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NEW APPLICATION

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November 4, 1997

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AZ CORP COMMISSION
Nov 13 1 03 PM '97

DOCUMENT CONTROL

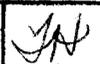
DOCKET NO. T-3462-97-619

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

Arizona Corporation Commission

DOCKETED

NOV 13 1997

DOCKETED BY 

Re: New Century Telecom, Inc.
Application for Certificate of Convenience and Necessity

Ladies and Gentlemen:

On behalf of New Century Telecom, Inc. ("New Century"), 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

NEW APPLICATION

BEFORE THE ARIZONA CORPORATION COMMISSION

MARCIA WEEKS
CHAIRMAN
RENZ D. JENNINGS
COMMISSIONER
CARL J. KUNASEK
COMMISSIONER

RECEIVED
AZ CORP COMMISSION
NOV 13 1 03 PM '97
DOCUMENT CONTROL

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

DOCKET NO. W - 3 4 6 2 - 9 7 - 6 1 9

DOCKET NO. _____

APPLICATION OF

NEW CENTURY TELECOM, INC.

FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY

GENERAL REQUIREMENTS

A. Applicant:

New Century Telecom, Inc.
8180 Greensboro Drive
Suite 700
McLean, VA 22102
(703) 714-1322

Arizona Corporation Commission
DOCKETED
NOV 13 1997
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B. Management Contact for Applicant:

Robert F. Schneberger
Executive Vice President
New Century Telecom, Inc.
8180 Greensboro Drive
Suite 700
McLean, VA 22102
Phone: (703) 714-1327

C. Attorney for Applicant:

Rogena Harris, Esquire
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), New Century Telecom, Inc. (hereinafter "Applicant" or "New Century Telecom") 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 outbound long-distance service, 800/888 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 IXC Long Distance, 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 meet the needs of subscribers who wish to obtain the lower-cost, competitively priced telecommunications services traditionally available only to high volume users.
- (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. The Commission's order granting authority to Applicant may require the filing and updating of limited tariffs setting forth certain of 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 will be subject to the Commission's present complaint procedures. However, the Commission may wish to 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 outbound, inbound, and calling card long-distance services on a resale basis in Arizona subject to the above-referenced conditions. Such a regulatory scheme will protect Arizona consumers and promote competition and consequently efficiency in the provision of intrastate interLATA and intraLATA telecommunications services.

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 Virginia.

F. Corporate Documents, Officers, and Directors:

1. A copy of Applicant's Articles of Incorporation is attached as Exhibit 1. Applicant's Certificate of Authority to Do Business in the State of Arizona is attached as Exhibit

2.

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

3. Names of Officers and Directors:

Applicant's Corporate Officers are as follows:

Charles H. Helein, Chairman, President/CEO

Robert F. Schneberger, Executive Vice-President/Treasurer/COO

Robert M. McDowell, Secretary

Deborah Schneider, Vice-President for Administration/Controller

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 outbound and inbound long-distance service on a resale basis. All facilities and equipment used to provide Applicant's service are operated and maintained by Applicant's underlying carrier, currently IXC Long Distance, 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 6 months of certification.

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

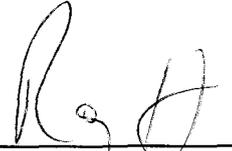
A list of states in which applicant is approved is at Exhibit 10.

S. Diagram of Call Network

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

Respectfully submitted this 5th day of November, 1997

New Century Telecom, Inc.

By: 

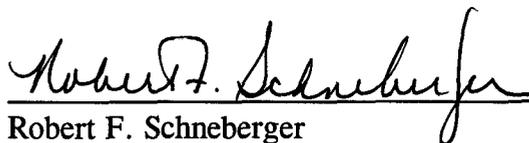
Rogena Harris, Esquire
Helein & Associates, P.C.
8180 Greensboro Drive, Suite 700
McLean, Virginia 22102

Its Attorneys

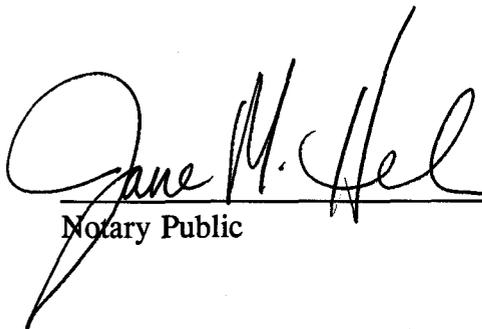
STATE OF VIRGINIA

COUNTY OF FAIRFAX

Robert F. Schneberger, being duly sworn, deposes and says: that he is the Executive Vice President, Chief Operating Officer, and Treasurer of New Century Telecom, Inc.; that he has read the foregoing petition and knows the contents thereof, and that the same is true of his own knowledge except as to the matters therein stated upon information and belief; and as to those matters he believes them to be true; and that he consents to the verified affidavit being used as evidence in this proceeding.


Robert F. Schneberger

Subscribed and sworn to before me this the 4th day of November, 1997.


Notary Public

My commission expires:

August 31, 1999

EXHIBIT 1

Articles of Incorporation

SCC619
(8/92)

ARTICLES OF INCORPORATION
OF
New Century Telecom, Inc.

The undersigned, pursuant to Chapter 9 of Title 13.1 of the Code of Virginia, state(s) as follows:

1. The name of the corporation is:

New Century Telecom, Inc.

2. The number (and classes, if any) of shares the corporation is authorized to issue is (are):

Number of shares authorized	Class(es)
1000	COMMON

3. A. The corporation's initial registered office address which is the business address of the initial registered agent is:
8180 Greensboro Drive, Suite 700, McLean, 22102

(number/street) (city or town) VA (ZIP code)

B. The registered office is physically located in the City or County of Fairfax

4. A. The name of the corporation's initial registered agent is

Helein & Associates, P.C.

B. The initial registered agent is (mark appropriate box):

- (1) An individual who is a resident of Virginia and
 - an initial director of the corporation
 - a member of the Virginia State Bar

OR

- (2) a professional corporation of attorneys registered under Section 54.1-3902, Code of Virginia

5. The NAMES and ADDRESSES of the initial directors are:

Charles H. Helein 8180 Greensboro Drive, Suite 700, McLean, VA 22102

~~Kathleen K. Helein 8180 Greensboro Drive, Suite 700, McLean, VA 22102~~

~~Philip E. Balevre 8180 Greensboro Drive, Suite 700, McLean, VA 22102~~

6. INCORPORATOR(S):

Jane M. Helein
Joan D. Stewart

Jane M. Helein

Joan D. Stewart

Signature(s)

THEODORE V. MORRISON, JR.
CHAIRMAN

HULLIHEN WILLIAMS MOORE
COMMISSIONER

CLINTON MILLER
COMMISSIONER

COMMONWEALTH OF VIRGINIA



RECEIVED JUL 31 1996
WILLIAM J. BRIDGE
CLERK OF THE COMMISSION
P. O. BOX 1197
RICHMOND, VIRGINIA 23218-1197

STATE CORPORATION COMMISSION

July 26, 1996

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

RE: NEW CENTURY TELECOM, INC.
ID: 0469531 - 8
DCN: 96-07-25-0076

This is your receipt for \$75.00 covering the fees for filing articles of incorporation with this office.

The effective date of the certificate of incorporation is July 26, 1996.

Sincerely yours,

William J. Bridge

William J. Bridge
Clerk of the Commission

CORPACPT
CIS20423

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond,

July 26, 1996

This is to Certify that the certificate of incorporation of

NEW CENTURY TELECOM, INC.

*as this day issued and admitted to record in this office
and that the said corporation is authorized to transact its business
subject to all Virginia laws applicable to the corporation and its
business. Effective date:*

July 26, 1996



State Corporation Commission

William J. Bridge
Clerk of the Commission

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 Virginia, its state of incorporation, is attached.

Commonwealth of Virginia



State Corporation Commission

I Certify the Following from the Records of the Commission:

NEW CENTURY TELECOM, INC. is a corporation existing under and by virtue of the laws of Virginia, and is in good standing.

The date of incorporation is July 26, 1996.

Nothing more is hereby certified.



Signed and Sealed at Richmond
on this Date: October 31, 1997

William J. Bridge

William J. Bridge, Clerk of the Commission

EXHIBIT 4

Current Balance Sheet

NEW CENTURY TELECOM, INC.

Balance Sheet
As of September 30, 1997

Assets

Current Assets	
Cash	\$ 1,293
Certificate of Deposit	380,000
Accounts Receivable	<u>2,610</u>
Total Current Assets	\$ 383,903
Total Assets	\$ 383,903

Liabilities and Stockholders' Equity

Current Liabilities	
Accounts Payable	<u>142,873</u>
Total Liabilities	\$142,873
Stockholders' Equity	
Common Stock, \$0.01 par value	100
Additional paid-in capital	399,800
Net Loss	<u>(158,870)</u>
Total Stockholders' Equity	<u>241,030</u>
Total Liabilities and Stockholders' Equity	\$383,903

EXHIBIT 5

One Year Projected Balance Sheet

**Will be provided to Commission immediately
upon request.**

EXHIBIT 6

Current Income Statement

NEW CENTURY TELECOM, INC.

1997 Profit & Loss Statement Through 9/30/97

INCOME:

Customer Receipts	\$ 17,532.00
Cost of Sales	<u>\$(18,630.13)</u>
Total Income:	<u>\$ (1,098.13)</u>

EXPENSES:

Copies/printing	\$ 7,888.60
Telephone	\$ 1,206.91
Staff Overtime	\$ 1,331.70
Overnight Courier	\$ 1,965.91
Postage	\$ 220.71
Business Development	\$ 2,101.81
Miscellaneous	\$ 176.08
Training	\$ 99.00
Advertising	\$ 3,177.99
Taxes	\$ 819.31
Travel	\$ 115.54
Software	\$ 2,615.00
Service Charges	\$ 13.00
Legal Fees	<u>\$ 47,400.52</u>

Total Expenses: \$ 69,132.08

Income:	\$ (1,098.13)
Expenses:	<u>\$ 69,132.08</u>
Profit/(Loss):	<u>(\$70,230.21)</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 New Century Telecom, Inc., with principal offices at 8180 Greensboro Drive, Suite 700, McLean, Virginia 22102. 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
Phoenix, Arizona 85007

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

ISSUED:

EFFECTIVE:

**By: Robert F. Schneberger
Executive Vice-President
New Century Telecom, Inc.
8180 Greensboro Drive, Suite 700
McLean, VA 22102**

TELECOMMUNICATIONS SERVICES TARIFF

CHECK SHEET

Pages 1 through 25 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
19	Original
20	Original
21	Original
22	Original
23	Original
24	Original
25	Original

ISSUED:

EFFECTIVE:

**By: Robert F. Schneberger
Executive Vice-President
New Century Telecom, Inc.
8180 Greensboro Drive, Suite 700**

TELECOMMUNICATIONS SERVICES TARIFF

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ISSUED:

EFFECTIVE:

By: **Robert F. Schneberger**
Executive Vice-President
New Century Telecom, Inc.
8180 Greensboro Drive, Suite 700
McLean, VA 22102

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: Robert F. Schneberger
Executive Vice-President
New Century Telecom, Inc.
8180 Greensboro Drive, Suite 700
McLean, VA 22102**

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).

ISSUED:

EFFECTIVE:

By: **Robert F. Schneberger**
Executive Vice-President
New Century Telecom, Inc.
8180 Greensboro Drive, Suite 700
McLean, VA 22102

TELECOMMUNICATIONS SERVICES TARIFF

TARIFF FORMAT (Cont'd)

- 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: **Robert F. Schneberger**
Executive Vice-President
New Century Telecom, Inc.
8180 Greensboro Drive, Suite 700
McLean, VA 22102

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 New Century Telecom, 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 New Century Telecom, 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 - New Century Telecom, Inc. or "New Century."

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.

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: Robert F. Schneberger
Executive Vice-President
New Century Telecom, Inc.
8180 Greensboro Drive, Suite 700
McLean, VA 22102**

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.

ISSUED:

EFFECTIVE:

**By: Robert F. Schneberger
Executive Vice-President
New Century Telecom, Inc.
8180 Greensboro Drive, Suite 700
McLean, VA 22102**

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.2 Limitations (Cont'd)

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.

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.

ISSUED:

EFFECTIVE:

**By: Robert F. Schneberger
Executive Vice-President
New Century Telecom, Inc.
8180 Greensboro Drive, Suite 700
McLean, VA 22102**

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.3 Liabilities of the Company (Cont'd)

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.

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.

ISSUED:

EFFECTIVE:

**By: Robert F. Schneberger
Executive Vice-President
New Century Telecom, Inc.
8180 Greensboro Drive, Suite 700
McLean, VA 22102**

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.4 Interruption of Service (Cont'd)

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.

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.

ISSUED:

EFFECTIVE:

**By: Robert F. Schneberger
Executive Vice-President
New Century Telecom, Inc.
8180 Greensboro Drive, Suite 700
McLean, VA 22102**

TELECOMMUNICATIONS SERVICES TARIFF

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

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

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.

ISSUED:**EFFECTIVE:**

**By: Robert F. Schneberger
Executive Vice-President
New Century Telecom, Inc.
8180 Greensboro Drive, Suite 700
McLean, VA 22102**

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Cont'd)

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.

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, and Company shall be entitled to recover such fees or expenses irrespective of whether it prevails in any legal action brought to collect its charges, all in accordance with and subject to the following additional legal requirements -

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 and shall not be delayed or deferred by the commencement of any legal or equitable action by either customer or Company in connection with such charges incurred under this tariff.

ISSUED:

EFFECTIVE:

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TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.9 **Collections** (Cont'd)

2.9.3 Customer agrees that all actions, suits, or proceedings, to recover charges due under this tariff shall be prosecuted in the United States District Court for the Eastern District of Virginia. 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.

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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 bills its customers directly.

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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 (18) seconds.

3.1.4 Unless otherwise specified in this tariff, calls are billed in six (6) second 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.

3.2 Outbound Interexchange Service

The Company's service is provided for use by presubscribed Customers or Authorized Users. Calls are routed over the Company's resold transmission and switching facilities to any valid NPA-NXX in the state of Arizona.

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TELECOMMUNICATIONS SERVICES TARIFF

SECTION 3 - DESCRIPTION OF SERVICES (Cont'd)**3.3 800/888 Service**

800/888 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 in Arizona via a toll-free access number with service billed back to the Customer's account. Calling Card service allows customers to originate outbound, direct dial long distance calls. The following on-demand features are offered in conjunction with Company's calling card, and can not be accessed through any other Company product or service: Audio Text; Message Store and Forward; Station-to-Station Operator Assistance; and Conference Calling.

3.4.1 Audio Text

Audio Text allows customer to access prerecorded information on topics which include news, weather, sports, financial news, and entertainment. Customer accesses Audio Text by dialing Company's toll-free calling card access number and then selecting "Information Services." Customer may then select a specific topic by making one or more menu option selections. This service is billed based upon call duration, in full minute increments, with usage measured and rounded to the next higher full minute increment.

3.4.2 Message Store and Forward

Company's Message Store and Forward service allows customer to store a recorded message and then have the recorded message automatically forwarded to any telephone number within Arizona designated by the customer. Service is offered on a flat fee per message basis.

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TELECOMMUNICATIONS SERVICES TARIFF

SECTION 3 - DESCRIPTION OF SERVICES (Cont'd)**3.4 Calling Card Service (Cont'd)****3.4.3 Station-to-Station Operator Assistance**

Customer may request station-to-station dialing assistance on calling card calls. Company offers station-to-station dialing assistance on calling card calls only at the customer's request and then only through the resale of the services of operators employed by its underlying carrier. Station-to-station dialing assistance is offered on a flat fee per call basis.

3.4.4 Conference Calling

Conference calling is offered. Usage charges apply per each conference participant, and are based on time of day and duration of call. Conference calling usage charges are billed in full minute increments. A per-participant set-up charge also applies.

3.5 Affinity Group Services (AGS)

AGS Service is available only through exclusive agencies contracted with Carrier to market, sell, and participate in billing and collection of the Carrier's charges for services rendered to individuals, religious, charitable, scientific, educational, or similar institutions or organizations having a common affinity of interest ("affinity groups"). Each end user in an affinity group for whom an agent submits an order for service accepted by the carrier becomes the customer of record. AGS services are available at the rates set out in sections 4.11 - 4.13.

3.6 Directory Assistance

The Company provides standard Directory Assistance.

3.7 Services Not Available

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

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TELECOMMUNICATIONS SERVICES TARIFF

SECTION 4 - RATES

4.1 Description of Rates

Services are available to subscribers under the following rate plans. Calls in each rate plan are billed in increments with minimum billing increments as specified. No charge is made for an uncompleted call.

4.2 Outbound 1+ Switched Service

The following rates apply to interLATA and intraLATA outbound 1+ switched calls originating and terminating in Arizona.

<u>Initial 18 Seconds or Fraction</u>	<u>Incremental 6 Seconds or Fraction</u>
\$0.0477	\$0.0159

4.3 Outbound 1+ Dedicated Service

The following rates apply to interLATA and intraLATA outbound 1+ dedicated calls originating and terminating in Arizona.

<u>Initial 18 Seconds or Fraction</u>	<u>Incremental 6 Seconds or Fraction</u>
\$0.0294	\$0.0098

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TELECOMMUNICATIONS SERVICES TARIFF

SECTION 4 - RATES (Cont'd)**4.4 800/888 Switched Service**

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

<u>Initial 18 Seconds or Fraction</u>	<u>Incremental 6 Seconds or Fraction</u>
\$0.0477	\$0.0159

4.5 800/888 Dedicated Service

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

<u>Initial 18 Seconds or Fraction</u>	<u>Incremental 6 Seconds or Fraction</u>
\$0.0294	\$0.0098

4.6 Calling Card Service**4.6.1 Calling Card Call**

The following basic usage charges apply to calls originated using Carrier's calling card. Calls are billed in full minute increments, with usage measured and rounded up to the next higher increment.

<u>Per Minute or Fraction</u>
\$0.25

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TELECOMMUNICATIONS SERVICES TARIFF

SECTION 4 - RATES (Cont'd)4.6 **Calling Card Service** (Cont'd)4.6.2 **Audio Text**

The following usage charges apply to calls originated using Carrier's calling card to access Carrier's Audio Text service. Calls are billed in full minute increments, with usage measured and rounded up to the next higher increment.

Per Minute
or Fraction

\$0.28

4.6.3 **Message Store and Forward**

The following usage charges apply to calls originated using Carrier's calling card to access Carrier's Message Store and Forward service.

Per Message

\$0.98

4.6.4 **Operator Assistance**

The following per call charge applies for operator assistance for station-to-station calls originated using carrier's calling card.

Per Call

\$0.70

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TELECOMMUNICATIONS SERVICES TARIFF

SECTION 4 - RATES (Cont'd)

4.6 Calling Card Service (Cont'd)

4.6.5 Conference Calling

Usage charges apply per each participant. Usage is billed in full minute increments, with usage measured and rounded up to the next higher increment. A set-up charge per participant applies.

Per Minute
or Fraction

\$0.28

Set-Up Charge: \$1.40/participant

4.7 Directory Assistance Charge

\$0.85/call

4.8 Late Payment Charge

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

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TELECOMMUNICATIONS SERVICES TARIFF

SECTION 4 - RATES (Cont'd)

4.9 Returned Check Charge

Carrier charges a fee of \$15.00 for any check returned for insufficient funds.

4.10 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).

4.11 AGS Outbound 1+ Switched Service

The following rates apply to interLATA and intraLATA outbound 1+ switched calls originating and terminating in Arizona.

<u>Initial 18 Seconds or Fraction</u>	<u>Incremental 6 Seconds or Fraction</u>
\$0.0483	\$0.0161

4.12 AGS 800/888 Switched Service

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

<u>Initial 18 Seconds or Fraction</u>	<u>Incremental 6 Seconds or Fraction</u>
\$0.0483	\$0.0161

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TELECOMMUNICATIONS SERVICES TARIFF

SECTION 4 - RATES (Cont'd)

4.13 AGS Calling Card Service

4.13.1 AGS Calling Card Call

The following basic usage charges apply to calls originated using Carrier's calling card.

<u>Initial 18 Seconds or Fraction</u>	<u>Incremental 6 Seconds or Fraction</u>
\$0.074	\$0.025

4.13.2 AGS Conference Calling

Usage charges apply per each participant. Peak charges are from 8:00 a.m. to 5:00 p.m., Monday through Friday. Off-Peak charges are from 5:01 p.m. to 7:59 a.m., Monday through Friday, and all day Saturday and Sunday. Usage is billed in full minute increments, with usage measured and rounded up to the next higher increment. A set-up charge per participant applies.

	<u>Per Minute or Fraction</u>
Peak	\$0.28
Off-Peak	\$0.21

Set-Up Charge: \$1.40/participant

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EXHIBIT 8

Map of Service Area

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

EXHIBIT 9

Complaint Processing Procedure

New Century Telecom, Inc.

Customer Service Plan

Customer Orders

Orders for New Century's services are sent to New Century's office in McLean, Virginia. Orders are then sent to New Century's underlying carrier for activation. All customer service and billing inquiry procedures are performed at New Century's offices in Virginia.

Security Deposit and Refund Requirements

New Century does not require deposits or advance payments from customers.

Billing

New Century's will bill its customers directly.

Complaint Procedures

All Customer Service issues are handled by in-house representatives at New Century's McLean, Virginia location. Customers may reach New Century's offices via a toll free telephone number, (800) 711-1322. New Century's Manager for Customer Service is in charge of customer service for the Company. All customer service inquiries are promptly handled directly by the manager from which the problem/situation originated. Resolution is reached verbally or by written communication to the Customer. Service quality issues are promptly communicated to New Century's underlying carrier, if necessary.

Termination of Service Procedures.

Customers may cancel service by changing their presubscribed carrier (i.e., PIC change) through the local exchange carrier. In all cases, customers are able to use the services of other long distance service providers by dialing the access code of the carrier of choice.

EXHIBIT 10

List of Approved States

Applicant is currently authorized and operating in the following states:

Colorado
District of Columbia
Florida
Illinois
Indiana
Iowa
Kansas
Maryland
Massachusetts
Michigan
Missouri
Montana
New Jersey
New York
Ohio
Oklahoma
Oregon
Pennsylvania
Texas
Utah
Virginia
Washington
Wisconsin

Applicant has applications pending in the following states:

California
Connecticut
Georgia
Minnesota
North Carolina
New Hampshire

Applicant has not had an application denied in any state.

EXHIBIT 11

Diagram of Call Network

