated.

WITNESS my hand and official seal in the City of Atlanta and the State of Georgia on the date set forth above.



Lewis A. Massey

Lewis A. Massey
Secretary of State

ARTICLES OF INCORPORATION

OF

OLS, Inc.

ARTICLE I. The name of the corporation is "OLS, Inc."

ARTICLE II. The corporation is organized pursuant to the Georgia Business Corporation Code.

ARTICLE III. The period duration of the corporation shall be perpetual.

ARTICLE IV. The purposes for which the corporation is organized are: to resell 1+ residential long distance service, and business activities related thereto, and to engage in any lawful act or activity for which a corporation organized under the Georgia Business Corporation Code may engage.

ARTICLE V. The corporation shall have authority to issue shares of stock in one class only, that being common stock, and the aggregate number of shares the corporation shall have authority, acting by its Board of Directors, to issue shall not be more than 100,000 shares of common stock.

ARTICLE VI. The corporation shall not commence business until a consideration of no less than \$1,000.00 has been received for the issuance of shares of its stock.

ARTICLE VII. The mailing address of the initial principal office of the corporation is:

1030 Cambridge Square, Suite E
Alpharetta, Fulton County, GA 30201.

ARTICLE VIII. The initial registered office of the corporation shall be located at:

1030 Cambridge Square, Suite E
Alpharetta, Fulton County, Georgia, 30201;

and the initial registered agent of the corporation shall be:

Geri Clary.

ARTICLE IX. The initial Board of Directors shall consist of two members, namely, Gary Eubanks and Geri Clary.

ARTICLE X.

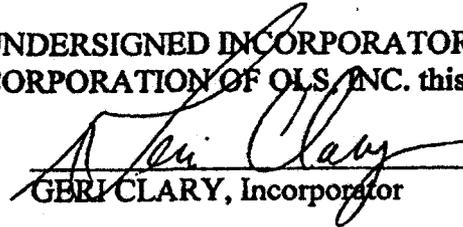
The name address of the incorporator is:

Geri Clary

1030 Cambridge Square, Suite E

Alpharetta, Fulton County, Georgia, 30201.

IN WITNESS WHEREOF, THE UNDERSIGNED INCORPORATOR HAS
EXECUTED THESE ARTICLES OF INCORPORATION OF OLS, INC. this 17th day of
April, 1997.


GERI CLARY, Incorporator

SECRETARY OF STATE
APR 17 12 13 PM '97
BSR (1)

EXHIBIT 2

Authority to Transact Business in Arizona

Applicant has requested the authority to do business in Arizona from the Arizona Secretary of State. A copy of the certificate granting same will be forwarded upon receipt for inclusion herein.

EXHIBIT 3

Certificate of Good Standing

Applicant's Certificate of Good Standing in Georgia, its state of incorporation, is attached.

Secretary of State

Corporations Division

315 West Tower

2 Martin Luther King, Jr. Dr.
Atlanta, Georgia 30334-1530

DOCKET NUMBER : 982580060
CONTROL NUMBER : 9713485
DATE INC/AUTH/FILED: 04/17/1997
JURISDICTION : GEORGIA
PRINT DATE : 09/15/1998
FORM NUMBER : 211

HELEIN & ASSOCIATES, P.C.
ATTN: JANE M. HELEIN
8180 GREENSBORO DR STE 700
MCLEAN VA 22102

CERTIFICATE OF EXISTENCE

I, Lewis A. Massey, the Secretary of State of the State of Georgia, do hereby certify under the seal of my office that

**OLS, INC,
A DOMESTIC PROFIT CORPORATION**

was formed in the jurisdiction stated above or was authorized to transact business in Georgia on the above date. Said entity is in compliance with the applicable filing and annual registration provisions of Title 14 of the Official Code of Georgia Annotated and has not filed articles of dissolution, certificate of cancellation, or any other similar document with the office of the Secretary of State.

This certificate relates only to the legal existence of the above-named entity as of the date issued. It does not certify whether or not a notice of intent to dissolve, an application for withdrawal, a statement of commencement of winding up, or any other similar document has been filed or is pending with the Secretary of State.

This certificate is issued pursuant to Title 14 of the Official Code of Georgia Annotated and is prima-facie evidence that said entity is in existence or is authorized to transact business in this state.

Lewis A. Massey
LEWIS A. MASSEY
SECRETARY OF STATE



EXHIBIT 4

Current Balance Sheet

OLS, Inc.
Balance Sheet
As of August 31, 1998

	<u>Aug 31, '98</u>
ASSETS	
Current Assets	
Checking/Savings	
Operating - Checking	212,340.73
Payroll - Checking	127.89
Payroll-New	-1,748.21
Total Checking/Savings	<u>210,720.41</u>
Accounts Receivable	
ZPDI-A/R	449,359.15
Total Accounts Receivable	<u>449,359.15</u>
Other Current Assets	
Deposits	3,550.00
Total Other Current Assets	<u>3,550.00</u>
Total Current Assets	663,629.56
Fixed Assets	
Accumulated Amortization	-1,585.21
Accumulated Depreciation	-18,620.13
Equipment	117,538.90
Leasehold Improvements	8,398.84
Total Fixed Assets	<u>105,732.40</u>
TOTAL ASSETS	<u><u>769,361.96</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	133,080.82
Total Accounts Payable	<u>133,080.82</u>
Other Current Liabilities	
Group Health Insurance	6,688.39
Loan - AE	130.00
Loan - MB	87,000.00
Payroll Liabilities	126,611.79
Peoples Financial Corp. - STN	268.44
Wage Garnishment - Various	-665.40
Total Other Current Liabilities	<u>220,033.22</u>
Total Current Liabilities	353,114.04
Long Term Liabilities	
First Family Financial - LTN	5,330.93
Loan-SB	21,523.72
Total Long Term Liabilities	<u>26,854.65</u>
Total Liabilities	379,968.69
Equity	
Capital Stock	94,000.00
Retained Earnings	-61,350.09
Net Income	356,743.36
Total Equity	<u>389,393.27</u>
TOTAL LIABILITIES & EQUITY	<u><u>769,361.96</u></u>

EXHIBIT 5

One Year Projected Balance Sheet

Will be provided to Commission immediately upon request.

EXHIBIT 6

Current Income Statement

OLS, Inc.
Profit and Loss
 January through August 1998

	Jan - Aug '98	% of Income
Ordinary Income/Expense		
Income		
Customer Refund	-200,613.11	-4.4%
LD Revenue	4,794,032.39	104.4%
Total Income	4,593,419.28	100.0%
Cost of Goods Sold		
Advertising - Long Distance	92,416.54	2.0%
Billing & Collection Fees	258,826.85	5.6%
Bonus	500.00	0.0%
Commission	48,510.00	1.1%
Contract Labor	22,090.05	0.5%
LOA cost	1,126,037.67	24.5%
Overtime Wages	903.04	0.0%
Postage	343.86	0.0%
Regular Wages	192,389.98	4.2%
Supervisor Salary	60,091.75	1.3%
Usage Charges	1,159,301.67	25.2%
Total COGS	2,961,411.41	64.5%
Gross Profit	1,632,007.87	35.5%
Expense		
Bad debt Expense		
Bad Debt Exp - ZPDI	192,114.51	4.2%
Unbillable - ZPDI	171,120.66	3.7%
Total Bad debt Expense	363,235.17	7.9%
Bank Service Charges	9,007.25	0.2%
Conference Expense	39,173.52	0.9%
Depreciation Expense	12,711.81	0.3%
Dues and Subscriptions	2,171.03	0.0%
Equipment Insurance	496.91	0.0%
Equipment Rental	24,176.94	0.5%
Excise Tax	2,385.12	0.1%
Insurance	15,177.30	0.3%
Interest Expense		
Interest Expense - ZPDI	45,883.55	1.0%
Interest Expense - Other	13,615.26	0.3%
Total Interest Expense	59,498.81	1.3%
Licenses and Permits		
Filing Fees	10,991.85	0.2%
Penalties - Filing	3,999.38	0.1%
Total Licenses and Permits	14,991.23	0.3%
Office Supplies	33,751.60	0.7%
Payroll Expenses		
Employee Christmas Bonus	80.00	0.0%
Officer's Salary	124,834.55	2.7%
Payroll Expenses - Other	69,295.66	1.5%
Total Payroll Expenses	194,210.21	4.2%
Postage and Delivery	26,115.27	0.6%
Printing and Reproduction	15,794.80	0.3%
Professional Development	350.00	0.0%
Professional Fees		
Legal Fees	104,803.20	2.3%
Total Professional Fees	104,803.20	2.3%
Recruiting	5,324.18	0.1%
Rent	17,710.00	0.4%
Rent- Athens	5,000.00	0.1%
Repairs		
Janitorial Exp	10,257.50	0.2%
Repairs - Other	3,690.54	0.1%

OLS, Inc.
Profit and Loss
 January through August 1998

	Jan - Aug '98	% of Income
Total Repairs	13,948.04	0.3%
Salaries & Wages	288,374.34	6.3%
Taxes		
State	58.00	0.0%
Taxes - Other	820.20	0.0%
Total Taxes	878.20	0.0%
Telephone	13,097.69	0.3%
Temporary Help	6,985.51	0.2%
Travel & Ent		
Entertainment	121.49	0.0%
Meals	1,546.33	0.0%
Travel & Ent - Other	581.00	0.0%
Total Travel & Ent	2,248.82	0.0%
Utilities	3,647.56	0.1%
Total Expense	1,275,264.51	27.8%
Net Ordinary Income	356,743.36	7.8%
Net Income	356,743.36	7.8%

OLS, Inc.
Statement of Cash Flows
For Period Ended August 31, 1998

Net Cash Flow From Operating Activities:

Net income	356,743.36	
Adjustments for differences between income		
Flows and cash flows from operating activities:		
Add: Increase in payroll taxes	106,838.98	
Increase in accounts payable	136,990.79	
Increase in depreciation expense	12,711.81	
Less: Increase in accounts receivable	(344,824.05)	
Increase in deposits	(2,550.00)	
Decrease in wage garnishment payable	(1,419.15)	
Net cash provided by operating activities	<u>264,491.74</u>	264,491.74

Cash Flows From Investing Activities:

Payment for purchase of equipment	(47,801.62)	
Net cash used for investing activities	<u>(47,801.62)</u>	(47,801.62)

Cash Flows From Financing Activities:

Payment on notes payable	(58,821.24)	
Net cash used for financing activities	<u>(58,821.24)</u>	(58,821.24)

Net Increase in Cash		<u>157,868.88</u>
Cash, December 31, 1997		52,851.53
Cash August 31, 1998		<u>210,720.41</u>

EXHIBIT 7

Proposed Tariff

TELECOMMUNICATIONS SERVICES TARIFF

TITLE SHEET

ARIZONA TELECOMMUNICATIONS TARIFF

This tariff contains the description, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services provided by OLS, Inc., with principal offices at 1030 Cambridge Square, Suite E, Alpharetta, Georgia, 30201. This tariff applies to services furnished within Arizona. This tariff is on file with the Arizona Corporation Commission, where copies may be inspected during normal business hours. The address of the Arizona Corporation Commission is as follows:

Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

The name, address and telephone numbers for the officer of OLS, Inc. who is responsible for providing information with respect to the operating procedures of the Company is listed below.

ISSUED:

EFFECTIVE:

BY: Geri Clary, Vice President
OLS, Inc.
1030 Cambridge Square, Suite E
Alpharetta, GA 30201

TELECOMMUNICATIONS SERVICES TARIFF

CHECK SHEET

Pages 1 through 18 inclusive of this tariff are effective as of the date shown at the bottom of the respective page(s). Original and revised pages as named below comprise all changes from the original tariff and are currently in effect as of the date at the bottom of this page.

<u>PAGE</u>	<u>REVISION</u>
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original
17	Original
18	Original

ISSUED:

EFFECTIVE:

BY: Geri Clary, Vice President
OLS, Inc.
1030 Cambridge Square, Suite E
Alpharetta, GA 30201

TELECOMMUNICATIONS SERVICES TARIFF

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TITLE SHEET 1

CHECK SHEETS 2

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SECTION 2 - RULES AND REGULATIONS 7

SECTION 3 - DESCRIPTION OF SERVICES 14

SECTION 4 - RATES 16

ISSUED:

EFFECTIVE:

**BY: Geri Clary, Vice President
OLS, Inc.
1030 Cambridge Square, Suite E
Alpharetta, GA 30201**

TELECOMMUNICATIONS SERVICES TARIFF

SYMBOLS

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

- (D) - Discontinued rate or regulation
- (I) - Increase in rate
- (M) - Moved to/from another tariff location
- (N) - New rate or regulation
- (R) - Reduction in rate
- (T) - Change in text only

ISSUED:

EFFECTIVE:

**BY: Geri Clary, Vice President
OLS, Inc.
1030 Cambridge Square, Suite E
Alpharetta, GA 30201**

TELECOMMUNICATIONS SERVICES TARIFF

TARIFF FORMAT

- A. **Page Numbering** - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. 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 A.C.C. For example, 4th Revised Page 14 cancels the 3rd Revised Page 14. Because of various suspension periods, deferrals, etc. the A.C.C. follows in its tariff approval process, the most current page number on file with the A.C.C. is not always the tariff page in effect. Consult the Check Sheet for the page currently in effect.
- C. **Paragraph Numbering Sequence** - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2.
 - 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.(i).
 - 2.1.1.A.1.(a).I.(i).(l).
- D. **Check Sheets** - When a tariff filing is made with the A.C.C., an updated check sheet accompanies the tariff filing. The check sheet lists the pages contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc., remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular page is the most current on file with the A.C.C.

ISSUED:**EFFECTIVE:**

BY: Geri Clary, Vice President
OLS, Inc.
1030 Cambridge Square, Suite E
Alpharetta, GA 30201

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - A telephone line provided by local exchange carriers which connect a telephone or other communications device at a customer's location to OLS, Inc.'s underlying carrier's telecommunications network switching center(s).

Authorization or Account Code - A numerical code of four to eleven digits, one or more of which codes are available to a customer to enable the customer to lawfully connect its communication devices for the purpose of accessing the telecommunications networks of OLS, Inc.'s underlying Carrier, and which thereby are used to prevent unauthorized network access and to identify the customer and its calling volumes for billing purposes.

Carrier or Company - OLS, Inc.

Customer - The person, firm, corporation, end user, or other entity which orders or uses services and is responsible for the payment of charges.

A.C.C. - Arizona Corporation Commission.

Holidays - New Year's Day, Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day.

OLS - OLS, Inc.

Service Agreement - Company's standard form for the ordering and acceptance of a customer's request for and commitment to take Company's service offerings pursuant to this tariff.

Rate Center - The Points of Presence (POPs) or first point of interconnection of local exchange facilities providing access to the long distance network of the Company's Underlying Carrier and the point from which a customer's traffic is rated and billed.

Underlying Carrier - The telecommunications carrier whose network facilities provide the technical capability and capacity necessary for the transmission and reception of customer telecommunications traffic within Arizona.

ISSUED:

EFFECTIVE:

**BY: Geri Clary, Vice President
OLS, Inc.
1030 Cambridge Square, Suite E
Alpharetta, GA 30201**

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of Company

Company undertakes to provide only those designated Services as are furnished under the terms and subject to the conditions and customer payment of the applicable rates of this tariff for communications originating and terminating within Arizona.

The Company's Services are available to its customers twenty four hours per day, seven days per week.

2.2 Limitations

2.2.1 Service is offered subject to the availability of the facilities of Company's Underlying Carrier and the provisions of this tariff.

2.2.2 Company reserves the right to discontinue furnishing service, or limit the use of service necessitated by conditions beyond its control, including without limitation, for customer non-payment of charges; or when the customer's use of a service becomes or is in violation of the law or the provisions of this tariff.

2.2.3 The Services provided under this tariff are subject to the direct and exclusive control of the Company. No one may alter or affect the Services nor transfer or assign its use of the Services without the express written consent of the Company, which consent may be withheld, without limitation, by Company in its sole discretion at any time such alteration, effect, transfer or assignment would result in an interruption of the Services or a change in the customer's location to which the Services are to be provided.

2.2.4 In the event prior written permission from the Company is given for any assignment or transfer, all regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions for service.

ISSUED:

EFFECTIVE:

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TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Cont'd)**2.3 Liabilities of the Company**

- 2.3.1 Company has no liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in the transmission or call processing of customer's communications traffic by the Underlying Carrier. The Company's liability for such damages occurring in the course of furnishing the Company's Services but not caused by its gross negligence or willful misconduct or that of its employees or agents in no event shall exceed an amount equivalent to the proportionate charge to the customer for the period during which such mistakes, interruptions, omissions, delays, errors, or defects in the Company's furnishing of its Services occur.
- 2.3.2 Acceptance of the provisions of Section 2.3.1 by the Commission does not constitute its determination that the limitation of liability imposed by the Company should be upheld in a court of law; but the recognition that as it is the duty of the courts to adjudicate negligence claims and rights to recover damages therefor, so it is the duty of the courts to determine the validity of the exculpatory provisions of Section 2.3.1.
- 2.3.3 Company shall be indemnified and held harmless by the customer against:
- (A) Claims for libel, slander, or infringement of copyright arising out of the material, data, information, or other content of a customer's communications traffic;
 - (B) Claims for patent infringement arising from a customer's use of its equipment, facilities, or systems with the Company's Services; and
 - (C) All other claims arising out of any act or omission of the customer in connection with any service provided by Company.

ISSUED:**EFFECTIVE:**

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TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Cont'd)**2.4 Interruption of Service**

- 2.4.1 Credit allowance for the interruption of service is subject to the general liability provisions set forth in Section 2.3.1 herein. Customer shall receive no credit allowance for interruption of service due to Carrier's testing or adjusting, to negligence of the customer, or to the failure of channels or equipment provided by the customer. It shall be the obligation of the customer to notify the Company immediately of any interruption in service for which a credit allowance is claimed. Before giving such notice, the customer shall ascertain that the trouble is not being caused by any action or omission within customer's control, or is not in wiring or equipment, if any, furnished by the customer in connection with the Company's Services.
- 2.4.2 No credit is allowed in the event service must be interrupted in order to provide routine service quality or related investigations.
- 2.4.3 Credit for failure of service shall be allowed only when such failure is caused by or occurs due to causes within the control of Company or in the event Company is entitled to a credit for the failure of the facilities of Company's Underlying Carrier used to furnish customer's service.
- 2.4.4 No credit shall be allowed:
- (A) For failure of services or facilities of customer; or
 - (B) For failure of services or equipment caused by the negligence or willful acts of customer.
- 2.4.5 Credit for an interruption shall commence after customer notifies Company of the interruption or when Company becomes aware thereof, and ceases when service has been restored.

ISSUED:**EFFECTIVE:**

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TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Cont'd)**2.4 Interruption of Service (Cont'd)**

2.4.6 Before customer notifies Company of an interruption, customer shall make reasonable attempts to ascertain that customer, a third party, or its or their actions and/or equipment is/are not the cause thereof.

2.4.7 Credits are applicable only to that portion of service interrupted.

2.4.8 For purposes of credit computation, every month shall be considered to have 720 hours.

2.4.9 No credit shall be allowed for an interruption of a continuous duration of less than two hours.

2.4.10 The customer shall be credited for an interruption of two hours or more at the rate of 1/720th of the monthly charge for the service affected for each hour or major fraction thereof that the interruption continues. Calculations of the credit shall be made in accordance with the following formula.

Credit Formula:

$$\text{Credit} = \frac{A}{720} \times B$$

"A" = outage time in hours

"B" = total monthly charge for affected facility

ISSUED:**EFFECTIVE:**

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TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.5 Restoration of Service

The use and restoration of service shall be administered by the Underlying Carrier in accordance with the priority system specified in Part 64, Subpart D of the Rules and Regulations of the Federal Communications Commission and in the Rules and Regulations of the Arizona Commerce Commission.

2.6 Deposits

The Company does not require a deposit from its customers.

2.7 Advance Payments

The Company does not collect advance payments.

2.8 Taxes

All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax and so forth) are listed as separate line items and are not included in the Company's scheduled rates.

ISSUED:

EFFECTIVE:

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TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Cont'd)**2.9 Collections**

- 2.9.1 In the event Company incurs fees or expenses, including attorney's fees, to collect, or to attempt to collect, any charges owed Company by customer, including charges alleged to have resulted from fraud or abuse of customer's services, the Company shall charge customer all such fees and expenses, including Company's reasonable attorneys' fees, incurred to collect or to attempt to collect its charges-
- 2.9.2 In accordance with the "filed tariff doctrine," as established by judicial and regulatory decisions and precedents, customer shall pay all charges due and owing irrespective of any claims of loss, liability, set off, damages, or other claims against Company to which customer may claim to be entitled. The duty to pay such charges shall arise upon the demand for payment by Company. Customer's duty to pay can only be delayed or deferred by the initiation of a billing dispute by the customer.
- 2.9.3 Customer agrees that all actions, suits, or proceedings, to recover charges due under this tariff shall be prosecuted in the court of competent jurisdiction of the Company's principal place of business. Customer consents to and submits to the exercise of jurisdiction over the subject matter, waives personal service of any and all process upon it, and consents that all such service of process be made by registered mail directed to customer at its address registered with Company. Service so made shall be deemed to be completed five business days after such process shall have been deposited in the mail, postage prepaid. Customer waives trial by jury, any objection based on forum non conveniens, any objection to venue or jurisdiction of any action instituted hereunder, and consents to the granting of such legal or equitable relief as deemed appropriate by the Court.

ISSUED:**EFFECTIVE:**

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TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.10 Employee Concessions

There are no employee concessions.

2.11 Specific Services

The Company does not currently offer any specific services for which conditions of eligibility apply.

2.12 Billing

Company uses a billing agent which submits Company's bills to Company's customers through certified local exchange carriers' operative in Arizona.

ISSUED:

EFFECTIVE:

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TELECOMMUNICATIONS SERVICES TARIFF

SECTION 3 - DESCRIPTION OF SERVICES

3.1 Usage Based Services

- 3.1.1 Long distance usage charges are based on the actual usage of the Company's network. Timing for all calls begin when the called party answers the call (i.e. when two-way communications are established). Answer detection is based on standard industry answer detection methods, including hardware and software answer detection.
- 3.1.2 Chargeable time for all calls ends when one of the parties disconnects from the call.
- 3.1.3 Unless otherwise specified in this tariff, the minimum call duration for billing purposes is eighteen (1) minute.
- 3.1.4 Unless otherwise specified in this tariff, calls are billed in one (1) minute increments.
- 3.1.5 Usage is measured and rounded up to the next higher increment for billing purposes.
- 3.1.6 There are no billing charges applied for incomplete calls.

ISSUED:

EFFECTIVE:

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TELECOMMUNICATIONS SERVICES TARIFF

SECTION 3 - DESCRIPTION OF SERVICES (Cont'd)**3.2 Rate Plans A and B**

Carrier's Rate Plans A and B are switched outbound services using standard equal access dialing to place interLATA calls and 10XXX dialing or, where available, standard equal access dialing to place intraLATA calls from Customer's premises within Arizona to points located within Arizona. Rates, charges, and restrictions are set forth in Section 4 following.

3.3 800/888/877 Service

800/888/877 service provides for the termination of inbound toll-free calls to one-party exchange access lines from points within Arizona to Customer premises within Arizona.

3.4 Calling Card Service

Carrier offers a calling card, which allows Customer to gain access to its long distance service from anywhere nationally with service billed back to the Customer's account.

3.5 Directory Assistance

The Company provides standard Directory Assistance.

3.6 Services Not Available

Carrier does not offer 900, 911, collect, or third-party billed calling.

ISSUED:**EFFECTIVE:**

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TELECOMMUNICATIONS SERVICES TARIFF

SECTION 4 - RATES

4.1 Description of Rates

Certain of OLS's rates differ according to time period. Peak hours are from 8:00 a.m. to 5:00 p.m. seven days per week. Off Peak hours are from 5:01 p.m. to 7:49 a.m. seven days per week.

4.1.1 Rate Plan A

Rate Plan A offers InterLATA/IntraLATA service, and is available to carrier's customers under its interexchange Rate Plans I, II, and III of its F.C.C. Tariff No. 1. Calls are billed in one (1) minute increments and are rounded up to the next highest increment.

	<u>Usage Charge</u>
Peak	\$0.25/minute
Off Peak	\$0.23/minute

4.1.2. Rate Plan B

Rate Plan B offers InterLATA/IntraLATA service, and is available to carrier's customers under its interexchange Rate Plan IV of its F.C.C. Tariff No. 1. Calls are billed in one (1) minute increments and are rounded up to the next highest increment.

	<u>Usage Charge</u>
Peak	\$0.27/minute
Off Peak	\$0.24/minute

ISSUED:

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TELECOMMUNICATIONS SERVICES TARIFF

SECTION 4 - RATES (Cont'd)

4.2 800/888/877 Switched Service

The following rates apply to interLATA and intraLATA inbound 800/888/877 switched calls originating and terminating in Arizona.

Usage Charge

\$0.24 per minute

4.3 Calling Card Charges

Calls are billed in one (1) minute increments and are rounded up to the next higher increment.

Usage Charge

\$0.25 per minute

ISSUED:

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TELECOMMUNICATIONS SERVICES TARIFF

SECTION 4 - RATES (Cont'd)

4.4 Miscellaneous Charges

A surcharge applies to all calls originated at payphones using a service access code.

Per Call: \$0.35

4.5 Directory Assistance Charge

\$0.95 per call

4.6 Late Payment Charge

A late fee of 1.5% per month will be charged on any past due balance.

4.7 Returned Check Charge

Carrier charges a fee of \$20.00 or 5% of the amount of any check returned for insufficient funds, whichever is greater.

4.8 Method of Computing Charges

Charges for each call are totaled by rate period. If the computed charges include a fraction of a cent, the fraction is rounded up to the next whole cent (e.g., \$1.4266 would be rounded up to \$1.43).

ISSUED:

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EXHIBIT 8

Map of Service Area

OLS, Inc. will serve the entire State of Arizona. Therefore, no map of proposed service areas is being submitted.

EXHIBIT 9

Complaint Processing Procedure

All customer service issues are handled by in-house representatives at OLS, Inc.'s Alpharetta, Georgia, location. Customers may reach OLS, Inc.'s offices via a toll free telephone number, (888) 399-4660. Geri Clary is in charge of customer service for the Company. All customer service inquiries are promptly handled. Service quality issues are promptly communicated to OLS, Inc.'s underlying carrier, if necessary.

EXHIBIT 10

List of Approved States

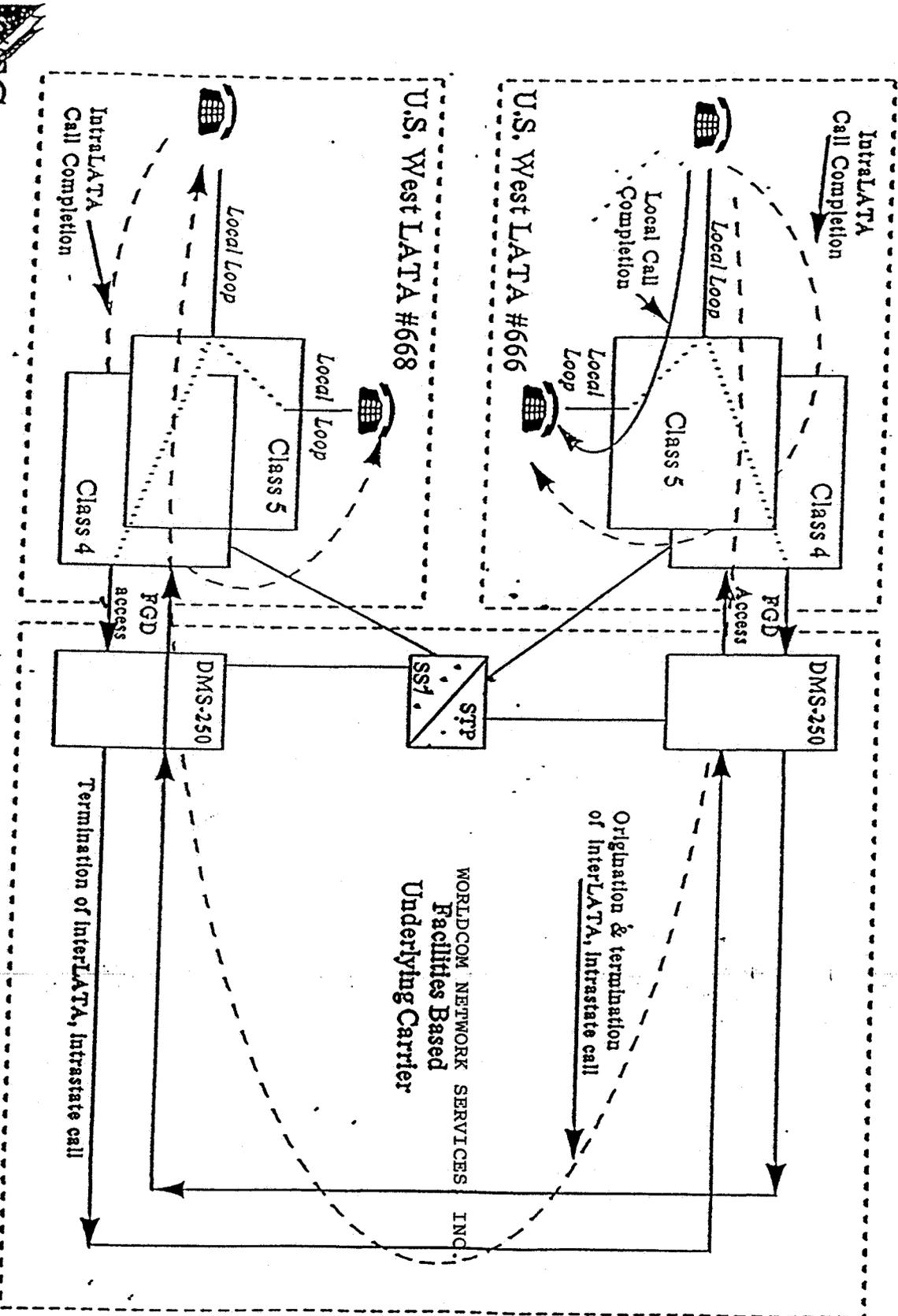
Applicant is currently authorized to operate in the following states:

Alabama
California
Colorado
District of Columbia
Florida
Illinois
Iowa
Louisiana
Maryland
Massachusetts
Mississippi
Montana
Nevada
New Jersey
New York
North Dakota
Ohio
Oregon
Pennsylvania
Tennessee
Texas
Utah
Virginia
Washington

Applicant has not been denied the authority to operate in any state.

EXHIBIT 11

Diagram of Call Network



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