

COPY



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NEW APPLICATION

RECEIVED

ARIZONA CORPORATION COMMISSION

2004 MAY -3 P 12: 20

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

AZ CORP COMMISSION

Mail or file this copy with completed application to:

For Docket Control Only:

(Please Stamp Here)

Arizona Corporation Commission

DOCKETED

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

T-04257A-04-0335

MAY 03 2004

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

DOCKETED BY *AKC*

Type of Service: _____

Docket No.: _____ Date: _____

Date Docketed: _____

Type of Service: _____

Docket No.: _____ Date: _____

Date Docketed: _____

RECEIVED
AZ CORP COMMISSION
DOCKET CONTROL
JAN 26 P 1: 21

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)
- Other _____ (Please attach complete description)

(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:

The J. Richard Company, LLC (480) 659-4778
4607 E. Molly LN fax (602) 493-6913
Cave Creek AZ 85331 www.livewirephone.com

Arizona Corporation Commission
DOCKETED

04/14/04

JAN 26 2005

DOCKETED BY *AKC*

EXHIBIT
4
admitted 1-13-05

(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): *Live Wire Phone Company*

(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:

Donna Beaver (480) 659-4778
4607 E. Molly LN (602) 493-6913 fax
Cave Creek AZ 85331 dbeaver@livewirephone.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:

Law Offices of
Laird & Associates, P.C.
1300 E. Missouri, Suite C-101
Phoenix AZ 85014

(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:

Donna Beaver (480) 659-4778
4607 E. Molly LN (602) 493-6913 fax
Cave Creek AZ 85331 dbeaver@livewirephone.com

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

- Sole proprietorship
- Partnership: ___ Limited, ___ General, ___ Arizona, ___ Foreign
- Limited Liability Company: 4 Arizona, ___ Foreign
- Corporation: ___ "S", ___ "C", ___ Non-profit
- 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).
2. Tariff Maximum Rate and Prices to be charged (reference by Tariff page number).
3. Terms and Conditions Applicable to provision of Service (reference by Tariff page number).
4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number).
5. The proposed fee that will be charged for returned checks (reference by Tariff page number).

(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. *NONE*

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.

(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. *NONE*

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.

(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. *N/A*

(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 you 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. *Quest*

(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:

NONE
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.

(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. *NONE*

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.

(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.

New company. Plan to begin operations 9/04

(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.

*Live Wire Phone Company will rely upon
the financial resources of The J. Richard
Company.*

(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.

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

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 59421:

- Yes

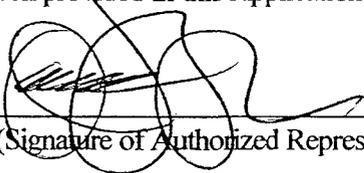
(E-2) Indicate whether the Applicant will provide all customers with 911 and E911 service, where available, and will coordinate with incumbent local exchange carriers ("ILECs") and emergency service providers to provide this service:

- Yes

(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

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 (A.A.C. Title 14, Chapter 2, Article 11) and that the company will abide by Arizona state law including the Arizona Corporation Commission Rules. 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.



(Signature of Authorized Representative)

5-3-04

(Date)

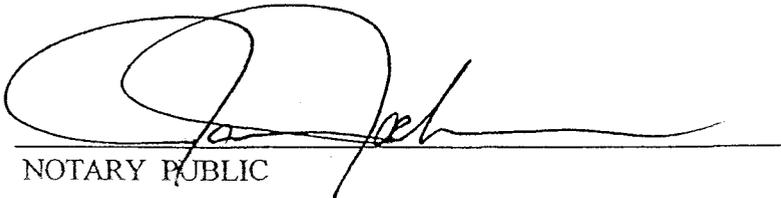
James R. BEAVER

(Print Name of Authorized Representative)

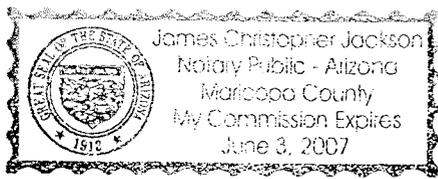
EXECUTIVE VICE PRESIDENT

(Title)

SUBSCRIBED AND SWORN to before me this 3 day of May, 2004


NOTARY PUBLIC

My Commission Expires June 3, 2007



NEWSPAPER INFORMATION

You may contact John Fearing, Executive Director of the Arizona Newspaper Association, at (602) 261-7655 for information on the newspapers, which publish in each county and for a rate quote.

The Arizona Republic is the only newspaper, which is considered to have a statewide distribution.

The Arizona Business Gazette is only sufficient for Maricopa County.

THE ARIZONA REPUBLIC

NOTICE OF APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE COMMERCIAL TELECOMMUNICATIONS SERVICES AS A LONG DISTANCE RESIDENTIAL COMMUNICATIONS...

GLOBAL CREST COMMUNICATION, INC. (Applicant) has filed with the Arizona Corporation Commission... Certificate of Convenience and Necessity (CC&N) to provide commercial interstate telecommunications services as a long distance residential...

A.R.S. § 40-201 provides that the Commission may act on an application for a CC&N to provide interstate telecommunications services without a hearing or with a hearing if one is requested by any party... Commission will file on the application without a hearing.

The application, report of the Commissioner's Utilities Division Staff and any written objections to the Staff Report prepared by the applicant are available for inspection during regular business hours at the offices of the Commission...

Under appropriate circumstances, interested parties may intervene in the proceedings and participate as a party. Intervention shall be in accordance with A.C.R. R. 1-102, except that all motions to intervene must be filed within twenty-one (21) days from the date of publication of this notice.

You may have the right to intervene in the proceedings if you may make a statement for the record if you have any comments. Mail them to:

The Arizona Corporation Commission Attention: Docket Control RE: GLOBAL CREST COMMUNICATION, INC. 1-1621A-01-0111 1200 West Washington Street Phoenix, Arizona 85007

All comments should be received within twenty-one (21) days from the date of publication of this notice. If you have any questions about this application or have any objections to its approval, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-722-7000.

The Commission does not discriminate on the basis of disability in admission to its public facilities. Persons with a disability may request reasonable accommodations such as a sign language interpreter, an audio recording device, or an alternative format. ADA Complaints may be filed with the U.S. Department of Justice, Civil Rights Division, 445 North Capitol Street, N.W., Washington, D.C. 20543. Reliance should be placed on such as published in such as 47 C.F.R. § 1.407- July 1, 2003.

STATE OF ARIZONA }
COUNTY OF MARICOPA } SS.

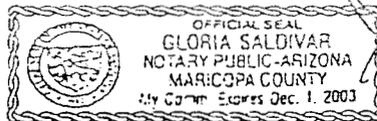
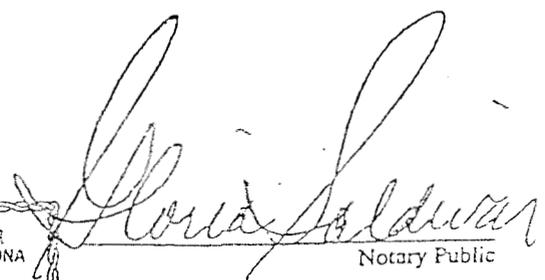
TOM BIANCO, being first duly sworn, upon oath deposes and says: That he is the legal advertising manager of the Arizona Business Gazette, a newspaper of general circulation in the county of Maricopa, State of Arizona, published at Phoenix, Arizona, by Phoenix Newspapers Inc., which also publishes The Arizona Republic, and that the copy hereto attached is a true copy of the advertisement published in the said paper on the dates as indicated.

The Arizona Republic

July 3, 2001



Sworn to before me this
11TH day of
July A.D. 2001



Notary Public

The J. Richard Company, dba Live Wire Phone Company

"Attachment A"

1. Certificate of Good Standing
2. Articles of Organization
3. Percentage of Ownership

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Secretary of the Arizona Corporation Commission, do hereby certify that

*****THE J RICHARD COMPANY, LLC*****

a domestic limited liability company organized under the laws of the State of Arizona, did organize on the 10th day of March 2004.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said limited liability company is not administratively dissolved for failure to comply with the provisions of A.R.S. section 29-601 et seq., the Arizona Limited Liability Company Act; and that the said limited liability company has not filed Articles of Termination as of the date of this certificate.

This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 9th Day of April, 2004, A. D.



Brian C. McNeil
Executive Secretary

By *Melissa C. [Signature]*

ARTICLES OF ORGANIZATION OF
THE J. RICHARD COMPANY, LLC
DBA LIVE WIRE PHONE COMPANY
An Arizona Limited Liability Company

RECEIVED
MAR 10 2004
ARIZONA CORP. COMMISSION
CORPORATIONS DIVISION

1. **Name.** The name of the "Company" is: **The J. Richard Company, LLC dba Live Wire Phone Company.**
2. **Purpose.** This Company is formed for the purpose of providing residential and/or business phone services for a profit as a "Competitive Local Exchange Carrier" ("CLEC") in Maricopa County, Arizona, and elsewhere, and may engage in any activities related to this purpose, or for any other lawful purpose, being taxed under applicable general partnership taxation rules and providing full protection of the Members' personal assets. The Company shall be operated in a manner consistent with its treatment as a "partnership" for federal and state income tax purposes of Section 303 of the Federal Bankruptcy Code. These are the overriding purposes of the Company; any act by a Member contrary to these purposes is void ab initio.
3. **Registered Office.** The address of the registered office of the Company is: c/o Richard H. Jones, 5319 E. Hartford Ave., Scottsdale, Arizona 85254.
4. **Statutory Agent's Name and Address.** The name and address of the statutory agent for service of process is: Richard H. Jones, 5319 E. Hartford Ave., Scottsdale, Arizona 85254.
5. **Members.** The Company's Members who own 20% or more of the capital or profits and their addresses are listed below. There are or will be two or more Members at the formation of the Company.
6. **Date of Dissolution.** The Company shall have a perpetual existence.
7. **Management.** Management of the Company is vested in the Members of the Company.
8. **Certificate of Authority.** A Certificate signed by the agent for service of process of the Company identifying the Members, as applicable, of the Company or certifying their authority may be relied upon as correct and legally binding by persons dealing with the Company and shall bind the Company for all purposes including, but not limited to, a title insurer issuing title insurance for real or personal property conveyances or a lender granting or extending credit to the Company.

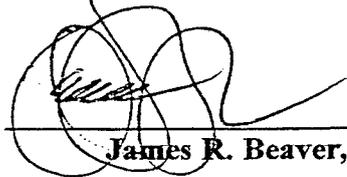
EXECUTED to be effective as of this 20th day of February 2004.

Members owning 20% or more:

Richard H. Jones
5319 E. Hartford Ave.
Scottsdale, Arizona 85254

James R. Beaver
4607 E. Molly Lane
Cave Creek, Arizona 85331

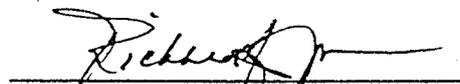
DATED: February 20, 2004


James R. Beaver, Member


Richard H. Jones, Member

Acceptance By Statutory Agent

I hereby accept appointment as statutory agent for service of process for the Company at the address listed above.


Richard H. Jones

The J. Richard Company, dba Live Wire Phone Company

Ownership Percentages

1. James R Beaver : Member : 50%
2. Richard H Jones : Member : 50%

The J. Richard Company, dba Live Wire Phone Company

"Attachment B"

1. Tariff

END-USER SERVICES TARIFF

ARIZONA

END-USER SERVICES TARIFF

OF

The J. Richard Company, LLC
dba Live Wire Phone Company

The J. Richard Company, LLC, dba Live Wire Phone Company, operates as a competitive telecommunications company in the State of Arizona. This tariff contains the descriptions, regulations and rates applicable to the furnishing of end-user services and facilities by The J. Richard Company, LLC, dba Live Wire Phone Company ("the Company") within the State of Arizona. This tariff is on file with the Arizona Corporation Commission. Copies may be inspected during normal business hours at the Company's principal place of business at 4607 E. Molly Lane, Cave Creek, Arizona 85331-6692.

Issued: April 26, 2004

Effective:

By:

Richard H. Jones, President
P.O. Box 4607
Cave Creek, AZ 85331-6692

END-USER SERVICES TARIFF

CHECK SHEET

Sheets of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets are named below and comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this sheet.

<u>SHEET</u>		<u>REVISION</u>	<u>SHEET</u>		<u>REVISION</u>
1	*	Original	17	*	Original
2	*	Original	18	*	Original
3	*	Original	19	*	Original
4	*	Original	20	*	Original
5	*	Original	21	*	Original
6	*	Original	22	*	Original
7	*	Original	23	*	Original
8	*	Original	24	*	Original
9	*	Original			
10	*	Original			
11	*	Original			
12	*	Original			
13	*	Original			
14	*	Original			
15	*	Original			
16	*	Original			

*Indicates sheet included with this filing.

Issued: April 26, 2004

Effective:

By:

Richard H. Jones, President
P.O. Box 4607
Cave Creek, AZ 85331-6692

END-USER SERVICES TARIFF

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Issued: April 26, 2004

Effective:

By:

Richard H. Jones, President
P.O. Box 4607
Cave Creek, AZ 85331-6692

END-USER SERVICES TARIFF

SYMBOLS

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

- C Changed regulation.
- 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.

Issued: April 26, 2004

Effective:

By:

Richard H. Jones, President
P.O. Box 4607
Cave Creek, AZ 85331-6692

END-USER SERVICES TARIFF

TARIFF FORMAT

- A. Sheet Numbering – Sheet numbers appear in the upper right corner of the sheet. 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 sheet. 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 sheet in effect. Consult the Check Sheet for the sheet currently in effect.
- C. Paragraph Numbering Sequence – There are nine (9) levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2.
 - 2.1.
 - 2.1.A
 - 2.1.A.(1).
 - 2.1.A.(1).a.
 - 2.1.A.(1).a.I.
 - 2.1.A.(1).a.I.(A).
 - 2.1.A.(1).a.I.(A).i
 - 2.1.A.(1).a.I.(A).i.(a).
- 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 sheet contained in the tariff, with a cross reference to the current revision number. When new sheets are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). 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.

Issued: April 26, 2004

Effective:

By:

Richard H. Jones, President
P.O. Box 4607
Cave Creek, AZ 85331-6692

END-USER SERVICES TARIFF

1.0 DEFINITIONS

Billed Party: The person or entity responsible for payment of the Company's service. The Billed Party is the Customer in whose name service is registered with the Company.

Called Station: The terminating point of a call.

Calling Station: The originating point of a call.

Carrier: The facilities-based telecommunications provider whose services are being resold to the Customer by the Company.

Commission: The Corporation Commission of Arizona

Company: The J. Richard Company, LLC, dba Live Wire Phone Company, its subsidiaries, and/or authorized agents offering service through brand names and/or sales marks as set forth by this tariff.

Customer: The person who orders or uses service and is responsible for payment of charges and compliance with tariff regulations.

Deaveraged Unbundled Network Element (UNE) Zones. Deaveraged Unbundled Network Element (UNE) Zones have been established to reflect different geographic cost-based rates within the state for certain UNEs.

Telecommunications: The transmission of voice communications or, subject to the transmission capabilities of the service, the transmission of data, facsimile, signaling, or any other form of intelligence.

User: A Customer, or any person or entity that makes use of services provided to a Customer under this Tariff.

Issued: April 26, 2004

Effective:

By:

Richard H. Jones, President
P.O. Box 4607
Cave Creek, AZ 85331-6692

END-USER SERVICES TARIFF

2.0 RULES AND REGULATIONS

2.1 Application of Tariff

- 2.1.1 This tariff contains the rates applicable to local exchange resale telecommunications services offered by the Company for service using various sales marks and/or brand names within the State of Arizona. Service is furnished subject to transmission, atmospheric and like conditions.
- 2.1.2 The telecommunications services of the Company are not part of a joint undertaking with any other entity providing telecommunications channels, facilities, or services. However, services under this tariff are conditioned upon the continued availability of the various services provided to the Company by its underlying carriers.
- 2.1.3 The rates and regulations contained in this tariff apply only to services provided through Company's contracted Carrier, and do not apply, unless otherwise specified, to the lines, facilities, or services provided by any other local exchange telephone company or other common carrier for use in accessing the services of the Company.

2.2 Undertaking of the Company

- 2.2.1 The Company undertakes to provide telecommunications services to Customers for their lawful and direct transmission and reception of voice, data, and other types of communications in accordance with the terms and conditions set forth in this tariff.
- 2.2.2 All service is subject to the availability of necessary and suitable facilities and to the provisions of this tariff. The company or its designee may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities, when authorized by the Customer, to allow connection of a Customer's location to a service provided by the Company. The Customer shall be responsible for all charges due for such service arrangement, and shall pay for such service arrangement in advance.
- 2.2.3 The Company's services are provided on a monthly basis unless otherwise provided, and are available twenty-four (24) hours per day, seven (7) days per week.

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Effective:

By:

Richard H. Jones, President
P.O. Box 4607
Cave Creek, AZ 85331-6692

END-USER SERVICES TARIFF

2.0 **RULES AND REGULATIONS (cont'd)**

2.2 **Undertaking of the company (cont'd)**

- 2.2.4 The Company shall not be responsible for any construction, installation, operation or maintenance of any Customer-provided communications equipment. Where such equipment is connected to service furnished pursuant to this tariff, the responsibility of the Company shall be limited to furnishing of services under this tariff and to the maintenance and operation of such services in the proper manner.
- 2.2.5 The Company assumes no liability with respect to the construction, operation, or maintenance of Customer-provided station equipment at the Customer's premises, excepting such liability directly due to negligence of Company's employees or agents..
- 2.2.6 The Carrier may, upon notification of the Customer, at a reasonable time, make such tests and inspections as may be necessary to determine that the requirements of this tariff are being complied with in the installation, operation, and maintenance of Customer-provided equipment and in the wiring of the connection of Customer channels to Carrier-owned facilities. The Carrier may temporarily suspend services, without liability to Company or Carrier, while making such tests and inspections, and thereafter until any violations of such requirements are corrected.
- 2.2.7 The Company may take such action as necessary to protect its operations, personnel, and services, and will promptly notify the Customer by mail in writing of the need for protective action. In the event that the Customer fails to advise the Company within ten (10) days after such notice is received that corrective action has been taken, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its operations, personnel, and services from harm.

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END-USER SERVICES TARIFF

2.0 RULES AND REGULATIONS (cont'd)

2.2 Undertaking of the Company (cont'd)

- 2.2.8 The Company does not undertake to transmit messages, but mediates the use of its Carriers' facilities when available, and will not be liable for errors in transmission or for failure to establish connections.
- 2.2.9 Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions of service.
- 2.2.10 Company reserves the right to disconnect service without incurring liability when necessitated by conditions beyond the Company's control or when the Customer is using the service in violation of either the provisions of this tariff or the laws, rules, regulations, or policies of the jurisdiction of the Calling Station or the Called Station, or the laws of the United States including the rules, regulations, and policies of the Federal Communications Commission.

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END-USER SERVICES TARIFF

2.0 RULES AND REGULATIONS (cont'd)

2.3 Use

- 2.3.1 Services may be used for the lawful transmission of communications by the Customer consistent with the provisions of this tariff.
- 2.3.2 Service may not be used for any unlawful purpose. The use of the Company's services to make calls which might be 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.
- 2.3.3 The use of the Company's services without payment for service, as well as any attempt to avoid payment for service by fraudulent means, devices, or schemes, false or invalid numbers, or false calling or credit cards, or other fraudulent means, is prohibited.
- 2.3.4 The Company's services are available for use twenty-four (24) hours per day, seven (7) days per week.
- 2.3.5 Provided that they have obtained any and all required regulatory approvals, Customers of service provided under this tariff may authorize or permit others to use these services, and may resell or share such services subject to the regulations contained in this tariff upon written consent of Company. The Customer remains responsible to the Company for payment of all charges for services used by others pursuant to this paragraph, with or without the Customer's knowledge, and is responsible for notifying the Company immediately of any unauthorized use of services.

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END-USER SERVICES TARIFF

2.0 RULES AND REGULATIONS (cont'd)

2.4 Liability of the Company

- 2.4.1 The Company shall not be liable for any failure of performance hereunder due to causes beyond its control, including but not limited to: acts of God, fires, flood or other catastrophes; any law, order, regulation, directive, action, or request of the United States Government or any other government, including state and local governments having jurisdiction over the Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of said governments or of any civil or military authority; national emergencies; insurrections; riots; wars; or labor difficulties.
- 2.4.2. The Company shall not be liable for any act or omission of any other entity furnishing to the Customer facilities, equipment, or services used with the Company's services. The Company shall not be liable for any damages or losses due to the failure of Customer-provided equipment, facilities, or services. Company is not liable for any act or omission of any other company or companies furnishing a portion of the service. No agents or employees of connecting, concurring, or other participating carriers or companies shall be deemed to be agents or employees of the Company without written authorization.
- 2.4.3 Company shall not be liable for and Customer shall indemnify and hold Company harmless from any and all losses, claims, demands, suits, or other action or liability whatsoever, whether suffered, made, instituted, or asserted by the Customer or by 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 by 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, wiring, or services provided by Company or Carrier where such installation, operation, failure to operate, maintenance, condition, location, or use is not the direct result of Company's negligence.

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END-USER SERVICES TARIFF

2.0 **RULES AND REGULATIONS (cont'd)**

2.4.4 The liability of the Company for mistakes, omissions, interruptions, delays, errors, or defects in transmission shall not exceed an amount equivalent to the proportionate monthly recurring charge to the Customer for the period of service during which such events occur. No credit shall be allowed for an interruption of a continuous duration of less than two (2) hours. For purposes of determining service credits, a month shall be deemed to have seven hundred twenty (720) hours. Any credits will be set off against charges billed during the next month.

2.5 **Limitations**

2.5.1 In addition to and not in limitation of all other provisions in this paragraph 2.5 with respect to Customer indemnification of the Company, the Company shall be indemnified and held harmless by the Customer against:

- (1) Claims for libel, slander, infringement of copyright or unauthorized use of any trademark, trade name, or service mark arising out of the material, data, information, or other content transmitted via Company's services.
- (2) Claims for patent infringement arising from combining or connecting 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 company.

2.5.2 The Company shall not be liable for damages or adjustment, refund, or cancellation of charges unless the Customer has notified the Company in writing, of any dispute concerning charges, or the basis of any claim for damages, within a reasonable period of time after the invoice is rendered or a debit is effected by the Company for the call giving rise to such dispute or claim. Any such notice must set forth sufficient facts to provide the Company with a reasonable basis upon which to evaluate the Customer's claim or demands. If notice of a dispute concerning the charges is not received, in writing, within a reasonable period of time after an invoice is rendered or a debit is effected, such invoice shall be deemed to be correct, accepted, and binding upon the Customer

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END-USER SERVICES TARIFF

2.0 RULES AND REGULATIONS (cont'd)

2.6 Obligations of the customer

- 2.6.1 The Customer shall provide the personnel, power, and space required to operate all facilities and associated equipment installed on the premises of the Customer.
- 2.6.2 The Customer shall be responsible for providing Carrier personnel access to premises of the Customer at any reasonable hour for the purpose of testing the facilities or equipment of the Carrier.
- 2.6.3 The Customer will be liable for damages to the facilities of the Carrier caused by negligence or willful acts of any officers, employees, agents, or contractors of the Customer.
- 2.6.4 The Customer is responsible for pre-payment of all charges for services to be rendered by the Company. Customer may authorize others to use the services provided by the Company, but Customer remains responsible to the Company for payment of all charges for services used by others pursuant to this paragraph, with or without the Customer's knowledge. Customer is responsible for notifying the Company immediately of any unauthorized use or service.

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END-USER SERVICES TARIFF

2.0 RULES AND REGULATIONS (cont'd)

2.7 Interruption of Service

2.7.1 For the interruption of service which lasts more than two hours in continuous duration, and which is not due to Company's testing or adjusting, to the negligent or willful acts of the Customer, or to the failure of channels and/or equipment provided by the Customer, the Customer is eligible for a service credit. It shall be the obligation of the Customer to notify Company of any interruptions of service for which a credit allowance is desired. Before notifying Company of any service interruption, the Customer shall ascertain that the trouble is not being caused by any action or omission by the Customer, not within the Customer's control, and/or is not in the wiring or equipment, if any, furnished by the Customer and connected to the facilities of the Company. For purposes of calculating the service credit under this provision, every month shall be considered to have seven hundred twenty (720) hours, and the applicable credit shall be calculated according to the following formula:

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

A = outage time in hours

B = total monthly charge for affected facility

2.8 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 specify the priority system for such activities.

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END-USER SERVICES TARIFF

2.0 RULES AND REGULATIONS (cont'd)

2.9 Payments and Billing

The Customer is responsible for the payment of all charges for services furnished by the Company. Service is provided on a monthly basis and billed in advance. The minimum service period is one month. Bills will be issued monthly.

Customer bills are generated 20 days in advance of their due date. Each residential customer will be billed for any usage and for the next month of service. A bill will become delinquent if it has not been paid at least 20 days after the billing date.

Bills are payable by cash, cashier's check, money order, or electronic funds transfer. All payments for residential postpaid service must be made through Bank Electronic Funds Transfer or ACH. The Company will debit the residential customer's bank account 10 days before the due date in order to allow the Company time to contact the customer in case of insufficient funds.

The Company may appoint an agent to provide billing and collection service. Prepaid service customer accounts can be serviced directly through agents where customers pay for their service with cash or money orders. No checks will be accepted.

Customer questions, complaints, and disputes regarding billing or service provided by the Company may be referred to the Company's customer service department in writing at P.O. Box 4607, Cave Creek, Arizona 85331-6692 or by telephone at (480) 659-4778.

The Company does not require deposits from Customers. Should this change the Company shall amend the appropriate tariff.

2.10 Cancellation by customer

The minimum service period after initiation of service is one calendar month. Customers may cancel by providing written or verbal notice during the last calendar month of service. The Customer shall remain liable for any charges incurred prior to the time that such cancellation becomes effective.

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END-USER SERVICES TARIFF

2.0 RULES AND REGULATIONS (cont'd)

2.11 Cancellation by the Company

Service may be discontinued or temporarily suspended by the Company, without notice to the customer, when the Company deems it necessary to take such action to prevent unlawful use of its service. The Company will restore service as soon as it can be provided without undue risk. Charges for reconnection of blocked or suspended service are included in Section 4 of this tariff.

Without incurring liability, the Company may discontinue the provision of service to a Customer or to a particular Customer location, or may withhold the provision of ordered or contracted services:

1. Upon five (5) days' written notice, for nonpayment of any regulated sum due the company; (Prior to actual disconnection, services may be extended by a payment of a service continuation fee, at which time the telephone number will be reserved for ten (10) days and service will be extended ten (10) days beyond the expiration of the prepaid period. The customer may elect to pay the continuation fee to avoid a reconnection fee, however the customer will be responsible to pay for all services provided during the service continuation period. The service continuation fee will not be deducted from the monthly recurring charge.)
2. For violation of any of the provisions of this tariff or any applicable service contract.
3. For violation of any law, rule, regulation, or policy of any governing authority having jurisdiction over the Company's services.
4. By reason of any order or decision of a court, public service commission, or federal regulatory body or other governing authority prohibiting the Company from furnishing its services; or
5. In the event that the Company's underlying Carrier(s) no longer provide the Company with services necessary for the Company to provide the services offered herein.

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END-USER SERVICES TARIFF

2.0 **RULES AND REGULATIONS (cont'd)**

2.12 **Interconnection**

2.12.1 Service furnished by Company may be interconnected with services or facilities of other authorized communications common carriers and with private systems, subject to the technical limitations established by Company or Carrier. Any special interface of equipment or facilities necessary to achieve computability between the facilities of Company and other participating carriers shall be provided at the Customer's expense.

2.12.2 Interconnection between the facilities or services of other carriers shall be under the applicable terms and conditions of the other carrier's tariffs. The Customer is responsible for taking all necessary legal steps for interconnecting Customer provided terminal equipment or communications equipment with Company's facilities. The Customer shall secure all licenses, permits, rights-of-way, and other such arrangements necessary for interconnection.

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END-USER SERVICES TARIFF

3.0 DESCRIPTION OF SERVICE

3.1 Services Offered

- 3.1.1 The Company offers local exchange inbound and outbound service to residential and business customers. Local Exchange Service provides an individual access line for the transmission of two-way switched voice or data communication within a local calling area. The individual access line is the connecting facility between a Customer's premise and a serving central office that provides Customer access to the switched network for placing and receiving calls. In those exchanges where a 9-1-1 Service is available, the Company will provide access to 9-1-1 Service to all the Company's subscribers.
- 3.1.2 A Basic Service Line provides customers with unlimited calling within the customer's local service area.
- 3.1.3 Prepaid High Density service is available to customers who live in Geographically Deaveraged UNE Zones 1 and 2. Prepaid Low Density service is available to customers who live in Geographically Deaveraged UNE Zone 3.

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END-USER SERVICES TARIFF

3.0 DESCRIPTION OF SERVICE (cont'd)

- 3.1.4 Postpaid service is available to creditworthy customers. Postpaid customers may be required to provide Social Security Numbers, a checking account number, or other credit information.
- 3.1.5 The Company will provide free blocking of 900, 976, and 700 or informational numbers to any customer.
- 3.1.6 Live Wire 12 feature package. The following feature package is available to customers in high-density areas who subscribe to a basic line. All services or features can be provided only where technically available and compatible with other features the customer may choose to order.
- Auto call back
 - Call forwarding
 - Call hold
 - Call waiting
 - Call waiting ID
 - Call waiting name and number
 - Anonymous call rejection
 - Hunting
 - Message waiting
 - Speed Calling
 - 3-Way calling
 - Time & Date

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END-USER SERVICES TARIFF

3.0 DESCRIPTION OF SERVICE (cont'd)

- 3.1.7 Unlimited long distance. Allows a customer to place an unlimited number of calls to anywhere in the Continental United States. The Customer is limited to 1800 minutes per month to any single telephone number within this calling area and 1000 minutes to any Independent Telephone Company. Per-minute charges will apply to usage over these limits.
- 3.1.8 Live Wire Residential Choice. The following feature package is available to residential customers in low-density areas who subscribe to a basic line. All services or features can be provided only where technically available and compatible with other features the customer may choose to order.
- Call Forwarding Variable
 - Caller ID Name and Number
 - Anonymous Call Rejection
 - Long Distance Alert
 - Call Waiting or Call Waiting ID
 - Three-Way Calling
 - Message Waiting Indication

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END-USER SERVICES TARIFF

3.0 DESCRIPTION OF SERVICE (cont'd)

3.1.9 Live Wire Business Choice. The following feature package is available to postpaid business customers in low-density areas who subscribe to a basic line. Live Wire Business Choice customers may choose five services/features from the following list. All services or features selected in the package can be provided only where technically available and compatible with other features the customer may choose to order.

- Anonymous Call Rejection
- Caller ID Deluxe
- Call Forwarding Busy Line
- Call Forwarding Busy Line/Don't Answer
- Call Forwarding Don't Answer
- Call Forwarding Variable
- Remote Access Call Forwarding
- Call Transfer
- Call Waiting
- Call Waiting ID
- Selective Call Waiting
- Long Distance Alert
- Custom Ringing
- Dial Lock
- Directory Assistance (6 calls above allowance)
- Easy Access
- Hunting
- Call Return
- Message Waiting Indication (Audible or Audible/Visual)
- Three-Way Calling
- Voice Mail

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END-USER SERVICES TARIFF

3.0 DESCRIPTION OF SERVICE (cont'd)

- 3.1.10 The Company offers various custom calling features that are currently available to the Company at the underlying carrier's switching facility where service is being offered. Custom Calling Services are optional service arrangements of central office features furnished to individual line customers.
- 3.1.11 Nonrecurring and Special Charges
- 3.1.11.1 Activation Fee. Service connection charges are non-recurring charges that apply to ordering, installing or changing of local telephone service. One or more Service Connection Charges may apply to each customer order depending upon the work functions performed.
 - 3.1.11.2 Service Order Charge – Applied to receiving, recording and processing information necessary to execute a customer's request to connect, move or change telephone service.
 - 3.1.11.3 Restore Service Charge. Applies to restoral of service after suspension for nonpayment.
 - 3.1.11.4 New installation charge. This charge applies when central office work is required and/or when a customer establishes a new account.
 - 3.1.11.5 Number Change – Applied for each telephone number changed when requested by the customer.
 - 3.1.11.6 Prepaid Customer Service Charge – This is a monthly charge for providing a customer with service on a prepaid basis.
 - 3.1.11.7 Service Continuation Fee – This fee applies as described in Section 2 of this tariff.

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END-USER SERVICES TARIFF

3.0 DESCRIPTION OF SERVICE (cont'd)

- 3.1.12 Long Distance Calls. Long Distance calls may be placed using any Long Distance carrier providing a calling card or a toll-free access number. All long distance calls charged to a prepaid customer's account will be blocked.
- 3.1.13 Directory Assistance & Operator Services. All Directory Assistance & Operator Services will be blocked for prepaid service customers. If calls are inadvertently accessible the following charges will apply.
- 3.1.13.1 Directory Assistance Call Completion. Directory Assistance Call Completion provides a Customer calling directory assistance with the option of having calls to the requested intrastate number completed. A charge applies to Directory Assistance Call Completion in addition to any normal directory assistance and/or local usage charge. Directory Assistance Call completion service is furnished only where facilities are available.
- 3.1.13.2 Busy Line Verification. Provides operator assistance in determining if there is conversation in progress on a called station. The charge only applies if a conversation is detected.
- 3.1.13.3 Busy Line Interrupt. Provides for operator interruption of a conversation in progress on a called station. A charge applies for each attempt to interrupt regardless of whether or not the called station releases the call. A Busy Line Verification must be made prior to a Busy line Interrupt and both surcharges will apply.
- 3.1.14 Directory Listings. For each Customer of Company-provided Exchange Service(s), the Company shall arrange for the listing of the customer's main billing telephone number in the director(ies) published by the dominant Local Exchange Carrier in the area at no additional charge. At a Customer's option, the Company will arrange listings for an additional charge.
- 3.1.15 Non-Published Service. This optional service provides for suppression of printed and recorded directory listings. A Customer's name and number do not appear in printed directories or Directory Assistance Bureau records.
- 3.1.16 Non-Listed Service. This optional service provides for suppression of printed directory listings only. Parties may still obtain the Customer's number by calling the Directory Assistance Bureau.

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END-USER SERVICES TARIFF

4.0 RATES AND CHARGES

4.1 **Monthly Recurring Rates.** All service features are subject to availability and compatibility between features. The Company may package features and use a different name for the service package, but the price will be the total of the services provided in the package.

Monthly Rates	Residential	Business
High Density Basic Service Line	\$17.95	\$17.95
Low Density Basic Service Line	\$17.95	\$39.95
Live Wire 12-Feature Package	N/C	N/C
Live Wire Residential Choice	\$16.95	N/A
Prepaid Customer Service Charge	\$15.00	\$15.00
Extra toll MOU beyond package limit	\$ 0.049	\$ 0.049
Unlimited residential long distance	\$30.00	N/A
Live Wire Business Choice	N/A	\$45.95
Additional Listing	\$ 1.95	\$ 1.95
Non-Listed/Non-Published Number (per number)	\$ 5.00	\$ 5.00
150 Minutes Long Distance	\$10.00	\$10.00
200 Minutes Long Distance	\$15.00	\$15.00
Deluxe Voice Mail	\$ 7.95	\$14.95

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END-USER SERVICES TARIFF

4.0 RATES AND CHARGES (cont'd)

4.2 Surcharges Per Call

Surcharge	Residential	Business
Local Directory Assistance	\$0.50	\$0.50
National Directory Assistance	\$1.25	\$1.25
Operator Assistance	\$1.00	\$1.00
Third Number Billing	\$1.83	\$1.83
Collect Calling	\$0.65	\$1.83
Person to Person	\$0.65	\$3.13
General Assistance	\$1.30	\$0.80
Busy Line Verification	\$0.80	\$2.00
Busy Line Interrupt	\$1.00	\$1.00

4.3 Trouble Determination Charge

A trouble determination charge will be assessed by a service call. Each customer will be charged a \$ 37.50 flat rate service call per visit (trouble visit).

4.4 Late Charges

Late fees in the amount of 5% shall be assessed for each monthly statement not paid in-full or 20 days from the billing date. No late fee will be charged on previously unpaid late fees.

4.5 Special Customer Arrangements (SCA)

For special situations, rates for specialized services will be determined on a Special Customer Arrangement and specified by contract between The Company and the Customer.

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END-USER SERVICES TARIFF

4.0 RATES AND CHARGES (cont'd)

4.6 Non-Recurring Charges: Residential & Business

Service	Residential	Business
New installation	\$25.00	\$25.00
Activation Fee	\$35.00	\$59.95
Service continuation Fee	\$10.00	\$10.00
Add Feature Package	\$10.00	\$10.00
Number Change	\$30.00	\$45.00
Restore Service	\$30.00	\$50.00

4.7 -Promotions

The Company may, from time to time, engage in special promotional offerings or trial service offerings limited to certain dates, times, and/or locations in order to attract new Customers or increase usage by existing Customers. In such cases, the Company will notify the Commission in writing prior to initiating the promotion.

4.8 Taxes

All state and local taxes (e.g., gross receipts tax, sales tax, municipal utilities tax or other applicable taxes) are not included in listed rates. Taxes are also listed as separate line items in customer billing.

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Richard H. Jones, President
P.O. Box 4607
Cave Creek, AZ 85331-6692

The J. Richard Company, dba Live Wire Phone Company

"Attachment C"

1. Affidavit of Publication of Articles of Organization

Gila Bend Sun

FILE COPY

P O Drawer "Z" 480 Butterfield Trail
PHONE/FAX Gila Bend: 928-683-2393
PHONE/FAX Phoenix Area: 623-386-7495
e-mail gilasan@earthlink.net

Glen Birchfield *Joan Birchfield, in memory* Darah B. Mann

STATE OF ARIZONA
COUNTY OF MARICOPA

I, Glen Birchfield, am authorized by the publisher as agent to make this affidavit of publication. Under oath, I state that the following is true and correct.

The Gila Bend Sun is a newspaper which is published weekly, is of general circulation and is in compliance with the Arizona Revised Statutes Sections 10-140.34 & 39-201.A & B. The notice will be/has been published three consecutive time(s) in the newspaper listed above.

DATES OF PUBLICATION

April 8, 15 & 22, 2004

THE NAME OF THE CORPORATION

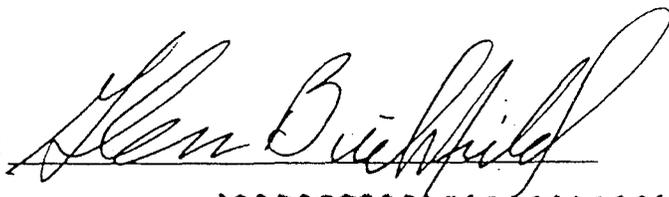
The J. Richard Company, LLC

CORPORATE FILE NUMBER

TYPE OF DOCUMENT

Articles of Organization

AUTHORIZED SIGNATURE



SUBSCRIBED AND SWORN TO BEFORE ME
April 21, 2004



NOTARY SIGNATURE



My Commission Expires: May 29, 2005

cc: Val Sharpnack

The J. Richard Company, dba Live Wire Phone Company

"Attachment D"

1. Audited Financial Statement
2. Revenue and Expense Projections
3. Schedule of Company Assets at Book Value

The J. Richard Company,

dba

Live Wire Phone Company

Audited Financial Statements

April 29, 2004

The J. Richard Company, dba Live Wire Phone Company

Audited Financial Statements
April 29, 2004

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Gregory R. Esgar, CPA

INDEPENDENT AUDITOR'S REPORT

To the Members of
The J. Richard Company, dba Live Wire Phone Company

We have audited the accompanying balance sheet of The J. Richard Company, dba Live Wire Phone Company, an Arizona Limited Liability Company as of April 29, 2004, and the related statement of retained earnings for the one month then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The J. Richard Company, dba Live Wire Phone Company, as of April 29, 2004, and for the one month then ended in conformity with accounting principles generally accepted in the United States of America.

Gregory R. Esgar

April 30, 2004
Phoenix, Arizona

The J. Richard Company, dba Live Wire Phone Company

Statement of Financial Position

April 29, 2004

Assets

Cash	\$20,000.00
Start Up Costs	<u>3,500.00</u>
Total Assets	<u>\$23,500.00</u>

Liabilities and Equity

Equity	
Member's Capital	<u>\$23,500.00</u>
Total Liabilities and Equity	<u>\$23,500.00</u>

See accompanying notes to Financial Statements

The J. Richard Company, dba Live Wire Phone Company

Statement of Cash Flows

April 29, 2004

Cash Flow from investing activities

Member contributions	<u>\$20,000.00</u>
----------------------	--------------------

Net cash provided by investing activities	<u>20,000.00</u>
---	------------------

Net change in cash and cash equivalents	\$20,000.00
---	-------------

Cash and cash equivalents beginning of year	<u>-0-</u>
---	------------

Cash and cash equivalents, end of year	<u>\$20,000.00</u>
--	--------------------

See accompanying notes to Financial Statements

The J. Richard Company, dba Live Wire Phone Company

The following is the additional information as requested per B-4 of the Financial Information Section.

(B-4) 1 & 2. Schedule of projected revenue and operating expenses providing telecommunication services to Arizona customers for the first twelve months following certification (see Schedule A).

(B-4) 3. List of book values of all Arizona jurisdictional assets expected to be used in the provision of telecommunication service to Arizona customers at the end of the first twelve months of operation. (See Schedule B).

(B-4) 4. N/A

(B-4) 5. The fair value of the assets will be the same as book value.

The J. Richard Company
DBA Live Wire Phone Co.
12 Month Projections

	MO. 1	MO. 2	MO. 3	MO. 4	MO. 5	MO. 6	MO. 7	MO. 8	MO. 9	MO. 10	MO. 11	MO. 12	TOTALS
Total New Accounts Added each month	36	72	90	90	95	95	98	98	100	100	110	115	115
Assume 90% retention	36	104.4	187.2	288.2	354.2	439.7	528.2	618.4	706.6	796.6	896.6	1000.6	1000.6
Gross Revenues:													
Basic program (@\$32.95)	\$ 1,186	\$ 3,440	\$ 6,168	\$ 8,837	\$ 11,671	\$ 14,488	\$ 17,404	\$ 20,310	\$ 23,282	\$ 26,248	\$ 29,543	\$ 32,970	\$ 195,548
F.E.T. (\$6 per line)	\$ 216	\$ 626	\$ 1,123	\$ 1,609	\$ 2,125	\$ 2,638	\$ 3,169	\$ 3,698	\$ 4,240	\$ 4,780	\$ 5,380	\$ 6,004	\$ 35,608
CAB fees (\$7 per line)	\$ -	\$ -	\$ -	\$ -	\$ 2,479	\$ 3,078	\$ 3,697	\$ 4,315	\$ 4,946	\$ 5,576	\$ 6,276	\$ 7,004	\$ 37,372
Total Revenues	\$ 1,402	\$ 4,066	\$ 7,291	\$ 10,446	\$ 16,275	\$ 20,204	\$ 24,271	\$ 28,324	\$ 32,468	\$ 36,604	\$ 41,199	\$ 45,978	\$ 268,529
Cost of Lines Sold:													
Quest cost per line (\$14)	\$ 504	\$ 1,462	\$ 2,621	\$ 3,755	\$ 4,959	\$ 6,156	\$ 7,395	\$ 8,630	\$ 9,892	\$ 11,152	\$ 12,552	\$ 14,008	\$ 83,086
Usage fees (\$6 per line)	\$ 216	\$ 626	\$ 1,123	\$ 1,609	\$ 2,125	\$ 2,638	\$ 3,169	\$ 3,698	\$ 4,240	\$ 4,780	\$ 5,380	\$ 6,004	\$ 35,608
CAB monthly cost	\$ -	\$ -	\$ -	\$ -	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 1,500	\$ 1,500	\$ 7,500
Total Cost of Lines	\$ 720	\$ 2,088	\$ 3,744	\$ 5,364	\$ 7,834	\$ 9,544	\$ 11,314	\$ 13,078	\$ 14,882	\$ 16,682	\$ 19,432	\$ 21,512	\$ 126,194
Gross Profit	\$ 682	\$ 1,978	\$ 3,547	\$ 5,082	\$ 8,441	\$ 10,660	\$ 12,957	\$ 15,246	\$ 17,586	\$ 19,922	\$ 21,767	\$ 24,466	\$ 142,335
Operating Expenses:													
Selling Expenses-													
Less: Marketing cost	\$ 325	\$ 325	\$ 325	\$ 325	\$ 325	\$ 325	\$ 325	\$ 325	\$ 325	\$ 325	\$ 325	\$ 325	\$ 3,900
Sales Commission	\$ 219	\$ 219	\$ 219	\$ 219	\$ 219	\$ 219	\$ 219	\$ 219	\$ 219	\$ 219	\$ 219	\$ 219	\$ 2,625
Clerk Commission	\$ 180	\$ 360	\$ 450	\$ 450	\$ 475	\$ 475	\$ 490	\$ 490	\$ 500	\$ 500	\$ 550	\$ 575	\$ 5,775
Agent Commission	\$ 180	\$ 522	\$ 936	\$ 1,341	\$ 1,771	\$ 2,199	\$ 2,641	\$ 3,082	\$ 3,533	\$ 3,983	\$ 4,483	\$ 5,003	\$ 5,003
Total Selling Costs	\$ 904	\$ 1,426	\$ 1,930	\$ 2,335	\$ 2,790	\$ 3,217	\$ 3,675	\$ 4,116	\$ 4,577	\$ 5,027	\$ 5,577	\$ 6,122	\$ 12,103
Rent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 9,000
Payroll expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 12,000
Office expense	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 4,500
Other general & administrative	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 9,000
Total Operating Expenses	\$ 1,654	\$ 2,176	\$ 2,680	\$ 3,085	\$ 3,540	\$ 3,967	\$ 8,675	\$ 9,116	\$ 9,577	\$ 10,027	\$ 10,577	\$ 11,122	\$ 46,605
Operating Profit/(Loss)	\$ (972)	\$ (197)	\$ 868	\$ 1,998	\$ 4,902	\$ 6,693	\$ 4,282	\$ 6,130	\$ 8,010	\$ 9,895	\$ 11,190	\$ 13,344	\$ 95,732

Book Value of Assets

<u>Assets</u>	<u>Book Value</u>
Computer Equipment	\$3,000.00
Office Furniture	1,000.00
Copier/Scanner/Fax Machine	<u>1,000.00</u>
Total Asset Value	<u>\$5,000.00</u>

SCHEDULE B

The J. Richard Company, dba Live Wire Phone Company

(1) Organization operations and summary of significant accounting policies

The J. Richard Company, dba Live Wire Phone Company, is an Arizona Limited Liability Company that was established in 2004. The purpose of the company is to provide residential and/or business phone services for a profit as a "Competitive Local Exchange Carrier" (CLEC) in Maricopa County, Arizona.

The significant accounting policies followed by the J. Richard Company dba Live Wire Phone Company are summarized below:

Financial statements – The financial statements follows the accrual basis of accounting.

Cash and cash equivalents – Cash includes cash and at times, cash equivalents, which consist of highly liquid financial instruments purchased with an original maturity of less than three months.

The J. Richard Company, dba Live Wire Phone Company

"Attachment E"

Key Management/Personnel Team

1. James R Beaver - Executive Vice President, Sales/Marketing. 20 Years of Director of Sales and Finance in the Auto Industry. 2 Years regional sales and consulting for Triarch Marketing, Inc. dba Triarch Communications (Louisiana CLEC). Arizona resident since 1980. B.S. Degree Graduate of Grand Canyon University.

2. Richard H Jones - President. Certified Public Accountant. 20 + years senior management experience as Chief Financial Officer/Chief Operating Officer for successful Arizona retail and manufacturing businesses. 2 years finance/administrative consultant for Triarch Communications. Arizona Resident since 1984. Big Five CPA Firm experience. BBA Degree Baylor University.

3. Donna L Beaver - Office Manager. Oversee accounting and office administration. Arizona resident since 1964. BS Graduate of Grand Canyon University.

4. Cynthia W Jones - IT Manager. Oversee network administration and assist in office/administrative duties. Arizona resident since 1960. BS Degree Baylor University, Master's Degree University of Texas at Dallas.

COPY

ARIZONA CORPORATION COMMISSION

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

2004 JUN -9 A 11:45

Mail original plus 13 copies of completed application to: For Docket Control Only:
(Please Stamp Here)

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

AZ CORP COMMISSION
DOCUMENT CONTROL

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: Arizona Interexchange Telephone

Docket No.: T-04257A-04-0335 Date: 05-03-04 Date Docketed: 05-03-04

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)
- Other _____ (Please attach complete description)

(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:

LIVE WIRE PHONE COMPANY 480.659.4778
4607 E. MOLLY LN 602.493.6913 fax
CAVE CREEK AZ 85331 www.livewirephone.com

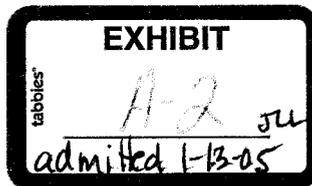
Arizona Corporation Commission
DOCKETED

JUN - 9 2004

DOCKETED BY

CR

04/14/04



5

(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):

NONE

(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:

(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:

(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:

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

- Sole proprietorship
- Partnership: ___ Limited, ___ General, ___ Arizona, ___ Foreign
- Limited Liability Company: ___ Arizona, ___ Foreign
- Corporation: ___ "S", ___ "C", ___ Non-profit
- 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).
2. Tariff Maximum Rate and Prices to be charged (reference by Tariff page number).
3. Terms and Conditions Applicable to provision of Service (reference by Tariff page number).
4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number).
5. The proposed fee that will be charged for returned checks (reference by Tariff page number).

(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.

(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.

(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.

(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.

(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.

(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.

B. FINANCIAL INFORMATION

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

Yes

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.

(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.

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

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

Yes

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: 09.01.04

(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 59421:

- Yes

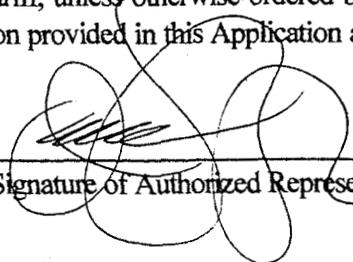
(E-2) Indicate whether the Applicant will provide all customers with 911 and E911 service, where available, and will coordinate with incumbent local exchange carriers ("ILECs") and emergency service providers to provide this service:

- Yes

(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

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 (A.A.C. Title 14, Chapter 2, Article 11) and that the company will abide by Arizona state law including the Arizona Corporation Commission Rules. 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.



(Signature of Authorized Representative)

6.9.04

(Date)

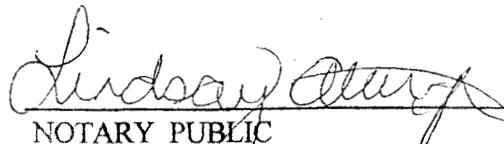
James R. BEAVER

(Print Name of Authorized Representative)

EXECUTIVE VICE PRESIDENT

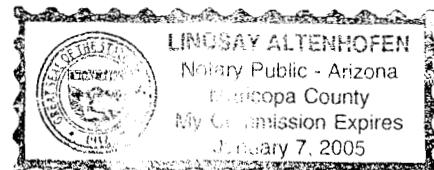
(Title)

SUBSCRIBED AND SWORN to before me this 9 day of June, 2004



NOTARY PUBLIC

My Commission Expires 1-7-05



MEMORANDUM

LEGAL

TO: Docket Control
FROM: Ernest G. Johnson
Director
Utilities Division

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EA for EGS
NOV 26 2004

LEGAL DIV.
ARIZ. CORPORATION COMMISSION

DATE: November 26, 2004

RE: IN THE MATTER OF THE APPLICATION OF THE J. RICHARD COMPANY DBA LIVE WIRE PHONE COMPANY FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE RESOLD LONG DISTANCE, RESOLD LOCAL EXCHANGE AND FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES (DOCKET NO. T-04257A-04-0335)

Attached is the Staff Report for the above referenced application. The Applicant is applying for approval to provide the following services:

- Resold Long Distance Services
- Resold Local Exchange Services
- Facilities-Based Local Exchange Services

Staff is recommending approval of the application.

EGJ:AJL:cal

Originator: Adam Lebrecht

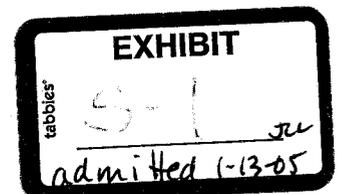
Attachment: Original and Thirteen Copies

AZ CORP COMMISSION
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2004 NOV 26 1A 8:24

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EXHIBIT S-1



SERVICE LIST FOR: LIVE WIRE PHONE COMPANY
DOCKET NO. T-04257A-04-03335

Mr. Mitch Laird, Esq.
LAIRD AND ASSOCIATES, PC
1300 East Missouri Avenue, Suite C-101
Phoenix, Arizona 85014

Mr. Ernest G. Johnson
Arizona Corporation Commission
Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Mr. Christopher C. Kempley
Arizona Corporation Commission
Legal Division
1200 West Washington Street
Phoenix, Arizona 85007

Ms. Lyn Farmer
Arizona Corporation Commission
Hearing Division
1200 West Washington Street
Phoenix, Arizona 85007

STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

LIVE WIRE PHONE COMPANY
DOCKET NO. T-04257A-04-0335

IN THE MATTER OF THE APPLICATION OF THE J. RICHARD COMPANY DBA
LIVE WIRE PHONE COMPANY FOR A CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE RESOLD LONG DISTANCE, RESOLD LOCAL
EXCHANGE AND FACILTITES-BASED LOCAL EXCHANGE
TELECOMMUNICATIONS SERVICES

NOVEMBER 26, 2004

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STAFF ACKNOWLEDGMENT

The Staff Report for Live Wire Phone Company, Docket No. T-04257A-04-0335, was the responsibility of the Staff member listed below. Adam Lebrecht was responsible for the review and analysis of the application for a Certificate of Convenience and Necessity to provide resold long distance, resold local exchange and facilities-based local exchange services; and petition for a determination that its proposed services should be classified as competitive.

A handwritten signature in black ink, appearing to be 'AL', written over a horizontal line.

Adam Lebrecht
Executive Consultant I

1. INTRODUCTION

On May 3, 2004, The J. Richard Company, LLC ("JRC") filed an application for a Certificate of Convenience and Necessity ("CC&N") to provide resold long distance and resold local exchange services within the State of Arizona. The Applicant petitioned the Arizona Corporation Commission ("Commission") for a determination that its proposed services should be classified as competitive.

On June 9, 2004, amendments were made to the application. These amendments changed JRC's name to Live Wire Phone Company ("Live Wire" or "Applicant") and additionally requested the authority to provide facilities-based local exchange telecommunications service within the State of Arizona.

Staff's review of this application addresses the overall fitness of the Applicant to receive a CC&N. Staff's analysis also considers whether the Applicant's services should be classified as competitive and if the Applicant's initial rates are just and reasonable.

2. THE APPLICATION FOR A CERTIFICATE OF CONVENIENCE & NECESSITY

This section of the Staff Report contains descriptions of the geographic market to be served by the Applicant, the requested services and the Applicant's technical and financial capability to provide the requested services. In addition, this section contains the Staff evaluation of the Applicant's proposed rates and charges and Staff's recommendation thereon.

2.1 DESCRIPTION OF THE GEOGRAPHIC MARKET TO BE SERVED

Live Wire is seeking the authority to provide resold long distance, resold local exchange and facilities-based local exchange service throughout the State of Arizona.

2.2 DESCRIPTION OF REQUESTED SERVICES

Live Wire is seeking the authority to provide resold long distance, resold local and facilities-based local exchange services in Arizona.

2.3 THE ORGANIZATION

Live Wire is incorporated under the laws of the State of Arizona and has the authority to transact business in Arizona. Live Wire has indicated that neither Live Wire nor any of its employees have or have had any relationship(s) with the formally certificated local exchange carrier the Phone Company of Arizona Joint Venture d/b/a

The Phone Company of Arizona or any of its subsidiaries (including The Phone Company of Arizona and LiveWire Net of Arizona) or employees.

2.4 TECHNICAL CAPABILITY TO PROVIDE THE REQUESTED SERVICES

Live Wire currently has a staff of 4 employees with a total combined experience of 4 years in the telecommunications industry. Of these 4 employees, Both James Beaver and Richard Jones have 2 years of experience in the telecommunications industry. Live Wire indicated that the other employees, Donna Beaver and Cynthia Jones have no experience in the telecommunications industry. James Beaver has indicated that he has completed Qwest's initial training course for wholesale customers. Mr. Beaver has also indicated that he plans on taking other Qwest classes including, but limited to telecommunications provisioning, billing and maintenance/repair.

To aid in the business, accounting and technical aspects of the telecommunications industry, Live Wire has acquired an advisory board consisting of 4 advisors with a total combined experience of 39 years in the telecommunications industry. Live Wire indicated that one of the 4 advisors, James Dupont, is the president of Louisiana Competitive Local Exchange Carrier ("CLEC") Triarch Marketing. The other 3 advisors, Ernie Recsetar, Myrt Hales and Brian Arlington have legal and technical training in addition to experience in the telecommunications industry. Based on this, Staff believes Live Wire possesses the technical capabilities to provide the services it is requesting the authority to provide.

2.5 FINANCIAL CAPABILITY TO PROVIDE THE REQUESTED SERVICES

The Applicant did provide audited financial statements for the 4 months ending April 29, 2004. These financial statements list assets of \$23,500; and equity of \$23,500. The Applicant indicated that because it has not yet begun offering service, there is no net income/loss. The Applicant did provide notes related to the financial statements.

The Applicant stated in its Tariff (reference Section 2.9 on page 13) that it does collect from its customers advances, deposits and/or prepayments. Staff believes that advances, deposits and/or prepayments received from the Applicant's customers should be protected by the procurement of a performance bond. Since the Applicant is requesting a CC&N for more than one kind of service, the amount of a performance bond for multiple services is an aggregate of the minimum bond amount for each type of telecommunications service requested by the Applicant. The amount of bond coverage needed for each service is as follows: resold long distance \$10,000; resold local exchange \$25,000; facilities-based local exchange \$100,000. The bond coverage needs to increase in increments equal to 50 percent of the total minimum bond amount when the total amount of the advances, deposits and prepayments is within 10 percent of the total minimum bond amount. Further, measures should be taken to ensure that the Applicant

will not discontinue service to its customers without first complying with Arizona Administrative Code ("A.A.C.") R14-2-1107.

To that end, Staff recommends that the Applicant procure a performance bond equal to \$135,000. The minimum bond amount of \$135,000 should be increased if at any time it would be insufficient to cover advances, deposits and/or prepayments collected from the Applicant's customers. The bond amount should be increased in increments of \$67,500. This increase should occur when the total amount of the advances, deposits and prepayments is within \$13,500 of the bond amount. If the Applicant desires to discontinue service, it must file an application with the Commission pursuant to A.A.C. R14-2-1107. Additionally, the Applicant must notify each of its customers and the Commission 60 days prior to filing an application to discontinue service. Failure to meet this requirement should result in forfeiture of the Applicant's performance bond. Staff further recommends that proof of the above mentioned performance bond be docketed within 365 days of the effective date of an Order in this matter or 30 days prior to the provision of service, whichever comes first, and must remain in effect until further Order of the Commission.

However, if at some time in the future, the Applicant does not collect from its customers advances, deposits and/or prepayments, Staff recommends that the Applicant be allowed to file a request for cancellation of its established performance bond regarding its resold long distance services. Such request must reference the decision in this docket and must explain the Applicant's plans for canceling those portions of the bond.

2.6 ESTABLISHING RATES AND CHARGES

The Applicant would initially be providing service in areas where an incumbent local exchange carrier ("ILEC"), various competitive local exchange carriers ("CLECs") and interexchange carriers are providing telephone service. Therefore, the Applicant would have to compete with those providers in order to obtain subscribers to its services. The Applicant would be a new entrant and would face competition from both an incumbent provider and other competitive providers in offering service to its potential customers. Therefore, the Applicant would generally not be able to exert market power. Thus, the competitive process should result in rates that are just and reasonable.

Both an initial rate (the actual rate to be charged) and a maximum rate must be listed for each competitive service offered, provided that the rate for the service is not less than the Applicant's total service long-run incremental cost of providing the service pursuant to A.A.C. R14-2-1109.

The rates proposed by this filing are for competitive services. In general, rates for competitive services are not set according to rate of return regulation. Staff obtained information from the Applicant indicating that its fair value rate base is \$5,000. Accordingly, the Applicant's fair value rate base is too small to be useful in a fair value analysis. Staff has reviewed the rates to be charged by the Applicant and believes they

are just and reasonable as they are comparable to other competitive local carriers, local incumbent carriers and several operating long distance carriers. Therefore, while Staff considered the fair value rate base information submitted by the Applicant, the fair value rate base information provided should not be given substantial weight in this analysis.

3. LOCAL EXCHANGE CARRIER SPECIFIC ISSUES

Since the Applicant intends to provide local exchange service, the issues related to the provision of that service are discussed below.

3.1 DIRECTORY LISTINGS AND DIRECTORY ASSISTANCE

Callers should be able to determine the telephone numbers belonging to customers of alternative local exchange companies, such as the Applicant. Staff recommends that the Applicant file a plan that describes how it plans to have its customers' telephone numbers included in the incumbent's Directories and Directory Assistance databases before it begins providing local exchange service. This plan must be filed within 365 days of the effective date of the Order in this matter or 30 days prior to the provision of service, whichever comes first, and must remain in effect until further Order of the Commission.

3.2 NUMBER PORTABILITY

Another issue associated with the Applicant's proposal to become a competitive local exchange company relates to how telephone numbers should be administered. Local exchange competition may not be vigorous if customers, especially business customers, must change their telephone numbers to take advantage of a competitive local exchange carrier's service offerings. Staff recommends that the Applicant pursue permanent number portability arrangements with other local exchange carriers ("LECs") that are consistent with federal laws, federal rules and state rules.

3.3 PROVISION OF BASIC TELEPHONE SERVICE AND UNIVERSAL SERVICE

The Commission has adopted rules to address the level of funding for universal telephone service during and after the transition to a competitive telecommunications services market. The rules contain the terms and conditions for contributions to and support received from telephone service subscribers in order to maintain the Arizona Universal Service Fund ("AUSF"). Under the rules, the Applicant will be required to contribute to the AUSF and it may be eligible for AUSF support. Therefore, Staff recommends that approval of the application for a CC&N be conditioned upon the

Applicant's agreement to abide by and participate in the AUSF mechanism established by Decision No. 59623, dated April 24, 1996 (Docket No. RT-00000E-95-0498).

3.4 QUALITY OF SERVICE

Staff believes that the Applicant should be ordered to abide by the quality of service standards that were approved by the Commission for Qwest (f/k/a USWC) in Docket No. T-01051B-93-0183 (Decision No. 59421). Because the penalties that were developed in this docket were initiated only because Qwest's level of service was not satisfactory, Staff does not recommend that those penalties apply to the Applicant. In the competitive market that the Applicant wishes to enter, the Applicant generally will have no market power and will be forced to provide a satisfactory level of service or risk losing its customers. Therefore, Staff believes that it is unnecessary to subject the Applicant to those penalties at this time.

3.5 ACCESS TO ALTERNATIVE LOCAL EXCHANGE SERVICE PROVIDERS

Staff expects that there will be new entrant providers of local exchange service who will install the plant necessary to provide telephone service to, for example, a residential subdivision or an industrial park much like existing local exchange companies do today. There may be areas where the Applicant installs the only local exchange service facilities. In the interest of providing competitive alternatives to the Applicant's local exchange service customers, Staff recommends that the Applicant be prohibited from barring access to alternative local exchange service providers who wish to serve such areas. This way, an alternative local exchange service provider may serve a customer if the customer so desires. Access to other providers should be provided pursuant to the provisions of the 1996 Telecommunications Act, the rules promulgated there under and Commission rules on interconnection and unbundling.

3.6 911 SERVICE

The Applicant has indicated in its application that it will provide all customers with 911 and E911 service, where available, or will coordinate with ILECs and emergency service providers to provide the service. Staff believes that the Applicant should be required to work cooperatively with local governments, public safety agencies, telephone companies, the National Emergency Number Association and all other concerned parties to establish a systematic process in the development of a universal emergency telephone number system. Staff recommends that the Applicant be required to certify, through the 911 service provider in the area in which it intends to provide service, that all issues associated with the provision of 911 service have been resolved with the emergency service providers before it begins to provide local exchange service, within 365 days of the effective date of the Order in this matter or 30 days prior to the

provision of service, whichever comes first, and must remain in effect until further Order of the Commission.

3.7 CUSTOM LOCAL AREA SIGNALING SERVICES (CLASS)

In its decisions related to Qwest's proposal to offer Caller ID and other CLASS features in the State, the Commission addressed a number of issues regarding the appropriateness of offering these services and under what circumstances it would approve the proposals to offer them. The Commission concluded that Caller ID could be offered provided that per call and line blocking, with the capability to toggle between blocking and unblocking the transmission of the telephone number, should be provided as options to which customers could subscribe with no charge. The Commission also approved a Last Call Return service that will not return calls to telephone numbers that have the privacy indicator activated, which indicates that the number has been blocked. The Commission further required that Qwest engage in education programs when introducing or providing the service(s).

Staff recommends that the Applicant be required to abide by all the Commission decisions and policies regarding Caller ID and other CLASS services. However, Staff does not believe that it is necessary for the Applicant to engage in the educational program that was ordered for Qwest as long as customers in the areas where the Applicant intends to serve have already been provided with educational material and are aware that they can have their numbers blocked on each call or at all times with line blocking.

3.8 EQUAL ACCESS FOR INTEREXCHANGE CARRIERS

The Applicant indicated that its switch will be "fully equal access capable" (i.e. would provide equal access to interexchange companies). The Commission requires local exchange companies to provide 2-Primary Interexchange Carriers ("2-PIC") equal access. 2-PIC equal access allows customers to choose different carriers for interLATA and intraLATA toll service and would allow customers to originate intraLATA calls using the preferred carrier on a 1+ basis. Staff recommends that the Applicant be required to provide 2-PIC equal access.

4. REVIEW OF COMPLAINT INFORMATION

The Applicant has neither had an application for service denied, nor revoked in any state. There are, and have been, no formal complaint proceedings involving the Applicant. There have not been any civil or criminal proceedings against the Applicant. Consumer Services reports no complaint history within Arizona.

The Applicant indicated that none of its officers, directors or partners have been involved in any civil or criminal investigations, or any formal or informal complaints. The Applicant also indicated that none of its officers, directors or partners have been convicted of any criminal acts in the past ten (10) years.

5. COMPETITIVE SERVICES ANALYSIS

The Applicant has petitioned the Commission for a determination that the services it is seeking to provide should be classified as competitive.

5.1 COMPETITIVE SERVICES ANALYSIS FOR LOCAL EXCHANGE SERVICES

5.1.1 **A description of the general economic conditions that exist, which makes the relevant market for the service one that, is competitive.**

The local exchange market that the Applicant seeks to enter is one in which a number of new CLECs have been authorized to provide local exchange service. Nevertheless, ILECs hold a virtual monopoly in the local exchange service market. At locations where ILECs provide local exchange service, the Applicant will be entering the market as an alternative provider of local exchange service and, as such, the Applicant will have to compete with those companies in order to obtain customers. In areas where ILECs do not serve customers, the Applicant may have to convince developers to allow it to provide service to their developments.

5.1.2 **The number of alternative providers of the service.**

Qwest and various independent LECs are the primary providers of local exchange service in the State. Several CLECs and local exchange resellers are also providing local exchange service.

5.1.3 **The estimated market share held by each alternative provider of the service.**

Since Qwest and the independent LECs are the primary providers of local exchange service in the State, they have a large share of the market. Since the CLECs and local exchange resellers have only recently been authorized to offer service they have limited market share.

5.1.4 **The names and addresses of any alternative providers of the service that are also affiliates of the telecommunications Applicant, as defined in A.A.C. R14-2-801.**

None.

5.1.5 The ability of alternative providers to make functionally equivalent or substitute services readily available at competitive rates, terms and conditions.

ILECs have the ability to offer the same services that the Applicant has requested in their respective service territories. Similarly many of the CLECs and local exchange resellers also offer substantially similar services.

5.1.6 Other indicators of market power, which may include growth and shifts in market share, ease of entry and exit, and any affiliation between and among alternative providers of the service(s).

The local exchange service market is:

- a. One in which ILECs own networks that reach nearly every residence and business in their service territories and which provide them with a virtual monopoly over local exchange service. New entrants are also beginning to enter this market.
- b. One in which new entrants will be dependent upon ILECs:
 1. To terminate traffic to customers.
 2. To provide essential local exchange service elements until the entrant's own network has been built.
 3. For interconnection.
- c. One in which ILECs have had an existing relationship with their customers that the new entrants will have to overcome if they want to compete in the market and one in which new entrants do not have a long history with any customers.
- d. One in which most customers have few, if any choices since there is generally only one provider of local exchange service in each service territory.
- e. One in which the Applicant will not have the capability to adversely affect prices or restrict output to the detriment of telephone service subscribers.

5.2 COMPETITIVE SERVICES ANALYSIS FOR INTEREXCHANGE SERVICES

5.2.1 A description of the general economic conditions that exist, which makes the relevant market for the service one that, is competitive.

The interexchange market that the Applicant seeks to enter is one in which numerous facilities-based and resold interexchange carriers have been authorized

to provide service throughout the State. The Applicant will be a new entrant in this market and, as such, will have to compete with those companies in order to obtain customers.

5.2.2 The number of alternative providers of the service.

There are a large number of facilities-based and resold interexchange carriers providing both interLATA and intraLATA interexchange service throughout the State. In addition, various ILECs provide intraLATA interexchange service in many areas of the State.

5.2.3 The estimated market share held by each alternative provider of the service.

The large facilities-based interexchange carriers (AT&T, Sprint, MCI WorldCom, etc.) hold a majority of the interLATA interexchange market, and the ILECs provide a large portion of the intraLATA interexchange market. Numerous other interexchange carriers have a smaller part of the market and one in which new entrants do not have a long history with any customers.

5.2.4 The names and addresses of any alternative providers of the service that are also affiliates of the telecommunications Applicant, as defined in A.A.C. R14-2-801.

None.

5.2.5 The ability of alternative providers to make functionally equivalent or substitute services readily available at competitive rates, terms and conditions.

Both facilities-based and resold interexchange carriers have the ability to offer the same services that the Applicant has requested in their respective service territories. Similarly many of the ILECs offer similar intraLATA toll services.

5.2.6 Other indicators of market power, which may include growth and shifts in market share, ease of entry and exit, and any affiliation between and among alternative providers of the service(s).

The interexchange service market is:

- a. One with numerous competitors and limited barriers to entry.
- b. One in which established interexchange carriers have had an existing relationship with their customers that the new entrants will have to overcome if they want to compete in the market.

- c. One in which the Applicant will not have the capability to adversely affect prices or restrict output to the detriment of telephone service subscribers.

6. RECOMMENDATIONS

The following sections contain the Staff recommendations on the application for a CC&N and the Applicant's petition for a Commission determination that its proposed services should be classified as competitive.

6.1 RECOMMENDATIONS ON THE APPLICATION FOR A CC&N

Staff recommends that the application for a CC&N to provide intrastate telecommunications services, as listed in Section 2.2 of this report, be granted. In addition, Staff further recommends:

1. That, unless it provides services solely through the use of its own facilities, the Applicant procure an Interconnection Agreement before being allowed to offer local exchange service. The interconnection agreement should be procured within 365 days of the effective date of the Order in this matter or 30 days prior to the provision of service, whichever comes first, and must remain in effect until further Order of the Commission. If the Applicant provides services solely through the use of its own facilities, no other information shall be required once the Applicant informs the Commission of that fact by a letter with the Commission's Docket Control Center under the same timeframe and provision of service criteria as above;
2. That the Applicant file with the Commission's Docket Control Center its plan to have its customers' telephone numbers included in the incumbent's Directories and Directory Assistance Databases. This information should be filed within 365 days of the effective date of the Order in this matter or 30 days prior to the provision of service, whichever comes first, and must remain in effect until further Order of the Commission;
3. That the Applicant pursue permanent number portability arrangements with other LECs pursuant to Commission rules, federal laws and federal rules;
4. That the Applicant agree to abide by and participate in the AUSF mechanism instituted in Decision No. 59623, dated April 24, 1996 (Docket No. RT-00000E-95-0498);
5. That the Applicant abides by the quality of service standards that were approved by the Commission for Qwest in Docket No. T-01051B-93-0183;

6. That the Applicant be prohibited from barring access to alternative local exchange service providers who wish to serve areas where the Applicant is the only provider of local exchange service facilities;
7. That the Applicant be required to abide by all the Commission decisions and policies regarding CLASS services;
8. That the Applicant be required to provide 2-PIC equal access;
9. That the Applicant be required to notify the Commission immediately upon changes to the Applicant's name, address or telephone number;
10. That the Applicant comply with all Commission rules, orders and other requirements relevant to the provision of intrastate telecommunications service;
11. That the Applicant maintain its accounts and records as required by the Commission;
12. That the Applicant file with the Commission all financial and other reports that the Commission may require, and in a form and at such times as the Commission may designate;
13. That the Applicant maintain on file with the Commission all current tariffs and rates, and any service standards that the Commission may require;
14. That the Applicant cooperate with Commission investigations including, but not limited to, customer complaints;
15. That the Applicant participate in and contribute to a universal service fund, as required by the Commission;
16. That the Applicant be subject to the Commission's rules and the 1996 Telecommunications Act to the extent that they apply to CLECs;
17. That the rates proposed by this filing are for competitive services. In general, rates for competitive services are not set according to rate of return regulation. Staff obtained information from the Applicant indicating that its fair value rate base is \$5,000. Accordingly, the Applicant's fair value rate base is too small to be useful in a fair value analysis. Staff has reviewed the rates to be charged by the Applicant and believes they are just and reasonable as they are comparable to other competitive local carriers, local incumbent carriers and major long distance carriers. Therefore, while Staff considered the fair value rate base information submitted by the Applicant, the fair value rate base information provided should not be given substantial weight in this analysis;

18. The Applicant should be ordered to file an application with the Commission pursuant to A.A.C. R14-2-1107, if the Applicant desires to discontinue service. The Applicant should be required to notify each of its customers and the Commission 60 days prior to filing an application to discontinue service; and any failure to do so should result in forfeiture of the Applicant's performance bond.

Staff further recommends that the Applicant be ordered to comply with the following. If it does not do so, the Applicant's CC&N shall be null and void without further Order of the Commission and no time extensions shall be granted.

1. The Applicant shall docket conforming tariffs for its CC&Ns to provide resold long distance, facilities-based long distance, resold local and facilities-based local exchange service within 365 days from the date of an Order in this matter or 30 days prior to providing service, whichever comes first, and in accordance with the Decision; and
2. The Applicant shall:
 - a. procure a performance bond equal to \$135,000. The minimum bond amount of \$135,000 should be increased if at any time it would be insufficient to cover advances, deposits and/or prepayments collected from the Applicant's customers. The bond amount should be increased in increments of \$67,500. This increase should occur when the total amount of the advances, deposits and prepayments is within \$13,500 of the bond amount.

However, if at some time in the future, the Applicant does not collect from its customers advances, deposits and/or prepayments, Staff recommends that the Applicant be allowed to file a request for cancellation of its established performance bond regarding its resold long distance services. Such request must reference the decision in this docket and must explain the Applicant's plans for canceling those portions of the bond.

- b. docket proof of the performance bond within 365 days of the effective date of an Order in this matter or 30 days prior to the provision of service, whichever comes first. The performance bond must remain in effect until further Order of the Commission.

6.2 RECOMMENDATION ON THE APPLICANT'S PETITION TO HAVE ITS PROPOSED SERVICES CLASSIFIED AS COMPETITIVE

Staff believes that the Applicant's proposed services should be classified as competitive. There are alternatives to the Applicant's services. The Applicant will have to convince customers to purchase its services, and the Applicant has no ability to adversely affect the local exchange market. Therefore, the Applicant currently has no

market power in the local exchange service markets where alternative providers of telecommunications services exist. Staff therefore recommends that the Applicant's proposed services be classified as competitive.

NEW APPLICATION

Qwest
4041 N. Central Avenue, Suite 1100
Phoenix Arizona 85012
Phone 602 630-2187
Facsimile 602 235-3107

LEGAL

Qwest
Spirit of Service

RECEIVED

Norman G. Curtright
Corporate Counsel

2004 DEC 15 P 4:00

AZ CORP COMMISSION
DOCUMENT CONTROL
December 15, 2004

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

T-01051B-04-0891
T-04257A-04-0891

Re: In the Matter of the Triennial Review Order and USTA II Decision Amendment to the Interconnection Agreement between Qwest Corporation and The J. Richard Company, LLC d/b/a Live Wire Phone Company for the State of Arizona

Dear Madam or Sir:

Enclosed please find an Amendment to the Interconnection Agreement ("Agreement") to incorporate the Triennial Review Order ("TRO") and the USTA II Decision into the Interconnection Agreement between Qwest Corporation and The J. Richard Company d/b/a Live Wire Phone Company ("Live Wire"). Live Wire is an Arizona Corporation. The Agreement is currently pending approval by the Arizona Corporation Commission.

The Agreement is amended by changing or adding terms, conditions and rates for certain UNEs as set forth in Attachment 1 to this Amendment.

Please contact me at (602) 630-2187 if you have any questions concerning the enclosed. Thank you for your assistance in this matter.

Sincerely,

Norman G. Curtright
Norman G. Curtright

Enclosure

RECEIVED

DEC 16 2004

LEGAL DIV.
Z. CORPORATION COMMISSION

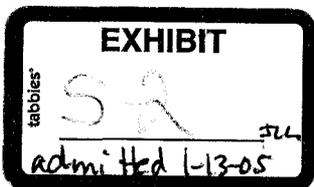


EXHIBIT S-2

Amendment to Agreement with Live Wire Phone Company

December 15, 2004

Page 2

c: The J. Richard Company, LLC a/k/a Live Wire Phone Company

Ric Jones, President

PMB 465, 21001 N. Tatum Blvd., Suite 78-1630

Phoenix, AZ 85059

Qwest Corporation

Manager of Interconnection

1801 California Street, Suite 2420

Denver, CO 80202

**Triennial Review Order and USTA II Decision Amendment
to the Interconnection Agreement
between
Qwest Corporation
and
The J. Richard Company, LLC dba Live Wire Phone Company
for the State of Arizona**

This is an Amendment ("Amendment") to incorporate the Triennial Review Order (TRO) and the USTA II Decision into the Interconnection Agreement between Qwest Corporation ("Qwest"), formerly known as U S WEST Communications, Inc., a Colorado corporation, and The J. Richard Company, LLC dba Live Wire Phone Company ("CLEC"), an Arizona corporation.

RECITALS

WHEREAS, the Parties are entering into an Interconnection Agreement ("Agreement") for services in the state of Arizona, which is being filed with the Arizona Corporation Commission ("Commission"); and

WHEREAS, the Federal Communications Commission ("FCC") promulgated new rules and regulations pertaining to, among other things, the availability of unbundled network elements ("UNEs") pursuant to Section 251(c)(3) of the Telecommunications Act of 1996 (the "Act") in its Report and Order *In the Matter of Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers; Implementation of the Local Competition Provisions of the Telecommunications Act of 1996; Deployment of Wireline Services Offering Advanced Telecommunications Capability*, CC Docket Nos. 01-338, 96-98 and 98-147, (effective October 2, 2003) ("TRO"); and

WHEREAS, the United States Court of Appeals for the Washington D.C. Circuit, among other things, reversed and vacated portions of the TRO with respect to several UNEs in its decision, *USTA v. FCC*, 359 F.3d 554 (D.C. Cir. 2004) (effective June 16, 2004) ("USTA II Decision"); and

WHEREAS, the FCC subsequently further issued Interim Rules in its Order and Notice of Proposed Rulemaking *In the Matter of Unbundled Access to Network Elements, Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, WC Docket No. 04-313, CC Docket No. 01-338 (effective September 13, 2004) ("Interim Rules"); and

WHEREAS, the TRO, the USTA II Decision, and the Interim Rules, individually and together ("Decisions") materially modify Qwest's obligations under the Act with respect to, among other things, Qwest's requirement to offer certain UNEs; and

WHEREAS, the Parties wish to amend the Agreement to comply with the Decisions hereby agree to do so under the terms and conditions contained herein.

AGREEMENT

NOW THEREFORE, in consideration of the mutual terms, covenants and conditions contained in this Amendment and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

I. Amendment Terms

To the extent applicable, the Agreement is hereby amended by changing or adding terms, conditions and rates for certain UNEs as set forth in Attachment 1 to this Amendment, attached hereto and incorporated herein by this reference.

II. Limitations

A. Nothing in this Amendment shall be deemed an admission by Qwest or CLEC concerning the interpretation or effect of the Decisions, nor rules, regulations, interpretations, and appeals thereof, including but not limited to state rules, regulations, and laws as they may be issued or promulgated regarding the same. Nothing in this Amendment shall preclude or estop Qwest or CLEC from taking any position in any forum concerning the proper interpretation or effect of Decisions or concerning whether the Decisions should be changed, vacated, dismissed, stayed or modified.

B. This Amendment is based on applicable law as it exists as of September 13, 2004. In the event that Qwest's obligations to provide specific UNEs that the Interim Rules stated need not be made available to CLEC where the CLEC did not have access to those UNEs as of June 15, 2004 (including mass market switching; DS1, DS3, and dark fiber loops; and DS1, DS3, and dark fiber transport facilities) are altered by: 1) the issuance of permanent or other rules or orders by the FCC; 2) issuance of a court decision that affects the validity of the Decisions; and/or 3) issuance of a court order that affects the validity of any other FCC rules or orders; then the Parties agree to comply with said order or decision, including any transitional rates, terms, and conditions established by the FCC, which will be made automatically applicable to this Agreement immediately upon its effectiveness without further need for amendment to this Agreement.

III. Conflicts

In the event of a conflict between this Amendment and the terms and conditions of the Agreement, this Amendment shall control, subject to Section I.B above; provided, however, that the fact that a term or provision appears in this Amendment but not in the Agreement shall not be interpreted as, or deemed a grounds for finding, a conflict for purposes of this Section III.

IV. Scope

This Amendment shall amend, modify and revise the Agreement only to the extent the UNEs listed in Attachment 1 are included in the Agreement and, except to the extent set forth in Section I and Section II of this Amendment, the terms and provisions of the Agreement shall remain in full force and effect after the execution date.

V. Effective Date

This Amendment shall be deemed effective upon approval by the Commission except where the change of law provision in CLEC's Interconnection Agreement specifies a different effective date. The Parties agree to implement the provisions of this Amendment upon execution ("execution date").

VI. Further Amendments

The provisions of this Amendment, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions of this Amendment may not be given without the written consent thereto by both Parties' authorized representative. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, will be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

VII. Entire Agreement

The Agreement as amended (including the documents referred to herein) constitutes the full and entire understanding and agreement between the Parties with regard to the subjects of the Agreement as amended and supersedes any prior understandings, agreements, or representations by or between the Parties, written or oral, to the extent they relate in any way to the subjects of the Agreement as amended.

The Parties intending to be legally bound have executed this Amendment as of the dates set forth below, in multiple counterparts, each of which is deemed an original, but all of which shall constitute one and the same instrument.

**The J. Richard Company, LLC
dba Live Wire Phone Company**



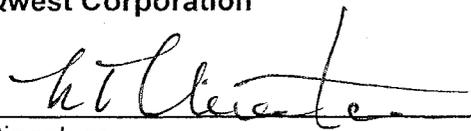
Signature
Richard H. Jones

Name Printed/Typed
Resident

Title
11-1-04

Date

Qwest Corporation



Signature
L. T. Christensen

Name Printed/Typed
Director-Interconnection Agreements

Title
11/19/04

Date

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1.0 Definitions

"Commingling" means the connecting, attaching, or otherwise linking of an Unbundled Network Element, or a Combination of Unbundled Network Elements, to one or more facilities or services that a requesting Telecommunications Carrier has obtained at wholesale from Qwest, or the combination of an Unbundled Network Element, or a Combination of Unbundled Network Elements, with one or more such facilities or services.

"Commingle" means the act of Commingling.

"Dedicated Transport" is a Qwest provided digital transmission path between Qwest Wire Centers, Qwest End Office Switches, and Qwest Tandem Switches to which CLEC is granted exclusive use.

"Unbundled Network Element" (UNE) is a Network Element that has been defined by the FCC as a Network Element to which Qwest is obligated under Section 251(c)(3) of the Act to provide unbundled access or for which unbundled access is provided under CLEC's Agreement and under this Amendment. Unbundled Network Elements do not include those Network Elements Qwest is obligated to provide only pursuant to Section 271 of the Act.

2.0 Unbundled Network Elements (UNE) Generally

2.0.1 UNEs shall be obtained solely for the provision of Telecommunications Services only to the extent allowed by law, which does not include telecommunications utilized by CLEC for its own administrative use. UNEs shall not be used solely to provide wireless services also known as Commercial Mobile Radio Service (CMRS).

2.0.2 CLEC's Interconnection Agreement may include terms and conditions for certain Network Elements that Qwest is no longer required to offer on an unbundled basis pursuant to Section 251 of the Act. The FCC determined in its Triennial Review Order that certain Network Elements do not satisfy the FCC's impairment test, and as a result, Qwest is no longer obligated to offer to CLEC those Network Elements on an unbundled basis pursuant to Section 251 of the Act. As of the execution date of this Amendment, CLEC shall not order, and Qwest will not provide, the following Network Elements on an unbundled basis pursuant to Section 251 of the Act:

- a) OCn Loops;
- b) Fiber to the Home, except as identified in Section 2.1.2.1.2.2 below;
- c) Hybrid Unbundled Loops except as required by Section 2.1.2.2 below;
- d) Non-copper distribution Subloop, unless required to access Qwest-owned inside wire at an MTE;
- e) Feeder Subloops;
- f) Line Sharing;
- g) E-UDIT (Extended Unbundled Dedicated Interoffice Transport), E-UDF (Extended Unbundled Dark Fiber), and Transport from a CLEC's

Premises to a Qwest Wire Center;

- h) OCn UDIT;
- i) UDIT and UDF as a part of a Meet-Point arrangement;
- j) Remote Node/Remote Port;
- k) SONET add/drop multiplexing and 3/1 and 1/0 multiplexing;
- l) Enterprise Unbundled Local Switching and related services, including UNE-P PRI, UNE-P DSS, Customized Routing, Shared Transport, Signaling, and Call-related Databases (see Section 2.5 below);
- m) Unbundled Local Tandem Switching at the DS1 or above capacity;
- n) Packet Switching; and
- o) Directory Assistance Service and Operator Services (except see Sections 2.8 and 2.9 below – these services are provided under this Amendment at market-based rates).

2.0.3 CLEC's Interconnection Agreement may include terms and conditions for certain Network Elements that had been established by the FCC under its Triennial Review Order as Section 251 Unbundled Network Elements. However, the March 2, 2004 Decision by the United States Court of Appeals for the Washington D.C. Circuit vacated the FCC's rules with respect to unbundling obligations for several Network Elements, as listed below in this Section. As of the execution date of this Amendment, CLEC shall not order, and Qwest will not provide, the following Network Elements on an unbundled basis pursuant to Section 251 of the Act:

- a) Unbundled Loops at DS1 and DS3 capacities;
- b) Unbundled Dark Fiber Loops (UDF-Loops);
- c) Enhanced Extended Loops (EEL) at DS1 and above capacities;
- d) Unbundled Dedicated Interoffice Transport (UDIT) at DS1 and DS3 capacities;
- e) Unbundled Dark Fiber Interoffice Facilities (UDF-IOF);
- f) Unbundled Customer-Controlled Rearrangement Element (UCCRE); and
- g) Mass Market Unbundled Local Switching and related services, including UNE-P, Customized Routing, Shared Transport, Signaling, and Call-related Databases (see Section 2.5 below).

2.0.4 Upon the execution date of this Amendment, CLEC shall begin to submit orders to disconnect or to make other arrangements to convert any former Unbundled Network Elements listed in Sections 2.0.2 and 2.0.3 above that Qwest is providing to CLEC under CLEC's Interconnection Agreement. Any elements listed in Sections 2.0.2 or 2.0.3 above remaining in

service on January 1, 2005 will be converted to an alternative arrangement such as resale or Qwest Tariffed service. The effective date of those conversions will be governed by the change of law provision in CLEC's Interconnection Agreement or January 1, 2005, whichever is earlier.

2.1 Unbundled Loop

2.1.1 CLEC's Interconnection Agreement terms and conditions shall govern those existing CLEC Unbundled Loop elements listed below until such time as they are converted or disconnected pursuant to Section 2.0.4 of this Amendment.

- a) Unbundled Loops at DS1 and DS3 capacities;
- b) OCn Unbundled Loops;
- c) Fiber to the Home Unbundled Loops (FTTH) except as identified in 2.1.2.1.2.2 below;
- d) Unbundled Dark Fiber Loops (UDF-Loops);
- e) Enhanced Extended Loop (EEL) at DS1 and above capacities; and
- f) Hybrid Unbundled Loops except as required by Section 2.1.2.2 below.

2.1.2 **Fiber to the Home (FTTH) Loops.** For purposes of this Section, a Fiber to the Home ("FTTH") loop is a local Loop consisting entirely of fiber optic cable, whether dark or lit, and serving an End User Customer's premises or, in the case of predominantly residential multiple dwelling units (MDUs), a fiber optic cable, whether dark or lit, that extends to the multiunit premises' minimum point of entry (MPOE).

2.1.2.1 FTTH New Builds. Qwest shall have no obligation to provide access to a FTTH loop as an Unbundled Network Element in any situation where Qwest deploys such a loop to an End User Customer's premises that had not previously been served by any loop facility prior to October 2, 2003.

2.1.2.2 FTTH Overbuilds. Qwest shall have no obligation to provide access to a FTTH loop as an Unbundled Network Element in any situation where Qwest deploys such a loop parallel to, or in replacement of, an existing copper loop facility. Notwithstanding the foregoing, where Qwest deploys a FTTH loop parallel to, or in replacement of, an existing copper loop facility:

2.1.2.2.1 Qwest shall: (i) leave the existing copper loop connected to the End User Customer's premises after deploying the FTTH loop to such premises, and (ii) upon request provide access to such copper loop as an Unbundled Network Element. Notwithstanding the foregoing, Qwest shall not be required to incur any expense to ensure that any such existing copper loop remains capable of transmitting signals prior to receiving a request from CLEC for access, as set forth above, in which case Qwest shall restore such copper loop to serviceable condition. Any such restoration shall not be subject to Performance Indicator Definition or other performance service measurement or intervals. Qwest's obligations under this subsection 2.1.2.2.1 shall terminate when Qwest retires

such copper Loop in accordance with the provisions of Section 2.1.2.2.3 below.

2.1.2.2.2 In the event Qwest, in accordance with the provisions of Section 2.1.2.2.3 below, retires the existing copper loop connected to the End User Customer's premises, Qwest shall provide access, as an Unbundled Network Element over the FTTH loop, to a 64 kbps transmission path capable of voice grade service.

2.1.2.2.3 Retirement of Copper Loops or Copper Subloops and Replacement with FTTH Loops. In the event Qwest decides to replace any copper loop or copper Subloop with a FTTH Loop, Qwest will: (i) provide notice of such planned replacement on its website (www.qwest.com/disclosures) and (ii) provide public notice of such planned replacement to the FCC. Such notices shall be in addition to any applicable state Commission notification that may be required. Any such notice provided to the FCC shall be deemed approved on the ninetieth (90th) Day after the FCC's release of its public notice of the filing, unless an objection is filed pursuant to the FCC's rules. In accordance with the FCC's rules: (i) a CLEC objection to a Qwest notice that it plans to replace any copper loop or copper subloop with a FTTH Loop shall be filed with the FCC and served upon Qwest no later than the ninth (9th) business day following the release of the FCC's public notice of the filing and (ii) any such objection shall be deemed denied ninety (90) Days after the date on which the FCC releases public notice of the filing, unless the FCC rules otherwise within that period.

2.1.2.3 Hybrid Loops – A "Hybrid Loop" is an Unbundled Loop composed of both fiber optic cable, usually in the feeder plant, and copper wire or cable, usually in the distribution plant.

2.1.2.3.1 Packet Switching Facilities, Features, Functions and Capabilities – Qwest is not required to provide unbundled access to the Packet Switched features, functions and capabilities of its Hybrid Loops. Packet switching capability is the routing or forwarding of packets, frames, cells, or other data units based on address or other routing information contained in the packets, frames, cells or other data units, and the functions that are performed by the digital subscriber line access multiplexers, including but not limited to the ability to terminate an End User Customers' copper loop (which includes both a low-band voice channel and a high-band data channel, or solely a data channel); the ability to forward the voice channels, if present, to a circuit Switch or multiple circuit Switches; the ability to extract data units from the data channels on the loops; and the ability to combine data units from multiple loops onto one or more trunks connecting to a Packet Switch or Packet Switches.

2.1.2.3.2 Broadband Services – When CLEC seeks access to a Hybrid Loop for the provision of broadband services, Qwest shall provide CLEC with nondiscriminatory access to the time division multiplexing features, functions, and capabilities of that Hybrid Loop on an unbundled basis to establish a complete transmission path between Qwest's Central Office and an End User Customer premises. This access shall include access to all features, functions, and capabilities of the Hybrid Loop that are not used to transmit packetized information.

2.1.2.3.3 Narrowband Services – When CLEC seeks access to a Hybrid Loop

for the provision of narrowband services, Qwest may either:

- a) Provide nondiscriminatory access, on an unbundled basis, to an entire Hybrid Loop capable of voice-grade service (i.e., equivalent to DS0 capacity), using time division multiplexing technology; or
- b) Provide nondiscriminatory access to a spare home-run copper loop serving that End User Customer on an unbundled basis.

2.2 Subloop Unbundling

2.2.1 CLEC's Interconnection Agreement terms and conditions shall govern those existing CLEC unbundled feeder subloop and non-copper distribution subloop elements until such time as they are converted or disconnected pursuant to Section 2.0.4 of this Amendment.

2.2.2 An Unbundled Subloop is defined as the distribution portion of a copper Loop or hybrid Loop comprised entirely of copper wire or copper cable that acts as a transmission facility between any point that it is Technically Feasible to access at terminals in Qwest's outside plant (originating outside of the Central Office), including inside wire owned or controlled by Qwest, and terminates at the End User Customer's premises. An accessible terminal is any point on the Loop where technicians can access the wire or fiber within the cable without removing a splice case to reach the wire or fiber within. Such points may include, but are not limited to, the pole, pedestal, Network Interface Device, minimum point of entry, single point of Interconnection, Remote Terminal, Feeder Distribution Interface (FDI), or Serving Area Interface (SAI). CLEC shall not have access on an unbundled basis to a feeder subloop defined as facilities extending from the Central Office to a terminal that is not at the End User Customer's premises or multiple tenant environment (MTE). CLEC shall have access to the feeder facilities only to the extent it is part of a complete transmission path, not a subloop, between the Central Office and the End User Customer's premises or MTE.

2.2.3 Qwest's obligation to construct a Single Point of Interface (SPOI) is limited to those MTEs where Qwest has distribution facilities to that MTE and owns, controls, or leases the inside wire at the MTE. In addition, Qwest shall have an obligation to construct a SPOI only when CLEC indicates that it intends to place an order for access to an unbundled Subloop Network Element via a SPOI.

2.2.4 Access to Distribution Loops or Intrabuilding Cable Loops at an MTE Terminal within a non-Qwest owned MTE is done through an MTE-POI. Collocation is not required to access Subloops used to access the network infrastructure within an MTE, unless CLEC requires the placement of equipment in a Qwest Premises. Cross-Connect Collocation, refers to creation of a cross connect field and does not constitute Collocation. The terms and conditions of Collocation do not apply to Cross-Connect Collocation if required at or near an MTE.

2.3 Line Sharing

2.3.1 Qwest shall not be required to provide Line Sharing.

2.4 Unbundled Dedicated Interoffice Transport (UDIT)

2.4.1 CLEC's Interconnection Agreement terms and conditions shall govern those existing CLEC Unbundled Dedicated Interoffice Transport (UDIT) elements listed below until such time as they are converted or disconnected pursuant to Section 2.0.4 of this Amendment.

- a) E-UDIT (Extended Unbundled Dedicated Interoffice Transport), Extended Unbundled Dark Fiber (E-UDF); and Transport between CLEC's premises and a Qwest wire center;
- b) OCn UDIT;
- c) UDIT and UDF as a part of a Meet-Point arrangement,
- d) Remote Node/Remote Port;
- e) SONET add/drop multiplexing and 3/1 and 1/0 multiplexing;
- f) Unbundled Dark Fiber Interoffice Facilities (UDF-IOF);
- g) Enhanced Extended Loop (EEL) Interoffice Facilities at DS1 and above capacities;
- h) Unbundled Customer-Controlled Rearrangement Element (UCCRE); and
- i) UDIT at DS1 and DS3 capacities.

2.5 Unbundled Local Switching

2.5.1 CLEC's Interconnection Agreement terms and conditions shall govern those existing CLEC Unbundled Switching and related elements listed below until such time as they are converted or disconnected pursuant to Section 2.0.4 of this Amendment.

- a) Enterprise and Mass Market Unbundled Local Switching, and related services:
 - Customized Routing
 - Signaling
 - AIN Database Services
 - Line Information Database (LIDB)
 - 8XX Database Services
 - InterNetwork Calling Name (ICNAM)
 - Unbundled Network Element - Platform (UNE-P)
 - Local Number Portability (LNP) Database
 - Shared Transport
- b) Packet Switching
- c) Unbundled Local Tandem Switching

2.6 Commingling

2.6.1 To the extent it is Technically Feasible, CLEC may Commingle Telecommunications Services purchased on a resale basis with an Unbundled Network Element or combination of Unbundled Network Elements. Notwithstanding the foregoing, the following are not available for resale Commingling:

- a) Non-telecommunications services;
- b) Enhanced or Information services;
- c) Features or functions not offered for resale on a stand-alone basis or separate from basic Exchange Service; and
- d) Network Elements offered pursuant to Section 271.

2.6.2 CLEC may Commingle DS0 UNEs and combinations of DS0 UNEs with wholesale services and facilities (e.g., Switched and Special Access Services offered pursuant to Tariff) and request Qwest to perform the necessary functions to provision such Commingling. CLEC will be required to provide the CFA (Connecting Facility Assignment) of CLEC's network demarcation (e.g., Collocation or multiplexing facilities) for each UNE, UNE Combination, or wholesale service when requesting Qwest to perform the Commingling of such services. Qwest shall not deny access to a UNE on the grounds that the UNE or UNE Combination shares part of Qwest's network with Access Services.

2.6.2.1 Work performed by Qwest to Commingle services at CLEC's request or to provide services that are not subject to standard provisioning intervals will not be subject to standard provisioning intervals, or to performance measures and remedies, if any, contained in CLEC's Interconnection Agreement or elsewhere, by virtue of that service's inclusion in a requested Commingled service arrangement. Provisioning intervals applicable to services included in a requested Commingled service arrangement will not begin to run until CLEC provides a complete and accurate service request and necessary CFAs to Qwest, and Qwest completes work required to perform the Commingling that is in addition to work required to provision the service as a stand-alone facility or service.

2.6.3 Qwest will not combine or Commingle services or Network Elements that are offered by Qwest pursuant to Section 271 of the Communications Act of 1934, as amended, with Unbundled Network Elements or combinations of Unbundled Network Elements.

2.6.4 Services are available for Commingling only in the manner in which they are provided in Qwest's applicable product Tariffs, catalogs, price lists, or other Telecommunications Services offerings.

2.6.5 Entrance Facilities obtained pursuant to Tariff are available for Commingling. Entrance Facilities and mid-span meet SPOI obtained pursuant to the LIS Section of CLEC's Interconnection Agreement are not available for Commingling.

2.7 Ratcheting

2.7.1 To the extent a Qwest Tariffed service is used to provide both UNEs and non-UNE services, Qwest shall not be required to bill for such Qwest Tariffed service at blended or multiple rates (otherwise known as Ratcheting). Instead, CLEC shall be assessed the Tariffed rate, or resale rate, or the rate from other Qwest wholesale service offerings, as appropriate, for the non-UNE service.

2.7.2 To the extent a multiplexed facility is included in a Commingled circuit, the multiplexed facility will be ordered and billed pursuant to the appropriate Tariff.

2.8 Routine Modifications

2.8.1 Qwest will also perform routine modifications to existing loop and transport facilities used by CLEC to the same extent it performs such activities for its own retail End User Customers, including, but not limited to, rearrangement or splicing of cable (including rearrangement of existing pairs to include fiber hub counts and rearrangement of existing pairs to extend the line), adding a doubler or repeater, adding and/or rearranging an equipment case, adding a smart jack, installing a repeater shelf, adding a line card, and deploying a new multiplexer or reconfiguring an existing multiplexer.

LEGAL

COMMISSIONERS
MARC SPITZER - Chairman
WILLIAM MUNDELL
JEFF HATCH-MILLER
MIKE GLEASON
KRISTIN K. MAYES



RECEIVED
BRIAN C. MCNEIL
Executive Secretary

ARIZONA CORPORATION COMMISSION 2005 JAN -6 P 3: 52

January 6, 2005

AZ CORP COMMISSION
DOCUMENT CONTROL

Ric Jones, President
The J. Richard Company
a/k/a Live Wire Phone Company
PMB 465, 21001 N. Tatum Blvd, Suite 78-1630
Phoenix, AZ 85059

Norman G. Curtright
Qwest Corporation
4041 N. Central Avenue, Suite 1100
Phoenix, Arizona 85012

EXHIBIT 20
tabbles
S-3
admitted 1-13-05

RE: In the Matter of the Triennial Review Order and USTA II Decision Amendment to the Interconnection Agreement between Qwest Corporation and The J. Richard Company, LLC a/k/a Live Wire Phone Company for the State of Arizona. Docket Nos. T-01051B-04-0891 and T-04257A-04-0891.

Dear Messrs Jones and Curtright:

On December 15, 2004, you filed an Amendment to the Interconnection Agreement between Qwest Corporation and The J. Richard Company, LLC a/k/a Live Wire Phone Company with the Arizona Corporation Commission for approval under Section 252 of the 1996 Act.

We are rejecting your filing as inconsistent with your obligations under Section 252 of the 1996 Act. Page 2 of the Amendment states that "[i]n the event that Qwest's obligations to provide specific UNEsare altered by: 1) the issuance of permanent or other rules or orders by the FCC; court decision.....court order....; then the Parties agree to comply with said order or decision, including any transitional rates, terms, and conditions established by the FCC, which will be made **automatically applicable to this Agreement immediately upon its effectiveness without further need for amendment to this Agreement.**" (emphasis added) Under Section 252(e) of the 1996 Act you are required to file all interconnection agreements with the Commission for approval. Any alteration to the terms and conditions currently contained in your Interconnection Agreement or any amendments thereto must be codified in writing and included as part of your agreement.

Please resubmit within 10 days the amendment to your agreement with this correction to Paragraph IIB. If you have any questions concerning this matter, please do not hesitate to contact me at 602-542-0840 or Maureen Scott at 602-542-6022.

Very truly yours,

Blessing N. Chukwu
Executive Consultant III

RECEIVED
JAN 06 2005

BNC:MAS:daa
cc: Docket Control

LEGAL DIV.
ARIZ. CORPORATION COMMISSION

Qwest
4041 N. Central Avenue, Suite 1100
Phoenix, Arizona 85012
Phone 602 630-2187
Facsimile 602 235-3107

David L. Ziegler
Assistant Vice President - Arizona



December 15, 2004

RECEIVED

DEC 15 2004

LEGAL DIV.
ARIZ. CORPORATION COMMISSION

Mr. Matthew Rowell
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Re: Qwest Master Services Agreement with The J. Richard Company, LLC d/b/a
Live Wire Phone Company

Dear Mr. Rowell:

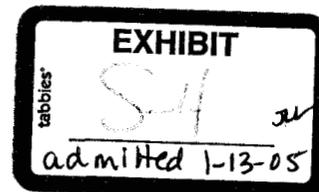
Qwest Corporation ("Qwest") and The J. Richard Company d/b/a Live Wire Phone Company LLC ("Live Wire") recently executed a commercial agreement relating to the provisioning of switching and shared transport. The agreement is entitled "Master Services Agreement" and attaches as Exhibit 1 the "Qwest Platform Plus™ Service," which together hereinafter are termed the "QPP™ Agreement."

I am submitting with this letter a courtesy copy of the QPP™ Agreement for informational purposes only. The reason that I am submitting the QPP™ agreement for informational purposes only is because Qwest believes that Section 252(e) of the federal Telecommunications Act, 47 U.S.C. § 252(e), does not require filing of the QPP™ Agreement for approval with state commissions. As you are likely aware, the D.C. Circuit Court of Appeals' decision in what has been termed *USTA II* became effective on June 16, 2004.¹ In *USTA II*, the D.C. Circuit vacated various rules promulgated by the FCC, including but not limited to the requirement that incumbent local exchange carriers ("ILECs") unbundle certain network elements pursuant to Section 251(c)(3), including but not limited to switching and shared transport. As stated by the FCC, the Section 252(e) filing obligation applies to "an agreement that creates an *ongoing* obligation pertaining to resale, number portability, dialing parity, access to rights-of-way, reciprocal compensation, interconnection, unbundled network elements, or collocation."² Combining the impact of the D.C. Circuit's opinion with the FCC's Declaratory Ruling regarding Section 252(e), there are no Section 251(c)(3) obligations upon the incumbent to provide switching and shared transport as an unbundled network element, and thus there are no Section 252(e) filing obligations associated with the QPP™ Agreement.

¹ *United States Telecom Ass'n. v. FCC*, Case No. 00-1012, (Decided March 2, 2004)..

² *In the Matter of Qwest Communications International Inc. Petition for Declaratory Ruling on the Scope of the Duty to File and Obtain Prior Approval of Negotiated Contractual Arrangements under Section 252(a)(1)*, para. 8 (emphasis that of the FCC).

EXHIBIT S-4



Mr. Matthew Rowell
December 15, 2004
Page 2

The QPP™ Agreement is posted to the Qwest Wholesale website in its entirety and is available to all carriers that assume all of the terms and obligations assumed by Live Wire. Further, Qwest has filed the Agreement with the FCC under 47 U.S.C. § 211(a).

Please contact me with any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "David L. Ziegler", with a long horizontal stroke extending to the right.

David L. Ziegler

Enclosures

c: The J. Richard Company, LLC a/k/a Live Wire Phone Company
Attention: Richard Jones, President
PMB 465, 21001 N. Tatum Blvd., Suite 78-1630
Phoenix, Arizona 85059

Maureen Scott, Esq.
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

QWEST MASTER SERVICES AGREEMENT

This Master Services Agreement, which includes this signature page, the subsequent general terms and conditions, the Rate Sheet for each applicable state, Exhibit 1 (Qwest Platform Plus Service), and Attachment A to Exhibit 1 (Performance Metrics) attached hereto or incorporated herein by reference (collectively the "Agreement") is entered into between Qwest Corporation ("Qwest") and The J. Richard Company, LLC dba Live Wire Phone Company ("CLEC") (each identified for purposes of this Agreement in the signature blocks below, and referred to separately as a "Party" or collectively as the "Parties"), on behalf of itself and its Affiliates. This Agreement may be executed in counterparts. This Agreement shall become effective on the Effective Date. The undersigned Parties have read and agree to the terms and conditions set forth in the Agreement.

QWEST CORPORATION:

By: *LT Christensen*
 [Name]: LT Christensen
 [Title]: Director
 Date: 11/19/04

**THE J. RICHARD COMPANY, LLC
 DBA LIVE WIRE PHONE COMPANY:**

By: *Richard H. Jones*
 [Name]: Richard H. Jones
 [Title]: President
 Date: 11-1-04

NOTICE INFORMATION: All written notices required under the Agreement shall be sent to the following:

To Qwest Corp.:
 1801 California Street, Suite 2420
 Denver, CO 80202
 Phone #: 303-965-3029
 Facsimile #: 303-895-7077
 E-mail: Intagree@qwest.com
 Attention: Manager-Interconnection

To The J. Richard Company, LLC dba Live Wire Phone Company:
 PMB 465, 21001 N. Tatum Blvd, Suite 78-1630
 Phoenix, AZ 85059
 Phone #: 602-799-3842
 Facsimile #: 602-799-6913
 E-mail: _____
 Attention: _____

With copy to: Qwest
 c/o 1801 California Street, Suite 4900
 Denver, Colorado 80202
 Facsimile #: 1-303-295-6973
 Attention: Corporate Counsel, Wholesale
 Reference: MSA for Qwest Platform Plus Service

APPLICABLE SERVICES:

Qwest agrees to offer and CLEC intends to purchase the Services indicated below by CLEC's signatory initialing on the applicable blanks:

 x Exhibit 1 - Qwest Platform Plus Service

APPLICABLE STATES:

Qwest agrees to offer and CLEC intends to purchase Qwest Platform Plus ("QPP") service in the states indicated below by CLEC's signatory initialing on the applicable blanks:

- Arizona
- Colorado
- Idaho
- Iowa
- Minnesota
- Montana
- Nebraska
- New Mexico
- North Dakota
- Oregon
- South Dakota
- Utah
- Washington
- Wyoming

The Parties may amend the Qwest Master Services Agreement in writing from time to time to include additional products and services.

QWEST MASTER SERVICES AGREEMENT

GENERAL TERMS AND CONDITIONS

WHEREAS, CLEC previously purchased on an unbundled basis from Qwest certain combinations of network elements, ancillary functions, and additional features, including without limitation the local loop, port, switching, and shared transport combination commonly known as unbundled network element platform ("UNE-P");

WHEREAS such UNE-P arrangements were previously obtained by CLEC under the terms and conditions of certain interconnection agreements ("ICA"), including without limitation in certain states Qwest's statement of generally available terms ("SGAT");

WHEREAS both CLEC and Qwest acknowledge certain regulatory uncertainty in light of the DC Circuit Court's decision in United States Telecom Association v. FCC, 359 F.3d 554 (March 2, 2004) ("DC Circuit Mandate"), with respect to the future existence, scope, and nature of Qwest's obligation to provide such UNE-P arrangements under the Communications Act (the "Act"); and

WHEREAS to address such uncertainty and to create a stable arrangement for the continued availability to CLEC from Qwest of services technically and functionally equivalent to the June 14, 2004 UNE-P arrangements the parties have contemporaneously entered into ICA amendments;

Now, therefore, in consideration of the terms and conditions contained herein, CLEC and Qwest hereby mutually agree as follows:

1. **Definitions.** Capitalized terms used herein are defined in Addendum 1.

2. **Effective Date.** This Amendment shall become effective upon the latest execution date by the Parties. ("Effective Date").

3. **Term.** The term of this Agreement shall begin on the Effective Date and shall continue through July 31, 2008. At any time within 6 months prior to expiration of the Agreement, either Party may provide notice of renegotiation. The Parties shall meet and negotiate in good faith a transition of existing customers. Upon mutual agreement, the term of the Agreement may be extended upon the same terms and conditions for no more than one (1) extension period, and such extension period shall not exceed six (6) months to allow CLEC to transition its customers to other services. In the event that at the expiration of the Agreement or of the extension period, as the case may be, CLEC has any remaining customers served under this Agreement, Qwest may immediately convert CLEC to an equivalent alternative service at market-based wholesale rates.

4. **Scope of Agreement; Service Provisioning; Controlling Documents; Change of Law; Eligibility for Services under this Agreement; Non-Applicability of Change Management Process.**

4.1 The services described in this Agreement will only be provided in Qwest's incumbent LEC service territory in the states of Arizona, Colorado, Idaho, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington and Wyoming.

4.2 Each of the Services shall be provided pursuant to the terms and conditions of this Agreement. In the event of a conflict between the terms of any Service Exhibit attached hereto and these General Terms and Conditions, the Service Exhibit shall control. The terms of this Agreement, including any Annex or Service Exhibit, shall supersede any inconsistent terms and conditions contained in an Order Form. CLEC acknowledges and agrees that the Services shall be offered by Qwest pursuant to this Agreement and are subject to (i) compliance with all applicable laws and regulations; and (ii) obtaining any domestic or foreign approvals and authorizations required or advisable.

4.3 The provisions in this Agreement are intended to be in compliance with and based on the existing state of the law, rules, regulations and interpretations thereof, including but not limited to Federal rules, regulations, and laws, as of the Effective Date regarding Qwest's obligation under Section 271 of the Act to continue to provide certain Network Elements ("Existing Rules"). Nothing in this Agreement shall be deemed an admission by Qwest or CLEC October 21, 2004/pjd/J. Richard Co. dbaLive Wire/AZ Agreement No. CDS-041021-0009 Qwest MSA

concerning the interpretation or effect of the Existing Rules or an admission by Qwest or CLEC that the Existing Rules should not be changed, vacated, dismissed, stayed or modified. Nothing in this Agreement shall preclude or estop Qwest or CLEC from taking any position in any forum concerning the proper interpretation or effect of the Existing Rules or concerning whether the Existing Rules should be changed, vacated, dismissed, stayed or modified.

4.4 If a change in law, rule, or regulation materially impairs a Party's ability to perform or obtain a benefit under this Agreement, both Parties agree to negotiate in good faith such changes as may be necessary to address such material impairment.

4.5 To receive services under this Agreement, CLEC must be a certified CLEC under applicable state rules. CLEC may not purchase or utilize services or Network Elements covered under this Agreement for its own administrative use or for the use by an Affiliate.

4.6 Except as otherwise provided in this Agreement, the Parties agree that Network Elements and services provided under this Agreement are not subject to the Qwest Wholesale Change Management Process ("CMP") requirements, Qwest's Performance Indicators (PID), Performance Assurance Plan (PAP), or any other wholesale service quality standards, liquidated damages, and remedies. Except as otherwise provided, CLEC hereby waives any rights it may have under the PID, PAP and all other wholesale service quality standards, liquidated damages, and remedies with respect to Network Elements and services provided pursuant to this Agreement. Notwithstanding the foregoing, CLEC proposed changes to QPP attributes and process enhancements will be communicated through the standard account interfaces. Change requests common to shared systems and processes subject to CMP will continue to be addressed via the CMP procedures.

5. **CLEC Information.** CLEC agrees to work with Qwest in good faith to promptly complete or update, as applicable, Qwest's "New Customer Questionnaire" to the extent that CLEC has not already done so, and CLEC shall hold Qwest harmless for any damages to or claims from CLEC caused by CLEC's failure to complete or update the questionnaire.

6. **Financial Terms.**

Rates and Terms

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6.1 Each attached Service Exhibit specifies the description, terms, and conditions specific to that Network Element or service. The applicable rates for each Network Element or service contained in a Service Exhibit shall be contained in the applicable Rate Sheets, the contents of which are incorporated into this Agreement by reference. The Parties agree that the rates set forth in the Rate Sheet are just and reasonable. The Parties agree that no rates, charges, costs, or fees shall apply to the Network Elements or services provided under this Agreement other than as is set forth in the Rate Sheets. The rates will not necessarily include Taxes, fees, or surcharges. No Taxes, fees, or surcharges shall apply to the QPP™ service except such Taxes, fees and surcharges as apply to the UNE-P service as of June 14, 2004, unless a subsequent change in applicable law requires the applicability of new or additional Taxes, fees, or surcharges to the QPP™ service.

Taxes, Fees, and other Governmental Impositions

6.2 All charges for Services provided herein are exclusive of any federal, state, or local sales, use, excise, gross receipts, transaction or similar taxes, fees or surcharges ("Tax" or "Taxes"). Taxes resulting from the performance of this Agreement shall be borne by the Party upon which the obligation for payment is imposed under Applicable Law, even if the obligation to collect and remit such Taxes is placed upon the other Party. However, where the selling Party is specifically permitted by an Applicable Law to collect such Taxes from the purchasing Party, such Taxes shall be borne by the Party purchasing the services. Each Party is responsible for any tax on its corporate existence, status or income. Taxes shall be billed as a separate item on the invoice in accordance with Applicable Law. The Party billing such Taxes shall, at the written request of the Party billed, provide the billed Party with detailed information regarding billed Taxes, including the applicable Tax jurisdiction, rate, and base upon which the Tax is applied. If either Party (the Contesting Party) contests the application of any Tax collected by the other Party (the Collecting Party), the Collecting Party shall reasonably cooperate in good faith with the Contesting Party's challenge, provided that the Contesting Party pays any reasonable costs incurred by the Collecting Party. The Contesting Party is entitled to the benefit of any refund or recovery resulting from the contest, provided that the Contesting Party has paid the Tax contested. If the purchasing Party provides the selling Party with a resale or other exemption certificate, the selling Party shall exempt the purchasing Party if the purchasing Party accepts the certificate in good faith. If a Party becomes aware that any Tax is incorrectly or erroneously collected by that Party from the other Party or paid by the other Party to that Party, that Party shall refund the incorrectly or erroneously collected Tax or paid Tax to the other Party.

6.3 Each Party shall be solely responsible for all taxes on its own business, the measure of which is its own net income or net worth and shall be responsible for any related tax filings, payment, protest, audit and litigation. Each Party shall be solely responsible for the billing, collection and proper remittance of all applicable Taxes relating to its own services provided to its own customers.

7. Intellectual Property

7.1 Except for a license to use any facilities or equipment (including software) solely for the purposes of this Agreement or to receive any service solely (a) as provided in this Agreement or (b) as specifically required by the then-applicable federal rules and regulations relating to the Network Elements or service provided under this Agreement, nothing contained within this Agreement shall be construed as the grant of a license, either express or implied, with respect to any patent, copyright, trade name, trade mark, service mark, trade secret, or other proprietary interest or intellectual property, now or hereafter owned, controlled or licensable by either Party. Nothing in this Agreement shall be construed as the grant to the other Party of any rights or licenses to trade or service marks.

7.2 Subject to the general Indemnity provisions of this Agreement, each Party (an Indemnifying Party) shall indemnify and hold the other Party (an Indemnified Party) harmless from and against any loss, cost, expense or liability arising out of a claim that the services provided by the Indemnifying Party provided or used pursuant to the terms of this Agreement misappropriate or otherwise violate the intellectual property rights of any third party. The obligation for indemnification recited in this paragraph shall not extend to infringement which results from (a) any combination of the facilities or services of the Indemnifying Party with facilities or services of any other Person (including the Indemnified Party but excluding the Indemnifying Party and any of its Affiliates), which combination is not made by or at the direction of the Indemnifying Party or is not reasonably necessary to CLEC's use of the Network Elements and services offered by Qwest under this Agreement or (b) any modification made to the facilities or services of the Indemnifying Party by, on behalf of, or at the request of the Indemnified Party and not required by the Indemnifying Party. In the event of any claim, the Indemnifying Party may, at its sole option (a) obtain the right for the Indemnified Party to continue to use the facility or service; or (b) replace or modify the facility or service to make such facility or service non-infringing. If the Indemnifying Party is not reasonably able to obtain the right for continued use or to replace or modify the facility or service as provided in the preceding sentence and either (a) the facility or service is held to be infringing by a court of competent jurisdiction or (b) the Indemnifying Party reasonably believes that the facility or service will be held to infringe, the Indemnifying Party shall notify the Indemnified Party and the Parties shall negotiate in good faith regarding reasonable modifications to this Agreement necessary to (1) mitigate damage or comply with an injunction which may result from such infringement or (2) allow cessation of further infringement. The Indemnifying Party may request that the Indemnified Party take steps to mitigate damages resulting from the infringement or alleged infringement including, but not limited to, accepting modifications to the facilities or services, and such request shall not be unreasonably denied.

7.3 To the extent required under applicable federal and state law, Qwest shall use commercially reasonable efforts to obtain, from its vendors who have licensed intellectual property rights to Qwest in connection with facilities and services provided hereunder, licenses under such intellectual property rights as necessary for CLEC to use such facilities and services as contemplated hereunder and at least in the same manner used by Qwest for the facilities and services provided hereunder. Qwest shall notify CLEC immediately in the event that Qwest believes it has used its commercially reasonable efforts to obtain such rights, but has been unsuccessful in obtaining such rights. Nothing in this subsection shall be construed in any way to condition, limit, or alter a Party's indemnification obligations under Section 7.2, preceding.

7.4 Except as expressly provided in this Intellectual Property Section, nothing in this Agreement shall be construed as the grant of a license, either express or implied, with respect to any patent, copyright, logo, trademark, trade name, trade secret or any other intellectual property right now or hereafter owned, controlled or licensable by either Party. Neither Party may use any patent, copyright, logo, trademark, trade name, trade secret or other intellectual property rights of the other Party or its Affiliates without execution of a separate agreement between the Parties.

7.5 Neither Party shall without the express written permission of the other Party, state or imply that: 1) it is connected, or in any way affiliated with the other or its Affiliates; 2) it is part of a joint business association or any similar arrangement with the other or its Affiliates; 3) the other Party and its Affiliates are in any way sponsoring, endorsing or certifying it and its goods and services; or 4) with respect to its marketing, advertising or promotional activities or materials, the services are in any way associated with or originated from the other

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Party or any of its Affiliates. Nothing in this paragraph shall prevent either Party from truthfully describing the Network Elements and services it uses to provide service to its End User Customers, provided it does not represent the Network Elements and services as originating from the other Party or its Affiliates or otherwise attempt to sell its End User Customers using the name of the other Party or its Affiliates.

7.6 Qwest and CLEC each recognize that nothing contained in this Agreement is intended as an assignment or grant to the other of any right, title or interest in or to the trademarks or service marks of the other (the Marks) and that this Agreement does not confer any right or license to grant sublicenses or permission to third parties to use the Marks of the other and is not assignable. Neither Party will do anything inconsistent with the other's ownership of their respective Marks, and all rights, if any, that may be acquired by use of the Marks shall inure to the benefit of their respective owners. The Parties shall comply with all Applicable Law governing Marks worldwide and neither Party will infringe the Marks of the other.

7.7 Since a breach of the material provisions of this Section 7 may cause irreparable harm for which monetary damages may be inadequate, in addition to other available remedies, the non-breaching Party may seek injunctive relief.

8. Financial Responsibility, Payment and Security.

8.1 Payment Obligation. Amounts payable under this Agreement are due and payable within thirty (30) calendar Days after the date of invoice (payment due date). If the payment due date is a Saturday, the payment shall be due on the previous Friday; if the payment due date is otherwise not a business day, the payment shall be due the next business day. Invoices shall be sent electronically, and shall bear the date on which they are sent, except that invoices sent on a day other than a business day shall be dated on the next business day.

8.2 Cessation of Order Processing. Qwest may discontinue processing orders for Network Elements and services provided pursuant to this Agreement for the failure of CLEC to make full payment for the relevant services, less any good faith disputed amount as provided for in this Agreement, for the relevant services provided under this Agreement within thirty (30) calendar Days following the payment due date provided that Qwest has first notified CLEC in writing at least ten (10) business days prior to discontinuing the processing of orders for the relevant services. If Qwest does not refuse to accept additional orders for the relevant services on the date specified in the ten (10) business days notice, and CLEC's non-compliance continues, nothing contained herein shall preclude Qwest's right to refuse to accept additional orders for the relevant services from CLEC without further notice. For order processing to resume, CLEC will be required to make full payment of all past-due charges for the relevant services not disputed in good faith under this Agreement, and Qwest may require a deposit (or recalculate the deposit) pursuant to Section 8.5. In addition to other remedies that may be available at law or equity, CLEC reserves the right to seek equitable relief including injunctive relief and specific performance.

8.3 Disconnection. Qwest may disconnect any and all relevant Network Elements and services provided under this Agreement for failure by CLEC to make full payment for such Network Elements or services, less any disputed amount as provided for in this Agreement, for the relevant services provided under this Agreement within sixty (60) calendar Days following the payment due date provided that Qwest has first notified CLEC in writing at least thirty (30) days prior to disconnecting the relevant services. CLEC will pay the applicable reconnect charge set forth in the Rate Sheet required to reconnect Network Elements and services for each End User Customer disconnected pursuant to this paragraph. In case of such

disconnection, all applicable undisputed charges, including termination charges, shall become due. If Qwest does not disconnect CLEC's service(s) on the date specified in the thirty (30) day notice, and CLEC's noncompliance continues, nothing contained herein shall preclude Qwest's right to disconnect any or all relevant services of the non-complying Party without further notice. Qwest shall provide a subsequent written notice at least two (2) business days prior to disconnecting service. Disconnect of certain Network Elements or services under this Agreement with respect to which CLEC has failed to pay undisputed charges shall not trigger the disconnection of Network Elements or services for which CLEC has paid all undisputed charges, and Qwest shall be permitted to disconnect under this section only those Network Elements or services for which CLEC fails to pay all undisputed charges prior to the expiration of the applicable thirty-day or two business day notice period. For reconnection of the non-paid service to occur, CLEC will be required to make full payment of all past and current undisputed charges under this Agreement for the relevant services and Qwest may require a deposit (or recalculate the deposit) pursuant to Section 8.5. Both Parties agree, however, that the application of this Section 8.3 will be suspended for the initial three (3) Billing cycles of this Agreement and will not apply to amounts billed during those three (3) cycles. In addition to other remedies that may be available at law or equity, each Party reserves the right to seek equitable relief, including injunctive relief and specific performance. Notwithstanding the foregoing, Qwest shall not effect a disconnection pursuant to this section in such manner that CLEC may not reasonably comply with Applicable Law concerning End User Customer disconnection and notification, provided that, the foregoing is subject to CLEC's reasonable diligence in effecting such compliance.

8.4 Billing Disputes. Should either Party dispute, in good faith, and withhold payment on any portion of the nonrecurring charges or monthly Billing under this Agreement, the Parties will notify each other in writing within fifteen (15) calendar days following the payment due date identifying the amount, reason and rationale of such dispute. At a minimum, each Party shall pay all undisputed amounts due to the other Party. Both CLEC and Qwest agree to expedite the investigation of any disputed amounts, promptly provide all documentation regarding the amount disputed that is reasonably requested, and work in good faith in an effort to resolve and settle the dispute through informal means prior to initiating any other rights or remedies.

8.4.1 If a Party disputes charges and does not pay such charges by the payment due date, such charges may be subject to late payment charges. If the disputed charges have been withheld and the dispute is resolved in favor of Qwest, the withholding Party shall pay the disputed amount and applicable late payment charges no later than the next Bill Date following the resolution. The withholding Party may not continue to withhold the disputed amount following the initial resolution while pursuing further dispute resolution. If the disputed charges have been withheld and the dispute is resolved in favor of the disputing Party, Qwest shall credit the bill of the disputing Party for the amount of the disputed charges and any late payment charges that have been assessed no later than the second Bill Date after the resolution of the dispute. If a Party pays the disputed charges and the dispute is resolved in favor of Qwest, no further action is required.

8.4.2 If a Party pays the charges disputed at the time of payment or at any time thereafter pursuant to Section 8.4.3, and the dispute is resolved in favor of the disputing Party Qwest shall, no later than the next Bill Date after the resolution of the dispute: (1) credit the disputing Party's bill for the disputed amount and any associated interest or (2) pay the remaining amount to CLEC, if the disputed amount is greater than the bill to be credited. The interest calculated on the disputed amounts will be the same rate as late

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payment charges. In no event, however, shall any late payment charges be assessed on any previously assessed late payment charges.

8.4.3 If a Party fails to bill a charge or discovers an error on a bill it has already provided to the other Party, or if a Party fails to dispute a charge and discovers an error on a bill it has paid after the period set forth in Section 8.4, the Party may dispute the bill at a later time through an informal process notwithstanding the requirements of Section 8.4, but subject to the Dispute Resolution provision of this Agreement, and Applicable Law.

8.5 **Security Deposits.** In the event of a material adverse change in CLEC's financial condition subsequent to the Effective Date, Qwest may request a security deposit. A "material adverse change in financial condition" shall mean a Party is a new CLEC with no established credit history, or is a CLEC that has not established satisfactory credit with Qwest, or the Party is repeatedly delinquent in making its payments, or the Party is being reconnected after a disconnection of service or discontinuance of the processing of orders by the Billing Party due to a previous undisputed nonpayment situation. The Billing Party may require a deposit to be held as security for the payment of charges before the orders from the billed Party will be provisioned and completed or before reconnection of service. "Repeatedly delinquent" means any payment of a material amount of total monthly billing under the Agreement received thirty (30) calendar Days or more after the payment due date, three (3) or more times during a twelve (12) month period. The INITIAL deposit may not exceed the estimated total monthly charges for an average two (2) month period within the 1st three (3) months for all services. The deposit may be a surety bond if allowed by the applicable Commission regulations, a letter of credit with terms and conditions acceptable to the Billing Party, or some other form of mutually acceptable security such as a cash deposit. The deposit may be adjusted by the billing party's actual monthly average charges, payment history under this agreement, or other relevant factors, but in no event shall the security deposit exceed five million dollars (\$5,000,000.00). Required deposits are due and payable within thirty (30) calendar Days after demand and non-payment shall be subject to 8.2 and 8.3 of this Section.

8.6 **Interest on Deposits.** Any interest earned on cash deposits shall be credited to CLEC in the amount actually earned or at the rate set forth in Section 8.7 below, whichever is lower, except as otherwise required by law, provided that, for elimination of doubt, the Parties agree that such deposits shall not be deemed subject to state laws or regulations relating to consumer or End User Customer cash deposits. Cash deposits and accrued interest, if applicable, will be credited to CLEC's account or refunded, as appropriate, upon the earlier of the expiration of the term of the Agreement or the establishment of satisfactory credit with Qwest, which will generally be one full year of timely payments of undisputed amounts in full by CLEC. Upon a material change in financial standing, CLEC may request and Qwest will consider a recalculation of the deposit. The fact that a deposit has been made does not relieve CLEC from any requirements of this Agreement.

8.7 **Late Payment Penalty.** If any portion of the payment is received by Qwest after the payment due date as set forth above, or if any portion of the payment is received by Qwest in funds that are not immediately available, then a late payment penalty shall be due to Qwest. The late payment penalty shall be the portion of the payment not received by the payment due date multiplied by a late factor. The late factor shall be the lesser of: (1) The highest interest rate (in decimal value) which may be levied by law for commercial transactions, compounded daily for the number of days from the payment due date to and including the date that the CLEC actually makes the payment to the Company, or (2) 0.000407 per day,

compounded daily for the number of days from the payment due date to and including the date that the CLEC actually makes the payment to Qwest.

8.8 **Notice to End User Customers.** CLEC shall be responsible for notifying its End User Customers of any pending disconnection of a non-paid service by CLEC, if necessary, to allow those End User Customers to make other arrangements for such non-paid services.

9. **Conversions/Terminations.** If CLEC is obtaining services from Qwest under an arrangement or agreement that includes the application of termination liability assessment (TLA) or minimum period charges, and if CLEC wishes to convert such services to a service under this Agreement, the conversion of such services will not be delayed due to the applicability of TLA or minimum period charges. The applicability of such charges is governed by the terms of the original agreement, Tariff or arrangement. Nothing herein shall be construed as expanding the rights otherwise granted by this Agreement or by law to elect to make such conversions.

9.1 In the event Qwest terminates the Provisioning of any service to CLEC for any reason, CLEC shall be responsible for providing any and all necessary notice to its End User Customers of the termination. In no case shall Qwest be responsible for providing such notice to CLEC's End User Customers. Qwest shall only be required to notify CLEC of Qwest's termination of the service on a timely basis consistent with FCC rules and notice requirements.

10. **Customer Contacts.** CLEC, or CLEC's authorized agent, shall act as the single point of contact for its End User Customers' service needs, including without limitation, sales, service design, order taking, Provisioning, change orders, training, maintenance, trouble reports, repair, post-sale servicing, Billing, collection and inquiry. CLEC shall inform its End User Customers that they are End User Customers of CLEC. CLEC's End User Customers contacting Qwest will be instructed to contact CLEC, and Qwest's End User Customers contacting CLEC will be instructed to contact Qwest. In responding to calls, neither Party shall make disparaging remarks about each other. To the extent the correct provider can be determined, misdirected calls received by either Party will be referred to the proper provider of Local Exchange Service; however, nothing in this Agreement shall be deemed to prohibit Qwest or CLEC from discussing its products and services with CLEC's or Qwest's End User Customers who call the other Party seeking such information.

11. **Default and Breach**

If either Party defaults in the payment of any amount due hereunder, or if either Party violates any other material provision of this Agreement, including, but not limited to, Sections 6, 7, 8, 13, 16, 21, 29, 31, 32, 34, and 35, and such default or violation continues for thirty (30) calendar Days after written notice thereof, the other Party may terminate this Agreement and seek relief in accordance with the Dispute Resolution provision, or any remedy under this Agreement.

12. **Limitation of Liability.**

12.1 To the extent the Agreement or an Exhibit contains an express remedy in the form of a quality of service credit or other liquidated damages in connection with services provided by Qwest under this Agreement or for a failure to provide such services, such credit shall be deemed to be CLEC's sole remedy under this Agreement for losses, damages, or other claims related to or connected with the events giving rise to the claim for quality of service credit.

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12.2 Neither Party shall be liable to the other for indirect, incidental, consequential, exemplary, punitive, or special damages, including (without limitation) damages for lost profits, lost revenues, lost savings suffered by the other Party regardless of the form of action, whether in contract, warranty, strict liability, tort, including (without limitation) negligence of any kind and regardless of whether the Parties know the possibility that such damages could result.

12.3 Nothing contained in this Section 12 shall limit either Party's obligations of indemnification specified in this Agreement, nor shall this Section 12 limit a Party's liability for failing to make any payment due under this Agreement.

12.4 The foregoing limitations apply to all causes of actions and claims, including without limitation, breach of contract, breach of warranty, negligence, strict liability, misrepresentation and other torts. In any arbitration under this Agreement, the Arbitrator shall not be able to award, nor shall any party be entitled to receive damages not otherwise recoverable under this agreement.

12.5 Nothing contained in this Section shall limit either Party's liability to the other for willful misconduct, provided that, a Party's liability to the other Party pursuant to the foregoing exclusion, other than direct damages, shall be limited to a total cap equal to one hundred per cent (100%) of the annualized run rate of total amounts charged by Qwest to CLEC under the Agreement.

13. Indemnity.

13.1 The Parties agree that unless otherwise specifically set forth in this Agreement the following constitute the sole indemnification obligations between and among the Parties:

13.1.1 Each Party (the Indemnifying Party) agrees to release, indemnify, defend and hold harmless the other Party and each of its officers, directors, employees and agents (each an Indemnitee) from and against and in respect of any loss, debt, liability, damage, obligation, claim, demand, judgment or settlement of any nature or kind, known or unknown, liquidated or unliquidated including, but not limited to, reasonable costs and expenses (including attorneys' fees), whether suffered, made, instituted, or asserted by any Person or entity, for invasion of privacy, bodily injury or death of any Person or Persons, or for loss, damage to, or destruction of tangible property, whether or not owned by others, resulting from the Indemnifying Party's breach of or failure to perform under this Agreement, regardless of the form of action, whether in contract, warranty, strict liability, or tort including (without limitation) negligence of any kind.

13.1.2 In the case of claims or loss alleged or incurred by an End User Customer of either Party arising out of or in connection with services provided to the End User Customer by the Party, the Party whose End User Customer alleged or incurred such claims or loss (the Indemnifying Party) shall defend and indemnify the other Party and each of its officers, directors, employees and agents (collectively the Indemnified Party) against any and all such claims or loss by the Indemnifying Party's End User Customers regardless of whether the underlying service was provided or Network Element was provisioned by the Indemnified Party, unless the loss was caused by the gross negligence or willful misconduct of the Indemnified Party. The obligation to indemnify with respect to claims of the Indemnifying Party's End User Customers shall not extend to any claims for physical bodily injury or death of any Person or persons, or for loss, damage to, or destruction of tangible property,

whether or not owned by others, alleged to have resulted directly from the negligence or intentional conduct of the employees, contractors, agents, or other representatives of the Indemnified Party.

13.2 The indemnification provided herein shall be conditioned upon:

13.2.1 The Indemnified Party shall promptly notify the Indemnifying Party of any action taken against the Indemnified Party relating to the indemnification. Failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of any liability that the Indemnifying Party might have, except to the extent that such failure prejudices the Indemnifying Party's ability to defend such claim.

13.2.2 If the Indemnifying Party wishes to defend against such action, it shall give written notice to the Indemnified Party of acceptance of the defense of such action. In such event, the Indemnifying Party shall have sole authority to defend any such action, including the selection of legal counsel, and the Indemnified Party may engage separate legal counsel only at its sole cost and expense. In the event that the Indemnifying Party does not accept the defense of the action, the Indemnified Party shall have the right to employ counsel for such defense at the expense of the Indemnifying Party. Each Party agrees to cooperate with the other Party in the defense of any such action and the relevant records of each Party shall be available to the other Party with respect to any such defense.

13.2.3 In no event shall the Indemnifying Party settle or consent to any judgment for relief other than monetary damages pertaining to any such action without the prior written consent of the Indemnified Party. In the event the Indemnified Party withholds consent the Indemnified Party may, at its cost, take over such defense, provided that, in such event, the Indemnifying Party shall not be responsible for, nor shall it be obligated to indemnify the relevant Indemnified Party against, any cost or liability in excess of such refused compromise or settlement.

14. Limited Warranties.

14.1 Each party shall provide suitably qualified personnel to perform this Agreement and all services hereunder in a good and workmanlike manner and in material conformance with all applicable laws and regulations.

14.2 EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, QWEST SPECIFICALLY DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY SERVICE OR NETWORK ELEMENT PROVIDED HEREUNDER. QWEST SPECIFICALLY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR TITLE OR NON-INFRINGEMENT OF THIRD PARTY RIGHTS.

15. Relationship. Except to the limited extent expressly provided in this Agreement: (i) neither Party shall have the authority to bind the other by contract or otherwise or make any representations or guarantees on behalf of the other or otherwise act on the other's behalf; and (ii) the relationship arising from this Agreement does not constitute an agency, joint venture, partnership, employee relationship, or franchise.

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16. Assignment or Sale.

16.1 CLEC may not assign or transfer (whether by operation of law or otherwise) this Agreement (or any rights or obligations hereunder) to a third party without the prior written consent of the other Party. Notwithstanding the foregoing, CLEC may assign or transfer this Agreement to a corporate Affiliate or an entity under its control or to a purchaser of substantially all or substantially all of CLEC's assets related to the provisioning of local services in the Qwest region without the consent of Qwest, provided that the performance of this Agreement by any such assignee is guaranteed by the assignor. A Party making an assignment or transfer permitted by this Section shall provide prior written notice to the other Party. Any attempted assignment or transfer that is not permitted is void ab initio. Without limiting the generality of the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the Parties' respective successors and assigns.

16.2 In the event that Qwest transfers to any unaffiliated party exchanges including End User Customers that CLEC serves in whole or in part through facilities or services provided by Qwest under this Agreement, Qwest shall ensure that the transferee shall serve as a successor to and fully perform all of Qwest's responsibilities and obligations under this Agreement for a period of one-hundred-and-eighty (180) days from the effective date of such transfer or until such later time as the FCC may direct pursuant to the FCC's then applicable statutory authority to impose such responsibilities either as a condition of the transfer or under such other state statutory authority as may give it such power. In the event of such a proposed transfer, Qwest shall use best efforts to facilitate discussions between CLEC and the transferee with respect to transferee's assumption of Qwest's obligations after the above-stated transition period pursuant to the terms of this Agreement.

17. Reporting Requirements. If reporting obligations or requirements are imposed upon either Party by any third party or regulatory agency in connection with either this Agreement or the services, including use of the services by CLEC or its End Users, the other Party agrees to assist that Party in complying with such obligations and requirements, as reasonably required by that Party.

18. Intentionally Left Blank.

19. Survival. The expiration or termination of this Agreement shall not relieve either Party of those obligations that by their nature are intended to survive.

20. Publicity. Following the execution of this Agreement, the Parties may publish or use any publicity materials with respect to the execution, delivery, existence, or substance of this Agreement without the prior written approval of the other Party. Nothing in this section shall limit a Party's ability to issue public statements with respect to regulatory or judicial proceedings.

21. Confidentiality.

21.1 All Proprietary Information shall remain the property of the disclosing Party. A Party who receives Proprietary Information via an oral communication may request written confirmation that the material is Proprietary Information. A Party who delivers Proprietary Information via an oral communication may request written confirmation that the Party receiving the information understands that the material is Proprietary Information. Each Party shall have the right to correct an inadvertent failure to identify information as Proprietary Information by giving written notification within thirty (30) Days after the information is disclosed. The receiving Party shall from that time forward, treat such information as Proprietary Information.

October 21, 2004/pjd/J. Richard Co. dbaLive Wire/AZ
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21.2 Upon request by the disclosing Party, the receiving Party shall return all tangible copies of Proprietary Information, whether written, graphic or otherwise, except that the receiving Party may retain one copy for archival purposes.

21.3 Each Party shall keep all of the other Party's Proprietary Information confidential and will disclose it on a need to know basis only. Each Party shall use the other Party's Proprietary Information only in connection with this Agreement and in accordance with Applicable Law. In accordance with Section 222 of the Act, when either Party receives or obtains Proprietary Information from the other Party for purposes of providing any Telecommunications Services or information services or both, that Party shall use such information only for such purpose, and shall not use such information for its own marketing efforts. Neither Party shall use the other Party's Proprietary Information for any other purpose except upon such terms and conditions as may be agreed upon between the Parties in writing. Violations of these obligations shall subject a Party's employees to disciplinary action up to and including termination of employment. If either Party loses, or makes an unauthorized disclosure of, the other Party's Proprietary Information, it will notify such other Party immediately and use reasonable efforts to retrieve the information.

21.4 Nothing herein is intended to prohibit a Party from supplying factual information about its network and Telecommunications Services on or connected to its network to regulatory agencies including the FCC and the appropriate state regulatory commission so long as any confidential obligation is protected. In addition either Party shall have the right to disclose Proprietary Information to any mediator, arbitrator, state or federal regulatory body, the Department of Justice or any court in the conduct of any proceeding arising under or relating in any way to this Agreement or the conduct of either Party in connection with this Agreement or in any proceedings concerning the provision of InterLATA services by Qwest that are or may be required by the Act. The Parties agree to cooperate with each other in order to seek appropriate protection or treatment of such Proprietary Information pursuant to an appropriate protective order in any such proceeding.

21.5 Effective Date of this Section. Notwithstanding any other provision of this Agreement, the Proprietary Information provisions of this Agreement shall apply to all information furnished by either Party to the other in furtherance of the purpose of this Agreement, even if furnished before the Effective Date.

21.6 Each Party agrees that the disclosing Party could be irreparably injured by a breach of the confidentiality obligations of this Agreement by the receiving Party or its representatives and that the disclosing Party shall be entitled to seek equitable relief, including injunctive relief and specific performance in the event of any breach of the confidentiality provisions of this Agreement. Such remedies shall not be deemed to be the exclusive remedies for a breach of the confidentiality provisions of this Agreement, but shall be in addition to all other remedies available at law or in equity.

21.7 Nothing herein should be construed as limiting either Party's rights with respect to its own Proprietary Information or its obligations with respect to the other Party's Proprietary Information under Section 222 of the Act.

21.8 Nothing in this Agreement shall prevent either Party from disclosing this Agreement or the substance thereof to any third party after its execution.

22. Waiver. The failure of either Party to enforce any of the provisions of this Agreement or the waiver thereof in any instance shall not be construed as a general waiver or relinquishment on its part of

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any such provision, but the same shall, nevertheless, be and remain in full force and effect.

23. **Regulatory Approval.** Each party reserves its rights with respect to whether this Agreement is subject to Sections 251 and 252 of the Act. In the event the FCC, a state commission or any other governmental authority or agency rejects or modifies any material provision in this Agreement, either Party may immediately upon written notice to the other Party terminate this Agreement and any interconnection agreement amendment executed concurrently with this Agreement. If a Party is required by a lawful, binding order to file this Agreement or a provision thereof with the FCC or state regulatory authorities for approval or regulatory review, the filing party shall provide written notice to the other party of the existence of such lawful, binding order so that the other party may seek an injunction or other relief from such order. In addition, the filing party agrees to reasonably cooperate to amend and make modifications to the Agreement to allow the filing of the Agreement or the specific part of the Agreement affected by the order to the extent reasonably necessary.

24. **Notices.** Any notices required by or concerning this Agreement shall be in writing and shall be sufficiently given if delivered personally, delivered by prepaid overnight express service, sent by facsimile with electronic confirmation, or sent by certified mail, return receipt requested, or by email where specified in this Agreement to Qwest and CLEC at the addresses shown on the cover sheet of this Agreement.

25. **Force Majeure.** Neither Party shall be liable for any delay or failure in performance of any part of this Agreement from any cause beyond its control and without its fault or negligence including, without limitation, acts of nature, acts of civil or military authority, government regulations, embargoes, epidemics, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, work stoppages, power blackouts, volcanic action, other major environmental disturbances, or unusually severe weather conditions (collectively, a Force Majeure Event). Inability to secure products or services of other Persons or transportation facilities or acts or omissions of transportation carriers shall be considered Force Majeure Events to the extent any delay or failure in performance caused by these circumstances is beyond the Party's control and without that Party's fault or negligence. The Party affected by a Force Majeure Event shall give prompt notice to the other Party, shall be excused from performance of its obligations hereunder on a day to day basis to the extent those obligations are prevented by the Force Majeure Event, and shall use reasonable efforts to remove or mitigate the Force Majeure Event. In the event of a labor dispute or strike the Parties agree to provide service to each other at a level equivalent to the level they provide themselves.

26. **Governing Law.** This Agreement is offered by Qwest in accordance with Section 271 of the Act. Any issue of general contract law shall be interpreted solely in accordance with the state law of New York, without reference to any conflict of laws principles.

27. **Dispute Resolution**

27.1 If any claim, controversy or dispute between the Parties, their agents, employees, officers, directors or affiliated agents should arise, and the Parties do not resolve it in the ordinary course of their dealings (the "Dispute"), then it shall be resolved in accordance with this Section. Each notice of default, unless cured within the applicable cure period, shall be resolved in accordance herewith. Dispute resolution under the procedures provided in this Section 27 shall be the preferred, but not the exclusive remedy for all disputes between Qwest and CLEC arising out of this Agreement or its breach. Each Party reserves its rights to resort to any forum with competent jurisdiction. Nothing in this Section 23 shall limit the right of either Qwest or CLEC, upon meeting the requisite showing, to obtain October 21, 2004/pjd/J. Richard Co. dbaLive Wire/AZ Agreement No. CDS-041021-0009

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provisional remedies (including injunctive relief) from a court before, during or after the pendency of any arbitration proceeding brought pursuant to this Section 27. Once a decision is reached by the arbitrator, however, such decision shall supersede any provisional remedy.

27.2 At the written request of either Party (the Resolution Request), and prior to any other formal dispute resolution proceedings, each Party shall within seven (7) calendar Days after such Resolution Request designate a director level employee or a representative with authority to make commitments to review, meet, and negotiate, in good faith, to resolve the Dispute. The Parties intend that these negotiations be conducted by non-lawyer, business representatives, and the locations, format, frequency, duration, and conclusions of these discussions shall be at the discretion of the representatives. By mutual agreement, the representatives may use other procedures, such as mediation, to assist in these negotiations. The discussions and correspondence among the representatives for the purposes of these negotiations shall be treated as Confidential Information developed for purposes of settlement, and shall be exempt from discovery and production, and shall not be admissible in any subsequent arbitration or other proceedings without the concurrence of both of the Parties.

27.3 If the director level representatives or the designated representative with authority to make commitments have not reached a resolution of the Dispute within fifteen (15) calendar Days after the Resolution Request (or such longer period as agreed to in writing by the Parties), then the Parties shall in good faith attempt to resolve the Dispute through vice-presidential representatives. If the vice-presidential representatives are unable to resolve the Dispute within thirty (30) Calendar Days after the Resolution Request (or such longer period as agreed to in writing by the Parties), then either Party may request that the Dispute be settled by arbitration. If either Party requests arbitration, the other Party shall be required to comply with that request and both Parties shall submit to binding arbitration of the Dispute as described in this Section. Notwithstanding the foregoing escalation timeframes, a Party may request that the Dispute of the type described in Section 27.3.1, below, be settled by arbitration two (2) calendar Days after the Resolution Request pursuant to the terms of Section 27.3.1. In any case, the arbitration proceeding shall be conducted by a single arbitrator, knowledgeable about the Telecommunications industry unless the Dispute involves amounts exceeding five million (\$5,000,000) in which case the proceeding shall be conducted by a panel of three (3) arbitrators, knowledgeable about the Telecommunications industry. The arbitration proceedings shall be conducted under the then-current rules for commercial disputes of the American Arbitration Association (AAA) or J.A.M.S./Endispute, at the election of the Party that initiates dispute resolution under this Section 27. Such rules and procedures shall apply notwithstanding any part of such rules that may limit their availability for resolution of a Dispute. The Federal Arbitration Act, 9 U.S.C. Sections 1-16, not state law, shall govern the arbitrability of the Dispute. The arbitrator shall not have authority to award punitive damages. The arbitrator's award shall be final and binding and may be entered in any court having jurisdiction thereof. Each Party shall bear its own costs and attorneys' fees, and shall share equally in the fees and expenses of the arbitrator. The arbitration proceedings shall occur in the Denver, Colorado metropolitan area or in another mutually agreeable location. It is acknowledged that the Parties, by mutual, written agreement, may change any of these arbitration practices for a particular, some, or all Dispute(s). The Party that sends the Resolution Request must notify the Secretary of the FCC of the arbitration proceeding within forty-eight (48) hours of the determination to arbitrate.

27.3.1 All expedited procedures prescribed by the AAA or J.A.M.S./Endispute rules, as the case may be, shall apply to Disputes affecting the ability of a Party to provide uninterrupted, high quality services to its End User Customers, or as otherwise called for in this Agreement. A

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Party may seek expedited resolution of a Dispute if the vice-presidential level representative, or other representative with authority to make commitments, have not reached a resolution of the Dispute within two (2) calendar Days after the Resolution Request. In the event the Parties do not agree that a service-affecting Dispute exists, the Dispute resolution shall commence under the expedited process set forth in this Section 27, however, the first matter to be addressed by the arbitrator shall be the applicability of such process to such Dispute.

27.3.2 There shall be no discovery except for the exchange of documents deemed necessary by the arbitrator to an understanding and determination of the Dispute. Qwest and CLEC shall attempt, in good faith, to agree on a plan for such document discovery. Should they fail to agree, either Qwest or CLEC may request a joint meeting or conference call with the arbitrator. The arbitrator shall resolve any Disputes between Qwest and CLEC, and such resolution with respect to the need, scope, manner, and timing of discovery shall be final and binding.

27.3.3 Arbitrator's Decision

27.3.3.1 The arbitrator's decision and award shall be in writing and shall state concisely the reasons for the award, including the arbitrator's findings of fact and conclusions of law.

27.3.3.2 An interlocutory decision and award of the arbitrator granting or denying an application for preliminary injunctive relief may be challenged in a forum of competent jurisdiction immediately, but no later than ten (10) business days after the appellant's receipt of the decision challenged. During the pendency of any such challenge, any injunction ordered by the arbitrator shall remain in effect, but the enjoined Party may make an application to the arbitrator for appropriate security for the payment of such costs and damages as may be incurred or suffered by it if it is found to have been wrongfully enjoined, if such security has not previously been ordered. If the authority of competent jurisdiction determines that it will review a decision granting or denying an application for preliminary injunctive relief, such review shall be conducted on an expedited basis.

27.3.4 To the extent that any information or materials disclosed in the course of an arbitration proceeding contain proprietary, trade secret or Confidential Information of either Party, it shall be safeguarded in accordance with Section 21 of this Agreement, or if the Parties mutually agree, such other appropriate agreement for the protection of proprietary, trade secret or Confidential Information that the Parties negotiate. However, nothing in such negotiated agreement shall be construed to prevent either Party from disclosing the other Party's information to the arbitrator in connection with or in anticipation of an arbitration proceeding, provided, however, that the Party seeking to disclose the information shall first provide fifteen (15) calendar Days notice to the disclosing Party so that that Party, with the cooperation of the other Party, may seek a protective order from the arbitrator. Except as the Parties otherwise agree, or as the arbitrator for good cause orders, the arbitration proceedings, including hearings, briefs, orders, pleadings and discovery shall not be deemed confidential and may be disclosed at the discretion of either Party, unless it is subject to being

safeguarded as proprietary, trade secret or Confidential Information, in which event the procedures for disclosure of such information shall apply.

27.4 Reserved.

27.5 No Dispute, regardless of the form of action, arising out of this Agreement, may be brought by either Party more than two (2) years after the cause of action accrues.

27.6 Reserved.

27.7 In the event of a conflict between this Agreement and the rules prescribed by the AAA or J.A.M.S./Endispute, this Agreement shall be controlling.

27.8 This Section does not apply to any claim, controversy or Dispute between the Parties, their agents, employees, officers, directors or affiliated agents concerning the misappropriation or use of intellectual property rights of a Party, including, but not limited to, the use of the trademark, tradename, trade dress or service mark of a Party.

28. **Headings.** The headings used in this Agreement are for convenience only and do not in any way limit or otherwise affect the meaning of any terms of this Agreement.

29. **Authorization.** Each Party represents and warrants that: (i) the full legal name of the legal entity intended to provide and receive the benefits and services under this Agreement is accurately set forth herein; (ii) the person signing this Agreement has been duly authorized to execute this Agreement on that Party's behalf; and (iii) the execution hereof is not in conflict with law, the terms of any charter, bylaw, articles of association, or any agreement to which such Party is bound or affected. Each Party may act in reliance upon any instruction, instrument, or signature reasonably believed by it to be authorized and genuine.

30. **Third Party Beneficiaries.** This Agreement will not provide any benefit or any remedy, claim, liability, reimbursement, claim of action, or other right in excess of those existing by explicit reference in this Agreement to any third party.

31. **Insurance.** Each Party shall at all times during the term of this Agreement, at its own cost and expense, carry and maintain the insurance coverage listed below with insurers having a "Best's" rating of B+XIII with respect to liability arising from its operations for which that Party has assumed legal responsibility in this Agreement. If a Party or its parent company has assets equal to or exceeding \$10,000,000,000, that Party may utilize an Affiliate captive insurance company in lieu of a "Best's" rated insurer. To the extent that the parent company of a Party is relied upon to meet the \$10,000,000,000 asset threshold, such parent shall be responsible for the insurance obligations contained in this Section 31, to the extent its affiliated Party fails to meet such obligations.

31.1.1 Workers' Compensation with statutory limits as required in the state of operation and Employers' Liability insurance with limits of not less than \$100,000 each accident.

31.1.2 Commercial General Liability insurance covering claims for bodily injury, death, personal injury or property damage, including coverage for independent contractor's protection (required if any work will be subcontracted), products and/or completed operations and contractual liability with respect to the liability assumed by

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each Party hereunder. The limits of insurance shall not be less than \$1,000,000 each occurrence and \$2,000,000 general aggregate limit.

31.1.3 "All Risk" Property coverage on a full replacement cost basis insuring all of such Party's personal property situated on or within the Premises.

31.2 Each Party may be asked by the other to provide certificate(s) of insurance evidencing coverage, and thereafter shall provide such certificate(s) upon request. Such certificates shall (1) name the other Party as an additional insured under commercial general liability coverage; (2) provide thirty (30) calendar Days prior written notice of cancellation of, material change or exclusions in the policy(s) to which certificate(s) relate; (3) indicate that coverage is primary and not excess of, or contributory with, any other valid and collectible insurance purchased by such Party; and (4) acknowledge severability of interest/cross liability coverage.

32. Communications Assistance Law Enforcement Act of 1994. Each Party represents and warrants that any equipment, facilities or services provided to the other Party under this Agreement comply with the CALEA. Each Party shall indemnify and hold the other Party harmless from any and all penalties imposed upon the other Party for such noncompliance and shall at the non-compliant Party's sole cost and expense, modify or replace any equipment, facilities or services provided to the other Party under this Agreement to ensure that such equipment, facilities and services fully comply with CALEA.

33. Entire Agreement.

33.1 This Agreement (including all Service Exhibits, Attachments, Rate Sheets, and other documents referred to herein) constitutes the full and entire understanding and agreement between the Parties with regard to the subjects of this Agreement and supersedes any prior understandings, agreements, or representations by or between the Parties, written or oral, including but not limited to, any term sheet or memorandum of understanding entered into by the Parties, to the extent they relate in any way to the subjects of this Agreement. Notwithstanding the foregoing, certain Network Elements and services used in combination with the QPP service provided under this Agreement are provided by Qwest to CLEC under the terms and conditions of ICAs and SGATs, where CLEC has opted into an SGAT as its ICA, and nothing contained herein is intended by the parties to amend, alter, or otherwise modify those terms and conditions.

34. Proof of Authorization.

34.1 Each Party shall be responsible for obtaining and maintaining Proof of Authorization (POA), as required by applicable federal and state law, as amended from time to time.

34.2 Each Party shall make POAs available to the other Party upon request. In the event of an allegation of an unauthorized change or unauthorized service in accordance with all Applicable Laws and rules, the Party charged with the alleged infraction shall be responsible for resolving such claim, and it shall indemnify and hold harmless the other Party for any losses, damages, penalties, or other claims in connection with the alleged unauthorized change or service.

35. General Terms for Network Elements

35.1 Qwest shall provide general repair and maintenance services on its facilities, including those facilities supporting Network Elements and QPP™ services purchased by CLEC under this Agreement, at a level that is consistent with other comparable services provided by Qwest.

35.2 In order to maintain and modernize the network properly, Qwest may make necessary modifications and changes to the Network Elements in its network on an as needed basis. Such changes may result in minor changes to transmission parameters. Network maintenance and modernization activities will result in Network Element transmission parameters that are within transmission limits of the Network Element ordered by CLEC. Qwest shall provide advance notice of changes that affect network Interoperability pursuant to applicable FCC rules. Changes that affect network Interoperability include changes to local dialing from seven (7) to ten (10) digit, area code splits, and new area code implementation. FCC rules are contained in CFR Part 51 and 52. Qwest provides such disclosures on an Internet web site.

35.3 Miscellaneous Charges are defined in the Definitions Section. Miscellaneous Charges are in addition to nonrecurring and recurring charges set forth in the Rate Sheet. Miscellaneous Charges apply to activities CLEC requests Qwest perform, activities CLEC authorizes, or charges that are a result of CLEC's actions, such as cancellation charges. Rates for Miscellaneous Charges are contained or referenced in the Rate Sheet. Unless otherwise provided for in this Agreement, no additional charges will apply.

35.4 Network Security.

35.4.1 Protection of Service and Property. Each Party shall exercise the same degree of care to prevent harm or damage to the other Party and any third parties, its employees, agents or End User Customers, or their property as it employs to protect its own personnel, End User Customers and property, etc., but in no case less than a commercially reasonable degree of care.

35.4.2 Each Party is responsible to provide security and privacy of communications. This entails protecting the confidential nature of Telecommunications transmissions between End User Customers during technician work operations and at all times. Specifically, no employee, agent or representative shall monitor any circuits except as required to repair or provide service of any End User Customer at any time. Nor shall an employee, agent or representative disclose the nature of overheard conversations, or who participated in such communications or even that such communication has taken place. Violation of such security may entail state and federal criminal penalties, as well as civil penalties. CLEC is responsible for covering its employees on such security requirements and penalties.

35.4.3 The Parties' networks are part of the national security network, and as such, are protected by federal law. Deliberate sabotage or disablement of any portion of the underlying equipment used to provide the network is a violation of federal statutes with severe penalties, especially in times of national emergency or state of war. The Parties are responsible for covering their employees on such security requirements and penalties.

35.4.4 Qwest shall not be liable for any losses, damages or other claims, including, but not limited to, uncollectible or unbillable revenues, resulting from accidental, erroneous, malicious, fraudulent or otherwise unauthorized use of services or facilities ("Unauthorized Use"), whether or not such Unauthorized Use could have been reasonably prevented by Qwest, except to the extent Qwest has been notified in advance by CLEC of the existence of such Unauthorized Use, and fails to take commercially reasonable steps to assist in

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stopping or preventing such activity.

35.4.4.1 Qwest shall make available to CLEC, future fraud prevention or revenue protection features with QPP on a commercially reasonable basis. Presently, QPP fraud features include, but are not limited to, screening codes, information digits '29' and '70' which indicate prison and COCOT pay phone originating line types respectively; call blocking of domestic, international, 800, 888, 900, NPA-976, 700 and 500 numbers.

35.4.4.2 If either Party becomes aware of potential fraud with respect to End User accounts, the Party shall promptly inform the other Party and, at the direction of that Party, take commercially reasonable action to mitigate the fraud where such action is possible.

35.5. Construction Charges. Qwest will provide necessary construction only to the extent required by applicable law.

35.6. Individual Case Basis Requests. CLEC may request additional Network Element or services not specified in this Agreement, and Qwest will consider such requests on an Individual Case Basis ("ICB").

36. Responsibility For Environmental Contamination

36.1 Neither Party shall be liable to the other for any costs whatsoever resulting from the presence or release of any Environmental Hazard that either Party did not introduce to the affected work location. Both Parties shall defend and hold harmless the other, its officers, directors and employees from and against any losses, damages, claims, demands, suits, liabilities, fines, penalties and expenses (including reasonable attorneys' fees) that arise out of or result from (i) any Environmental Hazard that the Indemnifying Party, its contractors or agents introduce to the work locations or (ii) the presence or release of any Environmental Hazard for which the Indemnifying Party is responsible under Applicable Law.

36.2 In the event any suspect materials within Qwest-owned, operated or leased facilities are identified to CLEC by Qwest to be asbestos containing, CLEC will ensure that to the extent any activities which it undertakes in the facility disturb such suspect materials, such CLEC activities will be in accordance with applicable local, state and federal environmental and health and safety statutes and regulations. Except for abatement activities undertaken by CLEC or equipment placement activities that result in the generation of asbestos-containing material, CLEC does not have any responsibility for managing, nor is it the owner of, nor does it have any liability for, or in connection with, any asbestos-containing material. Qwest agrees to immediately notify CLEC if Qwest undertakes any asbestos control or asbestos abatement activities that potentially could affect CLEC personnel, equipment or operations, including, but not limited to, contamination of equipment.

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ADDENDUM 1 DEFINITIONS:

"Act" means the Communications Act of 1934 (47 U.S.C. 151 et. seq.), as amended.

"Advanced Intelligent Network" or "AIN" is a Telecommunications network architecture in which call processing, call routing and network management are provided by means of centralized databases.

"Affiliate" means a Person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person. For purposes of this paragraph, the term "own" means to own an equity interest (or the equivalent thereof) of more than 10 percent.

"Automatic Location Identification" or "ALI" is the automatic display at the Public Safety Answering Point of the caller's telephone number, the address/location of the telephone and supplementary emergency services information for Enhanced 911 (E911).

"Applicable Law" means all laws, statutes, common law including, but not limited to, the Act, the regulations, rules, and final orders of the FCC, a state regulatory authority, and any final orders and decisions of a court of competent jurisdiction reviewing the regulations, rules, or orders of the FCC or a state regulatory authority.

"Bill Date" means the date on which a Billing period ends, as identified on the bill.

"Billing" involves the provision of appropriate usage data by one Telecommunications Carrier to another to facilitate Customer Billing with attendant acknowledgments and status reports. It also involves the exchange of information between Telecommunications Carriers to process claims and adjustments.

"Carrier" or "Common Carrier" See Telecommunications Carrier.

"Central Office" means a building or a space within a building where transmission facilities or circuits are connected or switched.

"Commercial Mobile Radio Service" or "CMRS" is defined in 47 U.S.C. Section 332 and FCC rules and orders interpreting that statute.

"Communications Assistance for Law Enforcement Act" or "CALEA" refers to the duties and obligations of Carriers under Section 229 of the Act.

"Confidential Information" means information, including but not limited to specifications, microfilm, photocopies, magnetic disks, magnetic tapes, drawings, sketches, models, samples, tools, technical information, data, employee records, maps, financial reports, and market data, (i) furnished by one Party to the other Party dealing with business or marketing plans, End User Customer specific, facility specific, or usage specific information, other than End User Customer information communicated for the purpose of providing Directory Assistance or publication of directory database, or (ii) in written, graphic, electromagnetic, or other tangible form and marked at the time of delivery as "Confidential" or "Proprietary", or (iii) communicated and declared to the receiving Party at the time of delivery, or by written notice given to the receiving Party within ten (10) calendar Days after delivery, to be "Confidential" or "Proprietary". Confidential information does not include information that: a) was at the time of receipt already known to the receiving Party free of any obligation to keep it confidential evidenced by written records prepared prior to delivery by the disclosing Party; b) is or becomes publicly known through no wrongful act of the receiving Party; c) is rightfully received from a third Person having no direct or indirect secrecy or confidentiality obligation to the disclosing Party with respect to such information; d) is independently developed without reference to or

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use of Confidential Information of the other Party; e) is disclosed to a third Person by the disclosing Party without similar restrictions on such third Person's rights; f) is approved for release by written authorization of the disclosing Party; g) is required to be disclosed by the receiving Party pursuant to Applicable Law or regulation provided that the receiving Party shall give sufficient notice of the requirement to the disclosing Party to enable the disclosing Party to seek protective orders.

"Customer" means the Person purchasing a Telecommunications Service or an information service or both from a Carrier.

"Day" means calendar days unless otherwise specified.

"Demarcation Point" is defined as the point at which the LEC ceases to own or control Customer premises wiring including without limitation inside wiring.

"Directory Assistance Database" contains only those published and non-listed telephone number listings obtained by Qwest from its own End User Customers and other Telecommunications Carriers.

"Directory Assistance Service" includes, but is not limited to, making available to callers, upon request, information contained in the Directory Assistance Database. Directory Assistance Service includes, where available, the option to complete the call at the caller's direction.

"Directory Listings" or "Listings" are any information: (1) identifying the listed names of subscribers of a Telecommunications Carrier and such subscriber's telephone numbers, addressees, or primary advertising classifications (as such classifications are assigned at the time of the establishment of such service), or any combination of such listed names, numbers, addresses or classifications; and (2) that the Telecommunications Carrier or an Affiliate has published, caused to be published, or accepted for publication in any directory format.

"Due Date" means the specific date on which the requested service is to be available to the CLEC or to CLEC's End User Customer, as applicable.

"End User Customer" means a third party retail Customer that subscribes to a Telecommunications Service provided by either of the Parties or by another Carrier or by two (2) or more Carriers.

"Environmental Hazard" means any substance the presence, use, transport, abandonment or disposal of which (i) requires investigation, remediation, compensation, fine or penalty under any Applicable Law, (including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act, Superfund Amendment and Reauthorization Act, Resource Conservation Recovery Act, the Occupational Safety and Health Act and provisions with similar purposes in applicable foreign, state and local jurisdictions) or (ii) poses risks to human health, safety or the environment (including, without limitation, indoor, outdoor or orbital space environments) and is regulated under any Applicable Law.

"FCC" means the Federal Communications Commission.

"Interexchange Carrier" or "IXC" means a Carrier that provides InterLATA or IntraLATA Toll services.

"Line Information Database" or "LIDB" stores various telephone line numbers and Special Billing Number (SBN) data used by operator services systems to process and bill Alternately Billed Services (ABS) calls. The operator services system accesses LIDB data to provide originating line (calling number), Billing number and terminating line (called number) information. LIDB is used for calling card validation, fraud prevention, Billing or service restrictions and the sub-account information to be

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included on the call's Billing record. Telcordia's GR-446-CORE defines the interface between the administration system and LIDB including specific message formats (Telcordia's TR-NWP-000029, Section 10).

"Line Side" refers to End Office Switch connections that have been programmed to treat the circuit as a local line connected to a terminating station (e.g., an End User Customer's telephone station set, a PBX, answering machine, facsimile machine, computer, or similar customer device).

"Local Exchange Carrier" or "LEC" means any Carrier that is engaged in the provision of telephone Exchange Service or Exchange Access. Such term does not include a Carrier insofar as such Carrier is engaged in the provision of Commercial Mobile Radio Service under Section 332(c) of the Act, except to the extent that the FCC finds that such service should be included in the definition of such term.

"Loop" or "Unbundled Loop" is defined as a transmission facility between a distribution frame (or its equivalent) in a Qwest Central Office and the Loop Demarcation Point at an End User Customer's premises

"Local Service Request" or "LSR" means the industry standard forms and supporting documentation used for ordering local services.

"Miscellaneous Charges" mean cost-based charges that Qwest may assess in addition to recurring and nonrecurring rates set forth in the rate sheet, for activities CLEC requests Qwest to perform, activities CLEC authorizes, or charges that are a result of CLEC's actions, such as cancellation charges, additional labor and maintenance. Miscellaneous Charges are not already included in Qwest's recurring or nonrecurring rates. Miscellaneous Charges shall be contained in or referenced in the rate sheet.

"Network Element" is a facility or equipment used in the provision of Telecommunications Service or an information service or both. It also includes features, functions, and capabilities that are provided by means of such facility or equipment, including subscriber numbers, databases, signaling systems, and information sufficient for Billing and collection or used in the transmission, routing, or other provision of a Telecommunications Service or an information service or both, as is more fully described in the Agreement.

"Operational Support Systems" or "OSS" mean pre-ordering, provisioning, maintenance, repair and billing systems.

"Order Form" means service order request forms issued by Qwest, as amended from time to time.

"Party" means either Qwest or CLEC and "Parties" means Qwest and CLEC.

"Person" is a general term meaning an individual or association, corporation, firm, joint-stock company, organization, partnership, trust or any other form or kind of entity.

"Port" means a line or trunk connection point, including a line card and associated peripheral equipment, on a Central Office Switch but does not include Switch features. The Port serves as the hardware termination for line or Trunk Side facilities connected to the Central Office Switch. Each Line Side Port is typically associated with one or more telephone numbers that serve as the Customer's network address.

"POTS" means plain old telephone service.

"Premises" refers to Qwest's Central Offices and Serving Wire Centers; all buildings or similar structures owned, leased, or otherwise controlled by

Qwest that house its network facilities; all structures that house Qwest facilities on public rights-of-way, including but not limited to vaults containing loop concentrators or similar structures; and all land owned, leased, or otherwise controlled by Qwest that is adjacent to these Central Offices, Wire Centers, buildings and structures.

"Proof of Authorization" or "POA" shall consist of verification of the End User Customer's selection and authorization adequate to document the End User Customer's selection of its local service provider and may take the form of a third party verification format.

"Proprietary Information" shall have the same meaning as Confidential Information.

"Provisioning" involves the exchange of information between Telecommunications Carriers where one executes a request for a set of products and services or Network Elements or combinations thereof from the other with attendant acknowledgments and status reports.

"Public Switched Network" includes all Switches and transmission facilities, whether by wire or radio, provided by any Common Carrier including LECs, IXC's and CMRS providers that use the North American Numbering Plan in connection with the provision of switched services.

"Service Exhibits" means the descriptions, terms, and conditions relating to specific Network Elements or services provided under this Agreement attached hereto as an exhibit.

"Serving Wire Center" denotes the Wire Center from which dial tone for local exchange service would normally be provided to a particular Customer premises.

"Shared Transport" is defined as local interoffice transmission facilities shared by more than one Carrier, including Qwest, between End Office Switches, between End Office Switches and Tandem Switches (local and Access Tandem Switches), and between Tandem Switches within the Local Calling Area, as described more fully in the Agreement.

"Switch" means a switching device employed by a Carrier within the Public Switched Network. Switch includes but is not limited to End Office Switches, Tandem Switches, Access Tandem Switches, Remote Switching Modules, and Packet Switches. Switches may be employed as a combination of End Office/Tandem Switches.

"Switched Access Traffic," as specifically defined in Qwest's interstate Switched Access Tariffs, is traffic that originates at one of the Party's End User Customers and terminates at an IXC Point of Presence, or originates at an IXC Point of Presence and terminates at one of the Party's End User Customers, whether or not the traffic transits the other Party's network.

"Tariff" as used throughout this Agreement refers to Qwest interstate Tariffs and state Tariffs, price lists, and price schedules.

"Telecommunications Carrier" means any provider of Telecommunications Services, except that such term does not include aggregators of Telecommunications Services (as defined in Section 226 of the Act). A Telecommunications Carrier shall be treated as a Common Carrier under the Act only to the extent that it is engaged in providing Telecommunications Services, except that the FCC shall determine whether the provision of fixed and mobile satellite service shall be treated as common carriage.

"Telecommunications Services" means the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.

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"Telephone Exchange Service" means a service within a telephone exchange, or within a connected system of telephone exchanges within the same exchange area operated to furnish to End User Customers intercommunicating service of the character ordinarily furnished by a single exchange, and which is covered by the exchange service charge, or comparable service provided through a system of Switches, transmission equipment or other facilities (or combinations thereof) by which a subscriber can originate and terminate a Telecommunications Service.

"Trunk Side" refers to Switch connections that have been programmed to treat the circuit as connected to another switching entity.

"Wire Center" denotes a building or space within a building that serves as an aggregation point on a given Carrier's network, where transmission facilities are connected or switched. Wire Center can also denote a building where one or more Central Offices, used for the provision of basic exchange telecommunications services and access services, are located.

Terms not otherwise defined here but defined in the Act and the orders and the rules implementing the Act or elsewhere in the Agreement, shall have the meaning defined there. The definition of terms that are included here and are also defined in the Act, or its implementing orders or rules, are intended to include the definition as set forth in the Act and the rules implementing the Act.

SERVICE EXHIBIT 1 - QWEST PLATFORM PLUS™ SERVICE

SERVICE EXHIBIT 1 QWEST PLATFORM PLUS™ (QPP™) SERVICE

1.3 Local Switching

1.0 Qwest shall provide QPP™ service offerings according to the following terms and conditions. CLEC may use QPP™ services to provide any telecommunications services, information services, or both that CLEC chooses to offer.

1.1 General QPP™ Service Description

QPP™ services shall consist of the Local Switching Network Element (including the basic switching function, the port, plus the features, functions, and capabilities of the Switch including all compatible and available vertical features, such as hunting and anonymous call rejection, provided by the Qwest switch) and the Shared Transport Network Element in combination, at a minimum to the extent available on UNE-P under the applicable interconnection agreement or SGAT where CLEC has opted into an SGAT as its interconnection agreement (collectively, "ICAs") as the same existed on June 14, 2004. Qwest Advanced Intelligent Network (AIN) services (such as Remote Access Forwarding/Call Forwarding), Qwest Digital Subscriber Line (DSL), and Qwest Voice Messaging Services (VMS) may also be purchased with compatible QPP™ services. These Network Elements will be provided in compliance with all BellCore and other industry standards and technical and performance specifications and will allow CLEC to combine the QPP™ services with a compatible voicemail product and stutter dial tone. Access to 911 emergency services and directory listings will be provided by Qwest pursuant to the terms and conditions of CLEC's ICAs. As part of the QPP™ service, Qwest shall combine the Network Elements that make up QPP™ service with Analog/Digital Capable Loops, with such Loops (including services such as line splitting) being provided pursuant to the rates, terms and conditions of the CLEC's ICAs as described below.

QPP™ service shall be available in six different service arrangements, each of which is described more fully below: QPP™ Residential; QPP™ Business; QPP™ Centrex (including Centrex 21, Centrex Plus, and Centron in Minnesota only); QPP™ ISDN BRI; QPP™ PAL; and QPP™ PBX Analog DID and non-DID (one way and two way) trunks.

1.2 Combination of QPP™ Network Elements with Loops

The Loop will be provided by Qwest under the applicable ICAs in effect between Qwest and CLEC at the time the order is placed. As part of the QPP™ service, Qwest shall as described below combine the Local Switching and Shared Transport Network Elements with the Loop provided pursuant to the terms and conditions of CLEC's ICAs.

1.2.1 The following QPP™ service types will be combined with 2-wire loops: QPP™ Business; QPP™ Centrex (including Centrex 21, Centrex Plus, and Centron in Minnesota Only), QPP™ ISDN BRI; QPP™ PAL; QPP™ PBX Analog non-DID and 1-Way DID Trunks, and; QPP™ Residential.

1.2.2 The following QPP™ service type will be combined with 4 wire loops: QPP™ PBX Analog 2-Way DID Trunks.

The Local Switching Network Element of QPP™ service will be technically and functionally equivalent or superior to the Local Switching Network Element of the comparable UNE-P service provided by Qwest to CLEC under its ICAs as of June 14, 2004. The Local Switching Network Element of QPP™ service encompasses Line Side and Trunk Side facilities including without limitation the basic switching function, plus the features, functions, and all vertical features that are loaded in Qwest's End Office Switch. Vertical features are software attributes on End Office Switches and are listed in the PCAT.

Local Switching components include Analog Line Port, Digital Line Port Supporting BRI ISDN and Analog Trunk Ports.

1.3.1 Line Port attributes include but are not limited to: Telephone Number, Dial Tone, Signaling (Loop or ground start), On/Off Hook Detection, Audible and Power Ringing, Automatic Message Accounting (AMA Recording), and Blocking Options. Operator Services, and Directory Assistance are provided pursuant to the terms and conditions of CLEC's ICAs.

1.3.2 Digital Line Port Supporting BRI ISDN. Basic Rate Interface Integrated Services Digital Network (BRI ISDN) is a digital architecture that provides integrated voice and data capability (2 wire). A BRI ISDN Port is a Digital 2B+D (2 Bearer Channels for voice or data and 1 Delta Channel for signaling and D Channel Packet) Line Side Switch connection with BRI ISDN voice and data basic elements. For flexibility and customization, optional features can be added. BRI ISDN Port does not offer B Channel Packet service capabilities. The serving arrangement conforms to the internationally developed, published, and recognized standards generated by International Telegraph and Telephone Union (formerly CCITT).

1.3.3 Analog Trunk Port. DS0 Analog Trunk Ports can be configured as DID, DOD, and Two-way.

1.3.3.1 Analog Trunk Ports provide a 2-Way Analog Trunk with DID, E&M Signaling and 2-Wire or 4-Wire connections. This Trunk Side connection inherently includes hunting within the trunk group.

1.3.3.2 All trunks are designed as 4-Wire leaving the Central Office. For 2-Wire service, the trunks are converted at the End User Customer's location.

1.3.3.3 Two-way Analog DID Trunks are capable of initiating out going calls, and may be equipped with either rotary or Touch-tone (DTMF) for this purpose. When the trunk is equipped with DID Call Transfer feature, both the trunk and telephone instruments must be equipped with DTMF.

1.3.3.4 Two-way Analog DID Trunks require E&M signaling. Qwest will use Type I and II E&M signaling to provide these trunks to the PBX. Type II E&M signaling from Qwest to the PBX will be handled as a Special Assembly request Via ICB.

1.4 Vertical Features and Ancillary Functions and Services

SERVICE EXHIBIT 1 - QWEST PLATFORM PLUS™ SERVICE

1.4.1 QPP™ service includes nondiscriminatory access to all vertical features that are loaded in Qwest's End Office Switch.

1.4.2 The Local Switching Network Element of QPP™ includes Qwest's signaling network for traffic originated from the Port, including the use of Qwest's call-related databases. In conjunction with QPP™ service, Qwest will provide Qwest's Service Control Points in the same manner, and via the same signaling links, as Qwest uses such service Control Points and signaling links to provide service to its End User Customers from that Switch. Qwest's call related databases include the Line Information Database (LIDB), Internetwork Calling Name Database (ICNAM), 8XX Database for toll free calling, Advanced Intelligent Network Databases (AIN), and Local Number Portability Database. CLEC shall not have access to Qwest's AIN based services that qualify for proprietary treatment, except as expressly provided for in this Agreement.

1.4.3 ICNAM and LIDB. Qwest will provide CLEC with non-discriminatory access to Qwest's LIDB database and ICNAM database as part of the delivery of QPP™ service.

1.4.4 The LIDB database is used to store various telephone line numbers and Special Billing Number (SBN) data used by operator services systems to process and bill Alternately Billed Services (ABS) calls. The operator services system accesses LIDB data to provide originating line (calling number), Billing number and terminating line (called number) information. LIDB is used for calling card validation, fraud prevention, Billing or service restrictions and the sub-account information to be included on the call's Billing record.

1.4.4.1 LIDB database provides information for use in processing Alternately Billed Services (ABS) calls including calling card, billed to third number, and collect calls.

1.4.5 The ICNAM database is used with certain End Office Switch features to provide the calling party's name to CLEC's End User Customer with the applicable feature capability. ICNAM database contains current listed name data by working telephone number served or administered by Qwest, including listed name data provided by other Telecommunications Carriers participating in Qwest's calling name delivery service arrangement.

1.4.5.1 Qwest will provide the listed name of the calling party that relates to the calling telephone number (when the information is actually available in Qwest's database and the delivery thereof is not blocked or otherwise limited by the calling party or other appropriate request).

1.4.5.2 For CLEC's QPP™ End User Customers, Qwest will load and update CLEC's QPP™ End User Customers' name information into the LIDB and ICNAM databases from CLEC's completed service orders. The process will be functionally equivalent to the process used for these databases with UNE-P as of June 14, 2004. CLEC is responsible for the accuracy of its End User Customers' information.

1.4.5.3 Qwest shall exercise reasonable efforts to provide accurate and complete LIDB and ICNAM information. The information is provided on an as-is basis with all faults. Qwest does not warrant or guarantee the correctness or the completeness of such information;

however, Qwest will access the same database for CLEC's QPP™ End User Customers as Qwest accesses for its End User Customers. In no event shall Qwest have any liability for system outage or inaccessibility or for losses arising from the authorized use of the data by CLEC.

1.4.5.4 There is no charge for the storage of CLEC's QPP™ End User Customers' information in the LIDB or ICNAM databases.

1.4.6 CLEC Branded Operator Services and Directory Assistance will be available to CLEC with QPP™ service and will be provided pursuant to the terms and conditions of CLEC's ICAs.

1.5 Shared Transport

1.5.1 Qwest shall provide the Shared Transport Network Element as part of the QPP™ service. Transport beyond Qwest's local interoffice network will be carried on Qwest's IntraLATA Toll network and provided by Qwest to CLEC only if CLEC chooses Qwest to provide IntraLATA Toll services for its QPP™ End User Customers. The existing routing tables resident in the Switch will direct both Qwest and CLEC traffic over Qwest's interoffice message trunk network.

1.5.1.1 Qwest does not authorize CLEC to offer Qwest the ILEC as a Local Primary Interexchange Carrier (LPIC) to its existing or new QPP™ End User Customers. Where CLEC assigns Qwest as LPIC 5123 to CLEC's existing or new QPP™ End User Customers, Qwest will bill CLEC at the rates contained or referenced in the attached Rate Sheet.

1.5.1.2 If, during the term of this Agreement, Qwest offers toll service to CLEC's QPP™ End User Customers, Qwest must establish its own Billing relationship with such QPP™ End User Customers. Qwest may not bill CLEC, and CLEC shall have no obligation to pay Qwest, for toll service Qwest provides to CLEC's QPP™ End User Customers. In addition, CLEC shall have no obligation to bill CLEC QPP™ End User Customers for toll service provided by Qwest.

1.5.2 Qwest will provide Shared Transport to carry originating access traffic from, and terminating to, CLEC QPP™ End User Customers. CLEC traffic will be carried on the same transmission facilities between End Office Switches, between End Office Switches and Tandem Switches, and between Tandem Switches in its network facilities that Qwest uses for its own traffic.

1.5.3 Shared Transport usage will be billed in accordance with the rates provided in The Rate Sheet.

1.6 QPP™ Service Arrangement Descriptions

1.6.1 QPP™ Business is available to CLEC for CLEC's business end users and is offered in the following combination: Analog Line Side Port and Shared Transport provided pursuant to this Agreement combined with Analog - 2 Wire Voice Grade Loop provided pursuant to CLEC's ICAs.

1.6.2 QPP™ Centrex is available to CLEC for CLEC's

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business end users. QPP™ Centrex services include Centrex 21, Centrex Plus, and Centron and is offered in the following combination: Analog Line Side Port and Shared Transport provided pursuant to this Agreement combined with an Analog - 2 Wire Voice Grade Loop provided pursuant to CLEC's ICAs.

1.6.2.1 CLEC may request a conversion from Centrex 21, Centrex-Plus or Centron service to QPP™ Business or QPP™ Residential.

1.6.2.2 Qwest will provide access to Customer Management System (CMS) with QPP™-Centrex at the rates set forth in the Rate Sheet.

1.6.3 QPP™ ISDN BRI is available to CLEC for CLEC's end user customers and is offered in the following combination: Digital Line Side Port (Supporting BRI ISDN), and Shared Transport provided pursuant to this Agreement combined with a Basic Rate ISDN Capable Loop provided pursuant to CLEC's ICAs.

1.6.4 QPP™ PAL is available to CLEC for CLEC's Payphone Service Providers (PSPs) and is offered in the following combination: Analog Line Side Port, and Shared Transport provided pursuant to this Agreement combined with Analog - 2 Wire Voice Grade Loop provided pursuant to CLEC's ICAs. QPP™ PAL may only be ordered for and provisioned to Payphone Service Providers (PSPs).

1.6.5 QPP™ PBX is available to CLEC for CLEC's business End User Customers. QPP™ PBX will be offered in the following combinations:

1.6.6 PBX Analog non-DID Trunk combination consists of Analog Line Side Port and Shared Transport provided pursuant to this Agreement combined with Analog - 2 wire Voice Grade Loop provided pursuant to CLEC's ICAs.

1.6.7 PBX with Analog 1-Way DID Trunks combination consists of DID Trunk Port and Shared Transport provided pursuant to this Agreement combined with Analog - 2 wire Voice Grade Loop provided pursuant to CLEC's ICAs.

1.6.8 PBX with Analog 2-Way DID Trunks combination consists of DID Trunk Port and Shared Transport provided pursuant to this Agreement combined with Analog - 4 wire Voice Grade Loop provided pursuant to CLEC's ICAs.

1.6.9 QPP™ Residential is available to CLEC for CLEC's residential End User Customers and is offered in the following combination: Analog Line Side Port and Shared Transport provided pursuant to this Agreement combined with Analog - 2 Wire Voice Grade Loop provided pursuant to CLEC's ICAs. QPP™ Residential may only be ordered for and provisioned for residential end user application. The definition of residential service shall be the same as in Qwest's retail tariffs as applied to Qwest's End User Customers.

2.0 Additional Terms and Conditions and Service Features

2.1 QPP™ services will be available only in Qwest's Incumbent Local Exchange Carrier service area within its fourteen-state region. QPP™ services will not be subject to any line limitations such as the Zone 1 four-line MSA restriction for unbundled switching. Qwest does not warrant the

availability of facilities at any particular serving wire center, provided that Qwest warrants that CLEC shall be able to convert all CLEC UNE-P End User Customers as of the Effective Date to the QPP™ service. QPP™ services will not be available if facilities are not available. Notwithstanding the foregoing, Qwest represents and warrants that it will not otherwise restrict facilities eligible to provide QPP™ service and that any and all facilities that would otherwise be available for retail service to a Qwest End User Customer will be considered eligible for use by CLEC for QPP™ service to serve that same End User Customer.

2.2 Reserved.

2.3 This Agreement is not intended to change or amend existing intercarrier compensation arrangements between CLEC and Qwest. Nothing in this Agreement shall alter or affect CLEC's right to receive any applicable universal service subsidy or other similar payments.

2.3.1 Qwest shall provide to CLEC usage information within Qwest's control with respect to calls originated by or terminated to CLEC QPP™ End User Customers in the form of the actual information that is comparable to the information Qwest uses to bill its own End User Customers. Without limiting the generality of the foregoing, Qwest shall provide CLEC with the Daily Usage Feed billing information.

2.3.2 Qwest shall provide CLEC with usage information necessary for CLEC to bill for InterLATA and IntraLATA Exchange Access to the toll carrier (including Qwest where it is the toll carrier) in the form of either the actual usage or a negotiated or approved surrogate for this information. These Exchange Access records will be provided as Category 11 EMI records.

2.3.3 Qwest will provide DUF records for all usage billable to CLEC's QPP™ lines, including Busy Line Verify (BLV), Busy Line Interrupt (BLI), originating local usage, usage sensitive CLASS™ features, and Qwest-provided intraLATA toll. These records will be provided as Category 01 or Category 10 EMI records. Under this Agreement, terminating local usage records will not be provided. By agreeing to the foregoing, neither Party is foreclosed from advocating for the provision of local terminating records via an appropriate forum.

2.3.4 If CLEC chooses Qwest to provide IntraLATA Toll services for its QPP™ End User Customers, CLEC shall compensate Qwest for such services in accordance with the Rate Sheet.

2.4 QPP™ will include the capability for CLEC's End User Customers to choose their long distance service (InterLATA and IntraLATA) on a 2-PIC basis.

2.4.1 CLEC shall designate the Primary Interexchange Carrier (PIC) assignments on behalf of its End User Customers for InterLATA and IntraLATA services. CLEC shall follow all Applicable Laws, rules and regulations with respect to PIC changes and Qwest disclaims any liability for CLEC's improper PIC change requests.

2.4.2 Feature and InterLATA or IntraLATA PIC changes or additions for QPP™, will be processed concurrently with the QPP™ order as specified by CLEC.

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- 2.5 Access to 911/E911 emergency services for CLEC's End User Customers shall be available pursuant to the terms and conditions of CLEC's ICAs. If Qwest becomes no longer obligated to provide access to 911/E911 emergency services pursuant to 47 U.S.C. §251, then Qwest shall thereafter provide such services under this Agreement with respect to all CLEC QPP™ service End User Customers and new QPP™ service End User Customers, to the same degree and extent that such 911/E911 emergency services were provided by Qwest prior to the elimination of 911/E911 emergency services as an obligation under 47 U.S.C. §251.
- 2.6 Reserved.
- 2.7 Qwest AIN, Qwest Voice Messaging Services and Qwest DSL (dependent upon service compatibility and end office availability) are offered on a commercial basis and may be purchased with QPP™ at the rates set forth in the attached Rate Sheet. Retail promotions may not be combined with QPP™. Non-recurring charges associated with Qwest DSL™ are not subject to discount. CLEC may order new or retain existing Qwest DSL service for End User Customers when utilizing QPP™-POTS, QPP™-Centrex, and QPP™-PBX (analog, non-DID trunks only) combinations, where Technically Feasible. The price for Qwest DSL provided with QPP™ service is included in the Rate Sheet to this Agreement.
- 2.8 Qwest DSL host service is not available with QPP™ service.
- 2.9 If Qwest develops and deploys new local switch features for its End User Customers, those switch features will be available in the same areas and subject to the same limitations with QPP™ service. The rates to be charged CLEC for such new local switch features will be negotiated but will not in any case be higher than the retail rate Qwest charges.
- 2.10 CLEC shall have the ability to combine the QPP™ service with a compatible voicemail product and stutter dial tone.
- 3.0 Rates and Charges
- 3.1 The recurring ("MRC") and nonrecurring ("NRC") rates for QPP™ services and all applicable usage-based rates and miscellaneous charges (other than applicable intercarrier compensation charges such as access charges and reciprocal compensation and MRCs and NRCs for elements and services provided pursuant to CLEC's ICAs) are set forth in the attached Rate Sheets. The rates for QPP™ services set forth in the attached Rate Sheets will be in addition to the applicable rates for elements and services provided under CLEC's ICAs.
- 3.2 The loop element combined with a QPP™ service will be provided pursuant to CLEC's ICAs with Qwest at the rates set forth in those ICAs. To the extent that the monthly recurring rate for the loop element in a particular state is modified on or after the Effective Date, the QPP™ port rate for that state in the Rate Sheet will be adjusted (either up or down) so that the total rate applicable to the QPP™ service and loop combination in that state (after giving effect to the QPP™ Port Rate Increases as adjusted for any applicable discount pursuant to Section 3.3 of this Service Exhibit) remains constant. The corresponding adjustment will be applied against the Port Rate Increases for the applicable state negotiated as a part of this Agreement and contained in the Rate Sheet. In no event shall any downward adjustment for a particular state under this section result in QPP™ Port Rate Increase of less than \$1.00, nor shall any upward adjustment for a particular state result in a QPP™ Port Rate Increase of more than twice the scheduled increase. If the monthly recurring rate for the loop is modified by a shift in zone designation the parties shall use the difference in the statewide average loop rate as the basis for such adjustment, if any. Nothing in this Agreement shall affect the rates or any other terms and conditions for loops set forth in CLEC's ICAs with Qwest. For purposes of this Agreement, the Port Rate Increases refer to the increases in the Port rate reflecting market pricing on the attached Rate Sheets.
- Illustration 1: If the initial loop rate is \$15, the initial Port rate is \$3, and the scheduled Port Rate Increase is \$2 for residential and \$3 for business, an increase in the loop rate of \$1.50 to \$16.50 will result in a corresponding reduction of the Port Rate Increase for residential to \$1.00 (calculated: \$2.00 - \$1.50, but in no event less than \$1.00) and a reduction of the Port Rate Increase for business of \$1.50 (calculated: \$3.00 - \$1.50).
- Illustration 2: If the initial loop rate is \$15, the initial Port rate is \$3, and the scheduled Port Rate Increase is \$2 for residential and \$3 for business, a decrease in the loop rate of \$2.50 to \$12.50 will result in a corresponding upward adjustment of the Port Rate Increase for residential to \$4.00 (calculated: \$2.00 plus \$2.50, but in no event greater than 2 X \$2.00) and an upward adjustment of the Port Rate Increase for business to \$5.50 (calculated: \$3.00 plus \$2.50).
- 3.3 Provided that Qwest has implemented the Batch Hot Cut Process in a particular state pursuant to the terms and conditions of the Amendment to CLEC's ICAs entered into contemporaneously with this Agreement, the monthly recurring rates for the switch port in the attached Rate Sheets shall increase incrementally by the amount of the applicable QPP™ Port Rate Increase (as the same may be subsequently adjusted under Section 3.2) on January 1, 2005, January 1, 2006 and January 1, 2007. If the Batch Hot Cut Process has not been implemented in a particular state such that Qwest is not able to process Batch Hot Cuts in that state by December 31, 2004, the QPP™ Port Rate Increases for that state will not go into effect until such time as Qwest is able to process Batch Hot Cut orders in that state, and in the event of any such delay in the effective date of the QPP™ Port Rate increases, there shall be no subsequent true up of the QPP™ Port Rate Increases. If the number of CLEC's QPP™ lines as of October 31, 2005 equals or exceeds 90% of the sum of CLEC's QPP™ and UNE-P lines as of October, 31, 2004, CLEC will be entitled to a discount off of the monthly recurring switch port rate applicable during calendar year 2006 equal to 10% of the QPP™ Port Rate Increases that take effect January 1, 2006. If the number of CLEC's QPP™ lines as of October 31, 2006 equals or exceeds 90% of the sum of CLEC's QPP™ and UNE-P lines as of October, 31, 2005, CLEC will be entitled to a discount off of the monthly recurring switch port rate applicable during calendar year 2007 equal to 10% of the QPP™ Port Rate Increases that take effect January 1, 2007. For purposes of this section, the number of QPP™ lines and the sum of QPP™ service and UNE-P lines shall be calculated on a regionwide basis that includes all states in which this Agreement is in effect.
- 3.4 CLEC shall be responsible for Billing its End User Customers served via QPP™ for all Miscellaneous Charges

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- and surcharges required of CLEC by statute, regulation or otherwise required.
- 3.5 CLEC shall pay Qwest the PIC change charge associated with CLEC End User Customer changes of InterLATA or IntraLATA Carriers. Any change in CLEC's End User Customers' InterLATA or IntraLATA Carrier must be requested by CLEC on behalf of its End User Customer.
- 3.6 If an End User Customer is served by CLEC through a QPP™ service, Qwest will not charge, assess, or collect Switched Access charges for InterLATA or IntraLATA calls originating or terminating from that End User Customer's phone.
- 3.7 Qwest shall have a reasonable amount of time to implement system or other changes necessary to bill CLEC for rates or charges associated with QPP™ services. Such system or other changes must be completed and operational no later than December 31, 2004.
- 3.8 QPP™ services have a one month minimum service period requirement for each CLEC End User Customer. The one month minimum service period is the period of time that CLEC is required to pay 100% of the monthly recurring price for the service even if CLEC does not retain service for the entire month. QPP™ services are billed month to month and shall after the one month minimum service period is satisfied be pro-rated for partial months based on the number of days service was provided.
- 3.9 To receive QPP™ Residential rates after December 31, 2004, CLEC must identify residential end users by working telephone number (WTN) via LSR by the later of (a) ninety (90) days after the Effective Date and (b) January 1, 2005. Qwest will not assess a nonrecurring charge for the processing of this records order to identify the installed base of residential end users. Following submission by CLEC of such LSRs, CLEC and Qwest shall cooperate to ensure that appropriate updates are reflected in Qwest's billing systems. To the extent rates are not correctly applied during the first ninety (90) days after January 1, 2005, Qwest shall credit any overpayments to CLEC in a commercially reasonable manner. QPP™ Business rates will apply to all WTNs not specifically identified as QPP™ Residential. Changes to the LSR process intended to implement the residential identifier for new orders going forward shall be implemented through the Change Management Process. If the billing and ordering software for QPP™ service is not available for commercial use on or before December 31, 2004, Qwest and CLEC shall true-up charges monthly to reflect the pricing for Qwest QPP™ service.
- 3.10 The subsequent order charge is applicable on a per order basis when changes are requested to existing service, including changing a telephone number, initiating or removing Suspension or Service, denying or restoring service, adding, removing or changing features, and other similar requests.
- 4.0 Systems and Interfaces
- 4.1 Qwest and CLEC shall continue to support use of existing UNE-P OSS interfaces and current OSS business rules for QPP™ (including without limitation electronic ordering and flowthrough applicable to UNE-P on June 14, 2004) as the same may evolve over time.
- 4.2 QPP™ products and services are ordered via an LSR as described in the PCAT. Products and Services Ordering are found on the Qwest wholesale website.
- 4.3 Prior to placing an order on behalf of each End User Customer, CLEC shall be responsible for obtaining and have in its possession a Proof of Authorization as set forth in this Agreement.
- 4.4 When Qwest or another provider of choice, at the End User Customer's request, orders the discontinuance of the End User Customer's existing service with CLEC, Qwest will render its closing bill to CLEC effective with the disconnection. Qwest will notify CLEC by FAX, OSS interface, or other agreed upon processes when an End User Customer moves to Qwest or another service provider. Qwest shall not provide CLEC or Qwest retail personnel with the name of the other service provider selected by the End User Customer.
- 4.5 CLEC shall provide Qwest and Qwest shall provide CLEC with points of contact for order entry, problem resolution, repair, and in the event special attention is required on service request.
- 5.0 Billing
- Qwest shall provide CLEC, on a monthly basis, within seven to ten (7 - 10) calendar days of the last day of the most recent Billing period, in an agreed upon standard electronic format, Billing information including (1) a summary bill, and (2) individual End User Customer sub-account information. To the extent CLEC needs additional or different billing information in order to properly bill its End Users or other Carriers (including without limitation Qwest), Qwest shall work with CLEC in good faith to deliver such information.
- 6.0 Maintenance and Repair
- 6.1 Qwest will maintain facilities and equipment that comprise the QPP™ service provided to CLEC. CLEC or its End User Customers may not rearrange, move, disconnect or attempt to repair Qwest facilities or equipment, other than by connection or disconnection to any interface between Qwest and the End User Customer, without the written consent of Qwest.
- 6.2 Qwest shall provide general repair and maintenance services on its facilities, including those facilities supporting QPP™ services purchased by CLEC. Without limiting the generality of the foregoing, Qwest shall repair and restore any equipment or any other maintainable component that may adversely impact CLEC's use of QPP™ service. Qwest and CLEC shall cooperate with each other to implement procedures and processes for handling service-affecting events. There shall be no charge for the services provided under this section except as set forth in the Rate Sheet.
- 7.0 Performance Measures and Reporting, Performance Targets and Service Credits
- 7.1 Each party shall provide suitably qualified personnel to perform its obligations under this Agreement and all QPP™ services hereunder in a timely and efficient manner with diligence and care, consistent with the professional standards of practice in the industry, and in conformance with all applicable laws and regulations. The QPP™ service

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attributes and process enhancements are not subject to the Change Management Process ("CMP"). CLEC proposed changes to QPP™ service attributes and process enhancements will be communicated through the standard account interfaces. Change requests common to shared systems and processes subject to CMP will continue to be addressed via the CMP procedures.

7.2 Qwest will provide commercial performance measurements and reporting against established performance targets with QPP™ service. The following performance measurements will apply to QPP™ Residential and QPP™ Business: (a) Firm Order Confirmations (FOCs) On Time, (b) Installation Commitments Met, (c) Order Installation Interval, (d) Out of Service Cleared within 24 Hours, (e) Mean Time to Restore, and (f) Trouble Rate. Commercial measurement definitions, methodologies, performance targets and reporting requirements are attached as Attachment A. Qwest will provide CLEC with the raw data necessary to allow CLEC to disaggregate results at the state level.

7.3 CLEC will be entitled to service credits only for each instance of a missed installation commitment and each instance of an out of service condition that is not cleared within 24 hours as described below. All such service credits shall be applied automatically by Qwest as credit against CLEC's bill for the billing period following the one in which the credits were accrued.

7.3.1 Installation Commitments Met. For each installation commitment that Qwest, through its own fault, fails to meet, Qwest will provide a service credit equal to 100% of the nonrecurring charge for that installation. The definition of a "missed installation commitment" and the associated exclusions are described in Attachment A.

7.3.2 Out of Service Cleared within 24 Hours. For each out-of-service condition that Qwest, through its own fault, fails to resolve within 24 hours, Qwest will provide a service credit equal to one day's recurring charge (monthly recurring charge divided by 30) for each day out of service beyond the first 24 hours. (For example, if the out-of-service condition exists for 25 to 47 hours, CLEC would be entitled to a credit equal to the monthly recurring charge divided by 30. If the out-of-service condition existed for 48 to 71 hours, the credit would equal two times the monthly recurring charge divided by 30). The definition of an "out of service condition" and the associated exclusions are described in Attachment A.

Qwest Platform Plus™ (QPP™) Rate Sheet - Arizona

		USOC	Recurring	Non-Recurring	Notes
109.8	Shared Transport Purchased As Part of QPP™				
109.8.1	Mass Market				
109.8.1.1	QPP™ Residential, Business, and PAL (Per MOU)		\$0.0008236		
109.8.1.2	QPP™ Centrex, ISDN BRI, and PBX Analog Trunks (Per line/trunk)		UGUFM	\$0.26	
109.11	Local Switching Purchased As Part of QPP™				
109.11.1	Mass Market Switching				
109.11.1.1	Ports				
109.11.1.1.1	Ports, Effective through December 31, 2004				
109.11.1.1.1.1	Analog Port		\$2.44		
109.11.1.1.1.2	Analog Port, Residential end user credit		\$0.00		1
109.11.1.1.1.3	Digital Port (Supporting BRI ISDN)		\$10.38		
109.11.1.1.1.4	PBX DID Port		\$3.32		
109.11.1.1.2	Ports, Effective January 1, 2005 through December 31, 2005				
109.11.1.1.2.1	Analog Port		\$5.14		
109.11.1.1.2.2	Analog Port, Residential end user credit		(\$1.14)		1
109.11.1.1.2.3	Digital Port (Supporting BRI ISDN)		\$13.08		
109.11.1.1.2.4	PBX DID Port		\$6.02		
109.11.1.1.3	Ports, Effective January 01, 2006 through December 31, 2006, if incentive thresholds ARE met				
109.11.1.1.3.1	Analog Port		\$6.79		
109.11.1.1.3.2	Analog Port, Residential end user credit		(\$2.46)		1
109.11.1.1.3.3	Digital Port (Supporting BRI ISDN)		\$14.73		
109.11.1.1.3.4	PBX DID Port		\$7.67		
109.11.1.1.4	Ports, Effective January 01, 2006 through December 31, 2006, if incentive thresholds ARE NOT met				
109.11.1.1.4.1	Analog Port		\$7.27		
109.11.1.1.4.2	Analog Port, Residential end user credit		(\$2.73)		1
109.11.1.1.4.3	Digital Port (Supporting BRI ISDN)		\$15.21		
109.11.1.1.4.4	PBX DID Port		\$8.15		
109.11.1.1.5	Ports, Effective January 01, 2007 through term, if incentive thresholds ARE met				
109.11.1.1.5.1	Analog Port		\$8.70		
109.11.1.1.5.2	Analog Port, Residential end user credit		(\$4.10)		1
109.11.1.1.5.3	Digital Port (Supporting BRI ISDN)		\$16.64		
109.11.1.1.5.4	PBX DID Port		\$9.58		
109.11.1.1.6	Ports, Effective January 01, 2007 through term, if incentive thresholds ARE NOT met				
109.11.1.1.6.1	Analog Port		\$9.40		
109.11.1.1.6.2	Analog Port, Residential end user credit		(\$4.56)		1
109.11.1.1.6.3	Digital Port (Supporting BRI ISDN)		\$17.34		
109.11.1.1.6.4	PBX DID Port		\$10.28		
109.11.1.2	Local Switch Usage				
109.11.1.2.1	QPP™ Residential, Business, and PAL (Per MOU)		\$0.00097		
109.11.1.2.2	QPP™ Centrex, ISDN BRI, and PBX Analog Trunks (Per Line/trunk)		UGUST	\$0.61000	
109.11.1.3	Switch Features				2, 3
109.11.1.3.1	Account Codes - per system		AZ8PS	\$78.60	
109.11.1.3.2	Attendant Access Line - per station line		DZR	\$1.14	
109.11.1.3.3	Audible Message Waiting		MGN MWW	\$0.99	
109.11.1.3.4	Authorization Codes - per system		AFYPS	\$235.06	
109.11.1.3.5	Automatic Line		ETVPB	\$0.34	
109.11.1.3.6	Automatic Route Selection - Common Equip. per system		F5GPG	\$2,062.41	
109.11.1.3.7	Call Drop		NA-FID	\$0.34	
109.11.1.3.8	Call Exclusion - Automatic		NXB (ISDN)	\$0.99	
109.11.1.3.9	Call Exclusion - Manual		NA-FID (ISDN)	\$0.66	
109.11.1.3.10	Call Forwarding Don't Answer - Incoming Only		69A	\$37.25	
109.11.1.3.11	Call Forwarding - Busy Line / Don't Answer Programmable Svc. Establishment		SEPFA	\$15.39	
109.11.1.3.12	Call Forwarding - Busy Line/Don't Answer (Expanded)		FVJ, FVJHG	\$37.25	
109.11.1.3.13	Call Forwarding - Don't Answer		69H, EVD, EVDHG	\$37.25	
109.11.1.3.14	Call Forwarding - Don't Answer / Call Forward Busy Customer Programmable- Per Line		FSW	\$0.99	
109.11.1.3.15	Call Waiting Indication - per timing state		WUT	\$0.99	
109.11.1.3.16	Centrex Common Equipment		HYE, HYS	\$1,184.89	
109.11.1.3.17	CLASS - Call Trace, Per Occurrence		NO USOC	\$2.35	
109.11.1.3.18	CLASS - Continuous Redial		NSS	\$1.24	
109.11.1.3.19	CLASS - Last Call Return		NSQ	\$1.25	
109.11.1.3.20	CLASS - Priority Calling		NSK	\$1.18	
109.11.1.3.21	CLASS - Selective Call Forwarding		NCE	\$1.24	
109.11.1.3.22	CLASS - Selective Call Rejection		NSY	\$1.18	
109.11.1.3.23	CMS - Packet Control Capability, per System		PTGSP	\$477.21	
109.11.1.3.24	CMS - System Establishment - Initial installation		MB5XX	\$954.41	
109.11.1.3.25	CMS - System Establishment - Subsequent installation		CPVWO	\$477.21	

Qwest Platform Plus™ (QPP™) Rate Sheet - Arizona

	USOC	Recurring	Non-Recurring	Notes
109.11.1.3.26	MJJPK		\$41.72	Conference Calling - Meet Me
109.11.1.3.27	MO9PK		\$41.72	Conference Calling - Preset
109.11.1.3.28	BUD		\$0.34	Direct Station Select / Busy Lamp Field per arrangement
109.11.1.3.29	6MD		\$19.81	Directed Call Pickup with Barge-in
109.11.1.3.30	69D		\$19.81	Directed Call Pickup without Barge-in
109.11.1.3.31	RNN		\$39.60	Distinctive Ring/Distinctive Call Waiting
109.11.1.3.32	AQWPS		\$70.64	Expensive Route Warning Tone- per system with ARS
109.11.1.3.33	FRKPS		\$43.46	Facility Restriction Level - per system
109.11.1.3.34	GCN		\$0.45	Group Intercom
109.11.1.3.35	HLA, HLN		\$0.99	Hot Line - per line
109.11.1.3.36	MH5		\$37.90	Hunting: Multiposition Hunt Queuing
109.11.1.3.37	MHW		\$37.90	Hunting: Multiposition with Announcement in Queue
109.11.1.3.38	MOHPS		\$40.03	Hunting: Multiposition with Music in Queue
109.11.1.3.39	NHGPQ		\$1.67	ISDN Short Hunt
109.11.1.3.40	PTQPG		\$173.41	Loudspeaker Paging - per trunk group
109.11.1.3.41	ABAEX, PB9		\$0.66	Make Busy Arrangements - per group
109.11.1.3.42	MB1		\$0.66	Make Busy Arrangements - per line
109.11.1.3.43	MFR		\$0.34	Message Center - per main station line
109.11.1.3.44	MV5		\$0.34	Message Waiting Visual
109.11.1.3.45	MHHPS		\$22.72	Music On Hold - per system
109.11.1.3.46	K7KPK		\$0.47	Privacy Release
109.11.1.3.47	QT1PK		\$0.34	Query Time
109.11.1.3.48	SMDR-P		\$174.16	SMDR-P - Archived Data
109.11.1.3.49	SEPS, SEPSR		\$333.29	SMDR-P - Service Establishment Charge, Initial Installation
109.11.1.3.50	CPK		\$0.34	Station Camp-On Service - per main station
109.11.1.3.51	ATBPS		\$123.60	Time of Day Control for ARS - per system
109.11.1.3.52	A4T		\$0.53	Time of Day NCOS Update with ARS
109.11.1.3.53	ATB		\$0.51	Time of Day Routing - per line with ARS
109.11.1.3.54	BVS		\$0.39	Trunk Verification from Designated Station
109.11.1.3.55	MHM, H6U, NZT		\$0.66	UCD in hunt group - per line
109.11.1.4	Other			
109.11.1.4.1	Custom Number			See Applicable Qwest Retail Tariff, Catalog or Price List less Discount (which will be provided pursuant to terms and conditions in CLEC's ICA).
109.11.1.4.3	PBX DID Complex Translations Digits Outpulsed Change Signaling		\$14.30	
109.11.1.4.4	PBX DID Block Compromise		\$25.18	
109.11.1.4.5	PBX DID Group of 20 Numbers		\$33.50	
109.11.1.4.6	PBX DID Reserve Sequential # Block		\$25.03	
109.11.1.4.7	PBX DID Reserve Non Sequential TN		\$23.37	
109.11.1.4.8	PBX DID NonSequential TN		\$35.15	
109.11.2	Subsequent Order Charge	NHCUU	\$13.33	4
109.11.3	Qwest Corporation (QC) IntraLATA Toll, LPIC 5123			See Applicable Qwest Retail Tariff, Catalog or Price List less Discount (which will be provided pursuant to terms and conditions in CLEC's ICA).
109.20	Miscellaneous Charges			5, 6
109.20.1	Non-Design			
109.20.1.1	Trouble Isolation Charge (TIC)	LTESX		See Maintenance of Service. Basic. First Interval
109.20.1.2	Network Premises Work Charge			
109.20.1.2.1	Basic			
109.20.1.2.1.1	First Increment	HRH11		See Additional Labor - Other
109.20.1.2.1.2	Each Additional Increment	HRHA1		
109.20.1.2.2	Overtime			
109.20.1.2.2.1	First Increment	HRH12		See Additional Labor - Other
109.20.1.2.2.2	Each Additional Increment	HRHA2		
109.20.1.2.3	Premium			
109.20.1.2.3.1	First Increment	HRH13		See Additional Labor - Other
109.20.1.2.3.2	Each Additional Increment	HRHA3		
109.20.2	Design			
109.20.2.1	Maintenance of Service			
109.20.2.1.1	Basic			
109.20.2.1.1.1	First Increment	MVWXX		See Maintenance of Service
109.20.2.1.1.2	Each Additional Increment	MVW1X		
109.20.2.1.2	Overtime			
109.20.2.1.2.1	First Increment	MVWOX		See Maintenance of Service
109.20.2.1.2.2	Each Additional Increment	MVW2X		
109.20.2.1.3	Premium			

Qwest Platform Plus™ (QPP™) Rate Sheet - Arizona

		USOC	Recurring	Non-Recurring	Notes
	109.20.2.1.3.1 First Increment	MVWPX		See Maintenance of Service	
	109.20.2.1.3.2 Each Additional Increment	MVW3X			
109.20.2.2	Optional Testing (Additional Labor)				
	109.20.2.2.1 Basic, First and Each Additional Increment	OTNBX		See Additional Labor - Other	
	109.20.2.2.2 Overtime, First and Each Additional Increment	OTNOX			
	109.20.2.2.3 Premium, First and Each Additional Increment	OTNPX			
109.20.2.3	Dispatch (Additional Dispatch - No trouble found)	VT6DC		See Additional Dispatch	
109.20.2.4	Dispatch for Maintenance of Service - No Trouble Found	VT6DM			
109.20.2.5	Network Premises Work Charge				
	109.20.2.5.1 Basic				
	109.20.2.5.1.1 First Increment	HRH11		See Additional Labor - Other	
	109.20.2.5.1.2 Each Additional Increment	HRHA1			
	109.20.2.5.2 Overtime				
	109.20.2.5.2.1 First Increment	HRH12		See Additional Labor - Other	
	109.20.2.5.2.2 Each Additional Increment	HRHA2			
	109.20.2.5.3 Premium				
	109.20.2.5.3.1 First Increment	HRH13		See Additional Labor - Other	
	109.20.2.5.3.2 Each Additional Increment	HRHA3			
109.20.3	Design and Non-Design				
	109.20.3.1 Trip Charge - Premises Visit Charge	NRTCY		See Additional Dispatch	
109.20.3.2	Premises Work Charge				
	109.20.3.2.1 Basic				
	109.20.3.2.1.1 First Increment	HRD11		See Additional Labor - Other	
	109.20.3.2.1.2 Each Additional Increment	HRDA1			
	109.20.3.2.2 Overtime				
	109.20.3.2.2.1 First Increment	HRD12		See Additional Labor - Other	
	109.20.3.2.2.2 Each Additional Increment	HRDA2			
	109.20.3.2.3 Premium				
	109.20.3.2.3.1 First Increment	HRD13		See Additional Labor - Other	
	109.20.3.2.3.2 Each Additional Increment	HRDA3			
109.20.3.3	Date Change			\$10.22	
109.20.3.4	Design Change			\$72.79	
109.20.3.5	Expedite Charge			ICB	7
109.20.3.6	Cancellation Charge			ICB	7
109.23	Qwest Platform Plus™ (QPP™)				
109.23.1	Conversion Nonrecurring Charges				
	109.23.1.1 QPP™ Business, Centrex, PAL, and PBX Analog non-DID Trunks, Residential				
	109.23.1.1.1 First Line (Mechanized)	URCCU		\$0.28	
	109.23.1.1.2 Each Additional Line (Mechanized)	URCCY		\$0.28	
	109.23.1.1.3 Disconnect			\$0.28	
	109.23.1.1.4 First Line (Manual)	URCCV		\$16.00	
	109.23.1.1.5 Each Additional Line (Manual)	URCCZ		\$2.67	
	109.23.1.2 QPP™ Analog PBX DID Trunks				
	109.23.1.2.1 First Trunk	URCCD		\$20.34	
	109.23.1.2.2 Each Additional			\$3.08	
	109.23.1.3 QPP™ ISDN BRI	URCCU			
	109.23.1.3.1 First			\$0.28	
	109.23.1.3.2 Each Additional			\$0.28	
	109.23.1.3.3 Disconnect			\$0.28	
109.23.2	Installation Nonrecurring Charges				
	109.23.2.1 QPP™ Business, Centrex, PAL, and PBX Analog non-DID Trunks, Residential				
	109.23.2.1.1 First Line (Mechanized)	NHCRA		\$33.89	
	109.23.2.1.2 Each Additional Line (Mechanized)	NHCRC		\$9.72	
	109.23.2.1.3 First Line (Manual)	NHCRB		\$50.32	
	109.23.2.1.4 Each Additional Line (Manual)	NHCRD		\$11.30	
	109.23.2.2 QPP™ Analog DID PBX Trunks			\$177.02	
	109.23.2.3 QPP™ ISDN-BRI			\$241.28	
109.23.3	Qwest AIN Features				
			See Applicable Qwest Retail Tariff, Catalog or Price List less Discount (which will be provided pursuant to terms and conditions in CLEC's ICA)		8

Qwest Platform Plus™ (QPP™) Rate Sheet - Arizona

		USOC	Recurring	Non-Recurring	Notes
109.23.4	Qwest DSL		See Applicable Qwest Retail Tariff, Catalog or Price List less Discount (which will be provided pursuant to terms and conditions in CLEC's ICA).		8
109.23.5	Qwest Voice Messaging Services		See Applicable Qwest Retail Tariff, Catalog or Price List less Discount		8
112.0 Operational Support Systems					
112.0.1	Developments and Enhancements, per Order		Under development		7
112.0.2	Ongoing Maintenance, per Order		Under development		7
112.0.3	Daily Usage Records File, per Record		No Charge at this time		7

Notes

- 1 Monthly Recurring credit applies to QPP™ Residential Services as set forth in Service Exhibit 1 to this Agreement.
- 2 QPP™ service includes nondiscriminatory access to all vertical switch features that are loaded in Qwest's End Office Switch. See the PCAT for all compatible and available vertical switch features. Only vertical switch features with Non-Recurring, Recurring, or Per Occurrence charges are listed. Non-Recurring charges are applicable whenever a feature is added - whether on new installation, conversion, or change order activity. Those vertical switch features not listed have a rate of \$0 for Monthly Recurring, Non-Recurring, or Per Occurrence charges.
- 3 USOCs have been provided in an effort to ease item description and USOC association with charges. In the event USOCs are inaccurate or are revised, Qwest reserves the right to correct the Rate Sheet.
- 4 The Subsequent Order Charge is applicable on a per order basis when changes are requested to existing service, including changing a telephone number, initiating or removing Suspension or Service, denying or restoring service, adding, removing, or changing features, and other similar requests.
- 5 QPP™ ISDN BRI and PBX are "Design". Remaining QPP™ services are "Non-Design".
- 6 All charges and increments shall be the same as the comparable charges and increments in each state SGAT.
- 7 Qwest and MCI agree to negotiate a charge in good faith. The Parties agree that the charges are intended to allow Qwest to recover its relevant costs and will be an approved charge. The charge MCI and Qwest have agreed upon will be binding to all CLECs.
- 8 Where the service has been deemed to be a Telecommunications Service, the Discount will be provided pursuant to CLEC's ICA. Where the service is not a Telecommunications Service, the discount will be 18%.