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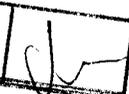
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Also Admitted in New York
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October 30, 2000

VIA FEDERAL EXPRESS

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

Arizona Corporation Commission
DOCKETED
OCT 31 2000
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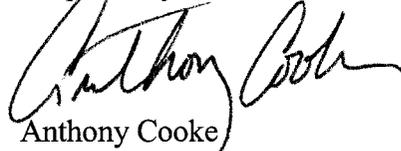
Re: Network Operator Services, Inc. – Docket No. U-2679-92-190

Dear Sir/Madam:

Enclosed please find for filing an original and ten (10) copies of Network Operator Services, Inc.'s updated financial statements and additional information to be filed as a supplement to the Application and Petition for Certificate of Convenience and Necessity to Provide Competitive Intrastate Telecommunications Services as a Long Distance Reseller and AOS Provider in Docket No. U-2679-92-190.

I have also enclosed an extra copy of this letter to be date stamped and returned to me in the enclosed, self-addressed, postage prepaid envelope. If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me.

Respectfully submitted,



Anthony Cooke
Director of Government Affairs for
Lance J.M. Steinhart
Attorney for Network Operator Services, Inc.

Enclosures
cc: Susan Faber

Network Operator Services, Inc.
Docket No. U-2679-92-190
October 30, 2000

- 1) Attached hereto as Exhibit A are Network Operator Services, Inc.'s Income Statement for the six months ended June 30, 2000, and Balance Sheet as of June 30, 2000.
- 2) Network Operator Services, Inc., filed a proposed tariff with the Commission on May 12, 2000.
- 3) Network Operator Services, Inc., is currently reselling telecommunications service in Arizona.
- 4) Network Operator Services, Inc., is currently providing telecommunications service in all states except Alaska, Connecticut and North Carolina.
- 5) Network Operator Services, Inc., requests authorization to provide services statewide.
- 6) Network Operator Services, Inc.'s Officers and Directors have not changed.
Network Operator Services, Inc.'s owners and percentage of ownership:

Tim Martin	11.33%
Ron Martin	11.33%
Tony Rothrock	25.00%
Sara Martin	26.75%
Michael Martin	1.70%
Richard Martin	1.70%
Jeffrey Martin	1.70%
Mary Rothrock	4.00%
Peggy McMillan	1.00%
Ron Hutchison	7.50%
Linda Martin	1.50%
Lauren Hutchison	0.38%
Amanda Hutchison	0.37%
Emily Hutchison	0.37%
Samantha Hutchison	0.37%
Margie Abernathy	5.00%

EXHIBIT A

Network Operator Services, Inc.'s Income Statement for the six months ended June 30, 2000
and Balance Sheet as of June 30, 2000

Network Operator Services, Inc.

Balance Sheet

June 30,
2000

Current Assets:

Cash	1,052
Accounts Receivable - Trade	4,839,091
Accounts Receivable - Related Party	2,180,712
Inventory	55,294
Prepaid Expenses	109,809
Notes Receivable - Current Portion	-
Investments - Current	23,886
Other	191,658
Total Current Assets	7,401,502

Property & Equipment - net 1,140,120

Investments in Joint Ventures and Affiliates 1,854,367

Notes Receivable -
Shareholders, Officers, and Directors 819,881
Other 94,314

Total **11,310,184**

Liabilities And Shareholders' Equity

Current Liabilities:

Accounts Payable	7,031,358
Notes payable	-
Other Accrued Expenses	1,087,393
Total Current Liabilities	8,118,749

Long-Term Debt:

Notes Payable	2,004,074
Subordinated Notes Payable - Shareholders, related parties, and others	-
Total Long-Term Debt	2,004,074

Shareholders' Equity

Common Stock	10,000
Additional Paid-in Capital	427,793
Retained Earnings	772,195
Unrealized depreciation on marketable securities.	(22,615)

Total Shareholders' equity (deficit) **1,187,373**

Total **11,310,184**

Network Operator Services, Inc.
Statement of Income
Six Months Ended June 30, 2000

	2000
Revenue	28,598,518
Cost and Expenses:	
Cost of Operations	
Commissions	11,434,141
Telephone Services	9,746,086
Billings, Collections and Doubtful Accounts	1,687,476
Operator Wages	1,231,602
Other	634,634
Depreciation	230,298
Selling, General and Administrative	2,745,863
Total	27,710,200
Operation (Loss) Income	888,318
Other Income (Expense)	
Interest Expense	(189,037)
Interest Income	63,306
Other	1,152,365
Total Other Income (Expense)	1,026,634
Net (Loss) Income	1,912,951