ORIGINAL
NEW APPLICATION

0000010112

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August 17, 2004

Arizona Corporation Commission
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AZ CORP COMMISSION
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Docket Control Center
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007
(602) 542-2237

Re: Airespring, Inc. T-04122A-04-0610

Dear Sir/Madam:

Enclosed please find for filing an original and thirteen (13) copies of Airespring, Inc.'s Application and Petition for Certificate of Public Convenience and Necessity to Provide Competitive Resold and Facilities-Based Local Exchange Telecommunications Services.

I have also enclosed an extra copy of this letter to be date stamped and returned to me in the enclosed, self-addressed, postage prepaid envelope.

If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me. Thank you for your attention to this matter.

Respectfully submitted,

Lance J.M. Steinhart
Attorney for Airespring, Inc.

Enclosures
cc: Cynthia Firstman
Christa Fallin w/o encl.
Michael W. Patten, Esq.

07/14/03

ARIZONA CORPORATION COMMISSION

Application and Petition for Certificate of Convenience and Necessity to Provide Intrastate Telecommunications Services

Mail original plus 13 copies of completed application to:

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007-2927

For Docket Control Only:
(Please Stamp Here)

Please indicate if you have current applications pending in Arizona as an Interexchange reseller, AOS provider, or as the provider of other telecommunication services.

Type of Service: _____

Docket No.: _____ Date: _____ Date Docketed: _____

Type of Service: _____

Docket No.: _____ Date: _____ Date Docketed: _____

A. COMPANY AND TELECOMMUNICATION SERVICE INFORMATION

(A-1) Please indicate the type of telecommunications services that you want to provide in Arizona and answer the appropriate numbered items:

- ☐ Resold Long Distance Telecommunications Services (Answer Sections A, B).
- ☒ Resold Local Exchange Telecommunications Services (Answer Sections A, B, C).
- ☐ Facilities-Based Long Distance Telecommunications Services (Answer Sections A, B, D).
- ☒ Facilities-Based Local Exchange Telecommunications Services (Answer Sections A, B, C, D, E)
- ☐ Alternative Operator Services Telecommunications Services (Answer Sections A, B)

(A-2) The name, address, telephone number (including area code), facsimile number (including area code), e-mail address, and World Wide Web address (if one is available for consumer access) of the Applicant:

Airespring, Inc.
6060 Sepulveda Blvd.
Van Nuys, California 91411
Telephone: (818) 786-8990
Fax: (818) 786-9225
E-Mail Address: info@airespring.com
Web Address: www.airespring.com

(A-3) The d/b/a ("Doing Business As") name if the Applicant is doing business under a name different from that listed in Item (A-2):

(A-4) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Management Contact:

Cynthia Firstman, Director of Finance
6060 Sepulveda Blvd.
Van Nuys, California 91411
Telephone: (818) 786-8990
Fax: (818) 786-9225
E-Mail Address: cat@airespring.com

(A-5) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Attorney and/or Consultant:

Lance J.M. Steinhart, Esq.
Lance J.M. Steinhart, P.C.
1720 Windward Concourse, Suite 250
Alpharetta, Georgia 30005
Telephone: (770) 232-9200
Fax: (770) 232-9208
E-Mail Address: lsteinhart@telecomcounsel.com

(A-6) The name, address, telephone number (including area code), facsimile number (including area code), E-mail address of the Applicant's Complaint Contact Person:

David Lonstein, Customer Service Manager
6060 Sepulveda Blvd.
Van Nuys, California 91411
Telephone: (818) 786-8990
Fax: (818) 786-9225
E-Mail Address: david@airspring.com

(A-7) What type of legal entity is the Applicant?

☐ Sole proprietorship

☐ Partnership: ____ Limited, ____ General, ____ Arizona, ____ Foreign

☐ Limited Liability Company: ____ Arizona, ____ Foreign

☒ Corporation: ____ "S", __X__ "C", ____ Non-profit

☒ Domicile: ____ Arizona, __X__ Foreign

☐ Other, specify: _____

(A-8) Please include "Attachment A":

Attachment "A" must include the following information:

1. A copy of the Applicant's Certificate of Good Standing as a domestic or foreign corporation, LLC, or other entity in the State of Arizona.
2. A list of the names of all owners, partners, limited liability company managers (or if a member managed LLC, all members), or corporation officers and directors (specify).
3. Indicate percentages of ownership of each person listed in A-8.2.

(A-9) Include your Tariff as "Attachment B".

Your Tariff must include the following information:

1. Proposed Rates and Charges for each service offered (reference by Tariff page number).

   See Sheets 103 – 119 of the Company's Tariff.

2. Tariff Maximum Rate and Prices to be charged (reference by Tariff page number).

   See Sheet 57 - 99 of the Company's Tariff.

3. Terms and Conditions Applicable to provision of Service (reference by Tariff page number).

   See Sheets 11 - 56 of the Company's Tariff.

4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number).

   See Sheets 32 & 33 of the Company's Tariff.

5. The proposed fee that will be charged for returned checks (reference by Tariff page number).

   See Sheet 31 of the Company's Tariff.

(A-10) Indicate the geographic market to be served:

☒ Statewide. (Applicant adopts statewide map of Arizona provided with this application).

☐ Other. Describe and provide a detailed map depicting the area.

(A-11) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any formal or informal complaint proceedings pending before any state or federal regulatory commission, administrative agency, or law enforcement agency.

Describe in detail any such involvement. Please make sure you provide the following information:

1. States in which the Applicant has been or is involved in proceedings.
2. Detailed explanations of the Substance of the Complaints.
3. Commission Orders that resolved any and all Complaints.
4. Actions taken by the Applicant to remedy and/or prevent the Complaints from re-occurring.

Neither Applicant nor any of its officers, directors, partners, or managers has been or are currently involved in any formal or informal complaint proceedings pending before any state or federal regulatory commission, administrative agency, or law enforcement agency.

(A-12) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any civil or criminal investigation, or had judgments entered in any civil matter, judgments levied by any administrative or regulatory agency, or been convicted of any criminal acts within the last ten (10) years.

Describe in detail any such judgments or convictions. Please make sure you provide the following information:

1. States involved in the judgments and/or convictions.
2. Reasons for the investigation and/or judgment.
3. Copy of the Court order, if applicable.

Neither Applicant nor any of its officers, directors, partners, or managers has been or are currently involved in any civil or criminal investigation, or had judgments entered in any civil matter, judgments levied by any administrative or regulatory agency, or been convicted of any criminal acts within the last ten (10) years.

(A-13) Indicate if the Applicant's customers will be able to access alternative toll service providers or resellers via 1+101XXXX access.

☒Yes ☐No

(A-14) Is applicant willing to post a Performance Bond? Please check appropriate box(s).

☐For Long Distance Resellers, a $10,000 bond will be recommended for those resellers who collect advances, prepayments or deposits.

☐ Yes ☐ No

If "No", continue to question (A-15).

☒For Local Exchange Resellers, a $25,000 bond will be recommended.

☒Yes ☐No

If "No", continue to question (A-15).

☐For Facilities-Based Providers of Long Distance, a $100,000 bond will be recommended.

☐Yes ☐No

If "No", continue to question (A-15).

☒For Facilities-Based Providers of Local Exchange, a $100,000 bond will be recommended.

☒Yes ☐No

If "No", continue to question (A-15).

Note: Amounts are cumulative if the Applicant is applying for more than one type of service.

(A-15) If No to any of the above, provide the following information. Clarify and explain the Applicant's deposit policy (reference by tariff page number). Provide a detailed explanation of why the applicant's superior financial position limits any risk to Arizona consumers.

(A-16) Submit copies of affidavits of publication that the Applicant has, as required, published legal notice of the Application in all counties where the applicant is requesting authority to provide service.

Note: For Resellers, the Applicant must complete and submit an Affidavit of Publication Form as Attachment "C" before Staff prepares and issues its report. Refer to the Commission's website for Legal Notice Material (Newspaper Information, Sample Legal Notice and Affidavit of Publication). For Facilities-Based Service Providers, the Hearing Division will advise the Applicant of the date of the hearing and the publication of legal notice. Do not publish legal notice or file affidavits of publication until your are advised to do so by the Hearing Division.

(A-17) Indicate if the Applicant is a switchless reseller of the type of telecommunications services that the Applicant will or intends to resell in the State of Arizona:

☒Yes ☐No

If "Yes", provide the name of the company or companies whose telecommunications services the Applicant resells.

The company intends to resell services provided by Qwest

(A-18) List the States in which the Applicant has had an application approved or denied to offer telecommunications services similar to those that the Applicant will or intends to offer in the State of Arizona:

Note: If the Applicant is currently approved to provide telecommunications services that the Applicant intends to provide in Arizona in less than six states, excluding Arizona, list the Public Utility Commission ("PUC") of each state that granted the authorization. For each PUC listed provide the name of the contact person, their phone number, mailing address including zip code, and e-mail address.

Approved: **Alabama,Arizona,California,Colorado,Florida,Georgia,Idaho, Illinois, Kentucky, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia & Wisconsin**

(A-19) List the States in which the Applicant currently offers telecommunications services similar to those that the Applicant will or intends to offer in the State of Arizona.

Note: If the Applicant currently provides telecommunication services that the Applicant intends to provide in Arizona in six or more states, excluding Arizona, list the states. If the Applicant does not currently provide telecommunications services that the Applicant intends to provide in Arizona in five or less states, list the key personnel employed by the Applicant. Indicate each employee's name, title, position, description of their work experience, and years of service in the telecommunications services industry.

Alabama,Arizona,California,Colorado,Florida,Georgia,Idaho, Illinois, Kentucky, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia & Wisconsin

(A-20) List the names and addresses of any alternative providers of the service that are also affiliates of the telecommunications company, as defined in R14-2-801.

None.

B. FINANCIAL INFORMATION

(B-1) Indicate if the Applicant has financial statements for the two (2) most recent years.

☒ Yes ☐ No

If "No," explain why and give the date on which the Applicant began operations.

(B-2) Include "Attachment D".

Provide the Applicant's financial information for the two (2) most recent years.

1. A copy of the Applicant's balance sheet.
2. A copy of the Applicant's income statement.
3. A copy of the Applicant's audit report.
4. A copy of the Applicant's retained earnings balance.
5. A copy of all related notes to the financial statements and information.

Note: Make sure "most recent years" includes current calendar year or current year reporting period.

(B-3) Indicate if the Applicant will rely on the financial resources of its Parent Company, if applicable.

Not Applicable.

(B-4) The Applicant must provide the following information.

1. Provide the projected total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval. Adjusted revenues may be calculated as the number of units sold times the maximum charge per unit.
2. Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification.
3. Provide the net book value (original cost less accumulated depreciation) of all Arizona jurisdictional assets expected to be used in the provision of telecommunications service to Arizona customers at the end of the first twelve months of operation. Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list.
4. If the projected value of all assets is zero, please specifically state this in your response.
5. If the projected fair value of the assets is different than the projected net book value, also provide the corresponding projected fair value amounts.

See "Attachment E"

C. RESOLD AND/OR FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(C-1) Indicate if the Applicant has a resale agreement in operation,

☐ Yes ☒ No

If "Yes", please reference the resale agreement by Commission Docket Number or Commission Decision Number.

D. FACILITIES-BASED LONG DISTANCE AND/OR FACILITIES BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(D-1) Indicate if the Applicant is currently selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in the State of Arizona. This item applies to an Applicant requesting a geographic expansion of their CC&N:

☐ Yes ☒ No

If "Yes," provide the following information:

1. The date or approximate date that the Applicant began selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services for the State of Arizona.

2. Identify the types of facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services that the Applicant sells in the State of Arizona.

If "No," indicate the date when the Applicant will begin to sell facilities-based long distance telecommunications AND/OR facilities-based local exchange telecommunications services in the State of Arizona:

(D-2) Check here if you wish to adopt as your petition a statement that the service has already been classified as competitive by Commission Decision:

☐ Decision # 64178 Resold Long Distance

☒ Decision # 64178 Resold LEC

☐ Decision # 64178 Facilities Based Long Distance

☒ Decision # 64178 Facilities Based LEC

E. FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(E-1) Indicate whether the Applicant will abide by the quality of service standards that were approved by the Commission in Commission Decision Number 59241:

☒ Yes ☐ No

(E-2) Indicate whether the Applicant will provide all customers with 911 and E911 service, where available, and will coordinate with incumbent local exchange carriers ("ILECs") and emergency service providers to provide this service:

☒ Yes ☐ No

(E-3) Indicate that the Applicant's switch is "fully equal access capable" (i.e., would provide equal access to facilities-based long distance companies) pursuant to A.A.C. R14-2-1111 (A):

☒ Yes ☐ No

I certify that if the applicant is an Arizona corporation, a current copy of the Articles of Incorporation is on file with the Arizona Corporation Commission and the applicant holds a Certificate of Good Standing from the Commission. If the company is a foreign corporation or partnership, I certify that the company has authority to transact business in Arizona. I certify that all appropriate city, county and/or State agency approvals have been obtained. Upon signing of this application I attest that I have read the Commission's rules and regulations relating to the regulations of telecommunications services and that the company will abide by Arizona State Law including the Arizona Corporation Commission Rules and Regulations. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.

Avi Lonstein
President

Date: 8/12/04

SUBSCRIBED AND SWORN to before me this 12 day of August 2004, 2004.

NOTARY PUBLIC

My Commission Expires: 12/15/05

T. GIAVOCCHINI
Commission # 1335022
Notary Public - California
Los Angeles County
My Comm. Expires Dec 15, 2005

ATTACHMENTS

A – Certificate of Good Standing, List of Officers and Directors or Owners and Percentage of Ownership

B - Proposed Tariff

C - Legal Notice

D - Financial Information

E - Arizona Projections

A - Certificate of Good Standing and

Officers, Directors and Owners		**Percentage Ownership**
Officers:		
Avi Lonstein	Chairman, CEO, President and Secretary	
Tony Lonstein	Executive Vice President	
Daniel Lonstein	Vice President and Chief Financial Officer	
Directors:		
Avi Lonstein		
Tony Lonstein		
Owners:		
Avi Lonstein		38%
Tony Lonstein		30%
Daniel Lonstein		13%
David Lonstein		4%

Arizona Corporation Commission

08/06/2004 State of Arizona Public Access System 8:21 AM

Corporate Inquiry
File Number: F-1026845-1
Corp. Name: AIRESPRING, INC.

Domestic Address

6060 SEPULVEDA BLVD
VAN NUYS, CA 91411

Foreign Address

% NATIONAL REGISTERED AGENTS I
1850 N CENTRAL AVE #1160
PHOENIX, AZ 85004

Statutory Agent Information

Agent Name: NATIONAL REGISTERED AGENTS INC
Agent Mailing/Physical Address:
1850 N CENTRAL AVE #1160
PHOENIX, AZ 85004
Agent Status: APPOINTED 04/17/2002
Agent Last Updated: 06/10/2003

Officer and Director Information

Name:	AVI LONSTEIN
Title:	PRESIDENT/CEO

Address:	6060 SEPULVEDA BLVD #220
	VAN NUYS, CA 91411
Date Assigned: 01/01/2004	**Last Updated:** 05/19/2004

Additional Corporate Information

	Corporation Type: BUSINESS
Incorporation Date: 04/17/2002	**Corporate Life Period:** PERPETUAL
Domicile: DELAWARE	**County:** MARICOPA
Approval Date: 04/17/2002	**Original Publish Date:** 03/03/2003

Annual Reports

Next Annual Report Due: 04/17/2005	FORMS For Annual Reports To Be Printed And Filed << Click Here

	E-FILE An Annual Report Online << Click Here

File Year	File Month	Date Received	Reason Returned	Date Returned	Extension
2004	04	03/29/2004			
2003	04	04/23/2003			

Scanned Documents

(Click on gray button to view document)

Document Number	Description	Date Received
00545273	AGENT ADDR CHG/2ND CORP ADDR CHG	08/02/2002
00693000	03 ANNUAL REPORT	04/23/2003
00904318	04 ANNUAL REPORT	03/29/2004

Microfilm

Location	Date Received	Description
1-1522-003-004	04/17/2002	APPLICATION FOR AUTHORITY
3-1683-000-850	08/02/2002	AGENT ADDR CHG/2ND CORP ADDR CHG
3-1709-005-175	01/16/2003	NOTICE OF PENDING REVOCATION
1-1575-012-033	02/25/2003	03 ANNUAL REPORT/MAIL RETURNED
2-0316-013-045	03/03/2003	PUB OF APPL FOR AUTHORITY
3-1721-001-149	04/23/2003	03 ANNUAL REPORT
1-1639-024-013	02/13/2004	03 ANNUAL REPORT/MAIL RETURNED

- Corporate Name Search Instructions
- General Web Site Usage Instructions
- Return to STARPAS Main Menu
- Return to A.C.C. Corporations Division Main Page
- Return to Arizona Corporation Commission Home Page

B - Proposed Tariff

Arizona

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES TARIFF

OF

Airespring, Inc.

This tariff contains the descriptions, regulations, and rates applicable to the provision of local exchange telecommunications services provided by Airespring, Inc. with principal offices at 6060 Sepulveda Blvd., Van Nuys, California 91411 for services furnished within the State of Arizona. This tariff is on file with the Arizona Corporation Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business.

TABLE OF CONTENTS

Title Page ..... Title

Preface

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Special Arrangements ..... Section 8

Promotional Offerings ..... Section 9

Current Price List ..... Section 10

CHECK SHEET

Pages 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 on the bottom of this page.

SECTION	PAGE	REVISION	SECTION	PAGE	REVISION
Preface	1	Original	2	31	Original
Preface	2	Original	2	32	Original
Preface	3	Original	2	33	Original
Preface	4	Original	2	34	Original
Preface	5	Original	2	35	Original
Preface	6	Original	2	36	Original
1	7	Original	2	37	Original
1	8	Original	2	38	Original
1	9	Original	2	39	Original
1	10	Original	2	40	Original
2	11	Original	2	41	Original
2	12	Original	2	42	Original
2	13	Original	2	43	Original
2	14	Original	2	44	Original
2	15	Original	2	45	Original
2	16	Original	2	46	Original
2	17	Original	2	47	Original
2	18	Original	2	48	Original
2	19	Original	2	49	Original
2	20	Original	3	50	Original
2	21	Original	4	51	Original
2	22	Original	4	52	Original
2	23	Original	4	53	Original
2	24	Original	4	54	Original
2	25	Original	4	55	Original
2	26	Original	4	56	Original
2	27	Original	4	57	Original
2	28	Original	4	58	Original
2	29	Original	4	59	Original
2	30	Original	4	60	Original

CHECK SHEET, (CONT'D.)

Pages 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 on the bottom of this page.

SECTION	PAGE	REVISION	SECTION	PAGE	REVISION
4	61	Original	5	93	Original
4	62	Original	5	94	Original
4	63	Original	5	95	Original
4	64	Original	5	96	Original
4	65	Original	5	97	Original
4	66	Original	5	98	Original
4	67	Original	6	99	Original
4	68	Original	7	100	Original
5	69	Original	8	101	Original
5	70	Original	9	102	Original
5	71	Original	10	103	Original
5	72	Original	10	104	Original
5	73	Original	10	105	Original
5	74	Original	10	106	Original
5	75	Original	10	107	Original
5	76	Original	10	108	Original
5	77	Original	10	109	Original
5	78	Original	10	110	Original
5	79	Original	10	111	Original
5	80	Original	10	112	Original
5	81	Original	10	113	Original
5	82	Original	10	114	Original
5	83	Original	10	115	Original
5	84	Original	10	116	Original
5	85	Original	10	117	Original
5	86	Original	10	118	Original
5	87	Original	10	119	Original
5	88	Original			
5	89	Original			
5	90	Original			
5	91	Original			
5	92	Original			

Avi Lonstein
President
6060 Sepulveda Blvd.
Van Nuys, California 91411

EXPLANATION OF SYMBOLS, REFERENCE MARKS, AND ABBREVIATIONS OF TECHNICAL TERMS USED IN THIS TARIFF

The following symbols shall be used in this tariff for the purpose indicated below:

(C) To signify changed regulation.
(D) To signify discontinued rate or regulation.
(I) To signify increased rate.
(M) To signify a move in the location of text.
(N) To signify new rate or regulation.
(R) To signify reduced rate.
(S) To signify reissued matter.
(T) To signify a change in text but no change in rate or regulation.

APPLICATION OF TARIFF

This tariff sets forth the service offerings, rates, terms and conditions applicable to the furnishing of intrastate end-user local exchange communications services by Airespring, Inc., hereinafter referred to as the Company, to Customers within the state of Arizona. Airespring's services are furnished subject to the availability of facilities and subject to the terms and conditions set forth herein.

This tariff is on file with the Arizona Corporation Commission. In addition, this tariff is available for review at the main office of Airespring, Inc. at6060 Sepulveda Blvd., Van Nuys, California 91411.

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 Commission. For example, the 4th revised Page 14 cancels the 3rd revised Page 14. Because of various suspension periods, deferrals, etc., the most current page number on file with the Commission 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).(1).

D. **Check Sheets** - When a tariff filing is made with the Commission, 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. remain 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 Commission.

SECTION 1.0 – DEFINITIONS

Access Line - An arrangement from a local exchange telephone company or other common carrier, using either dedicated or switched access, which connects a Customer's location to Carrier's location or switching center.

Account - A Company accounting category containing up to two (2) residential local exchange access lines billed to the same Customer at the same address. The second or non-primary local exchange access line will share any call allowance of the primary local exchange access line. The second or non-primary local exchange access line therefore will not be provisioned to include a separate call allowance structure. No features are included with the second or non-primary local exchange access line.

Account Codes - Permits Centrex Stations and attendants to dial an account code number of up to eight digits. For use when placing calls over facilities arranged for Automatic Message Accounting (AMA) recording. The account or project number must be input prior to dialing the called number.

Advance Payment - Part or all of a payment required before the start of service.

Authorization Code - A numerical code, one or more of which may be assigned to a Customer, to enable Carrier to identify the origin of service of the Customer so it may rate and bill the call. All authorization codes shall be the sole property of Carrier and no Customer shall have any property or other right or interest in the use of any particular authorization code. Automatic numbering identification (ANI) may be used as or in connection with the authorization code.

Authorized User - A person, firm or corporation authorized by the Customer to be an end-user of the service of the Customer.

Automatic Numbering Identification (ANI) - A type of signaling provided by a local exchange telephone company which automatically identifies the local exchange line from which a call originates.

Commission - Arizona Corporation Commission.

Common Carrier - An authorized company or entity providing telecommunications services to the public

Company -Airespring, Inc., the issuer of this tariff.

Customer - The person, firm or corporation that orders service and is responsible for the payment of charges and compliance with the terms and conditions of this tariff.

Customer Premises - A location designated by the Customer for the purposes of connecting to the Company's services.

Customer Terminal Equipment - Terminal equipment provided by the Customer.

SECTION 1.0 - DEFINITIONS, (CONT'D.)

Deposit - Refers to a cash or equivalent of cash security held as a guarantee for payment of the charges.

End Office - The LEC switching system office or serving wire center where Customer station loops are terminated for purposes of interconnection to each other and/or to trunks.

Equal Access - A form of dialed access provided by local exchange companies whereby interexchange calls dialed by the Customer are automatically routed to the Company's network. Presubscribed Customers may also route interexchange calls to the Company's network by dialing an access code supplied by the Company.

Exchange Telephone Company or Telephone Company - Denotes any individual, partnership, association, joint-stock company, trust, or corporation authorized by the appropriate regulatory bodies to engage in providing public switched communication service throughout an exchange area, and between exchange areas within the LATA.

ICB - Individual Case Basis.

IXC or Interexchange Carrier- A long distance telecommunications services provider.

Interruption - The inability to complete calls due to equipment malfunctions or human errors. Interruption shall not include, and no allowance shall be given for service difficulties such as slow dial tone, circuits busy or other network and/or switching capability shortages. Nor shall Interruption include the failure of any service or facilities provided by a common carrier or other entity other than the Carrier. Any Interruption allowance provided within this Tariff by Carrier shall not apply where service is interrupted by the negligence or willful act of the Customer, or where the Carrier, pursuant to the terms of this Tariff, terminates service because of non-payment of bills, unlawful or improper use of the Carrier's facilities or service, or any other reason covered by this Tariff or by applicable law.

LATA - A Local Access and Transport Area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192; or any other geographic area designated as a LATA in the National Exchange Carrier Association, Inc. Tariff F.C.C. No. 4, or its successor tariff(s).

LEC - Local Exchange Company refers to the dominant, monopoly local telephone company in the area also served by the Company.

SECTION 1.0 - DEFINITIONS, (CONT'D.)

Monthly Recurring Charges - The monthly charges to the Customer for services, facilities and equipment, which continue for the agreed upon duration of the service.

MOU - Minutes of Use.

NECA - National Exchange Carriers Association.

Non-Recurring Charge ("NRC") - The initial charge, usually assessed on a one-time basis, to initiate and establish service.

PBX - Private Branch Exchange

PIN - Personal Identification Number. See Authorization Code.

Point of Presence ("POP") - Point of Presence

Recurring Charges - Monthly charges to the Customer for services, and equipment, which continues for the agreed upon duration of the service.

Service - Any means of service offered herein or any combination thereof.

Service Order - The written request for Company services executed by the Customer and the Company in the format devised by the Company. The signing of a Service Order Form by the Customer and acceptance by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this tariff.

Serving Wire Center - A specified geographic point from which the vertical and horizontal coordinate is used in calculation of airline mileage.

Shared Inbound Calls - Refers to calls that are terminated via the Customer's Company-provided local exchange line.

Shared Outbound Calls - Refers to calls in Feature Group (FGD) exchanges whereby the Customer's local telephone lines are presubscribed by the Company to the Company's outbound service such that "1 + 10-digit number" calls are automatically routed to the Company's or an IXC's network. Calls to stations within the Customer's LATA may be placed by dialing "10XXX" or "101XXXX" with 1 + 10-digit number."

SECTION 1.0 - DEFINITIONS, (CONT'D.)

Station - The network control signaling unit and any other equipment provided at the Customer's premises which enables the Customer to establish communications connections and to effect communications through such connections.

Subscriber - The person, firm, partnership, corporation, or other entity who orders telecommunications service from Airespring. Service may be ordered by, or on behalf of, those who own, lease or otherwise manage the pay telephone, PBX, or other switch vehicle from which an End User places a call utilizing the services of the Company.

Switched Access Origination/Termination - Where access between the Customer and the interexchange carrier is provided on local exchange company Feature Group circuits and the connection to the Customer is a LED-provided business or residential access line. The cost of switched Feature Group access is billed to the interexchange carrier.

Terminal Equipment - Any telecommunications equipment other than the transmission or receiving equipment installed at a Company location.

Usage Charges - Charges for minutes or messages traversing over local exchange facilities.

User or End User - A Customer, Joint User, or any other person authorized by a Customer to use service provided under this tariff.

SECTION 2.0 - REGULATIONS

2.1 Undertaking of the Company

2.1.1 Scope

The Company undertakes to furnish communications service pursuant to the terms of this tariff in connection with one-way and/or two-way information transmission between points within the state of Arizona.

The Company is responsible under this tariff only for the services and facilities provided hereunder, and it assumes no responsibility for any service provided by any other entity that purchases access to the Company network in order to originate or terminate its own services, or to communicate with its own customers.

2.1.2 Shortage of Equipment or Facilities

2.1.2.A. The Company reserves the right to limit or to allocate the use of existing facilities, or of additional facilities offered by the Company, when necessary because of lack of facilities, or due to some other cause beyond the Company's control.

2.1.2.B. The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's facilities as well as facilities the Company may obtain from other carriers to furnish service from time to time as required at the sole discretion of the Company.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.3 Terms and Conditions

2.1.3.A. Service is provided on the basis of a minimum period of at least thirty (30) days, 24-hours per day. For the purpose of computing charges in this tariff, a month is considered to have 30 days.

2.1.3.B. Except as otherwise stated in this tariff, Customers may be required to enter into written service orders which shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this tariff. Customers will also be required to execute any other documents as may be reasonably requested by the Company.

2.1.3.C. At the expiration of the initial term specified in each Service Order, or in any extension thereof, service shall continue on a month-to-month basis at the then current rates unless terminated by either party upon notice. Any termination shall not relieve the Customer of its obligation to pay any charges incurred under the service order and this tariff prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the service order shall survive such termination.

2.1.3.D. In any action between the parties to enforce any provision of this tariff, the prevailing party shall be entitled to recover its legal fees and court costs from the non-prevailing party in addition to other relief a court may award.

2.1.3.E. Service may be terminated upon written notice to the Customer if:

2.1.3.E.1 the Customer is using the service in violation of this tariff; or

2.1.3.E.2 the Customer is using the service in violation of the law.

2.1.3.F. This tariff shall be interpreted and governed by the laws of the state of Arizona regardless of its choice of laws provision.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.3 Terms and Conditions, (Cont'd.)

2.1.3.G. Any other Telephone Company may not interfere with the right of any person or entity to obtain service directly from the Company. No person or entity shall be required to make any payment, incur any penalty, monetary or otherwise, or purchase any services in order to have the right to obtain service directly from the Company.

2.1.3.H. To the extent that either the Company or any other telephone company exercises control over available cable pairs, conduit, duct space, raceways, or other facilities needed by the other to reach a person or entity, the party exercising such control shall make them available to the other on terms equivalent to those under which the Company makes similar facilities under its control available to its customers. At the reasonable request of either party, the Company and the other telephone company shall join the attempt to obtain from the owner of the property access for the other party to serve a person or entity.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.4 Limitations on Liability

2.1.4.A. Except as otherwise stated in this section, the liability of the Company for damages arising out of either: (1) the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these services or (2) the failure to furnish its service, whether caused by acts or omission, shall be limited to the extension of allowances to the Customer for interruptions in service as set forth in Section 2.6.

2.1.4.B. Except for the extension of allowances to the Customer for interruptions in service as set forth in Section 2.6, the Company shall not be liable to a Customer or third party for any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages, including, but not limited to, loss of revenue or profits, for any reason whatsoever, including, but not limited to, any act or omission, failure to perform, delay, interruption, failure to provide any service or any failure in or breakdown of facilities associated with the service.

2.1.4.C. The liability of the Company for errors in billing that result in overpayment by the Customer shall be limited to a credit equal to the dollar amount erroneously billed or, in the event that payment has been made and service has been discontinued, to a refund of the amount erroneously billed.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.4 Limitations on Liability, (Cont'd.)

2.1.4.D. The Company shall be indemnified and saved harmless by the Customer from and against all loss, liability, damage and expense, including reasonable counsel fees, due to:

2.1.4.D.1 Any act or omission of: (a) the Customer, (b) any other entity furnishing service, equipment or facilities for use in conjunction with services or facilities provided by the Company; or (c) common carriers or warehousemen, except as contracted by the Company;

2.1.4.D.2 Any delay or failure of performance or equipment due to causes beyond the Company's control, including but not limited to, acts of God, fires, floods, earthquakes, hurricanes, or other catastrophes; national emergencies, insurrections, riots, wars or other civil commotions; strikes, lockouts, work stoppages or other labor difficulties; criminal actions taken against the Company; unavailability, failure or malfunction of equipment or facilities provided by the Customer or third parties; and any law, order, regulation or other action of any governing authority or agency thereof;

2.1.4.D.3 Any unlawful or unauthorized use of the Company's facilities and services;

2.1.4.D.4 Libel, slander, invasion of privacy or infringement of patents, trade secrets, or copyrights arising from or in connection with the material transmitted by means of Company-provided facilities or services; or by means of the combination of Company-provided facilities or services;

2.1.4.D.5 Breach in the privacy or security of communications transmitted over the Company's facilities;

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.4 Limitations on Liability, (Cont'd.)

2.1.4.D. (Cont'd.)

2.1.4.D.6 Changes in any of the facilities, operations or procedures of the Company that render any equipment, facilities or services provided by the Customer obsolete, or require modification or alteration of such equipment, facilities or services, or otherwise affect their use or performance, except where reasonable notice is required by the Company and is not provided to the Customer, in which event the Company's liability is limited as set forth in paragraph A. of this Subsection 2.1.4.

2.1.4.D.7 Defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof;

2.1.4.D.8 Injury to property or injury or death to persons, including claims for payments made under Workers' Compensation law or under any plan for employee disability or death benefits, arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected, or to be connected to the Company's facilities;

2.1.4.D.9 Any noncompletion of calls due to network busy conditions;

2.1.4.D.10 Any calls not actually attempted to be completed during any period that service is unavailable;

2.1.4.D.11 And any other claim resulting from any act or omission of the Customer or patron(s) of the Customer relating to the use of the Company's services or facilities.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.4 Limitations on Liability, (Cont'd.)

2.1.4.E. The Company does not guarantee nor make any warranty with respect to installations provided by it for use in an explosive atmosphere.

2.1.4.F. The Company makes no warranties or representations, EXPRESS OR IMPLIED, either in fact or by operation of law, statutory or otherwise, including warranties of merchantability or fitness for a particular use, except those expressly set forth herein.

2.1.4.G. Failure by the Company to assert its rights pursuant to one provision of this rate sheet does not preclude the Company from asserting its rights under other provisions.

2.1.4.H. Directory Errors - In the absence of gross negligence or willful misconduct, no liability for damages arising from errors or mistakes in or omissions of directory listings, or errors or mistakes in or omissions of listing obtainable from the directory assistance operator, including errors in the reporting thereof, shall attach to the Company. An allowance for errors or mistakes in or omissions of published directory listings or for errors or mistakes in or omissions of listing obtainable from the directory assistance operator shall be at the monthly tariff rate for each listing, or in the case of a free or no-charge directory listing, credit shall equal two times the monthly tariff rate for an additional listing, for the life of the directory or the charge period during which the error, mistake or omission occurs.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.4 Limitations on Liability, (Cont'd.)

2.1.4.I. With respect to Emergency Number 911 Service:

2.1.4.I.1 This service is offered solely as an aid in handling assistance calls in connection with fire, police and other emergencies. The Company is not responsible for any losses, claims, demands, suits or any liability whatsoever, whether suffered, made instituted or asserted by the Customer or by any other party or person for any personal injury 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 by: (1) mistakes, omissions, interruptions, delays, errors or other defects in the provision of service, or (2) installation, operation, failure to operate, maintenance, removal, presence, condition, local or use of any equipment and facilities furnishing this service.

2.1.4.I.2 Neither is the Company responsible for any infringement, nor invasion of the right of privacy of any person or persons, caused or claimed to have been caused directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, occasion or use of emergency 911 service features and the equipment associated therewith, or by any services furnished by the Company, including, but not limited to the identification of the telephone number, address or name associated with the telephone used by the party or parties accessing emergency 911 service, and which arise out of the negligence or other wrongful act of the Company, the Customer, its users, agencies or municipalities, or the employees or agents of any one of them.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.4 Limitations on Liability, (Cont'd.)

2.1.4.I. With respect to Emergency Number 911 Service, (Cont'd.)

2.1.4.I.3 When a Customer with a nonpublished telephone number, as defined herein, places a call to the emergency 911 service, the Company will release the name and address of the calling party, where such information can be determined, to the appropriate local governmental authority responsible for emergency 911 service upon request of such governmental authority. By subscribing to service under this rate sheet, the Customer acknowledges and agrees with the release of information as described above.

2.1.5 Notification of Service-Affecting Activities

The Company will provide the Customer reasonable notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventative maintenance. Generally, such activities are not specific to an individual Customer but affect many Customers' services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable notification requirements. With some emergency or unplanned service-affecting conditions, such as an outage resulting from cable damage, notification to the Customer may not be possible.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.6 Provision of Equipment and Facilities

2.1.6.A. The Company shall use reasonable efforts to make available services to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with, the regulations contained in this tariff. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.

2.1.6.B. The Company shall use reasonable efforts to maintain only the facilities and equipment that it furnishes to the Customer. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.

2.1.6.C. The Company may substitute, change or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided the Customer.

2.1.6.D. Equipment the Company provides or installs at the Customer Premises for use in connection with the services the Company offers shall not be used for any purpose other than that for which it was provided.

2.1.6.E. The Customer shall be responsible for the payment of service charges as set forth herein for visits by the Company's agents or employees to the Premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.6 Provision of Equipment and Facilities, (Cont'd.)

2.1.6.F. The Company shall not be responsible for the installation, operation, or maintenance of any Customer-provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities. Subject to this responsibility, the Company shall not be responsible for:

(1) the transmission of signals by Customer-provided equipment or for the quality of, or defects in, such transmission; or

(2) the reception of signals by Customer-provided equipment.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.7 Non-routine Installation

At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours or in hazardous locations. In such cases, charges based on cost of the actual labor, material, or other costs incurred by or charged to the Company will apply. If installation is started during regular business hours but, at the Customer's request, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

2.1.8 Special Construction

Subject to the agreement of the Company and to all of the regulations contained in this tariff, special construction of facilities may be undertaken on a reasonable efforts basis at the request of the Customer. Special construction is that construction undertaken:

A. where facilities are not presently available, and there is no other requirement for the facilities so constructed;

B. of a type other than that which the Company would normally utilize in the furnishing of its services;

C. over a route other than that which the Company would normally utilize in the furnishing of its services;

D. in a quantity greater than that which the Company would normally construct;

E. on an expedited basis;

F. on a temporary basis until permanent facilities are available;

G. involving abnormal costs; or

H. in advance of its normal construction.

2.1.9 Ownership of Facilities

Title to all facilities provided in accordance with this rate sheet remains in the Company, its partners, agents, contractors or suppliers.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.2 Prohibited Uses

2.2.1 The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.

2.2.2 The Company may require applicants for service who intend to use the Company's offerings for resale and/or for shared use to file a letter with the Company confirming that their use of the Company's offerings complies with relevant laws and Commission regulations, policies, orders, and decisions.

2.2.3 The Company may block any signals being transmitted over its Network by Customers which cause interference to the Company or other users. Customer shall be relieved of all obligations to make payments for charges relating to any blocked Service and shall indemnify the Company for any claim, judgment or liability resulting from such blockage.

2.2.4 A customer, joint user, or authorized user may not assign, or transfer in any manner, the service or any rights associated with the service without the written consent of the Company. The Company will permit a Customer to transfer its existing service to another entity if the existing Customer has paid all charges owed to the Company for regulated communications services. Such a transfer will be treated as a disconnection of existing service and installation of new service, and non-recurring installation charges as stated in this tariff will apply.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.3 Obligations of the Customer

2.3.1 General

The Customer is responsible for making proper application for service; placing any necessary order, complying with tariff regulations; payment of charges for services provided. Specific Customer responsibilities include, but are not limited to the following:

A. the payment of all applicable charges pursuant to this tariff;

B. damage to or loss of the Company's facilities or equipment caused by the acts or omissions of the Customer; or the noncompliance by the Customer, with these regulations; or by fire or theft or other casualty on the Customer Premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company;

C. providing at no charge, as specified from time to time by the Company, any needed personnel, equipment space and power to operate Company facilities and equipment installed on the premises of the Customer, and the level of heating and air conditioning necessary to maintain the proper operating environment on such premises;

D. obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduits necessary for installation of fiber optic cable and associated equipment used to provide Communication Services to the Customer from the cable building entrance or property line to the location of the equipment space described in 2.3.1(C.) Any and all costs associated with obtaining and maintaining the rights-of-way described herein, including the costs of altering the structure to permit installation of the Company-provided facilities, shall be borne entirely by, or may be charged by the Company to, the Customer. The Company may require the Customer to demonstrate its compliance with this section prior to accepting an order for service;

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.3 Obligations of the Customer, (Cont'd.)

2.3.1 General, (Cont'd.)

E. providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company's employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material (e.g. asbestos) prior to any construction or installation work;

F. complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of Company facilities and equipment in any Customer premises or the rights-of-way for which Customer is responsible under Section 2.3.1D.; and granting or obtaining permission for Company agents or employees to enter the premises of the Customer at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company;

G. not creating, or allowing to be placed, any liens or other encumbrances on the Company's equipment or facilities; and

H. making Company facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the Customer. No allowance will be made for the period during which service is interrupted for such purposes.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.3 Obligations of the Customer, (Cont'd.)

2.3.2 Liability of the Customer

A. The Customer will be liable for damages to the facilities of the Company and for all incidental and consequential damages caused by the negligent or intentional acts or omissions of the Customer, its officers, employees, agents, invites, or contractors where such acts or omissions are not the direct result of the Company's negligence or intentional misconduct.

B. To the extent caused by any negligent or intentional act of the Customer as described in A., preceding, the Customer shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees, for (1) any loss, destruction or damage to property of any third party, and (2) any liability incurred by the Company to any third party pursuant to this or any other rate sheet of the Company, or otherwise, for any interruption of, interference to, or other defect in any service provided by the Company to such third party.

C. The Customer shall not assert any claim against any other Customer or user of the Company's services for damages resulting in whole or in part from or arising in connection with the furnishing of service under this rate sheet including but not limited to mistakes, omissions, interruptions, delays, errors or other defects or misrepresentations, whether or not such other Customer or user contributed in any way to the occurrence of the damages, unless such damages were caused solely by the negligent or intentional act or omission of the other Customer or user and not by any act or omission of the Company. Nothing in this rate sheet is intended either to limit or to expand Customer's right to assert any claims against third parties for damages of any nature other than those described in the preceding sentence.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.4 Customer Equipment and Channels

2.4.1 General

A User may transmit or receive information or signals via the facilities of the Company. The Company's services are designed primarily for the transmission of voice-grade telephonic signals, except as otherwise stated in this tariff. A User may transmit any form of signal that is compatible with the Company's equipment, but the Company does not guarantee that its services will be suitable for purposes other than voice-grade telephonic communication except as specifically stated in this tariff.

2.4.2 Station Equipment

A. Terminal equipment on the User's Premises and the electric power consumed by such equipment shall be provided by and maintained at the expense of the User. The User is responsible for the provision of wiring or cable to connect its terminal equipment to the Company Point of Connection.

B. The Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or to other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense, subject to prior Customer approval of the equipment expense.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.4 Customer Equipment and Channels, (Cont'd.)

2.4.3 Interconnection of Facilities

A. Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing Communication Services and the channels, facilities, or equipment of others shall be provided at the Customer's expense.

B. Communication Services may be connected to the services or facilities of other communications carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other communications carriers that are applicable to such connections.

C. Facilities furnished under this tariff may be connected to Customer-provided terminal equipment in accordance with the provisions of this tariff. All such terminal equipment shall be registered by the Federal Communications Commission pursuant to Part 68 of Title 47, Code of Federal Regulations; and all User-provided wiring shall be installed and maintained in compliance with those regulations.

D. Users may interconnect communications facilities that are used in whole or in part for interstate communications to services provided under this tariff only to the extent that the user is an is "End User", as defined in Section 69.2(m), Title 47, Code of Federal Regulations (1992 edition).

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.4 Customer Equipment and Channels, (Cont'd.)

2.4.4 Inspections

A. Upon suitable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in Section 2.4.2A. for the installation, operation, and maintenance of Customer-provided facilities, equipment, and wiring in the connection of Customer-provided facilities and equipment to Company-owned facilities and equipment.

B. If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice, the Customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.5 Payment Arrangements

2.5.1 Payment for Service

The Customer is responsible for the payment of all charges for facilities and services furnished by the Company to the Customer and to all Authorized Users by the Customer, regardless of whether those services are used by the Customer itself or are resold to or shared with other persons.

The Customer is responsible for payment of any sales, use, gross receipts, excise, access or other local, state, federal and 911 taxes, charges or surcharges (however designated) (excluding taxes on Company's net income) imposed on or based upon the provision, sale or use of Network Services.

The security of the Customer's PIN is the responsibility of the Customer. All calls placed using a PIN shall be billed to and shall be the obligation of the Customer. The Customer shall not be responsible for charges in connection with the unauthorized use of PINs arising after the Customer notifies the Company of the loss, theft, or other breach of security of such PINs.

Customers will only be charged once, on either an interstate or intrastate basis, for any nonrecurring charges.

2.5.2 Billing and Collection of Charges

The Customer is responsible for payment of all charges incurred by the Customer or other Authorized Users for services and facilities furnished to the Customer by the Company.

A. Nonrecurring charges are due and payable within thirty (30) days after the invoice date, unless otherwise agreed to in advance.

B. The Company shall present invoices for recurring charges monthly to the Customer, in advance of the month in which service is provided, and Recurring Charges shall be due and payable within thirty (30) days after the invoice date. When billing is based on customer usage, charges will be billed monthly for the preceding billing periods.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.5 Payment Arrangements, (Cont'd.)

2.5.2 Billing and Collection of Charges, (Cont'd.)

C. When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have thirty (30) days.

D. Billing of the Customer by the Company will begin on the Service Commencement Date, which is the first day following the date on which the Company notifies the Customer that the service or facility is available for use, except that the Service Commencement Date may be postponed by mutual agreement of the parties, or if the service or facility does not conform to standards set forth in this tariff or the Service Order. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.

E. If any portion of the payment is not received by the Company, or if any portion of the payment is received by the Company in funds that are not immediately available, within twenty (20) days of the mail date on the bill, then a late payment penalty shall be due the Company. The late payment penalty shall be that portion of the payment not received by the date due minus any charges billed as local taxes multiplied by 1.5%.

F. The Customer will be assessed a *maximum* charge of thirty-five ($35.00) for each check or other payment type submitted by the Customer to the Company that a bank or financial institution refuses to honor. See Section 10, Page 9 for current charges.

G. If service is disconnected by the Company in accordance with Section 2.5.6 following and later restored, restoration of service will be subject to all applicable installation charges.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.5 Payment Arrangements, (Cont'd.)

2.5.3 Disputed Bills

A. In the event that a billing dispute occurs concerning any charges billed to the Customer by the Company, the Company may require the Customer to pay the undisputed portion of the bill to avoid discontinuance of service for non-payment. The Customer must submit a documented claim for the disputed amount. The Customer will submit all documentation as may reasonably be required to support the claim. All claims must be submitted to the Company within 90 days of receipt of billing for those services. If the Customer does not submit a claim as stated above, the Customer waives all rights to filing a claim thereafter.

B. Unless disputed the invoice shall be deemed to be correct and payable in full by the Customer. If the Customer is unable to resolve any dispute with the Company, then the Customer may file a complaint with the Arizona Corporation Commission, 1200 West Washington Street, Phoenix, Arizona 85007.

C. If the dispute is resolved in favor of the Customer and the Customer has withheld the disputed amount, no interest, credits or penalties will apply.

2.5.4 Advance Payments

The Company does not collect advance payments.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.5 Payment Arrangements, (Cont'd.)

2.5.5 Deposits

A. The Company does not collect deposits.

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SECTION 2.0 - REGULATIONS, (CONT'D.)

2.5 Payment Arrangements, (Cont'd.)

2.5.5 Reserved For Future Use

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SECTION 2.0 - REGULATIONS, (CONT'D.)

2.5 Payment Arrangements, (Cont'd.)

2.5.6 Discontinuance of Service

A. Upon nonpayment of any amounts owing to the Company, the Company may, by giving five (5) days written notice to the Customer, discontinue or suspend service without incurring any liability.

B. Upon violation of any of the other material terms or conditions for furnishing service the Company may, by giving five (5) days written notice to the Customer, discontinue or suspend service without incurring any liability if such violation continues during that period.

C. Upon condemnation of any material portion of the facilities used by the Company to provide service to a Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend service without incurring any liability.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.5 Payment Arrangements, (Cont'd.)

2.5.6 Discontinuance of Service, (Cont'd.)

D. Upon the Customer's insolvency, assignment for the benefit of creditors, filing for bankruptcy or reorganization, or failing to discharge an involuntary petition within the time permitted by law, the Company may immediately discontinue or suspend service without incurring any liability.

E. Upon any governmental prohibition or required alteration of the services to be provided or any violation of an applicable law or regulation, the Company may immediately discontinue service without incurring any liability.

F. In the event of fraudulent use of the Company's network, the Company will discontinue service without notice and/or seek legal recourse to recover all costs involved in enforcement of this provision.

G. Upon the Company's discontinuance of service to the Customer under Section 2.5.6 A. or 2.5.6 B., the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this tariff, may declare all future monthly and other charges that would have been payable by the Customer during the remainder of the term for which such services would have otherwise been provided to the Customer to be immediately due and payable (discounted to present value at six percent).

H. Without notice in the event of Customer use of equipment or services in such a manner as to adversely affect the Company's service to others.

I. Without notice in the event of tampering with the equipment or services furnished by the Company.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.5 Payment Arrangements, (Cont'd.)

2.5.7 Cancellation of Application for Service

A. Applications for service cannot be canceled without the Company's agreement. Where the Company permits a Customer to cancel an application for service prior to the start of service or prior to any special construction, no charges will be imposed except for those specified below.

B. Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs incurred by the Company, less net salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of services ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service commenced (all discounted to present value at six percent).

C. Where the Company incurs any expense in connection with special construction, or where special arrangements of facilities or equipment have begun, before the Company receives a cancellation notice, a charge equal to the costs incurred by the Company, less net salvage, applies. In such cases, the charge will be based on such elements as the cost of the equipment, facilities, and material, the cost of installation, engineering, labor, and supervision, general and administrative expense, other disbursements, depreciation, maintenance, taxes, provision for return on investment, and any other costs associated with the special construction or arrangements.

D. The special charges described in 2.5.7 A. through 2.5.7 C. will be calculated and applied on a case-by-case basis.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.5 Payment Arrangements, (Cont'd.)

2.5.8 Changes in Service Requested

If the Customer makes or requests material changes in circuit engineering, equipment specifications, service parameters, premises locations, or otherwise materially modifies any provision of the application for service, the Customer's installation fee shall be adjusted accordingly.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.6 Allowances for Interruptions in Service

Interruptions in service that are not due to the negligence of, or noncompliance with the provisions of this tariff by, the Customer or the operation or malfunction of the facilities, power or equipment provided by the Customer, will be credited to the Customer as set forth in 2.6.1 for the part of the service that the interruption affects.

2.6.1 General

A. A credit allowance will be given when service is interrupted, except as specified below. A service is interrupted when it becomes inoperative to the Customer, e.g., the Customer is unable to transmit or receive, because of a failure of a component furnished by the Company under this rate sheet.

B. An interruption period begins when the Customer reports a service, facility or circuit to be inoperative and, if necessary, releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.6 Allowances for Interruptions in Service, (Cont'd.)

2.6.1 General, (Cont'd.)

C. If the Customer reports a service, facility or circuit to be interrupted but declines to release it for testing and repair, or refuses access to its premises for test and repair by the Company, the service, facility or circuit is considered to be impaired but not interrupted. No credit allowances will be made for a service, facility or circuit considered by the Company to be impaired.

D. The Customer shall be responsible for the payment of service charges as set forth herein for visits by the Company's agents or employees to the premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.

2.6.2 Limitations of Allowances

No credit allowance will be made for any interruption in service:

A. Due to the negligence of or noncompliance with the provisions of this rate sheet by any person or entity other than the Company, including but not limited to the Customer;

B. Due to the failure of power, equipment, systems, connections or services not provided by the Company;

C. Due to circumstances or causes beyond the reasonable control of the Company;

D. During any period in which the Company is not given full and free access to its facilities and equipment for the purposes of investigating and correcting interruptions;

E. A service will not be deemed to be interrupted if a Customer continues to voluntarily make use of the such service. If the service is interrupted, the Customer can get a service credit, use another means of communications provided by the Company (pursuant to Section 2.6.3), or utilize another service provider;

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.6 Allowances for Interruptions in Service, (Cont'd.)

2.6.2 Limitations of Allowances, (Cont'd.)

F. During any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements;

G. That occurs or continues due to the Customer's failure to authorize replacement of any element of special construction; and

H. That was not reported to the Company within thirty (30) days of the date that service was affected.

2.6.3 Use of Another Means of Communications

If the Customer elects to use another means of communications during the period of interruption, the Customer must pay the charges for the alternative service used.

2.6.4 Application of Credits for Interruptions in Service

A. Credits for interruptions in service that is provided and billed on a flat rate basis for a minimum period of at least one month, beginning on the date that billing becomes effective, shall in no event exceed an amount equivalent to the proportionate charge to the Customer for the period of service during which the event that gave rise to the claim for a credit occurred. A credit allowance is applied on a pro rata basis against the rates specified hereunder and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit.

B. For calculating credit allowances, every month is considered to have thirty (30) days.

C. A credit allowance will be given for interruptions of thirty (30) minutes or more. Two or more interruptions of fifteen (15) minutes or more during any one 24-hour period shall be combined into one cumulative interruption.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.6 Allowances for Interruptions in Service, (Cont'd.)

2.6.4 Application of Credits for Interruptions in Service, (Cont'd.)

D. Interruptions of 24 Hours or Less

Length of Interruption	Amount of Service To Be Credited
Less than 30 minutes	None
30 minutes up to but not including 3 hours	1/10 Day
3 hours up to but not including 6 hours	1/5 Day
6 hours up to but not including 9 hours	2/5 Day
9 hours up to but not including 12 hours	3/5 Day
12 hours up to but not including 15 hours	4/5 Day
15 hours up to but not including 24 hours	One Day

E. Interruptions Over 24 Hours and Less Than 72 Hours

Interruptions over 24 hours and less than 72 hours will be credited 1/5 day for each 3-hour period or fraction thereof. No more than one full day's credit will be allowed for any period of 24 hours.

F. Interruptions Over 72 Hours

Interruptions over 72 hours will be credited 2 days for each full 24-hour period. No more than thirty (30) days credit will be allowed for any one month period.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.6 Allowances for Interruptions in Service, (Cont'd.)

2.6.5 Cancellation For Service Interruption

Cancellation or termination for service interruption is permitted only if any circuit experiences a single continuous outage of 8 hours or more or cumulative service credits equaling 16 hours in a continuous 12-month period. The right to cancel service under this provision applies only to the single circuit that has been subject to the outage or cumulative service credits.

2.7 Use of Customer's Service by Others

2.7.1 Joint Use Arrangements

Joint use arrangements will be permitted for all services provided under this tariff. From each joint use arrangement, one member will be designated as the Customer responsible for the manner in which the joint use of the service will be allocated. The Company will accept orders to start, rearrange, relocate, or discontinue service only from the designated Customer. Without affecting the Customer's ultimate responsibility for payment of all charges for the service, each joint user shall be responsible for the payment of the charges billed to it.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.8 Cancellation of Service/Termination Liability

If a Customer cancels a Service Order or terminates services before the completion of the term for any reason whatsoever other than a service interruption (as defined in Section 2.6.1 above), the Customer agrees to pay to the Company termination liability charges, as defined below. These charges shall become due as of the effective date of the cancellation or termination and be payable within the period, set forth in Section 2.5.2.

2.8.1 Termination Liability

The Customer's termination liability for cancellation of service shall be equal to:

A. all unpaid Non-Recurring charges reasonably expended by the Company to establish service to the Customer; plus

B. any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by the Company on behalf of the Customer; plus

C. all Recurring Charges specified in the applicable Service Order Tariff for the balance of the then current term discounted at the prime rate announced in the Wall Street Journal on the third business day following the date of cancellation;

D. minus a reasonable allowance for costs avoided by the Company as a direct result of the Customer's cancellation.

2.9 Transfers and Assignments

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company without the written consent of the other party, except that the Company may assign its rights and duties:

2.9.1 to any subsidiary, parent company or affiliate of the Company; or

2.9.2 pursuant to any sale or transfer of substantially all the assets of the Company; or

2.9.3 pursuant to any financing, merger or reorganization of the Company.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.10 Customer Liability for Unauthorized Use of the Network

Unauthorized use of the network occurs when a person or entity that does not have actual, apparent, or implied authority to use the network, obtains the Company's services provided under this rate sheet.

2.10.1 Customer Liability for Fraud and Unauthorized Use of the Network

A. The Customer is liable for the unauthorized use of the network obtained through the fraudulent use of a Company calling card, if such a card is offered by the Company, or an accepted credit card, provided that the unauthorized use occurs before the Company has been notified.

B. A Company calling card is a telephone calling card issued by the Company at the Customer's request, which enables the Customer or user(s) authorized by the Customer to place calls over the Network and to have the charges for such calls billed to the Customer's account.

An accepted credit card is any credit card that a cardholder has requested or applied for and received, or has signed, used, or authorized another person to use to obtain credit. Any credit card issued as an renewal or substitute in accordance with this paragraph is an accepted credit card when received by the cardholder.

C. The Customer must give the Company written or oral notice that an unauthorized use of a Company calling card or an accepted credit card has occurred or may occur as a result of loss, and/or theft.

D. The Customer is responsible for payment of all charges for calling card services furnished to the Customer or to users authorized by the Customer to use service provided under this rate sheet, unless due to the negligence of the Company. This responsibility is 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.

The liability of the Customer for unauthorized use of the Network by credit card fraud will not exceed the lesser of fifty dollars ($50.00) or the amount of money, property, labor, or services obtained by the unauthorized user before notification to the Company.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.11 Notices and Communications

2.11.1 The Customer shall designate on the Service Order an address to which the Company shall mail or deliver all notices and other communications, except that the Customer may also designate a separate address to which the Company's bills for service shall be mailed.

2.11.2 The Company shall designate on the Service Order an address to which the Customer shall mail or deliver all notices and other communications, except that Company may designate a separate address on each bill for service to which the Customer shall mail payment on that bill.

2.11.3 Except as otherwise stated in this tariff, all notices or other communications required to be given pursuant to this tariff will be in writing. Notices and other communications of either party, and all bills mailed by the Company, shall be presumed to have been delivered to the other party on the third business day following placement of the notice, communication or bill with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.

2.11.4 The Company or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

2.12 Taxes, Fees and Surcharges

The Company reserves the right to bill any and all applicable taxes, fees and surcharges in addition to normal rates and charges for services provided to the Customer. Taxes and fees include, but are not limited to: Federal Excise Tax, State Sales Tax, Municipal Tax, and Gross Receipts Tax. Unless otherwise specified in this tariff, such taxes, fees and surcharges are in addition to rates as quoted in this tariff and will be itemized separately on Customer invoices.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.12 Taxes, Fees and Surcharges, (Cont'd.)

2.12.1 Arizona Universal Service Fund (AUSF)

In addition to all other taxes and fees that are listed herein or passed through in the normal course of business (e.g. sales tax), the Company shall also add an amount to be collected to each bill for recovery of the Arizona Universal Service Fund (AUSF).

Towards the ultimate goal that basic service be available and affordable to all citizens of the state, the Arizona Corporation Commission has created support mechanisms to assist in the provision of such service in high-cost areas. Pursuant to Arizona Administrative Code, R14-2, Article 12, the Rule directs that the surcharge will be levied on all telecommunications service purchased by end-users.

The Arizona Universal Service Fund (AUSF) surcharge will be the amount set forth in the Arizona Administrative Code, R14-2, Article 12. The percentage and amounts set forth will be subject to periodic adjustment by the Company.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.13 Miscellaneous Provisions

2.13.1 Telephone Number Changes

Whenever any Customer's telephone number is changed after a directory is published, the Company shall intercept all calls to the former number for at least one hundred and twenty (120) days and give the calling party the new number provided existing central office equipment will permit, and the Customer so desires.

When service in an existing location is continued for a new Customer, the existing telephone number may be retained by the new Customer only if the former Customer consents in writing, and if all charges against the account are paid or assumed by the new Customer.

2.13.2 Maintenance and Operations Records

Records of various tests and inspections, to include non-routine corrective maintenance actions or monthly traffic analysis summaries for network administration, necessary for the purposes of the Company or to fulfill the requirements of Commission rules shall be kept on file in the office of the Company as required under Commission rules.

SECTION 2.0 - REGULATIONS, (CONT'D.)

2.14 Customer Responsibility

A. Cancellation by Customer

Customers may cancel service verbally or in writing. The company shall hold the Customer responsible for payment of all charges, including fixed fees, surcharges, etc., which accrue up to the cancellation date. Customers that cancel the primary local exchange line will have the entire Account disconnected, including any secondary line and all associated features. In the event the Customer executes a term commitment agreement with the Company, the Customer must cancel service and terminate the agreement in accordance with the agreement terms.

SECTION 3.0 - SERVICE AREAS

3.1 Exchange Service Areas

Local exchange services are provided, subject to availability of facilities and equipment, in areas currently served by the following Incumbent LECs: 1) Qwest, Inc.

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SECTION 4.0 - BASIC SERVICES AND RATES

4.1 Call Timing for Usage Sensitive Services

Where charges for a service are specified based on the duration of use, such as the duration of a telephone call, the following rules apply:

4.1.1 Calls are measured in durational increments identified for each service. All calls which are fractions of a measurement increment are rounded-up to the next whole unit.

4.1.2 Timing on completed calls begins when the call is answered by the called party. Answering is determined by hardware answer supervision in all cases where this signaling is provided by the terminating local carrier and any intermediate carrier(s).

4.1.3 Timing terminates on all calls when the calling party hangs up or the Company's network receives an off-hook signal from the terminating carrier.

4.2 Reserved for Future Use

SECTION 4.0 - BASIC SERVICES AND RATES, (CONT'D.)

4.3 Network Exchange Bundled Service

4.3.1 General

Airespring offers basic local exchange service only as part of a bundle or package of telecommunications services. All packages include local service, long distance service (interstate and intrastate toll) and selected custom calling features. Voice Mail and Optional Internet access 1 may be available with some packages at an additional charge. The aforementioned services are only available as part of the bundled service offering and are not available on an individual service basis. Customers will be billed directly by the Company.

The Company provides Customers with the option of obtaining a Primary Line and Secondary Line per account:

A. Primary Line

The initial residential local exchange access line per account.

B. Secondary Line

The second or additional residential local exchange access line, billed to the same address as the Primary Line, the Secondary Line will share the monthly call allowance with the Primary Line. The Secondary Line does not automatically include or share any Custom Calling Features. Feature packages may be purchased separately.

Should a Customer with both lines opt to disconnect the Primary Line, the remaining Secondary Line will automatically convert to a Primary Line with all features and functionality of such, and at the Primary Line monthly recurring rate.

SECTION 4.0 - BASIC SERVICES AND RATES, (CONT'D.)

4.3 Network Exchange Bundled Service, (Cont'd.)

4.3.1 General, (Cont'd.)

Network Exchange Bundled Service may include the calling features listed below:

These features are offered subject to availability of suitable facilities. Certain features may not be available with all classes of services.

Call Forwarding - Fixed, Busy Line No Answer - This feature, when activated, redirects attempted terminating calls to another Customer-specified line. Call originating ability is not affected by Call Forwarding - Fixed, Busy Line No Answer. The calling party is billed for the call to the called number. If the forwarded leg of the call is chargeable, the Customer with the Call Forwarding - Fixed, Busy Line No Answer is billed for the forwarded leg of the call. Calls cannot be transferred to an International Direct Distance Dialing number.

Caller ID with Name - Allows a Customer to see a caller's name and number previewed on a display screen before the call is answered allowing a Customer to prioritize and or screen incoming calls. Caller ID records the name, number, date and time of each incoming call - including calls that aren't answered by the Customer. Caller ID service requires the use of specialized CPE not provided by the company. It is the responsibility of the Customer to provide the necessary CPE. In areas where Caller ID with Name is not available, Caller ID, which only displays the incoming telephone number, will be substituted.

SECTION 4.0 - BASIC SERVICES AND RATES, (CONT'D.)

4.3 Network Exchange Bundled Service, (Cont'd.)

4.3.1 General, (Cont'd.)

Network Exchange Bundled Service may include the calling features listed below, (cont'd.):

Call Forwarding - Variable - a Customer activated feature that automatically transfers all incoming calls from the Customer's telephone number to another dialable telephone number until the Customer deactivates the feature. If forwarded to a long distance number the Subscriber will incur the long distance charges.

Call Forwarding with Remote Activation- This service allows Customers who subscribe to Call Forward to access, activate, or deactivate Call Forward from a remote location using a touchtone telephone. If forwarded to a long distance number the Subscriber will incur the long distance charges.

Call Trace - Allows a called party to initiate an automatic trace of the last call received. Call Trace is available on a usage basis only. After receiving the call which is to be traced, the Customer dials a code and the traced telephone number is automatically sent to the Company for action. The Customer originating the trace will not receive the traced telephone number. The results of the trace will be furnished only to legally constituted law enforcement agencies or authorities upon proper request by them.

Call Blocking- Call Blocking allows Customer to block calls from different telephone numbers. A screening list is created by Customer either by adding the last number associated with the line (incoming or outgoing) or by pre-selecting the telephone number to be blocked. Callers from such numbers hear an announcement that the calling party is not accepting calls and Customer's phone will not ring. The screening list may be edited and revised at Customer's discretion.

SECTION 4.0 - BASIC SERVICES AND RATES, (CONT'D.)

4.3 Network Exchange Bundled Service, (Cont'd.)

4.3.1 General, (Cont'd.)

Network Exchange Bundled Service may include the calling features listed below, (cont'd.):

Caller ID Per Line Blocking- Allows a Customer to prevent the transmission and display of their directory number and/or directory name information on outgoing calls. Line Blocking is in operation on a continuous basis and is applicable on all outgoing calls from Customer's blocked line. Line Blocking does not prevent transmission of the calling party information to emergency services that utilize automatic number identification for delivery of the calling information.

VIP Alert - Allows a customer to program telephone numbers of selected callers, enabling the customer to distinguish certain incoming calls from all others by a distinctive ring tone.

Privacy Service- A feature which intercepts calls that are marked "private" and "out of area," or "unavailable" on Caller ID units. When unidentified callers dial the Subscribers number, they will receive an announcement informing them that the party they are calling does not accept calls from unidentified callers. They will receive a prompt to identify their name or state their intention and the service will then attempt to connect the call. Only if the caller responds will the call be connected.

The Subscriber's Caller ID will display the platform number and the name of the service. If the Subscriber chooses not to take the call the caller will hear a message which states the Subscriber is unavailable.

Privacy Service is offered subject to availability of suitable facilities. This service will be provisioned on a line-by-line basis and Customers with more than one line would need to have the service activated on each line if they want the ability to intercept unknown and blocked calls to each line.

SECTION 4.0 - BASIC SERVICES AND RATES, (CONT'D.)

4.3 Network Exchange Bundled Service, (Cont'd.)

4.3.1 General, (Cont'd.)

Call Waiting with Caller ID with Name - Call Waiting with Caller ID with Name provides a tone signal to indicate to a Customer already engaged in a telephone call that a second caller is attempting to dial in and allows a Customer to see a caller's name and number previewed on a display screen allowing a Customer to prioritize and or screen incoming calls. This feature permits the Customer to place the first call on hold, answer the second call and then alternate between both callers. Cancel Call Waiting (CCW) allows a Call Waiting (CW) Customer to disable CW for the duration of an outgoing telephone call. CCW is activated (i.e., CW is disabled) by dialing a special code prior to placing a call, and is automatically deactivated when the Customer disconnects from the call. In areas where Caller ID with Name is not available, Caller ID, which only displays the callers telephone number, will be substituted.

Speed Calling - This feature allows a user to dial selected numbers by means of an abbreviated code. This feature is available in either an 8 number or a 30 number capacity. The Speed Calling list can only accommodate a number consisting of 15 digits or less.

Three Way Calling - Permits the Customer to add a third party to an established connection. When the third party answers, a two-way conversation can be held before adding the original party for a three-way conference. The Customer initiating the conference controls the call and may disconnect the third party to reestablish the original connection or establish a connection to a different third party. The feature may be used on both outgoing and incoming.

SECTION 4.0 - BASIC SERVICES AND RATES, (CONT'D.)

4.3 Network Exchange Bundled Service, (Cont'd.)

4.3.2 Arizona Home Edition - Standard Service

Package Price for Standard Service	**Maximum**
Primary Line, per month	$120.00
Secondary Line, per month	$100.00
Service Connection Fee, one time charge per line *	
Primary Line	$140.00
Secondary Line	$120.00

Customers may choose to handle payment through a commercial credit card arrangement. Customers opting for credit card payment arrangement will receive a $1.00 discount of total monthly Company charges, excluding taxes and fees.

* Service Connection fee waived for those customers who meet the Company's enrollment criteria and who retain their existing telephone number when switching their service to Airespring.

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SECTION 4.0 - BASIC SERVICES AND RATES, (CONT'D.)

4.3 Network Exchange Bundled Service, (Cont'd.)

4.3.2 Arizona Home Edition - Standard Service, (Cont'd.)

Standard Service includes the following:

1. A monthly allowance of 100 free minutes of interstate and intrastate toll calling. Toll calls are billed in sixty (60) second increments.

   For toll calls placed away from home, see Travel Card Service, in Airespring**'s AZ Tariff No. 1**. Such travel card calls are not included in the monthly toll call allowance for Home Edition - Standard Service.

Toll calls within 100 minute allowance	Maximum Per minute rate
Direct Dial Access	$0.00

Toll calls above 100 minute allowance	Maximum Per minute rate
Direct Dial Access	$0.20

2. A monthly allowance of 6000 free minutes of local calling.

Local calls above 6000 minutes	Maximum Per minute rate
	$0.05

3. Primary Line Custom Calling Features Package: Call Forwarding, Caller ID with Name, Call Waiting with Caller ID with Name, Three-Way Calling and Speed Calling included at no charge.

   Secondary Line Custom Calling Features Package: (Call Waiting, Caller ID, Three-Way Calling and Speed Calling) may be added for up to a maximum of $15.00 per month.

4. Standard Service Customers will receive Member to Member service (See Section 4.3.3) at no additional charge, included with the Standard Service.

SECTION 4.0 - BASIC SERVICES AND RATES, (CONT'D.)

4.3 Network Exchange Bundled Service, (Cont'd.)

4.3.3 Member to Member Home Edition Service Add-On

Member to Member Service is available to all Airespring Customers of a Network Exchange Bundled Service. Member to Member allows Airespring Customers to call other Airespring Customers without incurring per call usage charges or depleting the bundled minutes call allowance. Calls under the Member to Member option must originate on and terminate to a telephone number presubscribed to a Airespring Network Exchange Bundled Service. Customers are not required to identify Customers in their calling circle. Such identification will be handled by the Company's network.

Member to Member calling between Airespring Customers applies to both intrastate and interstate calling. There is no limit to the number of minutes included in Member to Member.

	Maximum
Home Edition - Standard:	$20.00
Home Edition Unlimited:	$20.00

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SECTION 4.0 - BASIC SERVICES AND RATES, (CONT'D.)

4.3 Network Exchange Bundled Service, (Cont'd.)

4.3.4 Home Unlimited Service

Package Price for Home Unlimited

	Maximum
Primary Line, per month	$130.00
Secondary Line, per month	$100.00
Service Connection Fee, one time charge per line *	
Primary Line	$130.00
Secondary Line	$100.00

Customers may choose to handle payment through a commercial credit card arrangement.

This service is for use by residential customers. The company reserves the right to adjust a customer's service upon appropriate customer notification. If it is determined that usage is not consistent with residential voice applications, Customer's service may be toll blocked, requested to utilize another Airespring service or disconnected.

A. Home Unlimited includes the following:

1. Unlimited toll calling. For toll calls placed away from home, see Travel Card in the Company's **Arizona Tariff No. 1**. Such travel card calls are not included in the monthly toll call allowance for Home Unlimited.

2. Local line and unlimited local calling

* Service Connection fee waived for those customers who meet the Company's enrollment criteria and who retain their existing telephone number when switching their service to Airespring.

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SECTION 4.0 - BASIC SERVICES AND RATES, (CONT'D.)

4.3 Network Exchange Bundled Service, (Cont'd.)

4.3.4 Home Unlimited Service

A. Home Unlimited includes the following, (cont'd.):

3. Primary Line Custom Calling Features Package: Call Forwarding, Caller ID with Name, Call Waiting with Caller ID with Name, Call Forwarding Variable, Call Forwarding - Remote Activation, Call Block, Call Trace Three-Way Calling and Speed Calling included at no charge.

   Secondary Line Custom Calling Features Package: Call Forwarding Variable, Call Forwarding - Remote Activation, Call Block and Call Trace included at no charge. Call Waiting, Caller ID, Three-Way Calling and Speed Calling may be added for up to a maximum of $15.00 per month.

4. Member to Member Service.

5. The following additional Custom Calling Features are available with this service.

	Maximum Per Month
Caller ID Per Line Blocking:	$15.00
VIP Alert:	$15.00
Privacy Manager:	$15.00

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SECTION 4.0 - BASIC SERVICES AND RATES, (CONT'D.)

4.3 Network Exchange Bundled Service, (Cont'd.)

4.3.5 Business A La Carte Service

Business A La Carte service is targeted at small business Customers and provides options based on the Customers calling patterns and estimated usage. . Customers who subscribe to this service must designate Airespring as the presubscribed carrier for local calling concurrent with enrollment for this service. Business A La Carte provides Customers with the option of selecting Airespring for toll services.

A. Local Exchange Service

.1 Local Access Line

	Maximum
Local Business Line	
Monthly Rate	$120.00
Service Connection Fee, one-time charge per line [1]	
Per Line	$200.00

[1] Service Connection fee is waived for those customers who retain their existing telephone number when switching their service to Airespring. The charge will apply if additional lines are transferred to Airespring after the initial order.

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SECTION 4.0 - BASIC SERVICES AND RATES, (CONT'D.)

4.3 Network Exchange Bundled Service, (Cont'd.)

4.3.5 Business A La Carte Service, (Cont'd.)

B. Toll Service

1. Long Distance Service

Long distance service is billed in six (6) second increments.

	Maximum
Rate Per Minute:	$0.40

2. Long Distance Calling Packs

Customers may choose to purchase Long Distance Calling Packs which provide a set number of long distance calling minutes for a flat rate per month. Toll Free Service is not included in Long Distance Calling Packs. Minutes above the purchased Calling Pack are billed in six (6) second increments.

Maximum

LD Minutes	**LD Minutes Pack**	
	Monthly Rate	**Intrastate Overage**
1,000 Long Distance Minutes Pack	$240.00	$0.40
5,000 Long Distance Minutes Pack	$490.00	$0.40

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SECTION 4.0 - BASIC SERVICES AND RATES, (CONT'D.)

4.3 Network Exchange Bundled Service, (Cont'd.)

4.3.5 Business A La Carte Service, (Cont'd.)

C. Toll Free Service

Toll Free Service is available to Customers for incoming calls. Calls originate from any interstate or intrastate location over a toll free number and terminate to a Customer-provided business switched access line. Call charges are billed to the Subscriber rather than to the originating caller. Rates are neither time-of-day sensitive nor mileage sensitive. Calls are billed in six (6) second increments. Rates are not mileage or time-of-day sensitive. A Monthly Recurring Charge applies in addition to usage rates.

	Maximum
Rate per minute:	$0.40
Monthly Recurring Charge Per toll free access line	$15.00
Toll Free Service Installation	$40.00
Vanity Toll Free Number Search	$30.00

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SECTION 4.0 - BASIC SERVICES AND RATES, (CONT'D.)

4.3 Network Exchange Bundled Service, (Cont'd.)

4.3.5 Business A La Carte Service, (Cont'd.)

D. Business Member Long Distance Service

Business Member Long Distance Service is available to Airespring business Customers for outbound calling from presubscribed lines. This service allows Business A La Carte Customers presubscribed to Airespring for long distance service to call other Airespring Customers without depleting the call allowance for the plan the Customer has chosen. Call may be made to other Airespring business Customers or to Airespring residential Customers. Calls are billed in six (6) second increments after the initial minimum period of six (6) seconds and originate and terminate on Customer-provided switched access lines. Rates are not mileage or time-of-day sensitive.

	Maximum
Rate per minute:	$0.40

SECTION 4.0 - BASIC SERVICES AND RATES, (CONT'D.)

4.3 Network Exchange Bundled Service, (Cont'd.)

4.3.5 Business A La Carte Service, (Cont'd.)

E. Custom/Optional Calling Features

Business A La Carte may include the calling features listed below:

Call Forwarding - Call Forwarding, when activated, redirects attempted terminating calls to another Customer-specific line. The Customer may have to activate and deactivate the forwarding function and specify the desired terminating telephone number during each activation procedure. Call originating ability is not affected by Call Forwarding. The calling party is billed for the call to the called number. If the forwarded leg of the call is chargeable, the Customer with the Call Forwarding is billed for the forwarded leg of the call. Calls cannot be transferred to an International Direct Distance Dialing number.

Speed Calling - This feature allows a user to dial selected numbers by means of an abbreviated code. This feature is available in an 8 number capacity. The Speed Calling list can only accommodate a number consisting of 15 digits or less.

Caller ID - Allows a Customer to see a caller's telephone number previewed on a display screen before the call is answered allowing a Customer to prioritize and or screen incoming calls. Caller ID records the number, date and time of each incoming call - including calls that aren't answered by the Customer. Caller ID service requires the use of specialized CPE not provided by the company. It is the responsibility of the Customer to provide the necessary CPE.

Call Waiting - Call Waiting provides a tone signal to indicate to a Customer already engaged in a telephone call that a second caller is attempting to dial in. This feature permits the Customer to place the first call on hold, answer the second call and then alternate between both callers. Cancel Call Waiting (CCW) allows a Call Waiting (CW) Customer to disable CW for the duration of an outgoing telephone call. CCW is activated (i.e., CW is disabled) by dialing a special code prior to placing a call, and is automatically deactivated when the Customer disconnects from the call. Customers must actively choose this feature on a line-by-line basis. Call Waiting is not available on lines enabled for Rotary Hunting.

SECTION 4.0 - BASIC SERVICES AND RATES, (CONT'D.)

4.3 Network Exchange Bundled Service, (Cont'd.)

4.3.5 Business A La Carte Service, (Cont'd.)

E. Custom/Optional Calling Features, (Cont'd.)

Three Way Calling - Permits the Customer to add a third party to an established connection. When the third party answers, a two-way conversation can be held before adding the original party for a three-way conference. The Customer initiating the conference controls the call and may disconnect the third party to reestablish the original connection or establish a connection to a different third party. The feature may be used on both outgoing and incoming.

Hunting - Routes a call to an idle station line in a prearranged group when the called station line is busy. This feature is available at no charge but must be requested by the Customer.

a. Maximum rates

.1	Monthly Rates, per Feature:	$15.00
.2	Monthly Rate, Feature Pack, (3 or more features):	$45.00

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SECTION 4.0 - BASIC SERVICES AND RATES, (CONT'D.)

4.3 Network Exchange Bundled Service, (Cont'd.)

4.3.5 Business A La Carte Service, (Cont'd.)

F. Guarantee Incentive Program

If a Customer is not satisfied with the Airespring Business A La Carte Service, for any reason, during the first ninety (90) days of service, Airespring will switch the Customer back to the Customer's previous local exchange provider at no charge. The Customer will not be required to pay any installation charges incurred when switching back to their previous local service provider. This offer only applies to installation charges on existing business lines migrated back to the local service provided subscribed to before switching to Airespring. This offer does not extend to any new service lines established with Airespring that are switched back to the previous provider. Customers requesting a switch to the previous provider must have a zero billed balance with Airespring. Customers will be required to complete and sign a form requesting this offer. This form may be obtained by calling Airespring's toll free customer service telephone number.

SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES

5.1 Service Order and Change Charges

Non-recurring charges apply to processing Service Orders for new service and for changes in service.

5.1.1 Service Order Charges

	Maximum Rates	
	Residence	**Business**
Primary and Secondary Service Connection Charge	#	#
Transfer of Service Charge, Primary Line	$110.00	$130.00
Transfer of Service Charge, Secondary Line	$110.00	$130.00
Technician Dispatch Charge (or Trouble Isolation Charge)	$160.00	$160.00
Service Order Charge	$30.00	$30.00

5.1.2 Change Order Charges:

Telephone Number Change Order	$20.00	$55.00
Feature or Feature Pack Change Order	$20.00	$55.00
Toll Restriction Fee Order	$20.00	$55.00
Long Distance Minutes Pack Change Order	$20.00	$55.00
Listing Change Charge	$20.00	$55.00
Home Edition Change Charge	$20.00	$55.00

5.1.3 Record Change Charges

Billing Name Change	$15.00	$17.00

5.1.4 Miscellaneous Charges

Duplicate Invoice	$25.00	$25.00
Call Detail Report	$25.00	$25.00

Service Connection Fees are listed with the rates for the specific service tariffed.

SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.1 Service Order and Change Charges, (Cont'd.)

5.1.5 Service Order Charges – Definitions

Primary Service Connection Charge - applies to requests for initial connection or establishment of telephone service to the Company.

Secondary Service Connection Charge - applies to the second or additional line of a new access line installation and connection and customer requests for an inside move, change or addition to regular service. This charge applies only when the second or additional line is ordered simultaneously with the initial connection for service.

Transfer of Service Charge, Primary Line - applies to the first line of a Transfer of Service Order, (TOS) when a customer requests a move or change in physical location. This charge applies whether a customer changes telephone number or not. If, in addition, the Customer requests the telephone number be changed, a separate charge may apply.

Transfer of Service Charge, Secondary Line - applies to the second, or third, etc., line of a Transfer of Service Order, (TOS) when a customer requests a move or change in physical location. This charge applies whether a customer changes telephone number or not. If, in addition, the Customer requests the telephone number be changed, a separate charge may apply.

Technician Dispatch (or Trouble Isolation) Charge - A separate Technician Dispatch Charge (or Trouble Isolation Charge) applies, in addition to all other charges for the visit, when a visit to the Customer's premises is necessary to isolate a problem reported to the Company but identified by the Company's technician as attributable to Customer-provided equipment or inside wire. This charge also applies for visits by the Company's agents or employees, at the Customer's request, to the Premises of the Customer, when the Customer fails to meet the Company's agent or employees for the prearranged appointment as requested.

Service Order Charge - This charge, applicable to Business Customers only, applies to customer-requested changes in service not covered specifically on other identified non-recurring service order and change charges. This charge is applied in cases where Hunting is added after the initial order is placed.

SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.1 Service Order and Change Charges, (Cont'd.)

5.1.6 Change Order Charges – Definitions

Change Order Charges apply to work associated with providing exchange line service or customer-requested changes to existing services. One charge applies for each change order requested by the customer. If multiple changes listed below are requested by the Customer and occur on the same order/request one charge only applies. A Change Order Service Charge applies to the following customer-initiated changes:

Feature or Feature Pack Change Order - applies when a customer requests a change, adding or removing a feature or feature pack.

Toll Restriction Fee Order - applies when a Customer requests a change, adding or removing Toll Restriction Service.

Telephone Number Change Order - applies to each telephone number change request/order.

Long Distance Minutes Pack Change Order - applies to residential Customers who request/order a change to add or delete an LD Minutes Pack.

Listing Change Charge - applies when a Customer requests/orders a change to add or delete a white pages listing or requests a change to add/delete listings. This charge also applies to request for Non-Published or Non-Listed numbers.

Home Edition Change Charge - applies when a residential Customer requests/orders a change in service from Home Edition- Basic Service to Home Edition- Standard Service or from Home Edition - Standard Service to Home Edition - Basic Service.

SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.1 Service Order and Change Charges, (Cont'd.)

5.1.7 Record Change Charges – Definitions

A Record Change charge applies when a Customer requests/orders a change to Company records such as adding/changing a name on said Customer's account, changing billing address or contact information, adding/changing the person(s) authorized to make changes on said Customer's account.

5.1.8 Miscellaneous Charges – Definitions

Duplicate Invoice - applies each time a Customer requests an additional copy of a current bill or invoice.

Call Detail Report - applies each time a Customer requests local call detail for a given month.

SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.2 Reserved For Future Use

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SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.2 Reserved For Future Use

SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.3 Restoration of Service

A restoration charge applies to the restoration of suspended service and facilities because of nonpayment of bills and is payable at the time that the restoration of the suspended service and facilities is arranged. The restoration charge does not apply when, after disconnection of service, service is later re-installed.

	Maximum Rates	
	Residence	**Business**
Per occasion, per line	$50.00	$110.00

5.4 Temporary Suspension/Restoration of Service

Upon the request of the customer, service may be temporarily suspended. Suspension of service may begin or terminate on any day of the month provided notice is given sufficiently in advance for arrangements to be made. Service will be disconnected to the extent necessary to assure than no inward or outward service will be available during the period of suspension.

	Maximum Rates	
	Residence	**Business**
Nonrecurring charge, per line suspended	$20.00	$55.00
Recurring charge, per line suspended	50% of regular service rates	
Nonrecurring charge, per line restored	$20.00	$55.00

SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.5 Public Telephone Surcharge

In order to recover the Company's expenses to comply with the FCC's pay telephone compensation plan effective on October 7, 1997 (FCC 97-371), an undiscountable per call charge is applicable to all intrastate calls that originate from any pay telephone, not presubscribed to the Company, used to access Company provided services. This surcharge, which is in addition to standard tariffed usage charges and any applicable service charges and surcharges associated with service, applies for the use of the instrument used to access Company provided service and is unrelated to the service accessed from the pay telephone.

Pay telephones include coin-operated and coinless phones owned by local telephone companies, independent companies and interexchange carriers. The Public Pay Telephone Surcharge applies to the initial completed call and any reoriginated call. The Public Pay Telephone Surcharge does not apply to calls placed from pay telephones at which the Customer pays for service by inserting coins during the progress of the call.

Whenever possible, the Public Pay Telephone Surcharge will appear on the same invoice containing the usage charges for the surcharged call. In cases where proper pay telephone coding digits are not transmitted to the Company prior to completion of a call, the Public Pay Telephone Surcharge may be billed on a subsequent invoice after the Company has obtained information from a carrier that the originating station is an eligible pay telephone.

Maximum Rate Per Call: $0.45

SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.6 Optional Calling Features

The features in this section are made available to Residential and Business Customers on a per use basis. All features are provided subject to availability. Customers may utilize each feature by dialing the appropriate access code. The Customer will be billed the per feature activation charge shown in the table below each time a feature is used by the Customer. Transmission levels for calls forwarded or calls placed or received using optional calling features may not be acceptable for all some uses in some cases.

5.6.1 Feature Descriptions

Return Call: Allows a Customer to return the most recent incoming call and, after dialing a code, hear an announcement of the last telephone number that called. If the Customer wishes to return the call right away, voice prompts will instruct the Customer to dial a certain digit and the call will automatically be returned.

Call Trace: Allows a Customer to initiate an automatic trace of the last call received. After receiving the call which is to be traced, the Customer dials a code and the traced telephone number is automatically sent to the Company. The Customer using Call Trace is required to contact the Company for further action. The Customer originating the trace will not receive the traced telephone number. The results of a trace will be furnished only to legally constituted authorities upon proper request by them.

Repeat Dialing: Permits the Customer to redial automatically the last number dialed.

Three Way Calling: permits the Customer to add a third party to an established connection. When the third party answers, a two-way conversation can be held before adding the original party for a three-way conference. The Customer initiating the conference controls the call and may disconnect the third party to reestablish the original connection or establish a connection to a different third party. The feature may be used on both outgoing and incoming.

SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.6 Optional Calling Features, (Cont'd.)

5.6.1 Feature Descriptions, (Cont'd.)

Caller Identification Blocking: Allows the name and number of the calling party to be blocked from being transmitted when placing outbound calls.

Per Call Blocking: To activate per-call blocking, a Customer dials a special code prior to placing a call. Blocking will be activated for that outgoing call only. There is no charge for using per call blocking, and it is provided on an unlimited basis.

Per Line Blocking: When blocking is established on the line, it can be deactivated by dialing a code before each call. This one call unblock allows the name and/or number to be sent for that one call only. Customers who choose per line blocking for the first time will not be charged the nonrecurring charge. After the first time, customers requesting per line blocking will pay a nonrecurring charge for each line equipped with per line blocking. Per line blocking will be provided free to law enforcement and domestic violence agencies and individual victims of domestic violence upon request.

5.6.2 Maximum Rates

	Residential		Business	
FEATURE	**Per Use**	**Monthly Maximum**	**Per Use**	**Monthly Maximum**
Call Tracing - per use	$4.00	$12.00	$4.00	$12.00
Repeat Call (*66) - per use	$1.50	$12.00	$1.50	$12.00
Return Call (*69) - per use	$1.50	$12.00	$1.50	$12.00
Caller Identification Blocking, per call	No charge	n/a	No charge	n/a
Three Way Calling - per use	$1.50	$12.00	$1.50	$12.00
Caller Identification Blocking, per line	Residential Nonrecurring		Business Nonrecurring	
First Time request	$16.00		$20.00	
Subsequent request	$16.00		$20.00	

SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.7 Directory Assistance Services

A Customer may obtain assistance, for a charge, in determining a telephone number by dialing Directory Assistance Service. A Customer can also receive assistance by writing the Company with a list of names and addresses for which telephone numbers are desired.

5.7.1 Basic Directory Assistance

The rates specified following apply when Customers request company assistance in determining telephone numbers of Customers who are located in the same local service area or who are not located in the same local service area but who are located within the same NPA.

There are no call allowances for Directory Assistance.

Charges will not apply for calls placed from hospital services or calls placed from telephones where the Customer or, in the case of residence service, a member of the Customer's household, has been affirmed in writing as unable to use a Company provided directory because of a visual, physical or reading handicap.

SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.7 Directory Assistance Services, (Cont'd.)

5.7.2 Directory Assistance Call Completion

Directory Assistance Call Completion (DACC) is a service that provides customers the option of having their local or intraLATA calls automatically completed when they request a telephone listing from the Directory Assistance operator. The call may be completed automatically or by the Directory Assistance operator.

The DACC portion of the call may either be billed in the same manner as the DA portion or alternately billed by using a calling card, billing to a third number, or collect. All operator-handled charges, as specified in 5.8, apply as appropriate.

There are no allowances for DACC, however, the Directory Assistance portion of the call is still governed by the appropriate call allowance as stated in Section 5.7.1.

For local and intraLATA calls, charges for DACC service are not applicable to calls placed by those customers with reading, visual, or physical handicaps.

SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.7 Directory Assistance Services, (Cont'd.)

5.7.3 National Directory Assistance Service

National Directory Assistance Service is provided to customers of the Company for the purpose of requesting telephone numbers of individuals or businesses who are located outside the customer's local Directory Assistance service area.

There are no call allowances or exemptions for National Directory Assistance.

A maximum of two(2) requested telephone numbers are allowed per call.

This service may be alternately billed by using a calling card, billing to a third number, or collect. Operator-handled charges, as specified in 5.8, apply as appropriate.

SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.7 Directory Assistance Services, (Cont'd.)

5.7.4 Maximum Rates

A. Basic Directory Assistance

	Per query
Local Directory Assistance	
Direct dialed (in excess of allowance)	$1.00
Via operator (no allowance)	$3.00

B. Directory Assistance Call Completion

Per completed call	$0.70

C. National Directory Assistance

Direct dialed	$1.70

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SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.8 Local Operator Service

The Company's operator services, available to presubscribed Customers, are accessible on a twenty-four (24) hour per day seven (7) days per week basis. In addition to the per call service charge, usage rates apply. The types of calls handled are as follows:

Customer Dialed Calling/Credit Card Call - This charge applies in addition to usage charges for station to station calls billed to an authorized Calling Card or Commercial Credit Card. The Customer must dial the destination telephone number where the capability exists for the Customer to do so. A separate rate applies in the event operator assistance is requested for entering the Customer's card number for billing purposes.

Operator Dialed Calling/Credit Card Call - This charge applies in addition to usage charges for station to station calls billed to an authorized telephone Calling Card or Commercial Credit Card and the operator dials the destination telephone number at the request of the Customer.

Operator Station - These charges apply in addition to usage charges for non-Person-to-Person calls placed using the assistance of a Company operator and billed Collect, to a Third Party, by deposit of coins in Pay Telephones, or via some method other than a Calling Card or Commercial Credit Card.

Person-to-Person - This charge applies in addition to usage charges for calls placed with the assistance of a Company operator to a particular party at the destination number. This charge applies regardless of billing method, including but not limited to billing to a Calling Card, Commercial Credit Card, Collect, by deposit of coins in Pay Telephones, or to a Third Party. Charges do not apply unless the specified party or an acceptable substitute is available.

Usage charges for local operator assisted calls are those usage charges that would normally apply to the calling party's service. In addition to usage charges, an operator assistance charge applies to each call.

SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.8 Local Operator Service, (Cont'd.)

5.8.1 Maximum Local and IntraLATA Per Call Service Charges:

Customer Dialed Calling Card	$0.50
Customer Dialed/Operator Assisted Calling Card	$0.85
Operator Dialed Calling Card	$1.30
Collect	$1.30
Third Party Billed	$1.30
Person-to-Person	$3.50

SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.9 Busy Line Verification and Emergency Interrupt Service

Upon request of a calling party the Company will verify a busy condition on a designated local service line. The operator will determine if the line is clear or in use and report to the calling party. At the request of the Customer, the operator will interrupt the call on the busy line. Emergency Interruption is only permitted in cases where the calling party indicates an emergency exists and requests interruption. If the Customer has the operator interrupt a call, both the Busy Line Verification and the Emergency Interrupt charge will apply.

No charge will apply when the calling party advises that the call is to or from an official public emergency agency. Busy Verification and Interrupt Service is furnished where and to the extent that facilities permit.

The Customer shall identify and save the Company harmless against all claims that may arise from either party to the interrupted call or any person.

5.9.1 Maximum Rates

	Per call
Busy Line Verification, per request	$3.00
Emergency Interruption	$6.00

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SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.10 Directory Listing Service

5.10.1 General

The following rates and regulations apply to standard listings in light face type in the white pages (alphabetical section) of the telephone directory and to the Directory Assistance records of the Company.

Directory listings are limited to such information as is essential to the identification of the listed party. The listing of a service, commodity, or trade name is not permitted unless it is the name, or an integral part of the name, under which the Customer does business.

A listing is limited to one line in the directory, except where in the judgment of the Company, more than one line is required to identify the Customer properly. In such cases, the additional lines required are provided at no extra charge.

Listing services are available with all classes of main telephone exchange service.

5.10.2 Listings

A. Primary Listing

One listing, termed the primary listing, is included with each exchange access line or each joint user service.

SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.10 Directory Listing Service, (Cont'd.)

5.10.2 Listings, (Cont'd.)

B. Additional Listings

Additional listings may be the listings of individual names of those entitle to use the customer's service or , for business, Departments, Divisions, Tradenames, etc.

In connection with business and residence service, regular additional listings are available only in the names of Authorized Users of the Customer's service.

Ordinarily, all additional listings are of the same address and telephone number as the primary listings, except as provided for joint user and alternate number listings. However, when it appears necessary as an aid to the use of the directory and provided satisfactory service can be furnished, a listing will be permitted under the address of a branch exchange, Centrex or extension of an exchange service line installed on the premises of the Customer, but at an address different from that of the attendant position of main service.

Business additional listings are not permitted in connection with residence service. Residence additional listings are also permitted in connection with business service which is located in a residence and for permanent or season guests residing in a hotel or club.

A residence dual name additional listing is comprised of a surname, two first names, address and telephone number. A residence dual name additional listing may be provided for two persons who share the same surname and reside at the same address, or for a person known by two first names.

Special types of additional listings, such as Alternate, Alpha and Informational, Duplicate and Reference Listings, Foreign Listings, etc. take the same business or residence classification as the service with which such listings are furnished.

SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.10 Directory Listing Service, (Cont'd.)

5.10.2 Listings, (Cont'd.)

C. Nonpublished Service

The telephone numbers of nonpublished service are not listed in either the Company's alphabetical directory or Directory Assistance records available to the general public.

Non published information may be released to emergency service providers, to customers who subscribe to Company offerings which require the information to provide service and/ or bill their clients, or, to telephone customers who are billed for calls placed to or from nonpublished numbers and to entities which collect for the billed services. Nonpublished names and/or telephone numbers may also be delivered to customers on a call-by-call basis.

Incoming calls to nonpublished service will be completed by the Company only when the calling party places the call by number. The Company will adhere to this practice not withstanding any claim the calling party may present, except claims of emergencies involving life and death. In such cases, the Company will call the non-published number and request permission to make an immediate connection to the calling party.

When the Company agrees to keep a number unlisted, it does so without any obligation. Except for cases of gross negligence or willful misconduct, the Company is not liable for any damages that might arise from publishing a non-published number in the directory or disclosing it to some. If, in error, the telephone number is published in the directory, the Company's only obligation is to credit or refund any monthly charges the Customer paid for non-published service.

The Subscriber indemnifies (i.e., promises to reimburse the Company for any amount the Company must pay as a result of) and save the Company harmless against any and all claims for damages caused or claimed to have been caused, directly or indirectly, by the publication of a non-published service or the disclosing of said number to any person.

SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.10 Directory Listing Service, (Cont'd.)

5.10.2 Listings, (Cont'd.)

D. Nonlisted Service

Non-listed service means that the Customer's telephone number is not listed in the directory, but does it appear in the Company's Directory Assistance Records.

This service is subject to the rules and regulations for E911 service, where applicable.

The Company will only complete calls to a nonlisted number, if requested by a caller, during the course of a directory assistance call completion service.

When the Company agrees to keep a number unlisted, it does so without any obligation. Except for cases of gross negligence or willful misconduct, the Company is not liable for any damages that might arise from publishing a non-listed number in the directory or disclosing it to some. If, in error, the telephone number is listed in the directory, the Company's only obligation is to credit or refund any monthly charges the Customer paid for nonlisted service.

The subscriber indemnifies (i.e., promises to reimburse the Company for any amount the Company must pay as a result of) and save the Company harmless against any and all claims for damages caused or claimed to have been caused, directly or indirectly, by the publication of a non-listed service or the disclosing of said number to any person.

SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.10 Directory Listing Service, (Cont'd.)

5.10.2 Listings, (Cont'd.)

E. Toll-Free Directory Listings

Where available, a listing which references the Toll Free Number for a Business customer will be made available.

F. Straight Line Under Directory Listing

A business listing where one or more listings are indented under an original listing of the same customer without repetition of the name.

G. Caption and Subcaption Directory Listings

Two or more business listings may be placed under a caption consisting of the name of the customer or of any of the parties which the customer is entitled to list together with a designation or title where the name is not indicative of the business or profession. One or more sub captions may be furnished under a caption, each sub caption consisting of a directive heading which serves to identify two or more listings placed thereunder, where this grouping is necessary for the proper routing of calls.

SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.10 Directory Listing Service, (Cont'd.)

5.10.3 Maximum Rates and Charges

	Per Month
Primary Listings	$0.00
Change in Primary Listing	
Business, each	-----
Residence, each	-----
Additional Listings	
Business, each	$6.00
Residence, each	$3.00
Nonlisted Service	
Business, each	$3.00
Residence, each	$3.00
Nonpublished Service	
Business, each	$3.60
Residence, each	$3.80
Toll-Free Directory Listings	
Business, each	$30.00
Residence, each	N/A
Straight Line Under Listings	
Business, each	$10.00
Residence, each	N/A
Captions and Subcaptions Listings	
Business, each	$10.00
Residence, each	N/A

For non-recurring charges associated with a customer-initiated change in a directory listing, see Section 10.2.1 of this tariff.

SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.11 Carrier Presubscription

5.11.1 General

Carrier Presubscription is a procedure whereby a Customer designates to the Company the carrier which the Customer wishes to be the carrier of choice for intraLATA and interLATA toll calls. Such calls are automatically directed to the designated carrier, without the need to use carrier access codes or additional dialing to direct the call to the designated carrier. Presubscription does not prevent a Customer who has presubscribed to an IntraLATA or InterLATA toll carrier from using carrier access codes or additional dialing to direct calls to an alternative long distance carrier on a per call basis.

5.11.2 Presubscription Options - Customers may select the same carrier or separate carriers for intraLATA and interLATA long distance. The following options for long distance Presubscription are available:

Option A: Customer selects the Company as the presubscribed carrier for IntraLATA and InterLATA toll calls subject to presubscription.

Option B: Customer may select the Company as the presubscribed carrier for IntraLATA calls subject to presubscription and some other carrier as the presubscribed carrier for interLATA toll calls subject to presubscription.

Option C: Customer may select a carrier other than the Company for intraLATA toll calls subject to presubscription and the Company for interLATA toll calls subject to presubscription.

Option D: Customer may select the carrier other than the Company for both intraLATA and interLATA toll calls subject to presubscription.

Option E: Customer may select two different carriers, neither being the Company for intraLATA and interLATA toll calls. One carrier to be the Customer's primary intraLATA interexchange carrier. The other carrier to be the Customer's primary interLATA interexchange carrier.

Option F: Customer may select a carrier other than the Company for no presubscribed carrier for intraLATA toll calls subject to presubscription which will require the Customer to dial a carrier access code to route all intraLATA toll calls to the carrier of choice for each call.

SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.11 Carrier Presubscription, (Cont'd.)

5.11.3 Rules and Regulations

Customers of record will retain their primary interexchange carrier(s) until they request that their dialing arrangements be changed.

Customers of record or new Customers may select either Options A, B, C, D, E or F for intraLATA Presubscription.

Customers may change their selected Option and/or presubscribed toll carrier at any time subject to charges specified in 5.11.5 below:

5.11.4 Presubscription Procedures

A new Customer will be asked to select intraLATA and interLATA toll carriers at the time the Customer places an order to establish local exchange service with the Company. The Company will process the Customer's order for service. All new Customers' initial requests for intraLATA toll service presubscription shall be provided free of charge.

If a new Customer is unable to make selection at the time the new Customer places an order to establish local exchange service, the Company will read a random listing of all available intraLATA and interLATA carriers to aid the Customer in selection. If selection is still not possible, the Company will inform the Customer that he/she will be given 90 calendar days in which to inform the Company of his/her choice for primary toll carrier(s) free of charge. Until the Customer informs the Company of his/her choice of primary toll carrier, the Customer will not have access to long distance services on a presubscribed basis, but rather will be required to dial a carrier access code to route all toll calls to the carrier(s) of choice. Customers who inform the Company of a choice for toll carrier presubscription within the 90 day period will not be assessed a service charge for the initial Customer request.

Customers of record may initiate a intraLATA or interLATA presubscription change at any time, subject to the charges specified in 5.11.5 below. If a Customer of record inquires of the Company of the carriers available for toll presubscription, the Company will read a random listing of all available intraLATA carriers to aid the Customer in selection.

SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.11 Carrier Presubscription, (Cont'd.)

5.11.5 Presubscription Charges

A. Application of Charges

After a Customer's initial selection for a presubscribed toll carrier and as detailed in above, for any change thereafter, an Presubscription Change Charge, as set for the below will apply. Customers who request a change in intraLATA and interLATA carriers with the same order will be assessed a single charge per line.

B. Maximum Nonrecurring Charges

Per business or residence line, trunk, or port: $10.00

SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.12 Intercept Referral Service

5.12.1 General

Intercept Referral Service is a service used when a Customer disconnects service or changes telephone numbers. Calls to the intercepted telephone number are referred to an operator or a recorded message. Intercept services are offered for periods up to three (3) months for residential Customers and up to twelve (12) months for business Customers. Service is available subject to the availability of facilities and the disconnected number. The following Intercept services are available.

Basic Intercept Referral Service - Basic Intercept Service includes all intercept recordings that do not provide the new telephone number information.

New Number Referral Service - New Number Referral Service includes all intercept recordings that provide the new telephone number information.

Split Referral Intercept Service - Split Referral Intercept Service provides for calls to the disconnected number to be routed to the operator who will challenge the incoming call and provide the new number information dependent on the caller's response. The minimum billing period for this service is three months.

5.12.2 Maximum Rates

Basic Intercept Service is provided at no charge.

New Number Referral Service is provided at no charge.

Split Referral Intercept Service

	Business	Residence
Three months	$250.00	$80.00
Six months	$490.00	n/a
Nine months	$730.00	n/a
Twelve months	$980.00	n/a

SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.13 Toll Restriction Service

Provides for Exchange Access lines or trunks to be restricted from dialing billable toll calls. Local directory assistance calls are allowed. This service is offered subject to the availability of facilities to individual line residence, individual line business and dial switching type customers. Provision of toll restriction does not alleviate customer responsibility for completed toll calls.

Toll Restriction may include Billed Number Screening (BNS) for residential customers. BNS prohibits collect and/or third number billed calls from being charged to BNS equipped numbers. Some calls, originating from locations that do not have screening capabilities, may not be capable of being intercepted and denied. These calls will be billed to the customer if completed.

5.13.1 Maximum Rates

	Residence	**Business**
Nonrecurring charge, per line	$12.00	$55.00
Monthly, per line	-----	$10.00

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SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.14 900 Service Access Restriction

900 Service Access Restriction enables residence or business exchange access line customers to prohibit dialing of calls with the 900 prefix. Customers who choose this service will also be restricted from calling calls with the prefix of 976 and 676. This service is offered only where facilities permit and is only available on direct dialed calls.

5.14.1 Maximum Rates

	Residence	Business
Nonrecurring charge, per line	$0.00	$0.00
Monthly rate, per line	$0.00	$0.00

SECTION 5.0 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)

5.15 Blocking for 10XXX1+/10XXX011+

This service prevents 10XXX1+ and 10XXX011+ calls from being completed and is offered subject to the availability of facilities. Provision of this service does not alleviate customer responsibility for completed toll calls.

5.15.1 Maximum Rates

	Nonrecurring Charge	Monthly Rate
Per line or trunk arranged	$6.00	$0.20

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SECTION 6.0 - LONG DISTANCE SERVICES

6.1 General

Rates and regulations for the Company's Long Distance Services may be found in the Company's **Arizona Tariff No. 1.**

SECTION 7.0 – RESERVED FOR FUTURE USE

7.1 RESERVED FOR FUTURE USE

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SECTION 8.0 - SPECIAL ARRANGEMENTS

8.1 Individual Case Basis (ICB) Arrangements

Arrangements will be developed on a case-by-case basis in response to a bona fide special request from a Customer or prospective Customer to develop a competitive bid for a service not generally offered under this tariff. Rates quoted in response to such competitive requests may be different than those specified for such services in this tariff. ICB rates will be offered to the Customer in writing and on a nondiscriminatory basis.

ICB will be filed with the Communications Division of the Commission.

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SECTION 9.0 - PROMOTIONAL OFFERINGS

9.1 Special Promotions

The Company may, from time to time, offer services in this Tariff at special promotional rates and/or terms. Such promotional arrangements shall be filed with the Commission when so required. All rates and terms contained in this Tariff shall continue to apply unless specifically addressed in the promotional agreements.

SECTION 10.0 - CURRENT PRICE LIST

10.1 Basic Services and Rates

10.1.1 Network Exchange Bundled Service

A. Arizona Home Edition Standard Service

Package Price for Arizona Home Edition Standard Service

Primary Line, per month	$63.99
Secondary Line, per month	$25.00
Service Connection Fee, one time charge per line *	
Primary Line	$69.99
Secondary Line	$55.00

Customers may choose to handle payment through a commercial credit card arrangement. Customers opting for credit card payment arrangement will receive a $1.00 discount of total monthly Company charges, excluding taxes and fees.

* Service Connection fee waived for those customers who meet the Company's enrollment criteria and who retain their existing telephone number when switching their service to Airespring.

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SECTION 10.0 - CURRENT PRICE LIST, (CONT'D.)

10.1 Basic Services and Rates, (Cont'd.)

10.1.1 Network Exchange Bundled Service, (Cont'd.)

A. Arizona Home Edition Standard Service, (Cont'd.)

Standard Service includes the following:

1. A monthly allowance of 100 free minutes of interstate and intrastate toll calling. Toll calls are billed in sixty (60) second increments. For toll calls placed away from home, see Travel Card Service in the Company's **AZ Tariff No. 1.** Such travel card calls are not included in the monthly toll call allowance for Home Edition - Standard Service.

   Toll calls within 100 minute allowance

	Per minute rate
Direct Dial Access	$0.00

   Toll calls above 100 minute allowance

	Per minute rate
Direct Dial Access	$0.14

2. A monthly allowance of 6000 free minutes of local calling.

   Local calls above 6000 minutes

Per minute rate
$0.015

3. Primary Line Custom Calling Features Package: Call Forwarding, Caller ID with Name, Call Waiting with Caller ID with Name, Three-Way Calling and Speed Calling included at no charge.

   Secondary Line Custom Calling Features Package: (Call Waiting, Caller ID, Three-Way Calling and Speed Calling) may be added for $4.95 per month.

4. Member to Member Service (See Section 10.1.1.B) at no additional charge.

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SECTION 10.0 - CURRENT PRICE LIST, (CONT'D.)

10.1 Basic Services and Rates, (Cont'd.)

10.1.1 Network Exchange Bundled Service, (Cont'd.)

B. Member to Member Home Edition Service Add-On

Member to Member Service is available to all Airespring Customers of a Network Exchange Bundled Service. Member to Member allows Airespring Customers to call other Airespring Customers without incurring per call usage charges or depleting the bundled minutes call allowance. Calls under the Member to Member option must originate on and terminate to a telephone number presubscribed to a Airespring Network Exchange Bundled Service. Customers are not required to identify Customers in their calling circle. Such identification will be handled by the Company's network.

Member to Member calling between Airespring Customers applies to both intrastate and interstate calling. There is no limit to the number of minutes included in Member to Member.

Home Edition - Standard: Available at no charge. Included in the Home Edition Standard offering.

Home Unlimited: Available at no charge. Included in the Home Unlimited offering.

SECTION 10.0 - CURRENT PRICE LIST, (CONT'D.)

10.1 Basic Services and Rates, (Cont'd.)

10.1.1 Network Exchange Bundled Service, (Cont'd.)

C. Home Unlimited Service

Package Price for Home Unlimited

Primary Line, per month	$59.99
Secondary Line, per month	$35.00
Service Connection Fee, one time charge per line #	
Primary Line	$69.99
Secondary Line	$55.00

Customers may choose to handle payment through a commercial credit card arrangement.

This service is for use by residential customers. The company reserves the right to adjust a customer's service upon appropriate customer notification. If it is determined that usage is not consistent with residential voice applications, Customer's service may be toll blocked, requested to utilize another Airespring service or disconnected.

a. Home Unlimited includes the following:

1. Unlimited toll calling. For toll calls placed away from home, see Travel Card in the Company's **Arizona Tariff No. 1**. Such travel card calls are not included in the monthly toll call allowance for Home Unlimited.

2. Local line and unlimited local calling

Service Connection fee waived for those customers who meet the Company's enrollment criteria and who retain their existing telephone number when switching their service to Airespring.

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SECTION 10.0 - CURRENT PRICE LIST, (CONT'D.)

10.1 Basic Services and Rates, (Cont'd.)

10.1.1 Network Exchange Bundled Service, (Cont'd.)

C. Home Unlimited Service, (Cont'd.)

a. Home Unlimited includes the following:

3. Primary Line Custom Calling Features Package: Call Forwarding, Caller ID with Name, Call Waiting with Caller ID with Name, Call Forwarding Variable, Call Forwarding - Remote Activation, Call Block, Call Trace, Three-Way Calling and Speed Calling included at no charge.

   Secondary Line Custom Calling Features Package: Call Forwarding Variable, Call Forwarding - Remote Activation, Call Block and Call Trace included at no charge. Call Waiting, Caller ID, Three-Way Calling and Speed Calling may be added for $4.95 per month.

4. Member to Member Service

5. The following additional Custom Calling Features are available with this service.

	Per Month
Caller ID Per Line Blocking:	$2.00
VIP Alert:	$2.00
Privacy Manager:	$2.00

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SECTION 10.0 - CURRENT PRICE LIST, (CONT'D.)

10.1 Basic Services and Rates, (Cont'd.)

10.1.1 Network Exchange Bundled Service, (Cont'd.)

D. Business A La Carte Service

Business A La Carte service is targeted at small business Customers and provides options based on the Customers calling patterns and estimated usage. Customers who subscribe to this service must designate Airespring as the presubscribed carrier for local calling concurrent with enrollment for this service. Business A La Carte provides Customers with the option of selecting Airespring for toll services.

Local Exchange Service

Local Access Line

Local Business Line Monthly Rate	$29.99
Service Connection Fee, one-time charge per line* Per Line	$49.99

* Service Connection fee is waived for those customers who retain their existing telephone number when switching their service to Airespring. The charge will apply if additional lines are transferred to Airespring after the initial order.

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SECTION 10.0 - CURRENT PRICE LIST, (CONT'D.)

10.1 Basic Services and Rates, (Cont'd.)

10.1.1 Network Exchange Bundled Service, (Cont'd.)

D. Business A La Carte Service

.1 Toll Service

a. Long Distance Service

Long distance service is billed in six (6) second increments.

Rate Per Minute: $0.069

.2 Long Distance Calling Packs

Minutes above the purchased Calling Pack are billed in six (6) second increments.

LD Minutes	**LD Minutes Pack**	
	Monthly Rate	**Intrastate Overage**
1,000 Long Distance Minutes Pack	$59.00	$0.059
5,000 Long Distance Minutes Pack	$245.00	$0.049

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SECTION 10.0 - CURRENT PRICE LIST, (CONT'D.)

10.1 Basic Services and Rates, (Cont'd.)

10.1.1 Network Exchange Bundled Service, (Cont'd.)

D. Business A La Carte Service

.3 Toll Free Service

Calls are billed in six (6) second increments. Rates are not mileage or time-of-day sensitive. A Monthly Recurring Charge applies in addition to usage rates.

Rate per minute:	$0.069
Monthly Recurring Charge Per toll free access line	$3.00
Toll Free Service Installation	$20.00
Vanity Toll Free Number Search	$ 9.99

.4 Business Member Long Distance Service

Calls are billed in six (6) second increments after the initial minimum period of six (6) seconds and originate and terminate on Customer-provided switched access lines. Rates are not mileage or time-of-day sensitive.

Rate per minute:	$0.039

SECTION 10.0 - CURRENT PRICE LIST, (CONT'D.)

10.1 Basic Services and Rates, (Cont'd.)

10.1.1 Network Exchange Bundled Service, (Cont'd.)

D. Business A La Carte Service

.5 Custom/Optional Calling Features

a. Rates

.1	Monthly Rates, per Feature:	$3.00
.2	Monthly Rate, Feature Pack, (3 or more features):	$9.00

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SECTION 10.0 - CURRENT PRICE LIST, (CONT'D.)

10.2 Miscellaneous Services and Rates

10.2.1 Service Order and Change Charges

Non-recurring charges apply to processing Service Orders for new service and for changes in service.

	Residence	Business
Service Order Charges		
Primary and Secondary Service Connection Charge*	#	#
Transfer of Service Charge, Primary Line	$89.99	$49.99
Transfer of Service Charge, Secondary Line	$75.00	$49.99
Technician Dispatch Charge (or Trouble Isolation Charge)	$69.99	$79.99
Service Order Charge	N/A	$ 9.99
Change Order Charges:		
Telephone Number Change Order	$9.99	$9.99
Feature or Feature Pack Change Order	$9.99	$9.99
Toll Restriction Fee Order	$9.99	$9.99
Long Distance Minutes Pack Change Order	$9.99	$9.99
Listing Change Charge	$9.99	$9.99
Home Edition Change Charge	$9.99	$9.99
Record Change Charges:		
Billing Name Change	No charge	No charge
Miscellaneous Charges		
Duplicate Invoice	$5.00	$5.00
Call Detail Report	$5.00	$5.00

* This charge not applicable where a Service Connection Fee is listed for a specific service such as Network Bundled Service. See Section 10.1.1 for Network Bundled Service nonrecurring charges.

\# Service Connection Fees are listed with the rates for the specific service tariffed.

SECTION 10.0 - CURRENT PRICE LIST, (CONT'D.)

10.2 Miscellaneous Services and Rates, (Cont'd.)

10.2.2 RESERVED FOR FUTURE USE

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SECTION 10.0 - CURRENT PRICE LIST, (CONT'D.)

10.2 Miscellaneous Services and Rates, (Cont'd.)

10.2.3 Restoration of Service

	Residence	Business
Per occasion, per line	$29.99	$49.99

10.2.4 Temporary Suspension/Restoration of Service

	Residence	Business
Nonrecurring charge, per line suspended	$10.00	$27.50
Recurring charge, per line suspended	50% of regular service rates	
Nonrecurring charge, per line restored	$10.00	$27.50

10.2.5 Public Telephone Surcharge

Rate Per Call:	$0.30

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SECTION 10.0 - CURRENT PRICE LIST, (CONT'D.)

10.2 Miscellaneous Services and Rates, (Cont'd.)

10.2.6 Optional Calling Features

	Residential		Business	
FEATURE	**Per Use**	**Monthly**	**Per Use**	**Monthly**
Call Tracing - per use	$2.00	N/A	$2.00	N/A
Repeat Call - per use	$0.75	$6.00	$0.75	$6.00
Return Call - per use	$0.75	$6.00	$0.75	$6.00
Three-Way Calling, per use	$0.75	$6.00	$0.75	$6.00
Caller Identification Blocking, per call	No charge		No charge	
Caller Identification Blocking, per line	**Residential Nonrecurring**		**Business Nonrecurring**	
First Time request	$0.00		$0.00	
Subsequent request	$8.00		$10.95	

10.2.7 Directory Assistance Services

A. Basic Directory Assistance

	Per query
Local Directory Assistance	
Direct dialed (in excess of allowance)	$0.47
Via operator (no allowance)	$1.50

B. Directory Assistance Call Completion

Per completed call	$0.30

C. National Directory Assistance

Direct dialed	$0.95

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SECTION 10.0 - CURRENT PRICE LIST, (CONT'D.)

10.2 Miscellaneous Services and Rates, (Cont'd.)

10.2.8 Local Operator Service

Local and IntraLATA Per Call Service Charges:

Customer Dialed Calling Card	$0.50
Customer Dialed/Operator Assisted Calling Card	$0.85
Operator Dialed Calling Card	$1.30
Collect	$1.30
Third Party Billed	$1.30
Person-to-Person	$3.50

10.2.9 Busy Line Verification and Emergency Interrupt Service

	Per call
Busy Line Verification, per request	$2.25
Emergency Interruption	$3.00

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SECTION 10.0 - CURRENT PRICE LIST, (CONT'D.)

10.2 Miscellaneous Services and Rates, (Cont'd.)

10.2.10 Directory Listing Service

	Per Month
Primary Listings	$0.00
Change in Primary Listing	
Business, each	-----
Residence, each	-----
Additional Listings	
Business, each	$2.00
Residence, each	$2.00
Nonlisted Service	
Business, each	$2.00
Residence, each	$2.00
Nonpublished Service	
Business, each	$2.00
Residence, each	$2.00
Toll-Free Directory Listings, each	
Business, each	$15.00
Residence, each	N/A
Straight Line Under Listings	
Business, each	$2.00
Residence, each N/A	
Captions and Subcaptions Listings	
Business, each	$2.00
Residence, each	N/A

For non-recurring charges associated with a customer-initiated change in a directory listing, see Section 10.2.1 of this tariff.

SECTION 10.0 - CURRENT PRICE LIST, (CONT'D.)

10.2 Miscellaneous Services and Rates, (Cont'd.)

10.2.11 Carrier Presubscription

Nonrecurring Charges

Per business or residence line, trunk, or port: $5.00

10.2.12 Intercept Referral Service

Basic Intercept Service is provided at no charge.

New Number Referral Service is provided at no charge.

Split Referral Intercept Service

	Business	**Residence**
Three months	$125.00	$40.00
Six months	$245.00	n/a
Nine months	$365.00	n/a
Twelve months	$490.00	n/a

SECTION 10.0 - CURRENT PRICE LIST, (CONT'D.)

10.2 Miscellaneous Services and Rates, (Cont'd.)

10.2.13 Toll Restriction Service

	Residence	Business
Nonrecurring charge, per line	$6.00	$27.50
Monthly, per line	-----	$5.00

10.2.14 900 Service Access Restriction

	Residence	Business
Nonrecurring charge, per line	$0.00	$0.00
Monthly rate, per line	$0.00	$0.00

10.2.15 Blocking for 10XXX1+/10XXX011+

	Nonrecurring Charge	Monthly Rate
Per line or trunk arranged	$3.00	$0.10

10.2.16 Returned Check Charge

Per dishonored check returned $25.00

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C - Legal Notice

Will be submitted when Docket No. Assigned by Commission.

D - Financial Information

Airespring Inc.

2:10 PM

Balance Sheet Prev Year Comparison

##

As of May 31, 2004

Accrual Basis

	Dec 31, 01	Dec 31, 02	Dec 31, 03	May 31, 04
ASSETS				
Current Assets				
Checking/Savings				
1111	0.00	132,486.07	110,539.20	178,815.54
02222	319,801.12	328,902.58	259,030.84	559,366.64
Total Checking/Savings	319,801.12	461,388.65	369,570.04	738,182.18
Accounts Receivable				
Accounts Receivable	0.00	294,583.20	987,487.15	1,583,583.76
Bad Debt Setaside	0.00	-57,705.45	-177,631.04	-263,252.89
Total Accounts Receivable	0.00	236,877.75	809,856.11	1,320,330.87
Other Current Assets				
Inventory Asset	10,327.00	14,824.98	14,824.98	8,647.88
Adjustments & Credits	0.00	9,380.25	45.53	0.00
Prepaid Expenses	0.00	38,947.04	19,102.50	12,897.50
Employee Advances	0.00	1,000.00	0.00	0.00
Total Other Current Assets	10,327.00	64,152.27	33,973.01	21,545.38
Total Current Assets	330,128.12	762,418.67	1,213,399.16	2,080,058.43
Fixed Assets				
Software	0.00	2,514.00	4,144.84	4,144.84
Furniture and Fixtures	3,094.01	6,333.32	9,167.32	9,167.32
Computer Equipment	0.00	16,135.72	41,381.82	45,446.66
Office Equipment	0.00	2,306.04	11,757.08	13,142.68
Accumulated Depreciation	-1,036.00	-12,376.00	-18,118.00	-31,118.00
Total Fixed Assets	2,058.01	14,913.08	48,333.06	40,783.50
Other Assets				
Deposits (Vendors)	0.00	4,583.90	46,583.90	44,000.00
Organization Costs	14,170.00	14,170.00	14,170.00	14,170.00
Accumulated Amortization	-1,369.00	-4,106.00	-6,844.00	-6,844.00
Total Other Assets	12,801.00	14,647.90	53,909.90	51,326.00
TOTAL ASSETS	**344,987.13**	**791,979.65**	**1,315,642.12**	**2,172,167.93**
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
Accounts Payable	23,134.53	225,030.01	504,690.11	796,985.23
Total Accounts Payable	23,134.53	225,030.01	504,690.11	796,985.23
Other Current Liabilities				
Payroll Tax Liability	2,987.00	0.00	0.00	930.15
Advance Payments & Deposits	0.00	19,584.00	32,642.69	34,451.00

	Dec 31, 01	Dec 31, 02	Dec 31, 03	May 31, 04
Telecom Taxes	0.00	85,361.65	264,136.16	415,063.03
Sales Tax Payable	73.44	-16.83	-16.83	0.00
Tax Liability Reserve	0.00	0.00	0.00	16,705.65
Total Other Current Liabilities	3,060.44	104,928.82	296,762.02	467,149.83
Total Current Liabilities	26,194.97	329,958.83	801,452.13	1,264,135.06
Total Liabilities	26,194.97	329,958.83	801,452.13	1,264,135.06
Equity				
Costs of Issuing Stock	-7,176.00	-7,176.00	-13,798.86	-13,798.86
Capital Stock	0.00	1,080.42	45,617.74	46,941.74
Founders Capital Contribution	1,080.00	1,080.00	1,080.00	1,080.00
Retained Earnings	0.00	-248,612.15	-928,214.65	-1,113,959.94
Series A Preferred Investment	573,500.30	1,395,251.05	1,395,251.05	1,395,251.05
Series B Investment	0.00	0.00	200,000.00	535,000.00
Net Income	-248,612.14	-679,602.50	-185,745.29	57,518.88
Total Equity	318,792.16	462,020.82	514,189.99	908,032.87
TOTAL LIABILITIES & EQUITY	344,987.13	791,979.65	1,315,642.12	2,172,167.93

Airespring Inc.

Profit & Loss Prev Year Comparison

January 2001 through May 2004

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Accrual Basis

	Jan - Dec 01	Jan - Dec 02	Jan - Dec 03	Jan - May 04
Ordinary Income/Expense				
Income				
Local Service Income	0.00	0.00	0.00	0.00
Long Distance Service Income	0.00	788,891.81	4,718,149.07	3,867,341.33
Returns & Allowances	0.00	-695.09	-78,292.38	-64,646.69
Sales	918.00	9,651.00	0.00	0.00
Services	0.00	9,772.59	29,195.13	32,344.76
Inc Shipping & Handling	0.00	366.00	0.00	0.00
Reimbursed Expenses	0.00	0.00	2,880.00	1,700.00
Uncategorized Income	0.00	0.00	1,010.93	0.00
Total Income	918.00	807,986.31	4,672,942.75	3,836,739.40
Cost of Goods Sold				
COGS - Providers - Ded Access	0.00	21,977.83	498,907.51	574,840.37
COGS - Providers - Traffic	0.00	436,265.05	2,231,063.42	1,687,376.36
Commissions	1.60	81,536.25	561,672.64	435,355.45
Credit Card/EFT Processing Fees	0.00	8,579.12	63,039.49	42,053.79
Bad Debt Expense	0.00	57,705.45	119,925.59	85,621.85
Inventory Purchases	898.00	11,892.02	0.00	0.00
Inventory Shipping Costs	27.80	634.80	0.00	0.00
Total COGS	927.40	618,590.52	3,474,608.65	2,825,247.82
Gross Profit	-9.40	189,395.79	1,198,334.10	1,011,491.58
Expense				
Customer Service Fees	0.00	0.00	0.00	15,882.00
Collection Commissions	0.00	42.09	0.00	0.00
Amortization Expense	1,369.00	2,737.00	2,738.00	0.00
Bank Service Charges	177.00	1,524.54	5,431.60	913.80
Billing Services	5,000.00	28,591.89	78,018.10	56,540.75
Contributions	0.00	0.00	0.00	420.63
Credit Reports	0.00	14,644.25	54,355.40	21,236.36
Depreciation Expense	1,036.00	11,340.00	5,742.00	0.00
Dues and Subscriptions	3,064.85	574.85	178.16	2,999.00
Employee Benefits	810.00	5,096.50	6,294.49	7,762.50
Finders Fees	1,625.00	6,650.00	0.00	0.00
Fulfillment Expenses	0.00	795.16	0.00	0.00
Internet Hosting Fees	1,477.05	19,853.51	7,659.20	4,596.47
Insurance	0.00	500.00	9,076.90	11,619.94
Interest Expense	0.00	0.00	1,726.84	506.94
Market Research	0.00	0.00	535.84	76.25
Marketing Fees	999.00	7,544.66	0.00	0.00
Network Fees	0.00	74.73	0.00	0.00
Payroll Expenses	131,375.28	596,898.47	904,718.38	585,586.90
Postage and Delivery	361.76	7,043.46	23,169.84	18,130.06
Trade Shows & Conventions	0.00	0.00	2,939.58	4,412.50
Printing, Promo, Advertising	405.51	7,978.52	32,366.13	42,712.02
Professional Development	150.00	0.00	0.00	0.00
Professional Fees	75,242.61	81,226.11	86,223.52	47,855.03
Recruiting	0.00	44.00	1,620.00	3,800.53
Rent	8,400.00	27,799.25	44,885.24	35,465.00

	Jan - Dec 01	Jan - Dec 02	Jan - Dec 03	Jan - May 04
Repairs	1,190.79	84.00	2,783.33	704.40
Supplies	1,608.19	17,458.79	11,020.87	12,204.71
Licenses and Permits	189.75	2,157.22	15,714.94	9,000.40
Taxes	0.00	599.42	1,478.97	3,678.01
Telephone	4,299.76	19,769.74	24,037.38	11,752.59
Travel & Ent	9,769.83	8,682.63	14,135.95	10,953.64
Utilities	2,246.31	3,188.90	662.49	135.30
Total Expense	250,797.69	872,899.69	1,337,513.15	908,945.73
Net Ordinary Income	-250,807.09	-683,503.90	-139,179.05	102,545.85
Other Income/Expense				
Other Income				
Contra	0.00	0.00	0.00	0.00
Interest Income	2,295.58	3,895.49	1,781.82	748.57
Other Income	0.00	5.91	0.00	0.00
Total Other Income	2,295.58	3,901.40	1,781.82	748.57
Other Expense				
Provision for Taxes	0.00	0.00	0.00	16,705.65
Inventory Write-Off	0.00	0.00	0.00	6,177.10
suspense	0.00	0.00	0.00	0.00
2003 Claimed Sec 179 Depr	0.00	0.00	0.00	13,000.00
Computer - 2004 Sec 179	0.00	0.00	0.00	8,568.79
Non Deductible Penalties & Inte	0.00	0.00	3,227.91	0.00
Miscellaneous	100.63	0.00	0.00	0.00
void	0.00	0.00	0.00	0.00
Non Cash Expenses-Warrant	0.00	0.00	45,120.15	1,324.00
Total Other Expense	100.63	0.00	48,348.06	45,775.54
Net Other Income	2,194.95	3,901.40	-46,566.24	-45,026.97
Net Income	-248,612.14	-679,602.50	-185,745.29	57,518.88

Airespring Inc.
Profit & Loss Prev Year Compari
January 2001 through May 2004

	TOTAL
	Jan '01 - May 04
Ordinary Income/Expense	
Income	
Local Service Income	0.00
Long Distance Service Income	9,374,382.21
Returns & Allowances	-143,634.16
Sales	10,569.00
Services	71,312.48
Inc Shipping & Handling	366.00
Reimbursed Expenses	4,580.00
Uncategorized Income	1,010.93
Total Income	9,318,586.46
Cost of Goods Sold	
COGS - Providers - Ded Access	1,095,725.71
COGS - Providers - Traffic	4,354,704.83
Commissions	1,078,565.94
Credit Card/EFT Processing Fees	113,672.40
Bad Debt Expense	263,252.89
Inventory Purchases	12,790.02
Inventory Shipping Costs	662.60
Total COGS	6,919,374.39
Gross Profit	2,399,212.07
Expense	
Customer Service Fees	15,882.00
Collection Commissions	42.09
Amortization Expense	6,844.00
Bank Service Charges	8,046.94
Billing Services	168,150.74
Contributions	420.63
Credit Reports	90,236.01
Depreciation Expense	18,118.00
Dues and Subscriptions	6,816.86
Employee Benefits	19,963.49
Finders Fees	8,275.00
Fulfillment Expenses	795.16
Internet Hosting Fees	33,586.23
Insurance	21,196.84
Interest Expense	2,233.78
Market Research	612.09
Marketing Fees	8,543.66
Network Fees	74.73
Payroll Expenses	2,218,579.03
Postage and Delivery	48,705.12
Trade Shows & Conventions	7,352.08
Printing, Promo, Advertising	83,462.18
Professional Development	150.00
Professional Fees	290,547.27
Recruiting	5,464.53
Rent	116,549.49

	TOTAL
	Jan '01 - May 04
Repairs	4,762.52
Supplies	42,292.56
Licenses and Permits	27,062.31
Taxes	5,756.40
Telephone	59,859.47
Travel & Ent	43,542.05
Utilities	6,233.00
Total Expense	3,370,156.26
Net Ordinary Income	-970,944.19
Other Income/Expense	
Other Income	
Contra	0.00
Interest Income	8,721.46
Other Income	5.91
Total Other Income	8,727.37
Other Expense	
Provision for Taxes	16,705.65
Inventory Write-Off	6,177.10
suspense	0.00
2003 Claimed Sec 179 Depr	13,000.00
Computer - 2004 Sec 179	8,568.79
Non Deductible Penalties & Inte	3,227.91
Miscellaneous	100.63
void	0.00
Non Cash Expenses-Warrant	46,444.15
Total Other Expense	94,224.23
Net Other Income	-85,496.86
Net Income	-1,056,441.05

E - Arizona Projections

A. Projected total intrastate revenue for the first 12 months of service: $10,000

B. Projected value of total intrastate operating expenses for the first 12 months of service: $8,000.00

C. Projected net book value of all Arizona jurisdictional assets to be used to provide telecommunications services to Arizona customers for the first 12 months of service: $100.00

D. Current net book value: $0.00