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September 29, 2000
AZ CORP COMMISSION
INSTRUMENT CONTROL

BY FEDERAL EXPRESS

Arizona Corporation Commission
DOCKETED

OCT 02 2000

Arizona Corporation Commission
ATTENTION: Docket Control
1200 West Washington Street
Phoenix, Arizona 85007

DOCKETED BY	
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Re: **Zone Telecom, Inc.**
Application for Certificate of Convenience and Necessity
to Provide Intrastate Telecommunications Services as an
Interexchange Reseller

Docket No. T-03924A-00-0646

Dear Sir/Madam:

This letter is on behalf of Zone Telecom, Inc., an applicant for a certificate of convenience and necessity to provide competitive intrastate telecommunications services as an interexchange reseller in the State of Arizona, Docket No. T-03924A-00-0646. This letter is in response to letters dated September 7, 2000, and September 15, 2000, from Anthony Gatto of the Commission.

In response to the September 7 letter, Zone hereby acknowledges that it does not currently, and will not in the future, charge its customers for any prepayments, advances, or deposits. As Zone is not currently collecting any prepayments, advances, or deposits, no refunds are necessary at this time. If in the future Zone desires to charge prepayments, advances, or deposits, it understands that it must file with the Commission information that demonstrates Zone's financial viability. Zone's proposed tariff has been revised to exclude references to prepayments, advances, or deposits. Zone has also revised its proposed tariff to include maximum rates, along with the actual rates to be charged. A copy of the revised tariff is attached hereto. Zone will publish legal notice of the application in all counties where services will be provided.

BRUSSELS BUDAPEST LONDON MOSCOW PARIS* PRAGUE* WARSAW

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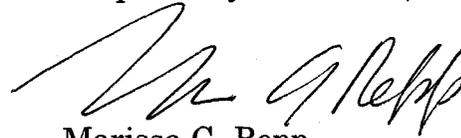
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In response to the September 15 letter, Zone is a newly-incorporated company that does not hold any plant or equipment. Nor does Zone plan at this time to acquire or construct any plant or equipment in Arizona. Thus, the descriptions requested in questions A-E of the September 15 letter are inapplicable to Zone.

An original and ten copies of this submission are enclosed for filing. Kindly date-stamp the additional copy of this filing and return it to me in the enclosed postage prepaid envelope. Any questions concerning this submission should be addressed to the undersigned.

Respectfully submitted,



Marissa G. Repp

Counsel for Zone Telecom, Inc.

Enclosures

Interexchange Service Tariff

NAMING RATES FOR
RESALE COMMON CARRIER SERVICE

AS

VALUE ADDED COMMON CARRIER

Applying to Intrastate Resale Common Carrier
Communications Services Between Points in the
State of Arizona

And

CONTAINING RULES AND REGULATIONS

GOVERNING SERVICE

Issued: September 29, 2000

Effective: September 29, 2000

By:

Lawton Bloom
Vice President & Secretary
Zone Telecom, Inc.
279 Harvard Street, Suite 21
Cambridge, MA 02139

Interexchange Service Tariff

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EXPLANATION OF SYMBOLS

- (C) - To signify changed conditions or regulation
- (D) - To signify discontinued rate, regulation or condition
- (I) - To signify increase
- (L) - To signify that material has been transferred to another sheet or place in the tariff
- (M) - To signify that material has been transferred from another sheet of place in the tariff
- (N) - To signify new rate, regulation, condition or sheet
- (O) - To signify no change*
- (R) - To signify reduction
- (T) - To signify a change in text for clarification

* The use of the symbol "O" shall be discretionary unless its use in the interest of clarity is evident or specifically requested by the Commission.

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CONCURRING CARRIERS

NONE

CONNECTING CARRIERS

NONE

OTHER PARTICIPATING CARRIERS

NONE

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APPLICATION OF TARIFF

This tariff contains the regulations and rates applicable to the furnishing of intrastate resale common carrier communication service by Zone Telecom, Inc. between various locations within the State of Arizona.

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DEFINITIONS

AUTHORIZATION CODE: A numerical code, one or more of which are available to a customer to enable identification of individual users or groups of users on an account and to allocate the costs of service accordingly.

CARRIER: Zone Telecom, Inc., or Zone, a switchless reseller utilizing the facility of an underlying carrier.

COMMISSION: The Arizona Corporation Commission.

CUSTOMER: The person, firm, corporation or other entity which orders or uses service and is responsible for payment of charges and compliance with tariff regulations.

INTERLATA TOLL CALL: Any call terminating beyond the LATA of the originating caller.

INTRALATA TOLL CALL: Any call terminating within the LATA of the originating caller.

LATA: Local Access and Transport Area

LOCAL CALL: Calls placed within the Local Exchange Carrier franchise area or EAS area. Local calls will be routed to the LEC and not be handled by the carrier.

MEASURED SERVICE: The provision of intrastate long distance measured time communications telephone service to customers who access the carrier's service through the underlying carrier switching and call processing equipment by means of access facilities obtained from a local exchange common carrier. Carrier is responsible for arranging for the access lines.

ZONE OR ZONE TELECOM: Used throughout this tariff to mean Zone Telecom, Inc.

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REGULATIONS1. DESCRIPTIONS OF SERVICES

- a. Carrier is a resale common carrier providing intrastate communications long distance message toll telecommunication service to customer for their direct transmission and reception of voice, data, and other types of communications.
- b. Service is offered to business Customers and is available on a presubscription basis from equal access originating end offices only. When a Customer elects to use Calling Card service, calls may be initiated from any location from which the caller can dial the appropriate access codes.
- c. At additional cost, and subject to availability, the customer may use authorization codes to identify the users or user groups on an account. The numerical composition of such codes shall be set by the carrier to assure compatibility with carrier's accounting and automation systems and to avoid duplication of codes.

2. SERVICE OFFERINGS

- a. Virtual Wats Service: Virtual Wats Service is a resold telecommunications service utilizing AT&T as the underlying carrier. This service includes such features as outbound switched and dedicated calling, inbound (800 or 888) switched and dedicated calling, calling card calling and directory assistance services.
- b. FiberWats Service: FiberWats Service is a resold telecommunications service utilizing Sprint as the underlying carrier. This service includes such features as outbound switched and dedicated calling,

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- inbound (800 or 888) switched and dedicated calling, calling card calling and directory assistance services.
- c. Outbound: Communications may originate from areas served by any equal access central office within the State of Arizona. All services are available twenty four hours per day, seven days per week.
- d. Inbound Switched Service (800 or 888): Receives inbound Intrastate calls on regular local telephone lines.
- e. Inbound Dedicated Service (800 or 888): Allows inbound Intrastate calls to come in on same Dedicated Access Line using 800 or 888 number(s).
- f. Prepaid Telephone Card Service: Zone Telecom, Inc. Prepaid Telephone Card Service provides a voice grade communications service for calls charged to a Zone Telecom Prepaid Telephone Card. Customers can use the Prepaid Telephone Card to complete Direct Dialed intrastate and interstate calls.
- g. Employee Concessions - Any employee of the Company in good standing for three months or longer may receive any of the Company's services 25% below the tariffed rate as a concession.
- h. Prepaid Long Distance Service: Zone prepaid long distance service is an optional 1+/011+ direct dial long distance service wherein customers submit payments in advance.

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3. TIMING OF CALLS

- 3.1 Long distance usage charges are based on the actual usage of Zone Telecom's network. The Company will determine that a call has been established through industry standard answer detection methods, including hardware answer detection.
- 3.2 Chargeable time for a call ends upon disconnection by either party.
- 3.3 For billing provided directly by the Company, the minimum call duration and initial period is 18 seconds for all intrastate direct dialed calls unless otherwise specified by this tariff. For billing provided directly by the Company, the additional period is measured and rounded to the next higher 6 second increment unless otherwise specified by this tariff.
- 3.4 For billing provided by the Local Exchange Carrier of the Customer, the minimum call duration and initial period is 60 seconds (1 minute) and the additional period is measured in 60 second (1 minute) increments.
- 3.5 No charges apply for incomplete calls. If a Customer believes he or she has been incorrectly billed for an incomplete call, the Company will, upon written notification, investigate the circumstances of the call and issue a credit when appropriate.

4. LIMITATIONS OF SERVICE

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- a. Service is offered subject to the availability of the necessary facilities and / or equipment and subject to the provisions of this tariff. The carrier reserves the right not to provide service to or from a location where the necessary facilities or equipment are not available.
- b. The carrier reserves the right to discontinue furnishing service upon written notice, when necessitated by conditions beyond its control or when the customer is using the service in violation of the provisions of this tariff, or in violation of the law.

5. USE OF SERVICE

- a. Service may be used for the transmission of communications by the customer.
- b. Service may not be used for any unlawful purpose or for any purpose for which any payment or other compensation is received by the customer, except when the customer is a duly authorized and regulated common carrier. This provision does not prohibit an arrangement between the customer, authorized user or joint user to share the cost of the service so long as the arrangement generates no profit for any participant in the arrangement.

6. PAYMENT AND BILLING

- a. Service is provided and billed on monthly (30 day) basis. Service continues to be provided until customer chooses a new long distance carrier.
- b. The customer is responsible for payment of all charges for services furnished to the customer. Charges are

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based on actual usage during a month and will be billed monthly in arrears.

- c. Billing will be payable upon receipt and past due by the 20th of the following month. A 1 1/2% late charge is applied to all overdue balances. The maximum late charge is 6%.
- d. The name(s) of the customer(s) desiring to use the service must be set forth in the application for service.

7. MINIMUM SERVICE PERIOD

There is no minimum service period.

8. CANCELLATION BY CUSTOMER

If the Customer orders service requiring special facilities dedicated to the Customer's use and then cancels the order before the service begins or before the completion of a minimum period mutually agreed upon by the Customer and the Carrier, and if based on such an order, construction has either begun or been completed, but no service provided, the nonrecoverable cost of such construction shall be borne by the Customer.

9. CANCELLATION BY CARRIER

9.1 Without incurring liability, Zone may, upon notice to the customer, discontinue services to a Customer or may withhold the provision of ordered or contracted services:

- (A) For nonpayment of any sum due Zone for more than thirty days after issuance of the bill for the amount due,

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- (B) For violation of any of the provisions of this tariff,
- (C) For violation of any law, rule, regulation or policy of any governing authority having jurisdiction over the Company's services, or
- (D) By reason of any order or decision of a court, commission or federal regulatory body or other governing authority prohibiting Zone from furnishing its services.

9.2 Without incurring liability, Zone may interrupt the provision of services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of Customer and Company's equipment and services and may continue such interruption until any items of non-compliance or improper equipment operation so identified and rectified.

9.3 Service may be discontinued by Zone, without notice to the Customer, by blocking traffic to certain countries, cities or NXX exchanges, or by blocking calls using a call screening method which generates a network message not allowing calls to complete, when Zone deems it necessary to take such action to prevent unlawful use of its service. Zone will restore service as soon as it can be provided without undue risk.

10. RESTORATION OF SERVICE

The use and restoration of service in emergencies shall be in accordance with Part 64, Subpart D of the Federal Communications Commission's Rules and Regulations, which specifies the priority system for such activities.

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11. CONTESTED CHARGES

For consideration of any disputed charge, a user must submit in writing to Zone Telecom, Inc. within 30 days of the date the bill is issued, the call details and the basis for any requested adjustment. Zone will promptly investigate and advise the user as to its findings and disposition. Any undisputed charges must be paid on a timely basis.

12. LIABILITIES

- a. All state and local taxes (e.g., gross receipts tax, sales tax, municipal utilities tax) are billed separately from the quoted rates.
- b. The liability of the carrier for damages arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission occurring in the course of furnishing service or other facilities and not caused by the negligence of the customer, commences upon activation of service and in no event exceeds an amount equivalent to the proportionate charge to the customer for the period of service during which such mistakes, omissions, interruptions, delays, errors or defects in transmission occur. For the purpose of computing such amount, a month is considered to have 30 days.
- c. The carrier is not liable for any act or omission of any other company or companies furnishing a portion of the service.
- d. The carrier shall be indemnified and held harmless by the customer against:
 - 1) Claims for libel, slander, infringement of copyright or unauthorized use of any trade mark,

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- trade name or service mark arising out of the material, data, information, or other content transmitted over the carrier's facilities; and
- 2) Claims for patent infringement arising from combining or connecting the carrier's facilities with apparatus and systems of the customer; and
 - 3) All other claims arising out of any act or omission of the customer in connection with any service provided by the carrier.
- e. The carrier shall not be liable for and the customer indemnifies and holds the carrier harmless from any and all loss claims, demands, suits, or other action or liability whatsoever, whether suffered, made, instituted or asserted by the customer to be any other party or persons, for any personal injury to, or death of, any person or persons, and for any loss, damage, defacement or destruction of the premises of the customer or any other property, whether owned by the customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of equipment or wiring provided by the carrier where such installation, operation, failure to operate, maintenance, condition, location or use is not the direct result of the carrier's negligence. No agents or employees of other carriers shall be deemed to be agents or employees of the carrier.
- f. Zone shall not be held liable to any customer, authorized user or third party for failures caused by the transition to the Year 2000. Zone has, and will continue to make diligent efforts to ensure that our customer's receive the service specified in this tariff

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before, during and after the Year 2000. Due to Zone's reliance on the equipment and facilities of other companies and their processes, Zone shall not be held responsible for damages of any nature, including consequential damages due to, but not limited to, failures or interruptions to systems, switches, transmission facilities, computers and related equipment maintained by, provided by, or operated by either Zone or other third parties including, but not limited to underlying carriers, local exchange companies, customers and other competitors. Information contained on Zone's website and/or information provided to parties upon request regarding the Year 2000 readiness of products and services offered by Zone are "Year 2000 Readiness Disclosures" as defined by the Year 2000 Information and Readiness Disclosure Act of 1998 (Public Law 105-271, 112 Stat. 2386, A U.S. Statute) enacted on October 19, 1998.

13. DEPOSITS

The Company does not require a deposit from the Customer.

14. MISCELLANEOUS CHARGES**a. Payphone Use Surcharge**

An undiscountable payphone use surcharge of \$.35 shall apply to each coinless call Zone can identify as being placed from a domestic payphone by or to the customer or permitted users. The maximum undiscountable payphone surcharge is \$1.40. This includes, but is not limited to, calls placed with a Zone calling card, pre-paid calling card, collect calls and calls placed to 800 numbers. This charge is in addition to standard tariffed usage charges and is for the use of the payphone instrument to access Zone's service.

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Interexchange Service Tariff

RATES AND CHARGES FOR VIRTUAL WATS SUBSCRIBER SERVICE

1. GENERAL

Each customer is charged individually for each call placed through the Company. Charges are computed on an airline mileage basis as described in Calculation of Distance in this tariff.

Rates vary by mileage band, time of day and call duration.

Customers are billed based on their use of Zone Telecom, Inc. long distance service. Unless specified in the service description section of this tariff, no installation charges apply.

2. TIME OF DAY RATE PERIODS

The appropriate rates apply for day, evening and night/weekend calls based on the following chart.

	MON	TUES	WED	THURS	FRI	SAT	SUN
8:00 AM TO 5:00 PM*	DAYTIME RATE PERIOD						
5:00 PM TO 11:00 PM*	EVENING/NIGHT/WEEKEND RATE PERIOD						
11:00 PM TO 8:00 AM*							

* to, but not including

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RATES AND CHARGES FOR VIRTUAL WATS SUBSCRIBER SERVICE (continued)3. CALCULATION OF DISTANCE

Usage charges for all mileage sensitive products are based on the airline distance between rate centers associated with the originating and terminating points of the call. The airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. Zone Telecom, Inc. uses the rate centers and associated vertical and horizontal coordinates that are produced by Bell Communications Research in their NPA-NXX V & H Coordinates Tape and NECA Tariff FCC No. 4.

FORMULA:

$$2 \sqrt{\frac{(V1 - V2)^2 + (H1 - H2)^2}{10}}$$

4. HOLIDAY RATES

The evening rate applies to the following holidays unless a lower rate would normally apply.

New Year's Day	-	January 1
Independence Day	-	July 4
Labor Day	-	As nationally observed
Thanksgiving Day	-	As nationally observed
Christmas Day	-	December 25
Memorial Day	-	As nationally observed

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RATES AND CHARGES FOR VIRTUAL WATS SUBSCRIBER SERVICE (continued)

5. OUTBOUND ONE-PLUS SERVICE

A. Outbound: Schedule A - This schedule applies to calls between two on-network stations which use local exchange service access lines or between an on-network station which uses a local exchange service access line and an off-network station in the State of Arizona.

Calls are billed in 6 second increments with 18 seconds minimum, except for Local Exchange Company billing which will be in 60 second (1 minute) increments [see Page 8, Section 3.3.4 of this tariff]. The 60-second (1 minute) rate is 10 times the 6 second increments shown below.

RATES

InterLATA

Rate Mileage	Initial 18 Seconds <u>or Fraction</u>		Each Additional 6 Seconds <u>or Fraction</u>	
	<u>Day</u>	<u>Evening/Night Weekend</u>	<u>Day</u>	<u>Evening/Night Weekend</u>
0 +	\$0.0678	\$0.0474	\$0.0226	\$0.0158
	<u>Maximum Rates</u>			
0 +	\$0.2712	\$0.1896	\$0.0904	\$0.0632

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RATES AND CHARGES FOR VIRTUAL WATS SUBSCRIBER SERVICE (continued)

IntraLATA

<u>Rate Mileage</u>	<u>Initial 18 Seconds or Fraction</u>		<u>Each Additional 6 Seconds or Fraction</u>	
	<u>Day</u>	<u>Evening/Night Weekend</u>	<u>Day</u>	<u>Evening/Night Weekend</u>
0 +	\$0.0678	\$0.0474	\$0.0226	\$0.0158

* Recurring monthly service charge - \$5.00

Maximum Rates

0 +	\$0.2712	\$0.1896	\$0.0904	\$0.0632
-----	----------	----------	----------	----------

* Recurring monthly service charge - \$20.00

B. Outbound: Schedule B - This schedule applies to calls between on-network station which uses a special access line and either an on-network station that uses a local exchange service access line or an off-network station in the State of Arizona.

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RATES AND CHARGES FOR VIRTUAL WATS SUBSCRIBER SERVICE (continued)

RATES

InterLATA

<u>Rate</u> <u>Mileage</u>	<u>Initial 18 Seconds</u> <u>or Fraction</u>		<u>Each Additional 6 Seconds</u> <u>or Fraction</u>	
	<u>Day</u>	<u>Evening/Night</u> <u>Weekend</u>	<u>Day</u>	<u>Evening/Night</u> <u>Weekend</u>
0 +	\$0.0483	\$0.0336	\$0.0161	\$0.0112
	<u>Maximum Rates</u>			
0 +	\$0.1932	\$0.1344	\$0.0644	\$0.0448

IntraLATA

<u>Rate</u> <u>Mileage</u>	<u>Initial 18 Seconds</u> <u>or Fraction</u>		<u>Each Additional 6 Seconds</u> <u>or Fraction</u>	
	<u>Day</u>	<u>Evening/Night</u> <u>Weekend</u>	<u>Day</u>	<u>Evening/Night</u> <u>Weekend</u>
0 +	\$0.0483	\$0.0336	\$0.0161	\$0.0112
	* Recurring monthly service charge - \$20.00			
	<u>Maximum Rates</u>			
0 +	\$0.1932	\$0.1344	\$0.0644	\$0.0448
	* Recurring monthly service charge - \$80.00			

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RATES AND CHARGES FOR VIRTUAL WATS SUBSCRIBER SERVICE (continued)

6. CALLING CARD RATES

Calls are billed in 6 second increments with 18 seconds minimum, except for Local Exchange Company billing which will be in 60 second (1 minute) increments [see Page 8, Section 3.3.4 of this tariff]. The 60 second (1 minute) rate is 10 times the 6 second increments shown below.

<u>Rate Mileage</u>	<u>Initial 18 Seconds or Fraction</u>		<u>Each Additional 6 Seconds or Fraction</u>	
	<u>Day</u>	<u>Evening/Night Weekend</u>	<u>Day</u>	<u>Evening/Night Weekend</u>
0 +	\$0.0732	\$0.0512	\$0.0244	\$0.0171
	* Service charge per call -		\$0.65	
	<u>Maximum Rates</u>			
0 +	\$0.2928	\$0.2048	\$0.0976	\$0.0684
	* Service charge per call - \$2.60			

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RATES AND CHARGES FOR VIRTUAL WATS SUBSCRIBER SERVICE (continued)

7. LONG DISTANCE DIRECTORY ASSISTANCE

A Long Distance Directory Assistance charge applies when the caller accesses the Company's network by dialing 1 + Area Code + 555-1212 to place a request for a telephone number. The charge applies to each inquiry regardless of whether the Directory Assistance bureau is able to supply a listed number. A credit allowance will be provided upon request for any directory assistance charge for which the Customer experiences poor transmission quality, is cut off, receives an incorrect telephone number, or misdials.

Directory Assistance Charge	-	Per Inquiry \$0.60
Maximum Directory Assistance Charge	-	\$2.40

8. INBOUND (800 or 888) USAGE RATES

a. Inbound (800 or 888) Switched Usage Rates

	Rate Per Hour of Usage		
	<u>Day</u>	<u>Evening</u>	<u>Night</u>
	\$13.20	\$12.00	\$10.80
	Recurring monthly service charge		\$20.00

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RATES AND CHARGES FOR VIRTUAL WATS SUBSCRIBER SERVICE (continued)

8. INBOUND (800 or 888) USAGE RATES (continued)

a. Inbound (800 or 888) Switched Usage Rates (continued)

Maximum Rates

\$52.80	\$48.00	\$43.20
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Recurring monthly service charge	\$80.00
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b. Inbound (800 or 888) Dedicated Usage Rates

Rate
Per Hour of Usage

Day	Evening	Night
\$9.71	\$7.87	\$6.57

Monthly recurring service charge	\$50.00
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Maximum Rates

\$38.84	\$31.48	\$26.28
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Monthly recurring service charge	\$200.00
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By:

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Interexchange Service Tariff

RATES AND CHARGES FOR FIBERWATS SUBSCRIBER SERVICE

1. GENERAL

Each Customer is charged individually for each call placed through the Company. Charges are computed on an airline mileage basis as described in Calculation of Distance in this tariff.

Rates vary by mileage band, time of day and call duration.

Customers are billed based on their use of Zone Telecom, Inc. long distance service. Unless specified in the service description section of this tariff, no installation charges apply.

2. TIME OF DAY RATE PERIODS

The appropriate rates apply for day, evening and night/weekend calls based on the following chart.

	MON	TUES	WED	THURS	FRI	SAT	SUN
8:00 AM TO 5:00 PM*	DAYTIME RATE PERIOD						
5:00 PM TO 11:00 PM*	EVENING/NIGHT/WEEKEND RATE PERIOD						
11:00 PM TO 8:00 AM*							

*to, but not including

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Interexchange Service TariffRATES AND CHARGES FOR FIBERWATS SUBSCRIBER SERVICE (continued)3. CALCULATION OF DISTANCE

Usage charges for all mileage sensitive products are based on the airline distance between rate centers associated with the originating and terminating points of the call. The airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. Zone Telecom, Inc. uses the rate centers and associated vertical and horizontal coordinates that are produced by Bell Communications Research in their NPA-NXX V & H Coordinates Tape and NECA Tariff FCC No. 4.

FORMULA:

$$2 \sqrt{\frac{(V1 - V2)^2 + (H1 - H2)^2}{10}}$$

4. HOLIDAY RATES

The evening rate applies to the following holidays unless a lower rate would normally apply.

New Year's Day	-	January 1
Independence Day	-	July 4
Labor Day	-	As nationally observed
Thanksgiving Day	-	As nationally observed
Christmas Day	-	December 25
Memorial Day	-	As nationally observed

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Interexchange Service Tariff

RATES AND CHARGES FOR FIBERWATS SUBSCRIBER SERVICE (continued)

5. OUTBOUND ONE - PLUS SERVICE

A. Outbound: Schedule A - This schedule applies to calls between two on-network stations which use local exchange service access lines or between an on-network station which uses a local exchange service access line and an off-network station in the State of Arizona.

Calls are billed in 6 second increments with 18 seconds minimum, except for Local Exchange Company billing which will be in 60 second (1 minute) increments [see Page 8, Section 3.3.4 of this tariff].
The 60 second (1 minute) rate is ten (10) times the 6 second increments shown below.

RATES

InterLATA

<u>Rate</u> <u>Mileage</u>	<u>Initial 18 Seconds</u> <u>or Fraction</u>		<u>Each Additional 6 Seconds</u> <u>or Fraction</u>	
	<u>Day</u>	<u>Evening/Night</u> <u>Weekend</u>	<u>Day</u>	<u>Evening/Night</u> <u>Weekend</u>
0+	\$0.0612	\$0.0612	\$0.0204	\$0.0204
	<u>Maximum Rates</u>			
0+	\$0.2448	\$0.2448	\$0.0816	\$0.0816

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Interexchange Service Tariff

RATES AND CHARGES FOR FIBERWATS SUBSCRIBER SERVICE (continued)

IntraLATA

<u>Rate Mileage</u>	<u>Initial 18 Seconds or Fraction</u>		<u>Each Additional 6 Seconds or Fraction</u>	
	<u>Day</u>	<u>Evening/Night Weekend</u>	<u>Day</u>	<u>Evening/Night Weekend</u>
0+	\$0.0435	\$0.0435	\$0.0145	\$0.0145

Recurring monthly service charge - \$5.00

Maximum Rates

0+	\$0.1740	\$0.1740	\$0.0580	\$0.0580
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Recurring monthly service charge - \$20.00

- B. Outbound: Schedule B - This schedule applies to calls between an on-network station which uses a special access line and either an on-network station which uses a local exchange service access line or an off-network station in the State of Arizona.

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Interexchange Service Tariff

RATES AND CHARGES FOR FIBERWATS SUBSCRIBER SERVICE (continued)

RATES

InterLATA

<u>Rate Mileage</u>	<u>Initial 18 Seconds or Fraction</u>		<u>Each Additional 6 Seconds or Fraction</u>	
	<u>Day</u>	<u>Evening/Night Weekend</u>	<u>Day</u>	<u>Evening/Night Weekend</u>
0+	\$0.0339	\$0.0339	\$0.0113	\$0.0113
<u>Maximum Rates</u>				
0+	\$0.1356	\$0.1356	\$0.0452	\$0.0452

IntraLATA

<u>Rate Mileage</u>	<u>Initial 18 Seconds or Fraction</u>		<u>Each Additional 6 Seconds or Fraction</u>	
	<u>Day</u>	<u>Evening/Night Weekend</u>	<u>Day</u>	<u>Evening/Night Weekend</u>
0+	\$0.0339	\$0.0339	\$0.0113	\$0.0113
<u>Maximum Rates</u>				
0+	\$0.1356	\$0.1356	\$0.0452	\$0.0452

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Interexchange Service Tariff

RATES AND CHARGES FOR FIBERWATS SUBSCRIBER SERVICE (continued)

Monthly access fees and service charges vary by Customer location and may be assessed by the Local Telephone Company or underlying carrier. These may be billed directly to the Customer by the Local Telephone Company or at the Customer's request, by Zone Telecom with no mark up from actual cost.

6. CALLING CARD RATES

Calling Card calls placed by Customers that have subscribed to Zone's calling card service prior to the date of this filing will be billed in 6 second increments with 18 seconds minimum. Calling Card calls placed by Customers that have subscribed to Zone's calling card service as of the date of this filing will be billed in 60 second (1 minute) increments. Local Exchange Company billing will be in 60 second (1 minute) increments [see Page 8, Section 3.3.4 of this tariff]. The 60 second (1 minute) rate, which applies to Local Exchange Company billing and to calls placed by Customers that have subscribed to Zone's calling card service as of the date of this filing, is ten (10) times the 6 second increments shown below.

Rate Mileage	Initial 18 Seconds <u>or Fraction</u>		Each Additional 6 Seconds <u>or Fraction</u>	
	<u>Day</u>	<u>Evening/Night Weekend</u>	<u>Day</u>	<u>Evening/Night Weekend</u>
0+	\$0.0627	\$0.0627	\$0.0209	\$0.0209
	Service charge per call		\$0.55	

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Interexchange Service TariffRATES AND CHARGES FOR FIBERWATS SUBSCRIBER SERVICE (continued)Maximum Rates

0+	\$0.2508	\$0.2508	\$0.0836	\$0.0836
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Service charge per call \$2.20

7. LONG DISTANCE DIRECTORY ASSISTANCE

A long distance Directory Assistance charge applies when the caller accesses the Company's network by dialing 1 + Area Code + 555-1212 to place a request for a telephone number. The charge applies to each inquiry regardless of whether the Directory Assistance bureau is able to supply a listed number. A credit will be issued for any Directory Assistance charge for which the customer experiences poor transmission quality, is cut off, receives an incorrect telephone number, or misdials.

Per Inquiry

Directory Assistance Charge -	\$0.75
Maximum Directory Assistance Charge -	\$3.00

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Interexchange Service Tariff

RATES AND CHARGES FOR FIBERWATS SUBSCRIBER SERVICE (continued)

8. INBOUND (800 or 888) USAGE RATES

a. Inbound (800 or 888) Switched Usage Rates

Rate
Per Hour of Usage

<u>Day</u>	<u>Evening</u>	<u>Night</u>
\$12.54	\$12.54	\$12.54
Monthly recurring service charge		\$20.00

Maximum Rates

\$50.16	\$50.16	\$50.16
Monthly recurring service charge		\$80.00

b. Inbound (800 or 888) Dedicated Usage Rates

Rate
Per Hour of Usage

<u>Day</u>	<u>Evening</u>	<u>Night</u>
\$7.98	\$7.98	\$7.98
Monthly recurring service charge		\$50.00

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Interexchange Service Tariff

RATES AND CHARGES FOR FIBERWATS SUBSCRIBER SERVICE (continued)

Maximum Rates

\$31.92

\$31.92

\$31.92

Monthly recurring service charge

\$200.00

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Interexchange Service Tariff

COMMERCIAL AFFILIATION PROGRAM**1. GENERAL**

This section contains the regulations applicable to the Commercial Affiliation Program. (see section 4 following for applicable rates)

2. AVAILABILITY OF SERVICE

The following rates apply to residential and small business customers. To qualify for this service, Customers must be members of trade associations or commercial organizations. Customers may also qualify if they are individuals within an industry profession or business classification. Service shall be obtained by responding to an advertisement or promotional offering or by calling a toll free number in response to such solicitation.

3. APPLICATION OF CHARGES

Customers of this calling plan may place as many calls as desired at the specified rates. No minimum monthly usage is required.

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Interexchange Service Tariff

COMMERCIAL AFFILIATION PROGRAM (continued)

4. RATES AND CHARGES

The following rates apply for all times of day, seven days a week, for all distances. Calls will be billed at 18 second initial increment with 6 second additional increments.

<u>Rate</u> <u>Mileage</u>	<u>Initial 18 Seconds</u> <u>or Fraction</u>		<u>Each Additional 6 Seconds</u> <u>or Fraction</u>	
	<u>Day</u>	<u>Eve/Night</u> <u>Weekend</u>	<u>Day</u>	<u>Eve/Night</u> <u>Weekend</u>
0+	\$0.0423	\$0.0423	\$0.0141	\$0.0141
	Monthly Recurring Fee		\$2.00	

Maximum Rates

0+	\$0.1692	\$0.1692	\$0.0564	\$0.0564
	Monthly Recurring Fee		\$8.00	

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Interexchange Service Tariff

ZONE TELECOM SPECIAL PROMOTIONAL OFFERINGS

The company may from time to time engage in special promotional offerings limited to certain dates, times or locations designed to attract new subscribers or increase subscriber usage. The company will not have special promotional offerings for more than 90 days in any 12 month period. In all such cases, the rates charged will not exceed those specified in this Tariff.

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ZONE TELECOM TELECONFERENCE SERVICE

1. TELECONFERENCE SERVICE DESCRIPTION

Zone Teleconference Service provides communications between two or more stations connected to an audio bridge with the assistance of a teleconference operator.

2. BILLING

Charges accrued by using teleconference service are billed to the telephone number of the originator of the conference call or billed to another number, if it is acceptable to that party.

3. TIMING OF CALLS

3.1 Chargeable time of a conference call begins when all participants are connected and ends for each individual station when that station disconnects.

3.2 Chargeable time for ports joining the conference call already in progress begins when they are connected by a teleconference operator.

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ZONE TELECOM TELECONFERENCE SERVICE (continued)

4. RATES AND CHARGES

4.1 Charges for teleconference service calls are per minute and per port usage, rounded to the next highest full minute.

4.2 **Dial - In Service:** Each participant dials into the conference via a standard telephone number and pays their own long distance costs. A teleconference operator will ask for the designator of the call and place the participant into the call. The initiating party pays all usage charges for each line.

Dial - In Service Rates

Bridging Usage Rate Per Minute, Per Line, All Time Periods, Domestic Interstate and Intrastate Calling	\$0.21
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Maximum Rates

Bridging Usage Rate Per Minute, Per Line, All Time Periods, Domestic Interstate and Intrastate Calling	\$0.84
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4.3 **Dial - Out Service:** Each participant is called by a teleconference operator and placed into the conference. The initiating party pays all usage charges for each line.

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ZONE TELECOM TELECONFERENCE SERVICE (continued)

Dial - Out Service Rates

Bridging Usage Rate Per Minute, Per Line, All Time Periods, Domestic Interstate and Intrastate Calling	\$0.39
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Maximum Rates

Bridging Usage Rate Per Minute, Per Line, All Time Periods, Domestic Interstate and Intrastate Calling	\$1.56
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4.4 **800/888 Dial - In:** Participants dial in via an 800/888 number. A teleconference operator will ask for the designated moderator of the call and place the participant into the call. The initiating party pays all usage charges for each line.

800/888 Dial - In

Bridging Usage Rate Per Minute, Per Line, All Time Periods, Domestic Interstate and Intrastate Calling	\$0.39
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Maximum Rates

Bridging Usage Rate Per Minute, Per Line, All Time Periods, Domestic Interstate and Intrastate Calling	\$1.56
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