

NEW APPLICATION



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AZ CORP COMMISSION

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DIRECT DIAL
(202)424-7654

MARGARET M. CHARLES
ATTORNEY-AT-LAW

February 29, 1996 DOCUMENT CONTROL

VIA OVERNIGHT DELIVERY

U-3104-96-128

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

**Re: Application for a Certificate of Convenience and Necessity to Provide
Competitive Intrastate Telecommunications Services as a Reseller of
Starlink Communications, LLC**

On behalf of Starlink Communications, LLC, enclosed for filing with the Commission are an original and ten (10) copies of Starlink's Application for a Certificate of Convenience and Necessity to Provide Competitive Intrastate Telecommunications Services as a Reseller within the State of Arizona.

Please date stamp the enclosed extra copy of this Application and return it in the self-addressed, stamped envelope provided.

Should you have any questions concerning this filing, please do not hesitate to contact me.

Very truly yours,

Margaret M. Charles

Enclosures

cc: Mr. George F. Holland, President and CEO
Andrew D. Lipman, Esq. (w/o encl.)

153606.1

ARIZONA CORPORATION COMMISSION

Application for Certificate of Convenience and Necessity to Provide Competitive Intrastate Telecommunications Services as a Reseller

Mail original plus 10 copies of completed application to:

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

For Docket Control Only:
(Place Stamp Here)

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If you have current applications pending in Arizona for provision of reseller, AOS, or other telecommunications services, please identify:

Type of Service: _____
Docket No.: _____ Date: _____

Type of Service: _____
Docket No.: _____ Date: _____

Docket No. U-3104-96-125

Date Docketed _____

A. Company and Telecommunications Service Information

(A-1) The name, address, and telephone number of the applicant (company):

Starlink Communications, LLC
1200 Fifth Avenue, Suite 701
Seattle, Washington 98101
(206) 622-7100

(A-2) If doing business (dba) under a name other than the applicant (company) name listed above, specify:

Not applicable.

(A-3) The name, address, telephone number, and facsimile number of the management contact:

Mr. George F. Holland, President and CEO
Starlink Communications, LLC
1200 Fifth Avenue, Suite 701
Seattle, Washington 98101
(206) 622-7100 (Telephone)
(206) 622-7171 (Facsimile)

Application for Competitive Reseller CC&N
Starlink Communications, LLC

(A-4) The name, address, and telephone of the attorney, if any, representing the applicant:

Margaret M. Charles, Esq.
Swidler & Berlin, Chartered
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
(202) 424-7500 (Telephone)
(202) 424-7645 (Facsimile)

(A-5) What type of legal entity is the applicant?

Sole proprietorship

Partnership: _____ limited, _____ general, _____ Arizona, _____ Foreign

Limited liability company

Corporation: _____ "S", _____ "C", _____ non-profit, _____ Arizona, _____ Foreign

Other, specify:

(A-6) Include "Attachment A." Attachment A must list names of all owners, partners, limited liability company managers, or corporation officers and directors (specify), and indicate percentages of ownership.

- (A-7)
1. Is your company currently providing telecommunication service in Arizona? If yes, provide the date or the approximate date that you began reselling service in Arizona. **No**
 2. If the answer to 1. is "yes," identify the types of telecommunications services you resell; whether operator services are provided or resold and whether they are provided or resold to traffic aggregators (as defined in A.A.C. R14-2-1001(3)); the number of customers in Arizona for each type of service; and the total number of intrastate minutes resold in the latest 12 month period for which data are available. Note: The Commission rules require that a separate CC&N, issued under Article 10, be obtained in order to provide operator services to traffic aggregators.
 3. If "no," when does your company plan to begin providing service in Arizona? **Within the next 6 months.**

Application for Competitive Reseller CC&N
Starlink Communications, LLC

- (A-8) Include "Attachment B." Attachment B, your proposed tariff, must include proposed rates and charges for each service to be provided, state the tariff (maximum) rate as well as the price to be charged, and state other terms and conditions, including deposits, that will apply to provision of the service(s) by your company.

The Commission provides pricing flexibility by allowing competitive telecommunications service companies to price their services at levels equal to or below the tariff (maximum) rates. The prices to be charged by the company are filed with the Commission in the form of price lists. See the "Illustrative Tariff/Price List Example" attached. Note: Price list rate changes that result in rates that are lower than the tariff rate are effective upon current notice to the Commission (See Rule 14-2-1109 (B)(2)). See Rule 14-2-1110 for the procedures to make price lists changes that result in rates that are higher than the tariff rate.

- (A-9) The geographic market to be served is:
- statewide.
 - other, describe and provide a map depicting the area.

- (A-10) List the states in which you currently provide the services similar to those you intend to provide in Arizona.

Starlink does not yet provide intrastate interexchange services in any state.

- (A-11) Provide the name, address, and telephone number of the company's complaint contact person.

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- (A-12) Provide a list of states in which you have sought to offer telecommunications services but in which the state regulatory commission granted your application with major changes and conditions or did not grant your application for those services. For each state listed, provide a copy of the commission's decision modifying or denying your application for authority to provide telecommunications services.

None.

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Starlink Communications, LLC

(A-13) Has the company been granted authority to provide telecommunications services in any state where subsequently the authority was revoked? If "yes," provide copies of the state regulatory commission's decision revoking its authority.

None.

(A-14) Has the company been or is the company currently involved in any formal complaint proceedings before any state or federal regulatory commission? If "yes," in which states is the company involved in proceedings and what is the substance of these complaints. Also, provide copies of commission orders that have resolved any of these complaints.

No.

(A-15) Has the applicant been involved in any civil or criminal investigations related to the delivery of telecommunications services within the last five years? If "yes," in which states has the applicant been involved in investigations and why is the applicant being investigated?

No.

(A-16) Has the applicant been convicted of any civil or criminal acts related to the delivery of telecommunications services within the last five years? If "yes," list the states where convictions occurred and provide a copy of the court order of the convictions.

No.

Application for Competitive Reseller CC&N
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B. Technical Information

(B-1) If your company is a switchless reseller, provide the name of the company or companies whose services you resell and skip to questions (B-2). If you are not a switchless reseller, complete the remainder of the section.

Include "Attachment C." Attachment C should provide the following information: A diagram of the applicant's basic call network used to complete Arizona intrastate telecommunications traffic. This diagram should show how a typical call is routed in both its originating and terminating ends (i.e. show the access network and call completion network).

Also include on the diagram the underlying carrier(s) for each major network component and indicate if the carrier is facilities-based or not. If the carrier is not facilities-based, indicate who owns the facilities (within the State of Arizona) that are used to originate and terminate the applicant's intrastate telecommunications traffic (i.e. provide a list of the Arizona facilities-based long distance carriers whose facilities are used to complete the applicant's intrastate traffic).

Starlink is a switchless reseller that resells services of Sprint Communications Company, L.P.

(B-2) Will your customers be able to access alternative toll service providers or resellers via 1+ or 10XXX access, if your system become non-operational?

Yes.

C. Financial Information

(C-1) Include "Attachment D." Attachment D should provide copies of the following audited financial information for the most recent two years for all Arizona operations. Check boxes indicating items attached. **Applicant has not provided telecommunications services in the State of Arizona during the past two (2) years.**

- current intrastate balance sheet
- current intrastate income statement
- current intrastate cash flow statement
- other financial information evidencing financial resources.

Application for Competitive Reseller CC&N
Starlink Communications, LLC

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 related to the regulation 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 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 is true and correct.

George F. Holland
(Signature of Authorized Representative)

2-14-96
(Date)

George F. Holland
(Printed Name of Authorized Representative)

President and Chief Executive Officer
(Title)

SUBSCRIBED AND SWORN to before me this 14th day of February, 1996.

[Signature]
NOTARY PUBLIC

My Commission Expires 5/29/96

Application for Competitive Reseller CC&N
Starlink Communications, LLC

ATTACHMENT A

**List names of all Owners, Corporation Officers and Directors (specify),
and Percentage(s) of Ownership**

<u>Name</u>	<u>Title</u>	<u>Percentage of Ownership</u>
900 Capital Services, Inc. 601 Gateway Blvd. Suite 260 S. San Francisco, California 94080	Member	80%
Seth Warshavsky 1200 Fifth Avenue, Suite 1206 Seattle, Washington 98101	Member	10%
Richard Parasol 100 Great Circle Drive Mill Valley, California 94941	Member	10%

Application for Competitive Reseller CC&N
Starlink Communications, LLC

ATTACHMENT B

Proposed Tariff

TITLE SHEET

RESOLD TELECOMMUNICATIONS SERVICES

This tariff applies to the Resold Telecommunications Services furnished by Starlink Communications, LLC ("Starlink" or "Carrier") between one or more points in the State of Arizona. This tariff is on file with the Arizona Corporation Commission, and copies may be inspected, during normal business hours, at Carrier's principal place of business, 1200 Fifth Avenue, Suite 701, Seattle, Washington 98101, (206) 622-7100.

Issued:

Effective:

Issued by: George F. Holland, President and Chief Executive Officer
Starlink Communications, LLC
1200 Fifth Avenue - Suite 701
Seattle, Washington 98101

CHECK SHEET

The sheets of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets 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.

<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>
1	Original	21	Original
2	Original	22	Original
3	Original	23	Original
4	Original	24	Original
5	Original	25	Original
6	Original	26	Original
7	Original	27	Original
8	Original	28	Original
9	Original	29	Original
10	Original	30	Original
11	Original	31	Original
12	Original	32	Original
13	Original	33	Original
14	Original	34	Original
15	Original	35	Original
16	Original	36	Original
17	Original	37	Original
18	Original		
19	Original		
20	Original		

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Seattle, Washington 98101

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APPENDIX A A-1

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SYMBOLS

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

- D - Delete or Discontinue
- I - Change Resulting In An Increase to A Customer's Bill
- M - Moved From Another Tariff Location
- N - New
- R - Change Resulting In A Reduction to A Customer's Bill
- T - Change In Text or Regulation But No Change In Rate or Charge

TARIFF FORMAT

- A. Sheet Numbering - Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. Sheet Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc. the Commission follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff page in effect.

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TARIFF FORMAT (cont'd)

- 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 sheets 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 the check sheet if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the Commission.

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SECTION 1. TECHNICAL TERMS AND ABBREVIATIONS

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

Authorization Code - A numerical code, one or more of which may be assigned to a Subscriber, to enable Carrier to identify the origin of service User so it may rate and bill the call. All authorization codes shall be the sole property of Carrier and no Subscriber 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.

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

Billed Party - The person or entity responsible for payment of the Company's service. The Billed Party is the Customer associated with the Authorization Code used to place the call, with the following exceptions:

- (a) in the case of a calling card or credit card call, the Billed Party is the holder of the calling card or credit card used by the User; and
- (b) in the case of a collect or third Party call, the Billed Party is the person responsible for the local telephone service at the telephone number that agrees to accept charges for the call.

Carrier or Company - Refers to Starlink Communications, LLC

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SECTION 1. TECHNICAL TERMS AND ABBREVIATIONS

Commission - Refers to the Arizona Corporation Commission.

Common Carrier - A company or entity providing telecommunications services to the public.

DNIS - Dialed Number Identification Service.

Holiday - New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day.

Local Access and Transport Area (LATA) - The term "Local Access Transport Area" denotes a geographical area established by the U.S. District Court for the District of Columbia in Civil Action No. 82-0192, within which a local exchange company provides communications services.

Measured Charge - A charge assessed on a per minute basis in calculating a portion of the charges due for a completed interexchange call.

Subscriber/Customer - The person or legal entity which enters into arrangements for Carrier's telecommunications services and is responsible for payment of Carrier's services.

Telecommunications - The transmission of voice communications or, subject to the transmission capabilities of the service, the transmission of data, facsimile, signaling, metering, or other similar communications.

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SECTION 1. TECHNICAL TERMS AND ABBREVIATIONS (Cont'd)

Travel Card - A credit calling card issued by Carrier which allows Subscribers and/or Users to make telephone calls and charge the calls to a credit account. Calls charged to a Carrier-issued credit travel card will appear on the Subscriber's regular monthly bill.

Unit - A defined segment or billable increment of each minute for which there is an established rate used for billing purposes. The cost of each unit varies depending on the service accessed with the pre-paid calling card. The rates for each service are listed in Section 4 of this tariff.

User - The person(s) utilizing Carrier's services.

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SECTION 2. RULES AND REGULATIONS

2.1 Application of Tariff

- 2.1.1 This tariff contains the regulations and rates applicable to intrastate resale telecommunications services provided by Carrier for telecommunications between points within the State. Carrier's services are furnished subject to the availability of facilities and subject to the terms and conditions of this tariff.
- 2.1.2 Carrier's services are not part of a joint undertaking with any other entity providing telecommunications channels, facilities or services, but do involve the resale of the Message Toll Services (MTS) and Wide Area Telecommunications Services (WATS) of underlying common carriers.
- 2.1.3 The rates and regulations contained in this tariff apply only to the services furnished by Carrier and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carrier for use in accessing the services of Carrier.
- 2.1.4 The Subscriber is entitled to limit the use of Carrier's services by Users at the Subscriber's facilities, and may use other common carriers in addition to or in lieu of Carrier.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.2 Use of Services

- 2.2.1 Carrier's services may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of services.
- 2.2.2 The use of Carrier's services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another or in such a way as to unreasonably interfere with use by others is prohibited.
- 2.2.3 The use of Carrier's services without payment for service or attempting to avoid payment for service by fraudulent means or devices, schemes, false or invalid numbers, or false calling or credit cards is prohibited.
- 2.2.4 Carrier's services are available for use twenty-four hours per day, seven days per week.
- 2.2.5 Carrier does not transmit messages pursuant to this tariff, but its services may be used for that purpose.
- 2.2.6 Carrier's services may be denied for nonpayment of charges or for other violations of this tariff.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.3 Liability of Carrier

- 2.3.1 Except as otherwise stated in this section, the liability of the Company for damages arising out of either: (A) 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 (B) 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 2.5
- 2.3.2 Except for the extension of allowances to the Customer for interruptions in service as set forth in Section 2.5, 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.
- 2.3.3 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.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.3 Liability of Carrier (Cont'd)

2.3.4 The Company shall not be liable for any claims for loss or damages involving:

- A.** Any act or omission of: (1) the Customer, (2) any other entity furnishing service, equipment or facilities for use in conjunction with services or facilities provided by the Company; or (3) common carriers or warehousemen;
- B.** 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;
- C.** Any unlawful or unauthorized use of the Company's facilities and services;

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Seattle, Washington 98101

SECTION 2. RULES AND REGULATIONS (Cont'd)

2.3 Liability of Carrier (Cont'd)

- D. Libel, slander, invasion of privacy or infringement of patents, trade secrets, or copyrights arising from or in connection with the transmission of communications by means of Company-provided facilities or services; or by means of the combination of Company-provided facilities or services with Customer-provided facilities or services;
- E. Breach in the privacy or security of communications transmitted over the Company's facilities;
- F. 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 2.3.1 of this Subsection 2.3.
- G. Defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.3 Liability of Carrier (Cont'd)

- H. 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;
- I. Any intentional, wrongful act of a Company employee when such act is not within the scope of the employee's responsibilities for the Company and/or is not authorized by the Company;
- J. Any representations made by Company employees that do not comport, or that are inconsistent, with the provisions of this Tariff.
- K. Any act or omission in connection with the provision of 911, E911, or similar services;
- L. Any noncompletion of calls due to network busy conditions;
- M. Any calls not actually attempted to be completed during any period that service is unavailable.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.3 Liability of Carrier (Cont'd)

2.3.5 The Company shall be indemnified, defended and held harmless by the Customer or end user from and against any and all claims, loss, demands, suits, expense, or other action or any liability whatsoever, including attorney fees, whether suffered, made, instituted, or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any Company or Customer equipment or facilities or service provided by the Company.

2.3.6 The Company does not guarantee nor make any warranty with respect to installations provided by it for use in an explosive atmosphere. The Company shall be indemnified, defended and held harmless by the Customer from and against any and all claims, loss, demands, suits, or other action, or any liability whatsoever, including attorney fees, whether suffered, made, instituted or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any equipment or facilities or the service.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.3 Liability of Carrier (Cont'd)

2.3.7 The Company assumes no responsibility for the availability or performance of any cable or satellite systems or related facilities under the control of other entities, or for other facilities provided by other entities used for service to the Customer, even if the Company has acted as the Customer's agent in arranging for such facilities or services. Such facilities are provided subject to such degree of protection or nonpreemptibility as may be provided by the other entities.

2.3.8 Any claim of whatever nature against the Company shall be deemed conclusively to have been waived unless presented in writing to the Company within thirty (30) days after the date of the occurrence that gave rise to the claim.

2.3.9 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.

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Effective:

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Seattle, Washington 98101

SECTION 2. RULES AND REGULATIONS (Cont'd)

2.4 Responsibilities of the Subscriber

- 2.4.1 The Subscriber is responsible for placing any necessary orders; for complying with tariff regulations; for the placement of any stickers or tent cards provided by Carrier or as required by law; and for assuring that Users comply with tariff regulations. The Subscriber shall ensure compliance with any applicable laws, regulations, orders or other requirements (as they exist from time to time) of any governmental entity relating to services provided or made available by the Subscriber to Users. The Subscriber is also responsible for the payment of charges for calls originated at the Subscriber's numbers which are not collect, third party, calling card, or credit card calls.
- 2.4.2 The Subscriber is responsible for charges incurred for special construction and/or special facilities which the Subscriber requests and which are ordered by Carrier on the Subscriber's behalf.
- 2.4.3 If required for the provision of Carrier's services, the Subscriber must provide any equipment space, supporting structure, conduit and electrical power without charge to Carrier.
- 2.4.4 The Subscriber is responsible for arranging access to its premises at times mutually agreeable to Carrier and the Subscriber when required for Carrier personnel to install, repair, maintain, program, inspect or remove equipment with the provision of Carrier's services.

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Effective:

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Seattle, Washington 98101

SECTION 2. RULES AND REGULATIONS (Cont'd)

2.4 Responsibilities of the Subscriber (Cont'd)

- 2.4.5 The Subscriber shall ensure that the equipment and/or system is properly interfaced with Carrier facilities or services, that the signals emitted into Carrier's network are of the proper mode, bandwidth, power, and signal level for the intended use of the Subscriber and in compliance with the criteria set forth in this tariff, and that the signals do not damage equipment, injure personnel, or degrade service to other Subscribers. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, Carrier will permit such equipment to be connected with its channels without use of protective interface devices.

If the Subscriber fails to maintain the equipment and/or the system properly, with resulting imminent harm to Carrier equipment, personnel, or the quality of service to other Subscribers, Carrier may, upon written notice, require the use of protective equipment at the Subscriber's expense. If this fails to produce satisfactory quality and safety, Carrier may, upon written notice, terminate the Subscriber's service.

Issued:

Effective:

Issued by: George F. Holland, President and Chief Executive Officer
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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.4 Responsibilities of the Subscriber (Cont'd)

- 2.4.6 The Subscriber must pay Carrier for replacement or repair of damage to the equipment or facilities of Carrier caused by negligence or willful act of the Subscriber, Users, or others, by improper use of the services, or by use of equipment provided by the Subscriber, Users, or others.
- 2.4.7 The Subscriber must pay for the loss through theft of any Carrier equipment installed at Subscriber's premises.
- 2.4.8 The Subscriber is responsible for payment of the charges set forth in this tariff.
- 2.4.9 The Subscriber is responsible for compliance with the applicable regulations set forth in this tariff.
- 2.4.10 The Subscriber shall indemnify and save Carrier harmless from all liability disclaimed by Carrier as specified in Section 2.3 above, arising in connection with the provision of service by Carrier, and shall protect and defend Carrier from any suits or claims against Carrier and shall pay all expenses and satisfy all judgments rendered against Carrier in connection herewith. Carrier shall notify the Subscriber of any suit or claim against Carrier of which it is aware.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.5 Allowances for Interruptions in Service

2.5.1 General

- A. A service is interrupted when it becomes unusable 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 tariff.
- B. An interruption period begins when the Customer reports a service, facility or circuit to be inoperative and releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative.
- C. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, 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.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.5 Allowances for Interruptions in Service (Cont'd)

2.5.2 Limitations on Allowances

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

- A. due to the negligence of, or noncompliance with the provisions of this Tariff by, any person or entity other than the Company, including but not limited to the Customer or other common carriers connected to the service of the Company;
- B. due to the failure of power, equipment, systems, or services not provided by the Company;
- C. due to circumstances or causes beyond the 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;
- F. during any period in which the Customer continues to use the service on an impaired basis;

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.5 Allowances for Interruptions in Service (Cont'd)

2.5.2 Limitations on Allowances (Cont'd)

- G. 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;
- H. that occurs or continues due to the Customer's failure to authorize replacement of any element of special construction; and
- I. that was not reported to the Company within thirty (30) days of the date that service was affected.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.5 Allowances for Interruptions in Service (Cont'd)

2.5.3 Application of Credits for Interruptions of Switched Service

- A. Credits for interruptions of service, for which charges are specified on the basis of per minute of use, or on the usage of a fraction of a minute, shall in no event exceed an amount equal to the initial period charge provided for under this tariff.
- B. For calculating credit allowances, every month is considered to have thirty (30) days.
- C. A credit allowance will be given for interruptions of service of 15 minutes or more. Two or more interruptions of 15 minutes or more during any one 24-hour period shall be considered as one interruption.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.5 Allowances for Interruptions in Service (Cont'd)

2.5.3 Application of Credits for Interruptions of Switched Service (Cont'd)

D. Interruptions of 24 Hours or Less

<u>Length of Interruption</u>	<u>Interruption Period To Be Credited</u>
Less than 15 minutes	None
15 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 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

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.5 Allowances for Interruptions in Service (Cont'd)

2.5.3 Application of Credits for Interruptions of Switched Service (Cont'd)

- E. Continuous Interruption 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 that occurs following the expiration of the initial 24-hour period. 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 that occurs following the expiration of the initial 72-hour period. No more than 30 days' credit will be allowed for any one month period.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.6 Billing Arrangements

- 2.6.1 Subscribers will either be billed directly by Carrier or its intermediary, or charges will be included in the Subscribers' regular telephone bill pursuant to billing and collection agreements established by Carrier or its intermediary with the applicable telephone company.
- 2.6.2 Carrier will render bills monthly. Payment is due within thirty (30) days after Subscribers' receipt of its bill.
- 2.6.3 Carrier may impose a late payment charge not to exceed 1.5% on any bill not paid within thirty (30) days of the receipt. Subscriber shall be responsible for all costs, including attorney's fees, incurred in the collection of unpaid charge or in any other action to enforce payments and/or obligations arising under this tariff.

2.7 Validation of Credit

Carrier reserves the right to validate the credit worthiness of Subscribers or Users.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.8 Contested Charges

All bills are presumed accurate, and shall be absolutely binding on the User unless objection is received by Carrier within forty-five (45) days after such bills are rendered. In the case of a billing dispute between the User and Carrier for service furnished to the User, which cannot be settled with mutual satisfaction, the User can take the following course of action within forty-five (45) days of the billing date:

2.8.1 First, the User may request, and Carrier will provide, an in-depth review of the disputed amount. (The undisputed portion and subsequent bills must be paid on a timely basis or the service may be subject to disconnect.)

2.8.2 Second, if there is still a disagreement about the disputed amount after the investigation and review by a manager of Carrier, the User may file an appropriate complaint with the Arizona Corporation Commission. The address of the Commission is:

Arizona Corporation Commission
Utilities Division
1200 W. Washington Street
Phoenix, Arizona 85007
(602) 542-4251

2.8.3 Billing inquiries may be directed to the Carrier at its toll free number 1-800-644-3939.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.9 Billing Entity Conditions

When billing functions on behalf of Carrier are performed by local exchange telephone companies, or others, the payment conditions and regulations of such companies apply, including any applicable interest and/or late payment charge conditions.

2.10 Deposits

Carrier does not require a deposit from the Subscriber for the provision of intrastate services.

2.11 Taxes

All federal excise taxes, and state and local sales, use, and similar taxes, are billed as separate items and are not included in the quoted rates.

2.12 Minimum Call Completion Rate

Carrier will ensure an industry standard blocking rate between P.01 and P.02.

2.13 Promotions

Carrier may from time to time offer promotional services.

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SECTION 3. EXPLANATION OF RATES

The regulations set forth in this section explain how to apply the rate tables associated with the various service offerings described in Section 4, following.

3.1 Timing of Calls

Billing for calls placed over the Company's network is based in part on the duration of the call. Timing of each call begins as specified below, and ends when the called party hangs up.

- (a) All Other Calls - Timing begins when the called station is answered, as determined by standard industry methods generally in use for ascertaining answer, including hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. Timing ends when the called party hangs up.

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SECTION 4. RATE SCHEDULE**4.1 900 Service****4.1.1 Description of Service**

The Company's 900 service is an inbound only service which permits callers located in the State to place long distance calls to locations that provide a variety of recorded and interactive information programs. Service is accessed by dialing an assigned telephone number with a 900 area code and is available in any area in which the company maintains suitable facilities and offers services to the public. Such service is available twenty-four (24) hours a day, seven (7) days a week.

The Company's customers may place calls from any location in the State. Customers will be charged a flat per minute rate for the first minute of usage as indicated in Section 4.1.2(A). Each additional minute of usage is determined on a volume discount basis according to the customers total monthly usage as indicated in Section 4.1.2(B).

4.1.2 Dedicated Rates**A. Per Minute Charges**

The following charges apply to all 900 Services calls completed by the Company:

<u>First Minute</u>	<u>Each Additional Minute</u>
\$0.10	\$0.22

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SECTION 4. RATE SCHEDULE (Cont'd)**4.1 900 Service (Cont'd)****4.1.2 Dedicated Rates (Cont'd)****B. Volume Discounts**

The following volume discounts apply to the additional minute of all 900 service usage for each Customer based upon total usage (not including taxes) within a monthly billing cycle. Monthly usage includes both domestic interstate and intrastate direct dialed calls only. Directory assistance services and international calls are not included in computing, nor are they eligible for, volume discounts. Taxes and other surcharges are applied after application of volume discounts.

<u>Total Monthly Usage</u>	<u>Additional Per Minute Rate</u>
0 - 100,000	\$0.22
100,001 - 200,000	0.21
200,001 - 300,000	0.20
300,001 - 500,000	0.19
500,001 - 750,000	0.175
750,001 - +	0.165

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SECTION 4. RATE SCHEDULE (Cont'd)**4.1 900 Service (Cont'd)****4.1.2 Dedicated Rates (Cont'd)****C. Minimum Line Usage**

Within each separate customer account, the average monthly usage per 900 Number must be equal to or exceed \$70.00 per number or a minimum monthly usage fee will be incurred. The fee will be equal to the difference between the actual usage and the \$70.00 per line average. The minimum line usage fee will be capped at a maximum of \$3,000.00 per account per month.

D. DNIS/ANI Delivery

Customers that request DNIS/ANI delivery with call transport will be charges a one-time fee of \$450.00. A monthly recurring fee of \$75.00 per terminating location will be assessed for this service.

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SECTION 4. RATE SCHEDULE (Cont'd)

4.1 900 Service (Cont'd)

4.1.3 Switched Rates

A. Per Minute Charges

The following charges apply to all 900 Service calls completed by the Company:

First Minute

\$0.19

Each Additional Minute

\$0.29

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SECTION 4. RATE SCHEDULE (Cont'd)**4.2 Customer Specific Contracts**

The Company may provide any of the services offered under this tariff, or combinations of services, to Customers on a contractual basis. The terms and conditions of each contract offering are subject to the agreement of both the Customer and the Company. Such contract offerings will be made available to similarly situated Customers in substantially similar circumstances. Rates in other sections of this tariff do not apply to Customers who agree to contract arrangements, with respect to services within the scope of the contract. The rates provided under such contract offerings are listed in Appendix A.

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SECTION 4. RATE SCHEDULE (Cont'd)**4.3 800 Service****4.3.1 Description of Service**

The Company's 800 Service is an inbound-only service which allows callers located in the State to place toll-free calls to customer by dialing an assigned telephone number with a 800 area code. Calls may be terminated either to the customer's local exchange telephone service, or to a dedicated access line. Service is available in any area in which the Company or any of its concurring carriers maintains suitable facilities and offers services to the public. Customers will be charged a flat per minute rate as indicated in Section 4.3.2.

4.3.2 Rates**Dedicated 800 Service**

Per Minute: \$.0675

Switched 800 Service

Per Minute: \$.1475

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SECTION 4. RATE SCHEDULE (Cont'd)

4.4 1+ Long Distance

4.4.1 Description of Service

1+ Long Distance

1+ Long Distance Services consist of the furnishing of message telephone service between telephone stations located within the State.

4.4.2 Rates

Dedicated 1 + Long Distance

Per Minute: \$.0675

Switched 1 + Long Distance

Per Minute: \$0.1475

4.5 Post-Paid Calling Card Service

Post-Paid Calling Card Service enables customers to make calls through the use of a long distance calling card.

Per Minute: \$0.25

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SECTION 5. MISCELLANEOUS CHARGES

5.1 Late Payment Charge

Any charges accrued under this tariff that are not paid in full within the time provided by Section 2.6, preceding, will be subject to the following late payment charge:

1.5% Per Month

5.2 Uncollectible Check Charge

For any check returned to the Company due to insufficient funds, uncollected funds, or closed account:

\$15.00 per check returned.

154452.1

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APPENDIX A

**Contract
Number**

**Service
Description**

Rates

**Effective
Date**

[RESERVED FOR FUTURE USE]

Application for Competitive Reseller CC&N
Starlink Communications, LLC

ATTACHMENT D

Financial Statements



Balance Sheet

November 30, 1995

ASSETS

Current Assets

Cash	\$ 19,273
Accounts receivable - transport	188,451
Accounts receivable -NTE/A-1 Billing & Collections	492,988
Allowance for doubtful accounts - transport	(19,337)
Allowance for uncollectibles -NTE/A-1 Billing & Collections	(49,298)
Loan Receivable - Child Safety Ntwrk	50,000
Prepaid Exp. - Current Portion of Setup/Translation	135,108
Total current assets	817,183

Property and Equipment

Equipment - Computers & Software	38,203
Equipment - Other	15,267
Equipment - Siemens Switch	458,035
Equipment - Deposit	20,800
Furniture and Fixtures	17,594
Real Estate	99,908
Less: accumulated depreciation	(2,058)
Total property and equipment	647,749

Other Noncurrent Assets

Prepaid Expenses - Allnet Translation	240,000
Prepaid Expenses - Allnet Setup	200,000
Total noncurrent assets	440,000

TOTAL ASSETS

\$1,904,932

LIABILITIES

Current Liabilities

Current portion of Long -Term Debt	\$ 23,081
Accounts payable - Trade	172,964
Accounts payable - NTE/A-1 Billing & Collections	239,437
Outside Commissions Payable -	13,325
Sales Tax Payable	2,104
Wages & Taxes payable	25,111
Total current liabilities	476,022

Noncurrent Liabilities

Loan payable - Siemens switch	415,600
Loans payable - 75 Gregg Dr N.J.	71,918
Less: Current Portion of Long-Term Debt	(23,081)
Total noncurrent liabilities	464,437

TOTAL LIABILITIES

940,460

Capital Account

Membership Interest	1,865,368
Retained Earnings	(700,895)
Total Equity	964,472

TOTAL LIABILITIES AND EQUITY

\$1,904,932



Income Statement
October/November 1995

	Oct/Nov 95	% of Sales	YTD 95	% of Sales
Revenues:				
1+,800 Transport	\$ 74,066	21.30%	\$ 93,803	21.08%
900 Transport	239,228	68.80%	308,121	69.26%
DS-1 Revenues	1,080	0.30%	1,060	0.24%
Billing Revenues	33,358	9.59%	41,904	9.42%
Total Net Revenue	347,703	100.00%	444,888	100.00%
Less Cost of Sales:				
Carrier Charges - 1+, 800 Transport	108,953	31.34%	122,817	27.61%
Carrier Charges - 900 Transport	110,903	31.90%	161,858	36.38%
Inside Commissions	4,410	1.27%	4,410	0.99%
Outside Commissions	15,119	4.35%	15,119	3.40%
Telco (LEC) Billing Fees	5,961	1.71%	5,961	1.34%
Billing Company fees	5,703	1.64%	5,703	1.28%
Bad debt expense	10,549	3.03%	36,988	8.32%
Total Cost of Sales	261,598	75.24%	352,866	79.32%
Gross Profit	86,105	24.76%	92,022	20.68%
General & Administrative Expenses:				
Advertising & Marketing	10,502	3.02%	136,969	31.24%
Amortization - Transition/Startup	18,333	5.27%	45,833	10.30%
Association Dues	-	0.00%	10,000	2.25%
Bank charges	128	0.04%	142	0.03%
Calling Cards	2,218	0.64%	2,218	0.50%
Depreciation	(1,507)	-0.43%	2,058	0.46%
Employee Benefits	2,454	0.71%	4,815	1.08%
Insurance	7,868	2.26%	13,558	3.05%
Interest	518	0.15%	1,555	0.35%
Labor - Gross Wages	85,950	24.72%	168,612	37.90%
Labor - Less Commissions to Cost of Sales	(4,410)	-1.27%	(4,410)	-0.99%
Lease/Rent Office	4,420	1.27%	11,111	2.50%
Licenses and Fees	2,762	0.79%	9,063	2.04%
Meals & Entertainment	-	0.00%	284	0.06%
Office Expense	5,108	1.47%	17,477	3.93%
Professional Services - Attorney	15,916	4.58%	40,717	9.15%
Professional Services - General	34,881	10.03%	74,284	16.69%
Recruiting - Headhunter	(7,738)	-2.23%	59,917	13.47%
Recruiting - Moving	8,399	2.42%	8,399	1.89%
Recruiting - Downpayment/Holland house	(1,885)	-0.48%	58,798	12.77%
Rent - Leased Equipment/Art	1,828	0.53%	5,906	1.33%
Shipping	1,037	0.30%	2,468	0.55%
Taxes - Real estate	504	0.14%	1,008	0.23%
Taxes - Payroll & Other	3,328	0.96%	14,117	3.17%
Telephones - Office	9,899	2.79%	11,081	2.49%
Telephones - Fixed	30,388	8.73%	43,159	9.70%
Trade Shows	10,055	2.89%	10,086	2.26%
Travel	8,988	2.58%	27,800	6.25%
Total Estimated General & Admin Exp.	248,713	71.82%	776,941	174.64%
Other (Income) & Expense				
Interest Income	(408)	-0.12%	(1,933)	-0.43%
Loss on Sale of Real Estate		0.00%	17,908	4.03%
Total Other (Income) & Expense	(408)	-0.12%	15,975	3.59%
Net Loss	\$ (164,016)		\$ (700,894)	