

NEW APPLICATION



**usadigita**

**Local & Long Distance Communications**



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2000 SEP 19 AM 11:29

AZ CORP COMMISSION  
DOCUMENT CONTROL

September 14, 2000

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

**DOCKET NO. T-03933A-00-0714**

RE: USA Digital Communications, Inc.'s Application and Petition for Certificate of Convenience and Necessity to Provide Intrastate Telecommunications Services as an Interexchange Reseller.

Dear Sir or Madam:

Please find enclosed an original plus ten (10) copies of USA Digital Communications, Inc.'s Application and Petition for Certificate of Convenience and Necessity to provide intrastate telecommunications services as an interexchange reseller.

Please acknowledge receipt of this filing by returning, file-stamped, the extra copy of this cover letter in the self-addressed stamped envelope provided for that purpose.

Questions regarding this filing may be directed to me at the address or phone number printed below.

Sincerely,

David D. Williamson  
IXC/CLEC Coordinator

Enclosed

FORM B

ARIZONA CORPORATION COMMISSION

Application and Petition for Certificate of Convenience and Necessity to Provide Intrastate Telecommunication Services as an Interexchange Reseller

Mail original plus 10 copies of completed application to:

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

For Docket Control Only  
(Please Stamp Here)

AZ CORP COMMISSION  
DOCKET CONTROL

2000 SEP 19 A 11: 29

RECEIVED

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

Type of Service: \_\_\_\_\_

DOCKET NO.

T-03933A-00-0714

Docket No.: \_\_\_\_\_ Date: \_\_\_\_\_

Docket No. \_\_\_\_\_

Type of Service: \_\_\_\_\_

Docket No.: \_\_\_\_\_ Date: \_\_\_\_\_

Date Docketed \_\_\_\_\_

A. Company and Telecommunications Service Information

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

USA Digital Communications, Inc.  
1603 SE 19th Street, Suite 120  
Edmond, OK 73013-6621  
(888) 872-3787

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

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

David D. Williamson  
1603 SE 19th Street, Suite 120  
Edmond, OK 73013-6621  
(888) 872-3787  
(405) 715-0733 (fax)  
DWilliamson@amcat.com

(A-4) The name, address, telephone number, facsimile number and email address of the Attorney, if any, representing the applicant:

No attorney at this time.

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

- • Sole proprietorship
- Partnership: \_\_\_ limited, \_\_\_ general, \_\_\_ Arizona, \_\_\_ Foreign
- Limited liability company
- Corporation: \_\_\_ •S•, XX •C•, \_\_\_ non-profit, \_\_\_ Arizona, XX Foreign
- Other, specify:

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

(A-7) 1. Is your company currently reselling telecommunication services in Arizona? If yes, provide the date or the approximate date that you began reselling service in Arizona.  
No.

2. If the answer to 1. is •yes•, identify the types of telecommunications services you resell; whether operator services are provided or resold and whether they are provided or resold to traffic aggregators (as defined in A.A.C. Rule R14-2-1001(3), a copy of which is attached); the number of customers in Arizona for each type of service; and the total number of intrastate minutes resold in the latest 12 month period for which data is available. Note: The Commission rules require that a separate CC&N, issued under Article 10, be obtained in order to provide operator services to traffic aggregators.

3. If the answer to 1. is •no, when does your company plan to begin reselling service in Arizona?  
October 1, 2000 or later.

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

The Commission provides pricing flexibility by allowing competitive telecommunications service companies to price their services at levels equal to or below the tariff (maximum) rates. The prices to be charged by the company are filed with the Commission in the form of price lists.

Note: Price list rate changes that result in rates that are lower than the tariff rate are effective upon concurrent notice to the Commission (See Rule R14-2-1109(B)(2)). See Rule R14-2-1110 for procedures to make price list changes that result in rates that are higher than the tariff rate.

(A-9) The geographic market to be served is:

- • • • Statewide
  
- Other. Describe and provide a map depicting the area.

(A-10) List the states in which you currently resell services similar to those you intend to resell in Arizona.  
Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Massachusetts, Michigan, Nevada, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, Utah,

(A-11) Provide the name, address, and telephone number of the company's complaint contact person.  
Jake Tullius, 1603 SE 19th Street, Suite 120, Edmond, OK 73013-6621  
(888) 872-3787

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

None.

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

No.

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

No.

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

No.

(A-16) Has the applicant had judgment entered against it in any civil matter or been convicted of criminal acts related to the delivery of telecommunications services within the last five years? If yes, list the states where judgment or conviction was entered and provide a copy of the court order.

No.

## B. Technical Information

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

Qwest Communications, Inc.

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

Also include on the diagram the carrier(s) used for each major network component and indicate if the carrier is facilities-based or not. If the carrier is not facilities-based, indicate who owns the facilities (within the State of Arizona) that are used to originate and terminate the applicant's intrastate

telecommunications traffic (i.e. provide a list of the Arizona facilities-based long distance carriers whose facilities are used to complete the applicant's intrastate traffic).

(B-2) Will your customers be able to access alternative toll service providers or resellers via 1+ or 101XXXX access, if your system becomes non-operational?

Yes.

### C. Financial Information

(C-1) Include Attachment D, Attachment D must include a copy of your Company's balance sheet, income statement, audit report (if audited) and all related notes to these financial statements for the two most recent years your Company has been in business.

(C-2) If your Company does not have financial statements for the two most recent years, please give the date your Company began operations.

Applicant began operations in June 1999.

(C-3) If the balance sheets you submit do not have retained earnings accounts, please provide this account information on a separate sheet.

(C-4) If your Company is a subsidiary, please provide your Parent Company's financial statements, in addition to your Company's financial statements.

Applicant is not a subsidiary.

(C-5) If your Company intends to rely on the financial resources of its Parent Company, please provide a written statement from your Parent Company attesting that it will provide complete financial backing if your Company experiences a net loss or a business failure and that it will guarantee re-payment of customers; advances, prepayments or deposits held by your Company if, for some reason, your Company cannot provide service or repay the deposits.

N/A

(C-6) Will your customers be required to (or have the option to) pay advances, prepayments, or deposits for any of your products or services.

YES \_\_\_\_ (If yes, provide an explanation of how and when these customer advances prepayments or deposits will be applied or reference the terms and conditions section of your Company's tariffs with this explanation. If this information is not explained in the tariff of this application, please provide it on a separate sheet.)

NO XX (Note: If at a later date, your Company decides it wants to offer or require customer advances, prepayments or deposits, it must submit financial statements as part of the tariff amendment process.)

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 and Regulations. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.

  
\_\_\_\_\_  
(Signature of Authorized Representative)

September 14, 2000  
\_\_\_\_\_  
(Date)

Mark J. Costello  
\_\_\_\_\_  
(Print Name of Authorized Representative)

President  
\_\_\_\_\_  
(Title)

SUBSCRIBED AND SWORN to before me this 14 day of September, 2000

  
\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires 5/12/02

**Attachment A**  
**Corporate Officers and Directors**  
**Of**  
**USA Digital Communications, Inc.**

<u>Name, Address, and Telephone</u>	<u>Position</u>	<u>% of Control</u>
Mark Costello 1603 SE 19 <sup>th</sup> Street, Suite 112 Edmond, OK 73013 (888) 872-3787	President	60
Richard Costello 1603 SE 19 <sup>th</sup> Street, Suite 112 Edmond, OK 73013 (888) 872-3787	Vice President/ Secretary	30
Anthony Catania 1603 SE 19 <sup>th</sup> Street, Suite 112 Edmond, OK 73013 (888) 872-3787	Treasurer	10

Note: All officers of USA Digital Communications, Inc. hold the title of Director.

**Attachment B**

**Proposed Tariff**  
**Of**  
**USA Digital Communications, Inc.**

**USA DIGITAL COMMUNICATIONS, INC.**

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Mark Costello, President  
USA Digital Communications, Inc.  
1603 SE 19<sup>th</sup> Street, Suite 120  
Edmond, OK 73013

Date Issued: September 14, 2000

Effective Date: \_\_\_\_\_

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CHECK SHEET

Pages listed below of this tariff are effective as of the date shown at the bottom of the respective sheets. Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date shown on the bottom of this page.

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

NOTE: Future revisions to these original tariff pages shall include an updated Check Sheet. Such check sheet shall include an (\*) beside the applicable page number and the caption "Revision No. \_\_\_."

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Mark Costello, President  
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Edmond, OK 73013

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SYMBOLS

(AT)	means addition to text.
(C)	means correction.
(CP)	means change in practice.
(CR)	means change in rate.
(CT)	means change in text.
(DR)	means discontinued rate.
(FC)	means a change in format lettering or numbering.
(MT)	means moved text.
(NR)	means new rate.
(RT)	means removal of text.

In addition to symbols for changes, each provision of rate element changed will contain a vertical line which will clearly show the exact number of lines being changed.

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**TARIFF FORMAT**

- A. Page Numbering - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between pages 4 and 5 would be 4.1
- B. Page Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the Commission. For example, the 4<sup>th</sup> revised Page 4 cancels the 3<sup>rd</sup> revised page 4.
- C. Paragraph Numbering Sequence - There are five levels of paragraph coding. Each level of coding is subservient to its next higher level of coding.
- 2.
  - 2.1
  - 2.1.1
  - 2.1.1.A.
  - 2.1.1.A.1.
- D. Check Sheets - When a tariff filing is made with the Commission, an updated check sheet accompanies the tariff filing. The Check Sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new sheets are added, the Check Sheet is changed to reflect the revision.

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**APPLICABILITY OF TARIFF**

This tariff contains the description of the services offered, the terms and conditions under which each of the services are provided and all effective rates and charges applicable to the furnishing of interexchange telecommunications services of the Company within the State of Arizona. Only those services, terms and conditions and rates and charges approved by the Arizona Corporation Commission and contained in this tariff may be provided to Customers within the States. Filed tariffs are binding upon the Company and no deviation of any kind from the filed tariff is permitted.

**ACCESSIBILITY OF TARIFF**

This tariff is on file with the Arizona Corporation Commission and the Company's principal place of business:

USA DIGITAL COMMUNICATIONS, INC.  
1603 SE 19<sup>th</sup> Street, Suite 120  
Edmond, Oklahoma 73013-6621

These tariffs are available for viewing, during normal business hours, at the Commission or the Company's principal place of business. Additionally, copies are available upon request, free of charge, by contacting the Company at (888) 872-3787

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Mark Costello, President  
USA Digital Communications, Inc.  
1603 SE 19<sup>th</sup> Street, Suite 120  
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**SECTION 1.****TERMS AND ABBREVIATIONS**

"Access" as used in this tariff means an arrangement which connects the Customer's or Subscriber's telecommunications service to the Underlying Carrier's designated point of presence or network switching center.

"Commission" means the Arizona Corporation Commission.

"Company" means the Reseller referred to on the title page of this tariff, unless otherwise indicated by the context.

"Customer" means any person, partnership, cooperative corporation, limited liability company, corporation, or lawful entity provided service from an entity reselling intrastate telecommunications services.

"Customer trouble report" means any oral or written report given to the Company's repair service or contact person by a Customer relating to a defect or difficulty or dissatisfaction with the provision of the telecommunications service provided by the Company.

"Delinquent" means a payment for a billing for services provided, which is not in dispute, where payment is not received on or before the due date as posted on the bill.

"Exchange" means a geographic area established and approved by the Commission for the administration of local telephone service in a specified area which usually embraced a city, town, or village and its environs. It may consist of one or more central offices together with associated plant used in furnishing communication service in that area.

"Holidays" means the holidays designated whether by the Commission or by the Company as a legally recognized holiday, which will be rated at the lower night/weekend rates.

"IXC" means interexchange company which is a carrier or company authorized by the Commission to provide long distance communications services, but not local exchange services, within the State of Arizona.

"InterLATA call" means any call which is originated one LATA and terminated in another LATA

"Interstate call" means any call which is originated in one state and terminated within the boundaries of another state.

"IntraLATA call" means any call which is originated and terminated within the boundaries of the same LATA regardless of which call crossed LATA boundaries prior to reaching its termination point.

"Intrastate call" means any call which is originated and terminated within the boundaries of the State of Arizona, regardless of whether such call crosses state boundaries prior to reaching its termination point.

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“LATA “ means a local access and transport area: a geographic area established for the provision and administration of communications services.

“LEC” means a local exchange company which is a company authorized to provide local exchange service in Arizona.

“Arizona Corporation Commission (“ACC” or “Commission”) means the regulatory body authorized by the Constitution of the State of Arizona and the law of the State of Arizona promulgated by and enacted by the Governor of Arizona, which regulated certain public utilities.

“Point of Presence (“POP”) means the location where an IXC has transmission equipment in a service area that serves as, or relays calls to, the interexchange network.

“Reseller” means a Company offered telecommunications services to the public through the use of the facilities of an underlying carrier or a combination of its own facilities and the facilities of an underlying carrier for resale to the public for profit. A Customer who offers the service(s) it obtains from a Reseller to the public for profit shall also be deemed a reseller.

“Service” means service in its broadest and most inclusive sense, and includes any and all acts done, rendered, or performed and any and all things furnished or supplied by a Reseller in the provision of regulated offerings to their Customers.

“Telecommunications service” means service provided by the Company including voice, data, and all of the types of communications services, under the Company’s tariffs on file with the Public Utility Division of the Commission.

“Underlying Carrier” means the provider of telecommunications services whose network is being utilized and receives the Customer’s telecommunications traffic.

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**2.1 UNDERTAKING OF THE COMPANY**

- 2.1.1 The Company's services are furnished for telecommunications originating and terminating within the State of Arizona under the terms of this tariff.
- 2.1.2 The Company installs, operates, and maintains the telecommunications services provided herein under in accordance with the terms and conditions set forth under this tariff. The Company 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 the Customer's location to the Company's network. The Customer shall be responsible for all charges due for such service arrangement.
- 2.1.3 The Company's services are provided on a monthly basis, and are available twenty-four (24) hours per day, seven (7) days per week.

**2.2 LIMITATIONS**

- 2.2.1 Service is offered subject to the availability of the necessary facilities and equipment, or both facilities and equipment, and subject to the provisions of this tariff.
- 2.2.2 The Company reserves the right to discontinue or limit service when necessitated by conditions beyond its control, or when the Customer is using service in violation of provisions of this tariff, or in violation of the law.
- 2.2.3 The Company does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission or for failure to establish connections.
- 2.2.4 The Company does not offer services for resale by Customers unless such Customer has been granted a Certificate of Convenience and Necessity by the Commission to provide such services in the State of Arizona.
- 2.2.5 All facilities provided under this tariff are directly or indirectly controlled by the Company and the Customer may not transfer or assign the use of service or facilities without the express written consent of the Company.

**2.3 TRANSFER OR ASSIGNMENT**

- 2.3.1 After obtaining the Company's written consent, the Customer of record may assign or transfer the use of service where there is no interruption or physical relocation. All terms and provisions contained in this tariff will apply to any assignee or transferee. Services provided by the Company may not be transferred or assigned to a new Customer unless the following conditions have been met:
- A. The Customer of record (assignor Customer) requests such assignment or transfer in writing at least forty-five (45) days prior to the effective date of any transfer; and,

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- 
- B. The new Customer (assignee Customer) notifies the Company in writing that it agrees to assume all outstanding obligations of the former Customer for use of the Company's service. Consent to such transfer or assignment will not be unreasonably withheld; and,
- C. Prior written consent of the Company is secured. The Company agrees to respond to a request to assign or transfer to another Customer within thirty (30) days of receipt of the request.

2.3.2 As relates to the assignee or transferee, deposits will not be required pursuant to Section 2.6 of this tariff.

2.3.3 Any permitted transfer or assignment of the Company's service will not relieve or discharge any Customer from remaining jointly and severally liable with the new Customer for any obligations existing at the time of transfer or assignment.

2.3.4 All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions of service.

#### 2.4 USE OF SERVICE

2.4.1 The Company's service(s) may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of such services(s).

2.4.2 The use of the Company's service(s) to make calls which might reasonably be expected to frighten, abuse, torment, or harass another, or in such a way as to unreasonably interfere with the use by others, is prohibited.

2.4.3 The use of the Company's service(s) without payment for service(s) or attempting to avoid payment for service(s) by fraudulent means or devices, schemes, false or invalid numbers, false credit cards or false Phone Cards of the Company's or false numbers of such cards, is prohibited.

2.4.4 Resale of the Company's service(s) by Customers is prohibited unless and until the Customer has provided the Company with proof that the Customer has been granted a Certificate of Public Convenience and Necessity to provide such service(s) in the State of Arizona, or the Customer has become an approved agent of the Company.

2.4.5 The Company's service is available for use twenty-four (24) hours per day, seven days per week.

2.4.6 The Company does not transmit messages pursuant to the tariff, but its services may be used for that purpose.

2.4.7 The Company's services may be denied for nonpayment of charges or for other violations of the tariff.

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**2.5 LIABILITIES OF THE COMPANY**

- 2.5.1 The Company's liability for damages arising out of mistakes, interruptions, omissions, delays, errors or defects in transmission which occur in the course of furnishing service(s) or facilities in no event shall exceed an amount equivalent to the proportionate charge to the Customer for the period during which the faults in transmission occur.
- 2.5.2 The Company shall not be liable for claim or loss, expense or damage (including indirect, special or consequential damages), for any interruption, or defect in any service, facility or transmission provided under this tariff, if caused by any person or entity other than the Company, by an Act of God, fire, war, civil disturbance, or act of government, or by any other cause beyond the Company's direct control.
- 2.5.3 The Company will make no refund of overpayment by a Customer unless the claim for overpayment, together with the proper evidence, is submitted within (1) year from the date of alleged overpayment unless billing records prepared by the Company can be produced which would justify a credit beyond one year.
- 2.5.4 The Company shall not be liable for any claim, loss, or refund of loss or theft of Customer-specific identifying codes issued for use with the Company's services.
- 2.5.5 The Company shall not be liable for any defacement of or damages to the premises of a Customer resulting from the furnishing of service(s) which is not the direct result of the Company's negligence.

**2.6 DEPOSITS AND INTEREST**

- 2.6.1 The Company does not intend to require a deposit of its customers.

**2.7 BILLING AND BILLING DISPUTES**

- 2.7.1 Billing to Customers will be scheduled monthly either by mail on CD ROM or via the Internet. Usage charges are billed in arrears. Recurring fixed charges are billed monthly. A bill will be considered rendered to the Customer when deposited in the United States mail with postage prepaid. If the delivery is by other than United States mail, the bill will be considered rendered when delivered to the last known address of the party responsible for payment. A Customer's bill will be itemized and conform to standards required by the Arizona Corporation Commission & Truth in Billing Act.
- 2.7.2 The Customer is responsible for all charges including all calls places from the Customer's location or by use of the Customer's authorization code(s).
- 2.7.3 A late payment charge of 1.5% will be applied to charges not paid by their due date. The late payment charge will not be applied to previous late payment charges that have been assessed. Late payment charges will be applied without discrimination.
- 2.7.4 Any objection to billed charges should be reported to the Company as soon as possible. Questions regarding the Company's services or charges assessed to a Customer's bill may be directed to the Company's Customer Service Department toll-free at (800) 364-5518. The Company shall investigate the particular case and report the results to the

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Customer. During the period that the disputed amount is under investigation, the Company shall not pursue any collection procedures or assess late fees with regard to the disputed amount. The Customer shall be required to pay the undisputed part of the bill, and if not paid, the Company may discontinue service. In the event the disputed charges are not resolved, the Company shall inform the Customer that the Customer may utilize the complaint procedures of the Commission's Consumer Services Division. The Company shall provide the Customer with the following information:

Arizona Corporation Commission

1200 West Washington Street

Phoenix AZ 85007

800-222-7000

2.8 RESERVED FOR FUTURE USE

2.9 TAXES

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

2.9.1 All state and local sales taxes are listed as separate line items on the Customer's bill and are not included in the quoted rate(s).

2.9.2 Other taxes, charges and the regulatory assessment shall be identified in the aggregate on the Customer's bill and shall not be included in the quoted rate(s).

2.9.3 Such taxes, charges, and assessments shall be billed to the Customers receiving service(s) within the territorial limits of such state, county, city or other taxing authority. Such billing shall allocate the tax, charge and/or assessment among Customers uniformly on the basis of each Customer's monthly charges for the types of service made subject to such tax, charge and/or assessment.

2.10 EQUIPMENT

2.10.1 The Company's facilities and service(s) may be used with or terminated in Customer-provided telecommunications systems, such as a telephone set, PBX or key system. Such terminal equipment shall be furnished and maintained at the expense of the Customer. The Customer is responsible for all costs at its premises, including personnel, wiring, electrical power, and the like, incurred in the use of the equipment shall comply with the generally accepted minimum protective criteria standards of the telecommunications industry as endorsed by the Federal Communications Commission.

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Mark Costello, President  
USA Digital Communications, Inc.  
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**2.11 INSTALLATION AND TERMINATION**

- 2.11.1 Service is installed upon mutual agreement between the Customer and the Company. The service agreement does not alter rates specified in this tariff.

**2.12 PAYMENT FOR SERVICE**

- 2.12.1 All charges due by the Customer are payable to any agency duly authorized to receive such payments. The billing agency may be a LEC, credit card company, or other billing service. The terms and conditions for billing, payment and collection, including without limitation, any late payment charge, specified in the LEC's local exchange service tariff shall apply to charges of the Company when the LEC serves as the billing agent for the Company or buys the Company's accounts receivables. Terms of payment shall be according to the rules and regulations of the agency, but must comply with the Commission's rules and regulations.

- 2.12.2 Adjustments to the Customer's bills shall be made to the extent that circumstances exist which reasonably indicate that such changes are appropriate.

**2.13 RETURNED CHECK CHARGE**

- 2.13.1 If a check offered by a Customer for payment of service provided is dishonored, a returned check charge shall be applied in the amount of \$15.00. At the option of the Company, the returned check charge may be waived because of extenuating circumstances (*i.e.* bank error). Disclosure of the returned check fee will appear on the Customer's phone bill.

**2.14 CANCELLATION OF SERVICE BY CUSTOMER**

- 2.14.1 A Customer may cancel service by providing written or verbal notice to the Company.

**2.15 INTEREXCHANGE INTERCONNECTION FOR RESALE**

- 2.15.1 Service(s) furnished by the Company may be connected with the services or facilities of an underlying carrier. Such service(s) or facilities, if used, are provided under the terms, rates and conditions of the underlying carrier. The Customer is responsible for all charges billed by the underlying carrier(s) for use in connection with the Company's service. Any special interface equipment or facilities necessary to achieve compatibility between carriers is the responsibility of the Customer.

**2.16 DENIAL OF SERVICE**

- 2.16.1 Service may be refused or terminated for any of the following reasons:

- A. Nonpayment of a bill within the period prescribed in the Company's tariff.
- B. Violation of or noncompliance with any provision of law, Commission rules and regulations or the Company's approved tariffs.

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- C. Excessive or improper use of telecommunications services, or used in such manner as to interfere with reasonable service to other Customers.

2.16.2 The Company shall provide documentation to the prospective Customer or current Customer stating the reason(s) for denial or termination of service.

## 2.17 DISCONNECTION AND NOTICE

2.17.1 When service to a Customer is to be disconnected for nonpayment of a bill for services, the Company shall give at least seven (7) days written notice to the Customer of the Company's intent to discontinue service. Notice shall be mailed by the Company to the Customer's address.

2.17.2 Notices to the Customer shall contain the following information:

- A. Name, address, and telephone number of Customer.
- B. Statement of reason for proposed discontinuance of service.
- C. The date on or after which service will be discontinued unless appropriate action is taken.
- D. The telephone number of the Company where the Customer may make an inquiry.
- E. Charges for reconnection.
- F. The address and telephone number of the Commission's Consumer Services Division.

2.17.3 The Company shall not be required to give the written notice provided for in situations where the Company has evidence of fraudulent or illegal use of the Company's services, which if allowed to continue, would present a high risk of financial loss to the company.

## 2.18 REFUNDS OR CREDITS FOR INTERRUPTION OF SERVICE

2.18.1 The Customer shall be credited for an interruption of two hours or more at the rate of 1/720th of the monthly charge for the service affected for each hour or major fraction thereof that the interruption continues. Calculations of the credit shall be made in accordance with the following formula:

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

"A" = outage time in hours

"B" = total monthly charge for affected facility, where applicable

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2.19 INSPECTION, TESTING AND ADJUSTMENT

2.19.1 Upon reasonable notice, the facilities/equipment provided by the Underlying Carrier or the Reseller shall be made available to the Underlying Carrier or the Reseller for tests and adjustments as may be deemed necessary by the Underlying Carrier or the Reseller for maintenance. No interruption allowance will be granted for the time during which such tests and adjustments are made.

2.20 CUSTOMER SERVICE

2.20.1 The Company shall maintain a toll-free number to enable Customers to contact the Company regarding, but not limited to, inquiries related to billing, making customer trouble reports, making oral cancellation of service, etc.

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SECTION 3

DESCRIPTION OF SERVICE AND RATES

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3.3 Calculation of Distance (V&H) .....	18
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USA Digital Communications, Inc.  
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3.1 GENERAL

3.1.1 Rates and timing of calls may vary by product, time, time of day, day of week, call mileage, access method, terminating area, or call duration. Calls are billed individually and on a monthly basis. Usage is billed in arrears.

3.1.2 Intrastate services are offered in conjunction with interstate services.

3.2 TIMING OF CALLS

3.2.1 Billing for calls placed over the network is based in part on the duration of the call as follows, unless otherwise specified in this tariff:

- A. Call timing begins when the called party answers the call (i.e., when two way communications are established). Answer detection is based on standard industry answer detection methods, including hardware and software answer detection.
- B. Chargeable time for calls ends when one of the parties disconnects from the call.
- C. Minimum call duration periods for billing purposes vary by service option.
- D. For billing purposes, usage after the initial period varies by service and is specified by service in this tariff.
- E. The Company will not bill for unanswered calls. When a Customer indicates that he/she was billed for an incomplete call, the Company will reasonably issue credit for the call.

3.3 RESERVED

3.4 TIME OF DAY RATE PERIODS

3.4.1 The following rate periods apply to all service offerings and, unless otherwise specified, applicable rate periods (Day, Evening, Night/Weekend) are indicated in the chart below:

	MON	TUE	WED	THUR	FRI	SAT	SUN	
8:00 AM TO 5:00 PM*	<b>DAYTIME RATE PERIOD</b>							
5:00 PM TO 11:00PM*	<b>EVENING RATE PERIOD (NON-DAY)</b>							<b>EVE</b>
11:00 PM TO 8:00 PM*	<b>NIGHT/WEEKEND RATE PERIOD (NON-DAY)</b>							

\*Up to, but not including.

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- 3.4.2 When a message spans more than one rate period, total charges for the minutes in each rate period are calculated and the results for each rate period are totaled to obtain the total message charge. If the calculation results in a fractional charge, the amount will be rounded down to the lower cent.
- 3.5 HOLIDAYS AND RATES
- 3.5.1 The Company may designate certain holidays on which rates may be lower.
- 3.5.2 Company-recognized holidays are presented in Section 4.3.
- 3.6 PROMOTIONAL OFFERINGS
- 3.6.1 The Company may from time to time engage in promotional trial service offerings of limited duration, not to exceed ninety (90) days, designed to attract new subscribers or to increase subscriber awareness of a particular service offering. Such promotional offerings will be limited to specific dates, times, and locations. Except for the rates charged under such promotions, all other terms and conditions of service contained in this tariff will apply to the Company's promotional service offerings. The Company will notify the Arizona Corporation Commission by letter specifying the services offered, terms of promotion, location, and dates of each promotional period, thirty (30) days in advance, for approval of promotional service offerings.

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SECTION 4

COMPANY SPECIFIC INFORMATION

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4.1 GENERAL (Reserved)

## 4.2 SERVICES PROVIDED

## 4.2.1 Switched Access, Feature Group D, One-Plus/Casual Access.

USA Digital Communications, Inc. will provide common shared access switched service, hereinafter referred to as Message Toll Service or MTS, outbound Wide Area Telephone Service (WATS), Inbound 800/888 Service, and Directory Assistance.

USA Digital Communications Inc.'s 1+ InterLATA service will be provided through a pre-subscribed carrier. A Customer will be able to access USA Digital Communications, Inc.'s network either by providing USA Digital Communications, Inc. a letter of agency permitting USA Digital Communications, Inc. to become the Customer's primary carrier, or by dialing a 10XXX or some other equivalent carrier access code.

USA Digital Communications, Inc.'s 1+ IntraLATA traffic will be provided through 10XXX or some other equivalent carrier access code.

## 4.2.2 Switched Access, 800/888 In-bound Service.

800/888 service is the furnishing of dial-type inter/intrastate telecommunications originating on feature group facilities provided by the Local Exchange Carrier (LEC) and terminating on a Regular Business Line or a Special Access Line (SAL).

800/888 service permits a user to place either InterLATA or IntraLATA long distance calls to a USA Digital Communications, Inc. Customer with the cost of the phone call borne by the Customer. The Customer is charged a flat rate per minute and monthly fee for long distance service, per 800/888 line.

800/888 service is provided for use by the customer and may be used by others when so authorized by the customer, provided that such usage is subject to the provisions of this tariff.

800/888 service is furnished subject to the condition that there will be no abuse or fraudulent use of the service. Abuse or fraudulent use of the service includes the obtaining or attempting to obtain, or assisting another to obtain or to attempt to obtain 800/888 service through any fraudulent means with intent of avoiding payment of the regular charges for such service.

800/888 numbers can be reserved by USA DIGITAL COMMUNICATIONS, INC. through its 800/888 service provider via SMBS Bell Core. Conditions of reservations are subject to FCC and Bell Core rules and regulations regarding 800/888 reservations.

## 4.2.3 Travel Card 800 Access Service.

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Mark Costello, President  
USA Digital Communications, Inc.  
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Travel Card Service is a special travel feature whereby a customer can access the network via an 800 number (provided by Carrier) from any touch-tone phone, anywhere in the continental United States.

4.3 Holidays.

USA Digital Communications, Inc.'s recognized holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, & Christmas.

4.4 Company Specific Customer Service

Front line customer service for USA Digital Communications, Inc. customers will be provided by the company's underlying carrier, but customers with questions about their service or billing may also contact USA Digital directly for assistance.

4.5 Contracts for Services

All services for telecommunications products are arranged by a signed contract. between the company and the Customer.

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**SECTION 5**DESCRIPTION OF RATES AND CHARGES

Original Rates:

Abbreviations: D = Day; E = Evening; N= Night; W = Weekend; # min. = Number of Minutes; Applic. = Applicable

Product Description: 1+ Dedicated = T-1 System; 1+ Switched = Non-T-1 System; Travel = Travel Card

Timing: Day Rates are from 8:00 A.M. up to but not including 5:00 P.M. Monday through Friday; Evening Rates are from 5:00 P.M. up to but not including 11:00 P.M. Sunday through Friday; Night Rates are from 11:00 P.M. through up to but not including 8:00 A.M. Sunday through Thursday; Weekend Rates are from 11:00 P.M. Friday Night up to but not including 5:00 P.M. Sunday; Holiday Rates are the same as Night Rates.

Billing Increments: (Initial billing increment)/(subsequent billing increments). Example: 6s/6s = 6 second initial billing increment/6 second subsequent billing increments.

Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, &amp; Christmas.

<u>Code</u>	<u>Product</u>	<u>Time</u>	<u>Billing Increments</u>	<u>Interstate/ Intra</u> state	<u>Inbound/ Outbound</u>	<u>Applicable Rate Per Minute</u>
AZ1	1+ Dedicated	D/E/N/W	6s x 6s	Interstate	Inbound	\$0.045
AZ2	1+ Dedicated	D/E/N/W	6s x 6s	Interstate	Outbound	\$0.045
AZ3	1+ Dedicated	D/E/N/W	6s x 6s	Intrastate	Inbound	\$0.087
AZ4	1+ Dedicated	D/E/N/W	6s x 6s	Intrastate	Outbound	\$0.101
AZ5	1+ Switched	D/E/N/W	6s x 6s	Interstate	Inbound	\$0.069
AZ6	1+ Switched	D/E/N/W	6s x 6s	Interstate	Outbound	\$0.069
AZ7	1+ Switched	D/E/N/W	6s x 6s	Intrastate	Inbound	\$0.183
AZ8	1+ Switched	D/E/N/W	6s x 6s	Intrastate	Outbound	\$0.172
AZ9	Travel	D/E/N/W	6s x 6s	Both	Both	\$0.20

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**Maximum Rates:**

Abbreviations: D = Day; E = Evening; N= Night; W = Weekend; # min. = Number of Minutes; Applic. = Applicable

Product Description: 1+ Dedicated = T-1 System; 1+ Switched = Non-T-1 System; Travel = Travel Card

Timing: Day Rates are from 8:00 A.M. up to but not including 5:00 P.M. Monday through Friday; Evening Rates are from 5:00 P.M. up to but not including 11:00 P.M. Sunday through Friday; Night Rates are from 11:00 P.M. through up to but not including 8:00 A.M. Sunday through Thursday; Weekend Rates are from 11:00 P.M. Friday Night up to but not including 5:00 P.M. Sunday; Holiday Rates are the same as Night Rates.

Billing Increments: (Initial billing increment)/(subsequent billing increments). Example: 6s/6s = 6 second initial billing increment/6 second subsequent billing increments.

Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, & Christmas.

<u>Code</u>	<u>Product</u>	<u>Time</u>	<u>Billing Increments</u>	<u>Interstate/ Intrastate</u>	<u>Inbound/ Outbound</u>	<u>Applicable Rate Per Minute</u>
AZ1	1+ Dedicated	D/E/N/W	6s x 6s	Interstate	Inbound	\$0.090
AZ2	1+ Dedicated	D/E/N/W	6s x 6s	Interstate	Outbound	\$0.090
AZ3	1+ Dedicated	D/E/N/W	6s x 6s	Intrastate	Inbound	\$0.174
AZ4	1+ Dedicated	D/E/N/W	6s x 6s	Intrastate	Outbound	\$0.202
AZ5	1+ Switched	D/E/N/W	6s x 6s	Interstate	Inbound	\$0.138
AZ6	1+ Switched	D/E/N/W	6s x 6s	Interstate	Outbound	\$0.138
AZ7	1+ Switched	D/E/N/W	6s x 6s	Intrastate	Inbound	\$0.322
AZ8	1+ Switched	D/E/N/W	6s x 6s	Intrastate	Outbound	\$0.338
AZ9	Travel	D/E/N/W	6s x 6s	Both	Both	\$0.40

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Edmond, OK 73013

Date Issued: September 14, 2000

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**Attachment C**

**Not Required**

**Attachment D**

**Most Recent Financial Statements  
Of  
USA Digital Communications, Inc.**

LIGHT & FISHER INC., P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

J. Ernest Light, CPA  
Christopher K. Fisher, CPA

August 31, 2000

To The Board of Directors,  
USA Digital Communications, Inc.  
Edmond, Oklahoma

We have compiled the accompanying consolidated balance sheet of USA Digital Communications, Inc. as of July 31, 2000, the related consolidated statement of operations and retained earnings for the period then ended, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements, the consolidated changes in cash. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, capital, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

*Light & Fisher Inc., P.C.*

Light & Fisher Inc., P.C.  
Edmond, Oklahoma

USA Digital Communications  
Balance Sheet  
July 31, 2000

ASSETS

Current Assets		
Regular Checking Account	\$	54,686.50
Accounts Receivable		265,910.50
Allowance for Doubtful Account		<19,201.52>
		<hr/>
Total Current Assets		301,395.48
Property and Equipment		
		<hr/>
Total Property and Equipment		0.00
Other Assets		
		<hr/>
Total Other Assets		0.00
		<hr/>
Total Assets	\$	<u>301,395.48</u>

LIABILITIES AND CAPITAL

Current Liabilities		
Accounts Payable	\$	139,874.76
Other Taxes Payable		<317.77>
Due to/from Amcat		41,038.34
		<hr/>
Total Current Liabilities		180,595.33
Long-Term Liabilities		
		<hr/>
Total Long-Term Liabilities		0.00
		<hr/>
Total Liabilities		180,595.33
Capital		
Common Stock		50,000.00
Net Income		70,800.15
		<hr/>
Total Capital		120,800.15
		<hr/>
Total Liabilities & Capital	\$	<u>301,395.48</u>

USA Digital Communications  
Income Statement  
For the Seven Months Ending July 31, 2000

	Current Month		Year to Date	
<b>Revenues</b>				
Billed Revenue	\$ 933,097.90	101.19	\$ 933,097.90	101.19
Payment from Agencies	0.00	0.00	0.00	0.00
Sales of Materials	0.00	0.00	0.00	0.00
Overtime	0.00	0.00	0.00	0.00
Interest Income	0.00	0.00	0.00	0.00
Other Income	0.00	0.00	0.00	0.00
Finance Charge Income	0.00	0.00	0.00	0.00
Shipping Charges Reimbursed	0.00	0.00	0.00	0.00
Sales/Fee Refunds	<10,966.17>	<1.19>	<10,966.17>	<1.19>
Sales/Fee Discounts	0.00	0.00	0.00	0.00
<b>Total Revenues</b>	<u>922,131.73</u>	<u>100.00</u>	<u>922,131.73</u>	<u>100.00</u>
<b>Cost of Sales</b>				
Cost of Sales	628,080.34	68.11	628,080.34	68.11
Cost of Sales- Salaries and Wa	0.00	0.00	0.00	0.00
Cost of Goods Taxes	56,786.57	6.16	56,786.57	6.16
Cost of Billing	24,595.07	2.67	24,595.07	2.67
<b>Total Cost of Sales</b>	<u>709,461.98</u>	<u>76.94</u>	<u>709,461.98</u>	<u>76.94</u>
<b>Gross Profit</b>	<u>212,669.75</u>	<u>23.06</u>	<u>212,669.75</u>	<u>23.06</u>
<b>Expenses</b>				
Advertising Expense	657.95	0.07	657.95	0.07
Amortization Expense	26.00	0.00	26.00	0.00
Auto Expenses	0.00	0.00	0.00	0.00
Bad Debt Expense	32,389.68	3.51	32,389.68	3.51
Bank Charges	0.00	0.00	0.00	0.00
Cash Over and Short	0.00	0.00	0.00	0.00
Charitable Contributions Exp	0.00	0.00	0.00	0.00
Commissions and Fees Exp	1,444.32	0.16	1,444.32	0.16
Depreciation Expense	0.00	0.00	0.00	0.00
Dues and Subscriptions Exp	0.00	0.00	0.00	0.00
Employee Benefit Programs Exp	0.00	0.00	0.00	0.00
Freight Expense	62.00	0.01	62.00	0.01
Gifts Expense	37.25	0.00	37.25	0.00
Income Tax Expense	0.00	0.00	0.00	0.00
Insurance Expense	0.00	0.00	0.00	0.00
Interest Expense	0.00	0.00	0.00	0.00
Laundry and Cleaning Exp	0.00	0.00	0.00	0.00
Legal and Professional Expense	0.00	0.00	0.00	0.00
Licenses Expense	35.00	0.00	35.00	0.00
Loss on NSF Checks	0.00	0.00	0.00	0.00
Maintenance Expense	0.00	0.00	0.00	0.00
Meals and Entertainment Exp	1,100.00	0.12	1,100.00	0.12
Office Expense	2,001.72	0.22	2,001.72	0.22
Other Taxes	0.00	0.00	0.00	0.00
Payroll Tax Expense	0.00	0.00	0.00	0.00
Penalties and Fines Exp	0.00	0.00	0.00	0.00
Pension/Profit-Sharing Plan Ex	0.00	0.00	0.00	0.00
Postage Expense	212.40	0.02	212.40	0.02
Rent or Lease Expense	1,611.90	0.17	1,611.90	0.17
Repairs Expense	0.00	0.00	0.00	0.00
Salaries Expense	0.00	0.00	0.00	0.00
Supplies Expense	22.01	0.00	22.01	0.00
Telephone Expense	0.00	0.00	0.00	0.00

USA Digital Communications  
Income Statement  
For the Seven Months Ending July 31, 2000

	Current Month		Year to Date	
Travel Expense	0.00	0.00	0.00	0.00
Utilities Expense	0.00	0.00	0.00	0.00
Wages Expense	102,269.37	11.09	102,269.37	11.09
Other Expense	0.00	0.00	0.00	0.00
Purchase Disc- Expense Items	0.00	0.00	0.00	0.00
Gain/Loss on Sale of Assets	0.00	0.00	0.00	0.00
Total Expenses	<u>141,869.60</u>	15.38	<u>141,869.60</u>	15.38
Net Income	\$ <u>70,800.15</u>	7.68	\$ <u>70,800.15</u>	7.68