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Arizona Corporation Commission
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BEFORE THE ARIZONA CORPORATION COMMISSION

CARL J. KUNASEK
Chairman

JIM IRVIN
Commissioner

WILLIAM A. MUNDELL
Commissioner

APPLICATION OF ECLIPSE COMMUNICATIONS CORPORATION, NOW KNOWN AS WESTERN CLEC CORPORATION, FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE COMPETITIVE INTRASTATE TELECOMMUNICATIONS SERVICES AS A RESELLER, AND FACILITIES-BASED LOCAL AND INTRASTATE INTER-EXCHANGE TELECOMMUNICATIONS SERVICES IN THE STATE OF ARIZONA

DOCKET NO. T-03590A-98-0364

SUPPLEMENT TO APPLICATION

Snell & Wilmer
L.L.P.
LAW OFFICES
One Arizona Center, 400 E. Van Buren
Phoenix, Arizona 85004-2202
(602) 382-6000

On July 2, 1998, Eclipse Communications Corporation, now known as Western CLEC Corporation ("Western CLEC" or the "Company"), filed an application ("Application") with the Arizona Corporation Commission ("Commission") for a Certificate of Convenience and Necessity ("CC&N") to provide competitive resold and facilities-based local exchange service and competitive resold and facilities-based long distance service within the State of Arizona. The Commission's Utilities Division Staff ("Staff") requested updated information from Western CLEC in a letter dated August 9, 2000. This filing includes the updated information requested by Staff, and identifies several changes to the information previously submitted with the Application.

1. <u>Name Change</u>. On March 15, 1999, the name of Eclipse Communications Corporation was changed to Western CLEC Corporation. A copy of the Certificate of Amendment of Certificate of Incorporation of Eclipse Communications Corporation is attached hereto as Attachment "A" and incorporated herein by this reference.

2. Officers and Directors. Since the Application was filed, several changes have occurred in the officers and directors of Western CLEC that were originally identified in Section I and Exhibit "B" of the Application. An updated list of the current officers and directors of Western CLEC is attached hereto as Attachment "B" and incorporated herein by this reference.

3. Management Contact. Since the Application was filed, the management contact listed in Section II of the Application has changed. The name, address and phone number of Western CLEC's current management contact are:

Gene DeJordy
Vice President, Regulatory Affairs
Western CLEC Corporation
3650 131st Avenue SE, Suite 400
Bellevue, Washington 98006
Phone: (425) 586-8055

4. Complaint Contact. Since the Application was filed, the complaint contact and toll-free customer service telephone number listed in Section II of the Application have changed. The name, address, and toll-free telephone number of Western CLEC's current complaint contact are:

Donna Dinsmore
Customer Service Manager
Western CLEC Corporation
3650 131st Avenue SE, Suite 400
Bellevue, Washington 98006
Phone: (877) 831-9418

5. Updated Financial Statements. Copies of Western CLEC's most recent income statement and balance sheet for the year ended December 31, 1999, are attached hereto as Attachment "C" and incorporated herein by this reference. A copy of the financial review (including consolidated balance sheets, statements of operations, statements of shareholders' equity, statements of cash flows, notes to the financial statements, and report of the independent

public accounts) from Western Wireless Corporation's 1999 Annual Report is attached hereto as Attachment "D" and incorporated herein by this reference. Western CLEC is a wholly-owned subsidiary of Western Wireless Corporation.

6. Interconnection Agreement. Western CLEC has not executed an interconnection agreement in Arizona. However, Western CLEC has executed an interconnection agreement with Qwest Communications in Montana, and the Company expects that it will negotiate a similar agreement with Qwest in Arizona. Western CLEC will submit an executed interconnection agreement to the Commission for review and approval before the Company begins providing competitive local exchange service in Arizona.

7. Updated Tariff. A copy of Western CLEC's updated tariff captioned "Tariff Schedule Applicable to Telecommunications Services of Western CLEC Corporation is attached hereto as Attachment "E" and incorporated herein by this reference. This updated tariff replaces and supercedes the tariff filed as Exhibit "C" to the Application.

8. Affidavit of Publication. Western CLEC corporation published notice of its Application in *The Arizona Republic* on August 18, 1999. Western CLEC filed with the Commission an Affidavit of Publication from *The Arizona Republic* on September 23, 1999, as evidenced by the Notice of Filing Affidavit of Publication attached hereto as Attachment "F" and incorporated herein by this reference.

RESPECTFULLY submitted this 19th day of October, 2000.

SNELL & WILMER

Jeffrey W. Crockett, Esq.
One Arizona Center
Phoenix, Arizona 85004-2202
Attorneys for Western CLEC Corporation

Snell & Wilmer
L.L.P.
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(602) 382-6000

ORIGINAL AND TEN (10) copies
filed this 19th day of October, 2000,
with Docket Control.

COPY hand-delivered this 19th day
of October, 2000, to:

Rodney Moore, Auditor III
Utilities Division Staff
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

COPY mailed this 19th day
of October, 2000, to:

Timothy Berg, Esq.
FENNEMORE CRAIG, P.C.
3003 North Central Avenue
Suite 2600
Phoenix, Arizona 85012
Attorneys for Qwest Communications

898494.1

Snell & Wilmer
L.L.P.
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Phoenix, Arizona 85004-2202
(602) 382-6000

ATTACHMENT A

State of Delaware

Office of the Secretary of State

PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "ECLIPSE COMMUNICATIONS CORPORATION", CHANGING ITS NAME FROM "ECLIPSE COMMUNICATIONS CORPORATION" TO "WESTERN CLEC CORPORATION", FILED IN THIS OFFICE ON THE FIFTEENTH DAY OF MARCH, A.D. 1999, AT 9 O'CLOCK A.M.

Edward J. Freel, Secretary of State

2314854 8100

991543808

AUTHENTICATION: 0148559

DATE: 12-17-99

CERTIFICATE OF AMENDMENT OF CERTIFICATE OF INCORPORATION OF ECLIPSE COMMUNICATIONS CORPORATION

Pursuant to the provisions of Section 242 of the General Corporation Law of the State of Delaware, the following Certificate of Amendment of Certificate of Incorporation is submitted for filing:

1. The name of the corporation (hereinafter called the "Corporation") is Eclipse Communications Corporation.

2. Article I of the Certificate of Incorporation of the Corporation is hereby amended as follows:

ARTICLE I

The name of this Corporation is Western CLEC Corporation.

3. This Amendment has been duly adopted in accordance with the provisions of Sections 228 and 242 of the General Corporation Law of the State of Delaware.

4. The effective time of the amendment shall be upon filing.

The undersigned, pursuant to the laws of the State of Delaware, hereby executes this Certificate of Amendment of Certificate of Incorporation as his act and deed under penalty of perjury dated this 15th day of March, 1999.

Alan R. Bender
Senior Vice President
Secretary

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 03/15/1999
991101833 – 2314854

ATTACHMENT B

Western CLEC Corporation

Formerly Eclipse Communications Corporation

Officers and Directors

John W. Stanton Chairman and Chief Executive Officer	3650 131st Avenue SE, Suite 400 Bellevue, WA 98006
Donald Guthrie Director and Vice Chairman	3650 131st Avenue SE, Suite 400 Bellevue, WA 98006
Mikal Thomsen President and Chief Operating Officer	3650 131st Avenue SE, Suite 400 Bellevue, WA 98006
Theresa E. Gillespie Director, Executive Vice President	3650 131st Avenue SE, Suite 400 Bellevue, WA 98006
Alan R. Bender, Director Director and Executive Vice President	3650 131st Avenue SE, Suite 400 Bellevue, WA 98006
Jeffrey Christianson Senior Vice President, General Counsel and Secretary	3650 131st Avenue SE, Suite 400 Bellevue, WA 98006
H. Stephen Burdette Senior Vice President	3650 131st Avenue SE, Suite 400 Bellevue, WA 98006
Eric Baker Vice President and Assistant Secretary	3650 131st Avenue SE, Suite 400 Bellevue, WA 98006
Scott Soley Chief Accounting Officer	3650 131st Avenue SE, Suite 400 Bellevue, WA 98006
Angela Morrill Assistant Secretary	3650 131st Avenue SE, Suite 400 Bellevue, WA 98006

ATTACHMENT C

Western Wireless

Western CLEC Corp Income Statement
For the Year-to-Date Ended December 31, 1999

		Year-to-Date
Revenue		
Subscriber Revenue		
	Access & Airtime Usage Revenue	0
	Subscriber Revenue Total:	0
Roamer Revenue		
	Roamer Revenue	0
	Roamer Revenue Total:	0
Paging Revenue		
	Paging Operations	0
	Paging Revenue Total:	0
Equipment Sales		
	Equipment Sales	0
	Equipment Sales Total:	0
Other Revenue		
47000	CLEC Access	($122,882.16)
47010	CLEC Long Distance	($16,944.14)
47020	CLEC Features	($10,914.78)
47030	CLEC Ancillary Services	($698.35)
47040	Dedicated-Non Switched Service	($13,812.53)
47300	CLEC Installation	($4,149.73)
47410	CLEC Other Revenue	($481.34)
	Other Revenue	(169,883)
	Other Revenue Total:	(169,883)
	Revenue Total:	(169,883)
Operating Expenses		
Cost of Service		
51210	Line Service - Fixed	$218,526.00
51220	Usage - Variable	$12,129.07
51230	Cost of Long Dist. & Toll	$6,715.70
51710	Parts, Supplies, Labor & Maint	$169,680.96
61100	Regular Salaries and Wages	$71,979.89
61110	Overtime	$3,005.65
61140	Bonus	$9,920.00
61220	Employee Benefits	$13,839.73
61310	Employee Placement Fee	$738.26
61410	Employee Education & Training	$2,170.00
61510	Contract & Temporary Personnel	$2,552.12
61710	General Office Supplies	$580.68
61730	Computer Hardware Maintenance	$317.30
61750	Furniture & Fixtures (Non-Cap)	$180.20
61760	Computer Hard & Soft (Non-Cap)	$989.78
62110	Local & Fixed Office Telco	($1,065.46)
62111	Long Distance for Office Telco	$66.12
62120	Cellular Telephones	$623.82
62220	Express Mail	$10.65
62730	Consulting	$239.70
62800	Transportation & Lodging	$8,219.83
62810	Meals & Entertainment	$1,928.02
62830	Vehicle Expense	$1,773.77
63120	Cost of Paging Equipment Sold	$370.00
63140	Freight Expense - Air	$25.00
	Operating Statement Accts	525,517
	Cost of Service Total:	525,517
Cost of Equipment Sold		
	Cost of Equipment Sold	0
	Cost of Equipment Sold Total:	0

Western Wireless

Western CLEC Corp Income Statement
For the Year-to-Date Ended December 31, 1999

		Year-to-Date
General & Administrative		
61100	Regular Salaries and Wages	$246,189.92
61110	Overtime	$1,093.84
61140	Bonus	$63,224.00
61220	Employee Benefits	$51,401.82
61230	Employee Reward & Recognition	$475.00
61310	Employee Placement Fee	$1,617.23
61410	Employee Education & Training	$10,636.58
61510	Contract & Temporary Personnel	$1,427.77
61610	Leases and Rent	$33,000.84
61710	General Office Supplies	$2,840.75
61720	Office Equip Maint Rent & Svcs	$1,516.85
61730	Computer Hardware Maintenance	$2,122.16
61750	Furniture & Fixtures (Non-Cap)	$2,352.08
61760	Computer Hard & Soft (Non-Cap)	$8,622.53
61770	Printing and Photocopying	$1,710.36
61810	Dues & Subscriptions	$2,299.15
62110	Local & Fixed Office Telco	$322.86
62111	Long Distance for Office Telco	$3.28
62120	Cellular Telephones	$9,566.04
62130	Demo Loaner	$55.00
62140	Utilities	$897.04
62210	Postage Expense	$410.27
62220	Express Mail	$606.51
62710	Legal Fees	$115,237.13
62730	Consulting	$79,451.80
62750	Billing Services	$164,518.13
62800	Transportation & Lodging	$40,374.13
62810	Meals & Entertainment	$5,232.05
62820	Meetings	$582.63
63015	Customer Retention Adjustment	$141.59
63019	Corp. Advertising Yellow Pages	$12.79
63020	Advertising -Inactive 08/27/99	($46,918.78)
63070	Field Advertising	$278.60
	Operating Statement Accts	801,302
	General & Administrative Total:	801,302
Sales and Marketing		
61100	Regular Salaries and Wages	$73,950.91
61140	Bonus	$18,274.40
61150	Commissions - Direct	$41,749.00
61220	Employee Benefits	$21,389.28
61310	Employee Placement Fee	$3,190.92
61510	Contract & Temporary Personnel	$22,675.41
61520	Agent/Indirect Commissions	$90.00
61610	Leases and Rent	($355.03)
61710	General Office Supplies	$110.19
61750	Furniture & Fixtures (Non-Cap)	$885.32
61760	Computer Hard & Soft (Non-Cap)	$621.04
61770	Printing and Photocopying	$244.04
62110	Local & Fixed Office Telco	$9,131.13
62120	Cellular Telephones	$509.11
62210	Postage Expense	$908.99
62220	Express Mail	$24.32
62730	Consulting	$12,000.00
62800	Transportation & Lodging	$1,837.10
62810	Meals & Entertainment	$705.10
63015	Customer Retention Adjustment	$1,026.90
63025	Events/Sponsorships	$599.00
63030	Collateral Printing & Supplies	$8,247.35
63040	Promotions	$1,000.40
63065	Trash & Trinkets	$6,021.10
63070	Field Advertising	$17,427.00
	Cost of Service	242,263
	Sales and Marketing Total:	242,263
	Operating Expense Total:	1,569,082

(Gain)/Loss on Disposition of Assets

Western Wireless

Western CLEC Corp Income Statement
For the Year-to-Date Ended *December* 31, 1999

		Year-to-Date
(Gain)/Loss on Disposition of Assets		
92100	Gain/(Loss) Disposal of Assets	($4,619.33)
	Disposition of Assets	(4,619)
	(Gain)/Loss on Disposition of Assets Total:	(4,619)
	(Gain)/Loss on Disposition of Assets Total:	(4,619)

(Income)/Loss from Investment in Subsidiary

		Year-to-Date
(Income)/Loss from Investment in Subsidiary		
	(Income)/Loss fr Invest Subs	0
	(Income)/Loss from Investment in Subsidiary Total:	0
	(Income)/Loss from Investment in Subsidiary Total:	0

Other (Income)/Expense

		Year-to-Date
(Income)/Loss from Minority Interest		
	Minority Partner Share of G/L	0
	(Income)/Loss from Minority Interest Total:	0
Debt Retirement		
	Debt Retirement	0
	Debt Retirement Total:	0
Depreciation and Amortization		
91100	Depreciation Expense	$24,170.39
	Depreciation & Amortization	24,170
	Depreciation and Amortization Total:	24,170
Interest Expense		
	Interest Expense	0
	Interest Expense Total:	0
Interest Income		
	Interest Income	0
	Interest Income Total:	0
Miscellaneous (Income)/Expense		
	Revenues	0
	Miscellaneous (Income)/Expense Total:	0
Option Compensation Expense		
	Option Compensation Expense	0
	Option Compensation Expense Total:	0
	Other (Income)/Expense Total:	24,170
	Net (Income)/Loss:	1,418,750

Western Wireless

Western CLEC Corp. Balance Sheet
As of December 31, 1999

		Dec-99
Current Assets		
Cash and Cash Equivalents		
11200	Lock Box	118,030
	Cash	118,030
	Cash and Cash Equivalents Total:	118,030
Trade Accounts Receivable		
12100	A/R-Subscriber	28,362
12230	A/R - Unbilled Revenue	10,030
	Trade Accounts Receivable	38,391
	Trade Accounts Receivable Total:	38,391
Other Receivables		
	Other Accounts Receivable	0
	Other Receivables Total:	0
Allowance for Doubtful Accounts		
	Allowance for Doubtful Account	0
	Allowance for Doubtful Accts Total:	0
Inventory		
	Resale Inventory	0
	Inventory Total:	0
Short Term Notes Receivable		
	Short Term Notes Receivable	0
	Short Term Notes Receivable Total:	0
Prepaid Expenses and Other Current Assets		
14190	Prepaid Other	4,157
14300	Deposits & Other Curmt Assets	9,000
	Prepaid Expenses	13,157
	Ppd Exp and Other Curr Assets Total:	13,157
	Current Assets Total	169,578
Fixed Assets		
Property and Equipment		
15200	Construction in Progress	1,607,114
15203	CIP-Accrual (FA Use Only)	35,318
15240	Test Equipment	9,349
15300	Office Furniture & Equipment	9,653
15305	Computer Hardware	59,975
15320	Internal Assets Under Construc	100,694
15400	Vehicles	913
15520	Terminals	7,650
	Land, Building & Improvements	1,830,667
	Property and Equipment Total:	1,830,667
Accumlated Depreciation		
16240	A/D - Test Equipment	(5,765)
16300	A/D - Office Furniture & Equip	(2,405)
16305	A/D - Computer Hardware	(25,624)
16310	A/D-Computer Software	(79)
16400	A/D-Vehicles	13,493
	Capital Assets Accumlated Depr	(20,380)
	Accumlated Depreciation Total:	(20,380)

Western Wireless

Western CLEC Corp. Balance Sheet
As of December 31, 1999

		Dec-99
	Fixed Assets Total:	1,810,286
Licensing Costs		
Licensing Costs		
15800	Licenses	5,680,566
	Licensing Costs	5,680,566
	Licensing Costs Total:	5,680,566
Accumulated Amortization		
	Accumlated Amortization Licens	0
	Accumulated Amortization Total:	0
	Licensing Costs Total:	5,680,566
Investments in Unconsolidated Subsidiaries		
Investments in Unconsolidated Subsidiaries		
	Invest in Unconsolidated Subs	0
	Investments in Uncons Subs Total:	0
	Investments in Uncons Subs Total:	0
Investments in Consolidated Subsidiaries		
Investments in Consolidated Subsidiaries		
	Investments in Subsidaries	0
	Investments in Consol Subs Total:	0
	Investments in Consol Subs Total:	0
Intangible Assets		
Intangible Assets		
	Other Intangibles	0
	Intangible Assets Total:	0
Accumlated Amortization		
	Acc Amort Oth Intangibles	0
	Accumlated Amortization Total:	0
	Intangible Assets Total:	0
Other Assets		
Other Assets		
	Other Assets	0
	Other Assets Total:	0
Long Term Notes Receivable		
	Long Term Notes Receivable	0
	Long Term Notes Receivable Total:	0

Western Wireless

Western CLEC Corp. Balance Sheet
As of December 31, 1999

		Dec-99
	Other Assets Total:	0

Current Liabilities

		Dec-99
Accounts Payable		
21140	A/P-Accruals	(94,062)
	Accounts Payable	(94,062)
	Account Payable Total:	(94,062)
Unearned Revenue		
	Earned Revenue & Custumer Dep.	0
	Unearned Revenue Total:	0
Current Portion of Long Term Debt		
	Current Portion of L/T Debt	0
	Current Portion of LT Debt Total:	0
Current Portion of Capital Lease Liability		
	Current Portion of Cap Lease	0
	Current Portion of Capital Lease Liability Total:	0
Construction Accounts Payable		
	Construction Accounts Payable	0
	Construction AP Total:	0
Accrued Expenses		
22140	Accrued Commissions	(6,149)
22500	Accrued Federal Excise Tax	(30,756)
22510	Accrued Sales Tax	(297)
22590	Accrued Tax - Other	(3,773)
	Accrued Payroll & Benefits	(40,974)
	Accrued Expenses Total:	(40,974)
	Current Liabilities Total:	(135,036)

Non-Current Liabilities

		Dec-99
Long Term Debt		
	Long Term Debt	0
	Long Term Debt Total:	0
Long-Term Portion of Capital Lease Liability		
	Long Term Capital Leases	0
	Long-Term Portion of Capital Lease Liability Total:	0
	Non-Current Liabilities Total:	0

Minority Interest

		Dec-99
Minority Interest		
	Minority Interest (Hutchison)	0
	Minority Interest Total:	0
	Minority Interest Total:	0

Shareholder's Equity

Western Wireless

Western CLEC Corp. Balance Sheet
As of December 31, 1999

		Dec-99
Common Stock Issued		
	Stock	0
	Common Stock Issued Total:	0
Deferred Compensation		
	Deffered Compensation	0
	Deferred Compensation Total:	0
Additional Paid in Capital		
32110	Additional PIC-Class A Common	(1,000)
	Additional Paid in Capital	(1,000)
	Additional Paid in Capital Total:	(1,000)
Retained Earnings		
34100	Prior Year Retained Earnings	777,778
	Retained Earnings	777,778
	Current Year Retained Earnings	1,418,750
	Retained Earnings Total:	2,196,527
	Shareholder's Equity Total:	2,195,527

Intercompany and Misc.

Intercompany and Misc.		
10001	Intercompany-Western Wireless	(9,660,094)
10010	Intercompany - WWC Holdings Co	(34,327)
10061	Intercompany-Western Paging I	(26,500)
	Intercompany	(9,720,921)
	Intercompany and Misc. Total:	(9,720,921)
	Intercompany and Misc. Total:	(9,720,921)
	Assets	(2,060,492)
	Liabilities	(135,036)
	Minority Interest	0
	Equity before Current	776,778
	Retained Earnings Plug	(1,418,750)
	Balancing Check	0

ATTACHMENT D

WESTERN WIRELESS

Financial Review

Selected Financial Data

The following table sets forth certain selected financial and operating data for the Company as of and for each of the five years in the period ended December 31, 1999, which was derived from the Company's consolidated financial statements and notes thereto that have been audited by Arthur Andersen LLP, independent public accountants. All of the data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Company's consolidated financial statements and notes thereto.

Consolidated Financial Data[1]

Year Ended December 31,	1999	1998	1997	1996	1995
(Dollars in thousands, except per share data)					
Consolidated Statements of Operations Data:					
Revenues	$ 567,341	$ 416,620	$ 302,848	$ 225,546	$ 146,555
Operating expenses	427,189	335,340	265,568	230,603	170,490
Stock-based compensation	79,223				
Operating income (loss)	60,929	81,280	37,280	(5,057)	(23,935)
Other expense	(110,660)	(95,118)	(38,999)	(38,698)	(25,374)
Minority interest in consolidated subsidiaries	1,610	479			
Net loss from continuing operations	(48,121)	(13,359)	(1,719)	(43,755)	(49,309)
Loss from discontinued operations	(100,652)	(210,710)	(263,815)	(86,350)	
Loss from extraordinary item					(6,645)
Net loss	$ (148,773)	$ (224,069)	$ (265,534)	$ (130,105)	$ (55,954)
Share Data[2]					
Basic and diluted loss per share from continuing operations	$ (0.63)	$ (0.17)	$ (0.03)	$ (0.67)	$ (0.87)
Per share effect of discontinued operations	(1.31)	(2.78)	(3.73)	(1.33)	
Per share effect of extraordinary item					(0.12)
Basic and diluted loss per share	$ (1.94)	$ (2.95)	$ (3.76)	$ (2.00)	$ (0.99)
Weighted average shares used in computing basic and diluted loss per share	76,775,000	75,863,000	70,692,000	65,196,000	56,470,000
Other Data:					
EBITDA[3]	$ 242,165	$ 155,682	$ 103,875	$ 60,289	$ 25,521

(1) Certain amounts in prior year's Consolidated Financial Data have been restated to exclude the discontinued operations of VoiceStream.

(2) Earnings per share and the number of shares outstanding has been calculated based on the requirements of Statement of Financial Accounting Standards No. 128. For the prior periods presented, due to the net loss incurred, all options outstanding are anti-dilutive, thus basic and diluted loss per share are equal.

(3) EBITDA represents operating income (loss) before depreciation, amortization and stock-based compensation. Management believes EBITDA provides meaningful additional information on the Company's operating results and on its ability to service its long-term debt and other fixed obligations, and to fund the Company's continued growth. EBITDA is considered by many financial analysts to be a meaningful indicator of an entity's ability to meet its future financial obligations, and growth in EBITDA is considered to be an indicator of future profitability, especially in a capital-intensive industry such as wireless telecommunications. EBITDA should not be construed as an alternative to operating income (loss) as determined in accordance with United States generally accepted accounting principles ("GAAP"), as an alternate to cash flows from operating activities (as determined in accordance with GAAP), or as a measure of liquidity. Because EBITDA is not calculated in the same manner by all companies, the Company's presentation may not be comparable to other similarly titled measures of other companies.

December 31,	1999	1998	1997	1996	1995
(Dollars in thousands)					
Consolidated Balance Sheets Data:					
Total assets	$ 1,355,574	$ 1,221,300	$ 1,386,535	$ 1,000,690	$ 659,028
Total long-term debt, net of current portion	$ 1,450,000	$1,045,000	$ 1,095,000	$ 600,000	$ 362,487
Other Data:					
Ending subscribers	834,700	660,400	520,000	324,200	209,500
Consolidated Cash Flows Provided by (used in):					
Operating activities	$ 93,420	$ 66,669	$ 83,631	$ 19,939	$ (745)
Investing activities	$ (464,849)	$ (29,678)	$ (688,356)	$ (445,749)	$ (293,579)
Financing activities	$ 411,972	$ (49,921)	$ 570,376	$ 466,732	$ (295,109)

Management's Discussion and Analysis of Financial Condition and Results of Operations

Cautionary statement for purposes of the "Safe Harbor" provisions of the Private Litigation Reform Act of 1995:

Statements contained or incorporated by reference in this document that are not based on historical fact are "forward-looking statements" within the meaning of the Private Securities Reform Act of 1995. Forward-looking statements may be identified by use of forward-looking terminology such as "believe," "intends," "may," "will," "expects," "estimate," "anticipate," "continue," or similar terms, variations of those terms or the negative of those terms.

Overview

Western Wireless Corporation ("the Company") provides cellular communications services in 19 western states under the Cellular One brand name principally through the ownership and operation of cellular wireless systems. The operations are primarily in rural areas due to the Company's belief that there are certain strategic advantages to operating in these areas. The Company owns Federal Communication Commission's ("FCC") licenses to provide such services in 18 MSAs and 83 RSAs.

A wholly owned subsidiary of the Company, WWI Holding Co, Inc., ("Holding Co.") owns 96% of Western Wireless International ("WWI") which holds non-controlling interests in entities which own wireless licenses in nine foreign countries. As of December 31, 1999, WWI interests covered a proportional population of 22.7 million and had 74,000 proportional subscribers.

The Company had an 80.1% controlling interest in VoiceStream Wireless Corporation ("VoiceStream"), an entity that provides wireless communication services through the ownership and operation of Personal Communication Service ("PCS") licenses. On May 3, 1999, VoiceStream was formally separated from the Company (the "Spin-off"). As of that date, the Company distributed all of its interest in VoiceStream to its shareholders. Although VoiceStream has been operated separately from the Company's other operations and has been a separate legal entity since its inception, the Spin-off established VoiceStream as a stand-alone entity with objectives separate from those of the Company. For additional information regarding the Spin-off, see the Company's information statement filed with the SEC on Form 14-C dated April 12, 1999.

During the second quarter, as a result of the Spin-off, the Company recognized compensation expense on all options outstanding as of May 3, 1999. On the date of the Spin-off, the Company cancelled and reissued all outstanding options. All reissued stock options were granted in a manner that ensured employees of both the Company and VoiceStream maintained the value of their options, subject to normal fluctuations in the price of both companies stock, after the Spin-off. This reissuance did not accelerate any benefits to option holders. The Company believes this allowed employees to continue to better participate in the success of the company for which they work. As outlined in the provisions of EITF 90-9 the Company recorded deferred compensation of approximately $82.8 million and compensation expense for those options in which the service period had passed of $63.4 million.

Revenues for the Company consist primarily of subscriber revenues (including access charges and usage charges), roamer revenues and equipment sales. The majority of revenues are derived from subscriber revenues. Subscriber revenues includes monthly access charges, charges for airtime used in excess of plan minutes, long distance charges derived from calls placed by the Company's customers and other charges such as activations, voice mail, call waiting, and call forwarding.

Roaming revenues are revenues that result from providing service to subscribers of other wireless providers when those subscribers "roam" into our markets and use our systems to carry their calls. Roaming revenues typically yield higher average per minute rates and higher margins than subscriber revenues. The per minute rate paid by a roamer is established by long-term agreement between the Company and the roamer's wireless provider.

As used herein, "service revenues" include subscriber, roamer and other revenue. Other revenues consist primarily of paging revenues.

Equipment sales consist of wireless handset and accessory sales to customers. The Company sells handsets below cost and regards these losses as a cost of building its subscriber base.

Cost of service consists of the cost of providing wireless service to subscribers, primarily costs to access local exchange and long distance carrier facilities and to maintain the wireless network.

General and administrative expenses are principally variable costs based on the average number of subscribers. General and administrative costs include the costs associated with billing a subscriber and the administrative costs associated with maintaining subscribers, including customer service, accounting and other centralized functions. General and administrative expenses also include provisions for unbillable fraudulent roaming charges and subscriber bad debt.

Sales and marketing costs include costs associated with acquiring a subscriber, including direct and indirect sales commissions, salaries, all costs of retail locations, advertising and promotional expenses. Sales and marketing costs do not include the revenue or costs of handset sales. However, when sales and marketing costs per net subscriber addition are discussed, the revenue and costs from handset sales are included because such measure is commonly used in the wireless industry.

Depreciation and amortization primarily includes depreciation expense associated with the property and equipment in service and amortization associated with its wireless licenses for operational markets.

The financial statements include an allocation of certain centralized costs to VoiceStream and its affiliates, prior to and subsequent to the Spin-off. Such centralized items include the costs of shared senior management, customer care operations and certain back office functions. These costs have been allocated to VoiceStream and its affiliates in a manner that reflects the relative time devoted to each.

EBITDA represents operating income (loss) before depreciation, amortization and stock-based compensation. Management believes EBITDA provides meaningful additional information on the Company's operating results and on its ability to service its long-term debt and other fixed obligations, and to fund the Company's continued growth. EBITDA is considered by many financial analysts to be a meaningful indicator of an entity's ability to meet its future financial obligations, and growth in EBITDA is considered to be an indicator of future profitability, especially in a capital-intensive industry such as wireless telecommunications. EBITDA should not be construed as an alternative to operating income (loss) as determined in accordance with United States GAAP, as an alternate to cash flows from operating activities (as determined in accordance with GAAP), or as a measure of liquidity. Because EBITDA is not calculated in the same manner by all companies, the Company's presentation may not be comparable to other similarly titled measures of other companies.

Results of Operations for the Years Ended December 31, 1999, 1998, and 1997

The Company had 834,700 subscribers at December 31, 1999, a 26.4% increase during 1999. The Company had 660,400 subscribers at December 31, 1998, a 27.0% increase in 1998. The Company had 520,000 subscribers at December 31, 1997, a 60.4% increase during 1997. The net number of subscribers added through system acquisitions was approximately 24,000 in 1999, 5,100 in 1998, and 58,500 in 1997.

The following table sets forth certain financial data as it relates to the Company's 1999, 1998, and 1997 operations:

Year Ended December 31,	1999	% change	1998	% change	1997
Dollars in thousands)					
Revenues:					
Subscriber revenues	$ 388,062	17.6%	$ 330,050	34.5%	$ 245,364
Roamer revenues	150,725	125.8%	66,744	67.9%	39,750
Equipment sales and other revenues	28,554	44.0%	19,826	11.8%	17,734
Total revenues	$ 567,341		$ 416,620		$ 302,848
Operating Expenses:					
Cost of service	$ 68,883	23.9%	$ 55,592	18.3%	$ 47,001
Cost of equipment sales	36,249	9.4%	33,149	11.6%	29,698
General and administrative	120,434	35.5%	88,888	46.0%	60,865
Sales and marketing	99,610	19.6%	83,309	35.7%	61,409
Depreciation and amortization	102,013	37.1%	74,402	11.7%	66,595
Stock-based compensation	79,223	N.M.			
Total operating expenses	$ 506,412		$ 335,340		$ 265,568
Other expense	$(110,660)	(16.3%)	$ (95,118)	(143.9%)	$ (38,999)
Net loss from continuing operations	$ (48,121)	N.M.	$ (13,359)	N.M.	$ (1,719)
EBITDA	$ 242,165	55.6%	$ 155,682	49.9%	$ 103,875
Cash Flows Provided by (Used in):					
Operating activities	$ 93,420	40.1%	$ 66,669	(20.2%)	$ 83,631
Investing activities	$(464,849)	N.M.	$ (29,678)	95.6%	$ (688,356)
Financing activities	$ 411,972	N.M.	$ (49,921)	(108.8%)	$ 570,376

Revenues

The increase in subscriber revenues each year is primarily due to the growth in the number of subscribers offset slightly by a decrease in the average monthly subscriber revenue per subscriber ("ARPU"). ARPU was $43.26 in 1999, a 7.1% decline from $46.59 in 1998, which was a 8.9% decline from $51.13 in 1997. The Company continues to focus on attracting new customers with rate plans that provide more value to the customer at a higher average access charge. Management feels this strategy will provide relative stability in ARPU in future periods. Further, over the past few years the cellular industry as a whole has also shown a decline in ARPU.

The increase in roamer revenues over the past three years was caused by an increase in roaming traffic on the Company's network and partially offset by a decrease in the rates charged between carriers. A significant portion of the increase is driven by the growth in roamer minutes as a result of the Company's strategy, implemented in 1998, to become the roamer carrier of choice for other carriers. Roamer revenues as a percentage of total revenues increased to 26.6% in 1999, compared to 16.0% for 1998 and 13.1% for 1997. While the Company expects total roamer minutes to continue to increase, the decline in the rates charged between carriers may limit the growth of roamer revenues.

Equipment sales increased each year due to the growth in subscriber additions. Further, average phone and accessory revenue per item sold increased compared to 1998 and 1997. Also, the mix of high-end handsets with more features continues to comprise a larger portion of overall handset sales.

Operating Expenses

The increase in cost of service each year is primarily attributable to the increased number of subscribers and an increase in the average minutes of use per subscriber. While cost of service increased in total dollars, it decreased as a percentage of service revenues to 12.6% in 1999 from 13.8% in 1998 and 16.2% in 1997. The decrease as a percentage of service revenues is due mainly to service revenues growing at a faster rate than the fixed cost of service components. The Company expects cost of service dollars to continue to increase in future periods as a result of the growing subscriber base and the increase in other carriers' customers roaming on its network. However, the cost of service as a percentage of service revenues is expected to continue to decline as greater economies of scale are realized.

The increase in general and administrative expenses is primarily attributable to the increase in costs associated with supporting a larger subscriber base. For the year ended December 31, 1999, the Company's general and administrative monthly cost per average subscriber increased to $13.43 in 1999 from $12.55 in 1998 and $12.68 in 1997. The increase is due partly to additional headquarter costs resulting from lost cost efficiencies as a result of the Spin-off. In addition, the Company incurred pre-operating costs related to Ireland with no corresponding additions in subscribers, as the Ireland market is not yet operational. Management anticipates improved cost efficiencies to be realized on a per subscriber basis in future periods due to cost reductions expected with the implementation of a new billing system in the next fiscal year.

Increases in sales and marketing costs each year are primarily due to the increase in net subscriber additions. During 1999 the sales and marketing cost per net subscriber added, including the loss on equipment sales, remained relatively flat at $748 compared to $752 in 1998 but increased from $574 in 1997. This increase from 1997 to 1999 is largely due to a growth in disconnected subscribers causing the increase in costs to be spread over a similar amount of net subscriber additions. The growth in disconnected subscribers is a result of a similar churn rate (representing customer attrition) applied to a larger subscriber base.

Cost of equipment sales increased each year due to the increase in the number of handsets sold, offset by a decrease in the average cost of handsets sold. The Company expects that the cost for its handsets will decrease at a slower rate or level off in future years. Although subscribers generally are responsible for purchasing or otherwise obtaining their own handsets, the Company has historically sold handsets below cost to respond to competition and general industry practice and expects to continue to do so in the future.

Increases in depreciation and amortization expense over the past three years are primarily due to the acquisition of additional wireless communications system assets. As the Company continues to expand and upgrade its wireless footprint and systems, management anticipates depreciation and amortization expense will increase in future periods.

The stock-based compensation results mainly from the cancellation and reissuance of employee stock options as a result of the Spin-off, as previously discussed. In addition, stock appreciation rights ("SARs") issued by WWI contributed approximately $5 million to the overall charge in 1999.

EBITDA

The increase in EBITDA is primarily a result of increased revenues due to the increased subscriber base and the related cost efficiencies gained. As a result, operating margin (EBITDA as a percentage of service revenues) increased to 44.5% in 1999 from 38.7% in 1998 and 35.8% in 1997.

Net Loss from Continuing Operations

From 1998 to 1999, the increase in net loss from continuing operations is primarily attributable to increases in stock-based compensation and other expenses. From 1997 to 1998, the increase in net loss from continuing operations is primarily attributable to the increase in other expenses, offset by an improvement in operating income. The Company expects continued improvement in operating income in 2000.

Other Income (Expense); Net Operating Loss Carryforwards

Interest and financing expense increased to $99.9 million in 1999 from $92.2 million in 1998 and $41.4 million in 1997 due to the increase in average long-term debt. Long-term debt was incurred primarily to fund the Company's acquisition of wireless properties and to fund international projects through WWI. The weighted average interest rate was 8.1% in 1999, 8.9% in 1998, and 8.2% in 1997.

The Company had available at December 31, 1999, net operating loss ("NOL") carryforwards of approximately $270 million which will expire in the years 2003 through 2019. The Company may be limited in its ability to use these carryforwards in any one year due to ownership changes that preceded the business combination that formed the Company in July 1994. Management believes that, based on a number of factors, there is sufficient uncertainty regarding the realization of the Company's NOL carryforwards.

Liquidity and Capital Resources

The Company has a credit facility (the "Credit Facility") with a consortium of lenders providing for $750 million of revolving credit and term loans in aggregate of $450 million. As of December 31, 1999, $1,050 million was outstanding under the Credit Facility. Indebtedness under the Credit Facility matures on March 31, 2006, and bears interest at variable rates. Substantially all the assets of the Company are pledged as security for such indebtedness. The terms of the Credit Facility restrict, among other things, the sale of assets, distribution of dividends or other distributions and loans. Amounts available for borrowing at December 31, 1999, which are limited by certain financial covenants and other restrictions, were $150 million under the term loans and must be fully drawn by May 5, 2000.

The Company has issued $200 million principal amount of 10-1/2% Senior Subordinated Notes Due 2006 (the "2006 Notes") at par and $200 million principal amount of 10-1/2% Senior Subordinated Notes Due 2007 (the "2007 Notes") at par. Indebtedness under the 2006 Notes and 2007 Notes matures in June 1, 2006 and February 1, 2007, respectively. The Credit Facility prohibits the repayment of all or any portion of the principal amounts of the 2006 Notes or 2007 Notes prior to the repayment of all indebtedness under the Credit Facility. The 2006 Notes and 2007 Notes contain certain restrictive covenants which impose limitations on the operations and activities of the Company and certain of its subsidiaries, including the issuance of other indebtedness, the creation of liens, the sale of assets, issuance of preferred stock of subsidiaries and certain investments and acquisitions. The Company obtained the appropriate waivers from the holders of these notes prior to consummation of the Spin-off at a cost of $16 million.

On March 2, 2000, the Company signed a commitment letter to secure $2.1 billion in new financing consisting of a combination of revolving and term loans. Final terms and conditions of this arrangement are contingent upon the approval of the new financing among the syndicate of lenders. The new financing arrangement is expected to have terms and conditions similar to the existing Credit Facility. Proceeds from the new financing arrangement will be used to repay the Company's existing Credit Facility. Assuming the new financing is established, the Company will recognize an extraordinary loss ranging from approximately $13 to $22 million for the impairment of existing deferred financing costs relating to the Company's current debt structure.

Through the end of 2000, the Company anticipates spending significant capital resources for the acquisition of wireless assets and the continued development of its existing infrastructure. In 2000, the Company expects to spend approximately $140 million for the continued expansion of its cellular infrastructure, $25 million for the implementation of a new billing system and back office infrastructure and approximately $100 million for the purchase of the cellular licenses and operations of the Utah-5, Wyoming-1 and Arizona-6 RSAs. Capital spending during 2000 will allow for expanded minutes of use by the Company's subscribers as well as from other carriers' customers roaming on its wireless network. In addition, the Company anticipates it will continue to be a significant source of funding for international projects through its subsidiary WWI. The Company will utilize operating cash flow, the Credit Facility and other sources of funding, for purposes of funding its cellular and other activities.

On May 3, 1999, the Company distributed to its stockholders its entire interest in VoiceStream. Prior to the Spin-off, the Company had received a ruling from the IRS to the effect that the Spin-off would not result in the recognition of income or gain by the Company or its stockholders. Notwithstanding the ruling, however, the Company would recognize gain as a result of the Spin-off if the Spin-off is part of a "prohibited plan," that is, a plan or series of related transactions pursuant to which one or more persons acquire, directly or indirectly, 50 percent or more of the Company's or VoiceStream's stock. A prohibited plan is presumed to exist if one or more persons acquire, directly or indirectly, 50 percent or more of the Company's or VoiceStream's stock during the four-year period that begins two years before the Spin-off. In February 2000, VoiceStream completed its merger with Omnipoint, pursuant to which a newly formed holding company acquired all of the outstanding stock of VoiceStream and Omnipoint in exchange for stock of the holding company and cash. On September 17, 1999, VoiceStream entered into an agreement with Aerial, pursuant to which the holding company will acquire all of the outstanding stock of Aerial, again in exchange for stock of the holding company and cash. Either of these transactions, when completed, could give rise to the rebuttable presumption that the Spin-off was part of a prohibited plan. In conjunction with the Spin-off, VoiceStream agreed to indemnify the Company on an after-tax basis for any taxes imposed on the Company if an acquisition of VoiceStream's stock causes the spin-off to be part of a prohibited plan. As a result, if the proposed Omnipoint and Aerial transactions fail to overcome the rebuttable presumption, the Company believes that VoiceStream would be responsible for the Company's resulting tax liability arising from the Spin-off. Although the issue is not free from doubt, the Company believes that the Omnipoint and Aerial transactions are not part of a prohibited plan. Even if it is ultimately determined that such transactions were part of a prohibited plan, the Company believes that VoiceStream is capable of funding the resulting indemnity obligation to the Company.

In February 1998, a subsidiary of Hutchison Telecommunications Limited ("HTL") purchased 19.9% of the outstanding capital stock of VoiceStream for an aggregate purchase price of $248.4 million (the "Hutchison Investment"). Approximately $113 million of the proceeds were paid to the Company as a repayment of advances made to VoiceStream and were used by the Company to reduce amounts outstanding under the Credit Facility.

Adjustments to the $148.8 million net loss to reconcile to net cash used in operating activities primarily included $102 million of depreciation and amortization, $82.2 million for the net loss from discontinued operations, $79.2 million for employee equity compensation and $14.5 million for the equity in net loss of unconsolidated affiliates due to the increase in activity in international investments. Other adjustments included changes in operating assets and liabilities, including: (i) an increase of $28.6 million in net accounts receivable, due primarily to increased revenues; and (ii) an increase of $18.8 million in prepaid and other current assets mainly related to international investment activity. Net cash used in operating activities was $66.7 million in 1998 and $83.6 million in 1997.

Investing activities consisted primarily of: (i) purchases of property and equipment of $168.2 million; (ii) investments in and advances to unconsolidated affiliates of $25.5 million, primarily attributable to advances to international joint ventures; (iii) a return of investment from VoiceStream Wireless of $20 million; and (iv) $289.7 million for acquisition of wireless properties in 1999, which consists primarily of the Company's purchase of the cellular licenses and operations of the Wyoming 4 and Oklahoma 1 RSAs, Brownsville, TX and McAllen TX MSAs, and Texas 7 and Arkansas 11 RSAs in the first, second, and fourth quarters of 1999, respectively.

Financing activities consisted primarily of a net addition to long-term debt of $405 million.

In the ordinary course of business, the Company continues to evaluate acquisition opportunities, joint ventures and other potential business transactions. Such acquisitions, joint ventures and business transactions may be material. Such transactions may also require the Company to seek additional sources of funding through the issuance of additional debt and/or additional equity at the parent or subsidiary level. There can be no assurance that such funds will be available to the Company on acceptable or favorable terms.

Seasonality

The Company, and the wireless communications industry in general, have historically experienced significant subscriber growth during the fourth calendar quarter. Accordingly, during such quarter the Company experiences greater losses on equipment sales and increases in sales and marketing expenses. The Company has historically experienced highest usage and revenue per subscriber during the summer months. The Company expects these trends to continue.

Year 2000

The Company, like most businesses, modified significant portions of its information technology ("IT") and non-IT systems so that they will function properly in the year 2000. Much of the Company's technology, including technology associated with its critical systems, is purchased from third parties. The Company is dependent on those third parties to assess the impact of the year 2000 issue on the technology and services they supply and to take any necessary corrective action. The Company has incurred internal staff costs as well as consulting and other expenses related to infrastructure and facilities enhancements necessary to complete the remediation of its systems for the year 2000. The by-product of this effort was that the Company had year 2000 compliant hardware and software running on all of its major platforms. The incremental costs for the year 2000 remediation efforts have been insignificant.

The Company's IT and non-IT systems successfully transitioned to the year 2000. However, there may be latent problems that surface at key dates or events in the future. The Company has not experienced, and does not anticipate, any significant problems related to the transition to the year 2000 that would have a material adverse effect on the results of operations, liquidity and financial condition of the Company. Furthermore, the Company does not anticipate any significant expenditure in the future related to year 2000 compliance.

Consolidated Balance Sheets

(Dollars in thousands)

As of December 31,	1999	1998
Assets		
Current assets:		
Cash and cash equivalents	$ 42,735	$ 2,192
Accounts receivable, net of allowance for doubtful accounts of $11,199 and $7,629, respectively	75,846	45,327
Inventory	9,680	8,794
Prepaid expenses and other current assets	27,358	8,544
Receivable from VoiceStream Wireless	2,984	
Total current assets	158,603	64,857
Property and equipment, net of accumulated depreciation of $277,167 and $208,776, respectively	369,543	272,317
Licensing costs and other intangible assets, net of accumulated amortization of $99,051 and $81,209, respectively	771,510	518,789
Investments in and advances to unconsolidated affiliates	55,840	37,663
Other assets	78	12,912
Net assets from discontinued operations		314,762
	$ 1,355,574	$ 1,221,300
Liabilities and Shareholders' Equity (Net Capital Deficiency)		
Current liabilities:		
Accounts payable	$ 11,930	$ 5,101
Accrued liabilities	68,069	70,718
Construction accounts payable	8,825	6,582
Total current liabilities	88,824	82,401
Long-term debt	1,450,000	1,045,000
Minority interest in consolidated subsidiaries	1,435	639
Commitments and contingencies (Note 8)		
Shareholders' equity (net capital deficiency):		
Preferred stock, no par value, 50,000,000 shares authorized; no shares issued and outstanding		
Common stock, no par value, and paid-in capital; 300,000,000 shares authorized; Class A, 70,431,554 and 38,710,893 shares issued and outstanding, respectively, and; Class B, 7,177,302 and 37,312,477 shares issued and outstanding, respectively	690,953	800,631
Deferred compensation	(17,389)	(1,211)
Foreign currency translation	(4,644)	(2,328)
Deficit	(853,605)	(703,832)
Total shareholders' equity (net capital deficiency)	(184,685)	93,260
	$ 1,355,574	$ 1,221,300

See accompanying notes to consolidated financial statements

Consolidated Statements of Operations and Comprehensive Loss

For the year ended December 31,	1999	1998	1997
(Dollars in thousands, except per share data)			
Revenues:			
Subscriber revenues	$ 388,062	$ 330,050	$ 245,364
Roamer revenues	150,725	66,744	39,750
Equipment sales and other revenues	28,554	19,826	17,734
Total revenues	567,341	416,620	302,848
Operating expenses:			
Cost of service	68,883	55,592	47,001
Cost of equipment sales	36,249	33,149	29,698
General and administrative	120,434	88,888	60,865
Sales and marketing	99,610	83,309	61,409
Depreciation and amortization	102,013	74,402	66,595
Stock-based compensation	79,223		
Total operating expenses	506,412	335,340	265,568
Operating income	60,929	81,280	37,280
Other income (expense):			
Interest and financing expense, net	(99,993)	(92,227)	(41,406)
Equity in net loss of unconsolidated affiliates	(14,529)	(4,746)	(1,731)
Other, net	3,862	1,855	4,138
Total other income (expense)	(110,660)	(95,118)	(38,999)
Minority interest in consolidated subsidiaries	1,610	479	
Net loss from continuing operations	(48,121)	(13,359)	(1,719)
Net loss from discontinued operations	(82,152)	(210,710)	(263,815)
Cost of discontinuance	(18,500)		
Total discontinued operations	(100,652)	(210,710)	(263,815)
Net loss	$ (148,773)	$ (224,069)	$ (265,534)
Basic and diluted loss per share:			
Continuing operations	$ (0.63)	$ (0.17)	$ (0.03)
Discontinued operations	(1.31)	(2.78)	(3.73)
Basic and diluted loss per share	$ (1.94)	$ (2.95)	$ (3.76)
Weighted average shares used in computing basic and diluted loss per share	76,775,000	75,863,000	70,692,000
Comprehensive loss:			
Net loss	$ (148,773)	$ (224,069)	$ (265,534)
Other comprehensive loss:			
Foreign currency translation adjustment	(2,316)	(2,328)	
Total comprehensive loss	$ (151,089)	$ (226,397)	$ (265,534)

See accompanying notes to consolidated financial statements

Consolidated Statements of Shareholders' Equity

(Dollars in thousands)	Common Stock Class A shares	Class B Shares	Par value and paid-in capital	Deferred compensation	Foreign currency translation	Deficit	Total shareholders' equity
Balance, January 1, 1997	14,540,691	55,239,157	$ 569,278	$ (800)		$ (214,229)	$ 354,249
Shares issued:							
Upon exercise of stock options	268,763		1,077				1,077
In exchange of wireless properties	1,600,000		28,600				28,600
Private placement	3,888,888		74,300				74,300
Class B shares exchanged for Class A shares	1,807,994	(1,807,994)					
Deferred compensation	95,000		1,781	(45)			1,736
Net loss						(265,534)	(265,534)
Balance, December 31, 1997	22,201,336	53,431,163	675,036	(845)		(479,763)	194,428
Shares issued:							
Upon exercise of stock options	290,871		1,159				1,159
Excess of net book value from the sale of minority interest in consolidated subsidiaries			121,998				121,998
Class B shares exchanged for Class A shares	16,118,686	(16,118,686)					
Deferred compensation	100,000		2,438	(366)			2,072
Foreign currency translation adjustment					$ (2,328)		(2,328)
Net loss						(224,069)	(224,069)
Balance, December 31, 1998	38,710,893	37,312,477	800,631	(1,211)	(2,328)	(703,832)	93,260
Shares issued:							
Upon exercise of stock options	1,480,486		6,972				6,972
Class B shares exchanged for Class A shares	30,135,175	(30,135,175)					
Discontinued operations			(207,518)				(207,518)
Deferred compensation	105,000		90,868	(16,178)			74,690
Distribution to minority shareholders						(1,000)	(1,000)
Foreign currency translation adjustment					(2,316)		(2,316)
Net loss						(148,773)	(148,773)
Balance, December 31, 1999	70,431,554	7,177,302	$ 690,953	$ (17,389)	$ (4,644)	$ (853,605)	$ (184,685)

See accompanying notes to consolidated financial statements

Consolidated Statements of Cash Flows

For the year ended December 31,	1999	1998	1997
(Dollars in thousands)			
Operating activities:			
Net loss	$ (148,773)	$ (224,069)	$ (265,534)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Net loss from discontinued operations	82,152	210,710	263,815
Depreciation and amortization	102,013	74,402	66,595
Employee equity compensation	79,157	1,972	1,835
Equity in net loss of unconsolidated affiliates	14,529	4,746	1,731
Minority interest in consolidated subsidiaries	(1,610)	(479)	
Other, net	6,607	3,772	4,035
Changes in operating assets and liabilities, net of effects from consolidating acquired interests:			
Accounts receivable, net	(28,554)	(7,746)	(10,902)
Inventory	(775)	4,962	(6,900)
Prepaid expenses and other current assets	(18,814)	(845)	(11,956)
Accounts payable	6,829	(3,915)	3,261
Accrued liabilities	659	3,159	37,651
Net cash provided by operating activities	93,420	66,669	83,631
Investing activities:			
Purchase of property and equipment	(168,219)	(73,371)	(54,318)
Additions to licensing costs and other intangible assets	(4,390)	(8,470)	(283)
Acquisition of wireless properties, net of cash acquired	(289,716)	(35,346)	(191,145)
Investments in and advances to unconsolidated affiliates	(25,492)	(15,443)	(26,162)
Receipts from and (advances to) VoiceStream Wireless	2,968	105,446	(406,254)
Return of investment from VoiceStream Wireless	20,000		
Other		(2,494)	(10,194)
Net cash used in investing activities	(464,849)	(29,678)	(688,356)
Financing activities:			
Proceeds from issuance of common stock, net	6,972	1,159	75,376
Additions to long term debt	415,000	60,000	565,000
Repayment of debt	(10,000)	(110,000)	(70,000)
Net costs of private placement		(1,080)	
Net cash provided by (used in) financing activities	411,972	(49,921)	570,376
Change in cash and cash equivalents	40,543	(12,930)	(34,349)
Cash and cash equivalents, beginning of year	2,192	15,122	49,471
Cash and cash equivalents, end of year	$ 42,735	$ 2,192	$ 15,122

See accompanying notes to consolidated financial statement

1 Organization

Western Wireless Corporation ("the Company") provides wireless communications services in the United States principally through the ownership and operation of cellular systems. The Company provides cellular operations primarily in rural areas in 19 western states under the CellularOne® brand name.

A wholly owned subsidiary of the Company, WWC Holding Co, Inc., ("Holding Co.") owns 96% of Western Wireless International ("WWI") who, through operating joint ventures, is a provider of wireless communications services worldwide. Since 1996, WWI has participated in operating joint ventures that have built and launched wireless networks in Latvia, Georgia, Iceland, Croatia, Ghana and Haiti, and is currently constructing a nationwide cellular network in Bolivia. In January 2000 WWI through its joint venture with the Modern Africa Growth and Investment Company ("MAGIC"), completed an acquisition of the assets and operations of Comstar in the Ivory Coast. Additionally, WWI holds approximately 67% of Meteor Mobile Communications ("MMC"), an entity that has been granted the Irish license, which is pending appeal with the Irish High Court.

The Company had an 80.1% controlling interest in VoiceStream Wireless Corporation ("VoiceStream"), an entity that provides wireless communication services through the ownership and operation of personal communication service ("PCS") licenses. On May 3, 1999, VoiceStream formally separated from the Company's other operations (the "Spin-off"). As of that date, the Company distributed all of its interest in VoiceStream to its shareholders. Although VoiceStream has been operated separately from the Company's other operations and has been a separate legal entity since its inception, the Spin-off established VoiceStream as a stand-alone entity with objectives separate from those of the Company. The accompanying consolidated financial statements have been restated to report the discontinued operations of VoiceStream.

Principles of consolidation

The consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries and its affiliate investments in which the Company has a greater than 50% interest. All affiliate investments in which the Company has between a 20% and 50% interest are accounted for using the equity method. All significant intercompany accounts and transactions have been eliminated.

Revenue recognition

Service revenues based on customer usage are recognized at the time the service is provided. Access and special feature service revenues are recognized when earned. Sales of equipment, primarily handsets, are recognized when the goods are delivered to the customer.

Cash and cash equivalents

Cash and cash equivalents generally consist of cash and marketable securities that have original maturity dates not exceeding three months. Such investments are stated at cost, which approximates fair value.

Inventory

Inventory consists primarily of handsets and accessories. Inventory is stated at the lower of cost or market, determined on a first-in, first-out basis.

Property and equipment and depreciation

Property and equipment are stated at cost. Depreciation commences once the assets have been placed in service and is computed using the straight-line method over the estimated useful lives of the assets, which primarily range from three to twenty years.

Licensing costs and other intangible assets and amortization

Licensing costs primarily represent costs incurred to acquire Federal Communication Commission's ("FCC") wireless licenses, including cellular licenses principally obtained through acquisitions.

Amortization of cellular licenses is computed using the straight-line method over 40 years.

Other intangible assets consist primarily of deferred financing costs. Deferred financing costs are amortized using the effective interest method over the terms of the respective loans. In accordance with Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long-lived Assets and for Long-lived Assets to be Disposed of," the Company periodically evaluates whether there has been any indication of impairment of its long-lived assets, including its licensing costs and other intangibles. As of December 31, 1999, there has been no indication of such impairment.

Income taxes

Deferred tax assets and liabilities are recognized based on temporary differences between the financial statements and the tax basis of assets and liabilities using enacted tax rates expected to be in effect when they are realized. A valuation allowance against deferred tax assets is recorded, if, based upon weighted available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

Loss per common share

Loss per common share is calculated using the weighted average number of shares of outstanding common stock during the period. The number of shares outstanding has been calculated based on the requirements of SFAS No. 128, "Earnings Per Share." Due to the net loss incurred during the periods presented, all options outstanding are anti-dilutive, thus basic and diluted loss per share are equal.

Stock-based compensation plans

The Company accounts for its stock-based compensation plans under Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees." See Note 11 for discussion of the effect on net loss and other related disclosures had Western Wireless accounted for these plans under SFAS No. 123, "Accounting for Stock-Based Compensation."

Foreign currency translation

For operations outside the United States that prepare financial statements in currencies other than the United States dollar, results of operations and cash flows are translated at average exchange rates during the period, and assets and liabilities are translated at end of period exchange rates. Translation adjustments are included as a separate component of shareholders' equity.

Fair value of financial instruments

As required under the Credit Facility (as defined in Note 7), the Company enters into interest rate swap and cap agreements to manage interest rate exposure pertaining to long-term debt. The Company has only limited involvement with these financial instruments, and does not use them for trading purposes. In addition, the Company has historically held derivative financial instruments to maturity and has never recognized a material gain or loss on disposal. It is the Company's intent to hold existing derivatives to maturity. Interest rate swaps are accounted for on an accrual basis, the income or expense of which is included in interest expense. Premiums paid to purchase interest rate cap agreements are classified as an asset and amortized to interest expense over the terms of the agreements. These transactions do not subject the Company to risk of loss because gains and losses on these contracts are offset against losses and gains on the underlying liabilities. No collateral is held in relation to financial instruments.

The carrying value of short-term financial instruments approximates fair value due to the short maturity of these instruments. The fair value of long-term debt is based on incremental borrowing rates currently available on loans with similar term and maturities. The Company does not hold or issue any financial instruments for trading purposes.

Supplemental cash flow disclosure

Cash paid for interest was $95.6 million in 1999, $96.4 million in 1998 and $69.6 million in 1997.

Non-cash investing and financing activities were as follows:

Year ended December 31,	1999	1998	1997
(Dollars in thousands)			
Discontinued operations (VoiceStream)	$ 227,518		
Stock-based compensation (in connection with Spin-off)	$ 82,750		
Release of cash held in escrow		$ 15,000	
Issuance of common stock in exchange for wireless assets			$ 28,600

Estimates used in preparation of financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Reclassifications

Certain amounts in prior years' financial statements have been reclassified to conform to the 1999 presentation.

Recently issued accounting standards

In December 1999, the SEC released Staff Accounting Bulletin ("SAB") Number 101, "Revenue Recognition in Financial Statements." This bulletin will become effective for the issuance of the Company's March 31, 2000, quarterly financial statements. This bulletin establishes more clearly defined revenue recognition criteria, than previously existing accounting pronouncements, and specifically addresses revenue recognition requirements for nonrefundable fees, such as activation fees, collected by a company upon entering into an arrangement with a customer, such as an arrangement to provide telecommunications services. We are currently evaluating the impact of this bulletin on our financial position and results of operations.

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." It requires the recognition of all derivatives as either assets or liabilities and the measurement of those instruments at fair value. The required adoption period is effective for the issuance the Company's December 31, 2000, financial statements. The implementation of SFAS No. 133 is not expected to have a material impact on the Company's financial position or results of operations. SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities–Deferral of the Effective Date of FASB Statement No. 133," issued in August 1999, postpones for one year the mandatory effective date for adoption of SFAS No. 133 to January 1, 2001.

2 Prepaid Expenses and Other Current Assets

December 31,	1999	1998
(Dollars in thousands)		
Receivable from unconsolidated international companies	$ 7,457	$ 4,048
WWI Deposits	8,702	482
Other	11,199	4,014
	$ 27,358	$ 8,544

3 Properties and Equipment

December 31,	1999	1998
(Dollars in thousands)		
Land, buildings and improvements	$ 13,051	$ 12,748
Wireless communications systems	493,580	373,971
Furniture and equipment	70,424	53,919
	577,055	440,638
Less accumulated depreciation	(277,167)	(208,776)
	299,888	231,862
Construction in progress	69,655	40,455
	$ 369,543	$ 272,317

Depreciation expense was $85.7 million in 1999, $62.2 million in 1998 and $57.9 million in 1997.

4 Licensing Costs and Other Intangible Assets

December 31,	1999	1998
(Dollars in thousands)		
License costs	$ 834,755	$ 564,157
Other intangible assets	35,806	35,841
	870,561	599,998
Accumulated amortization	(99,051)	(81,209)
	$ 771,510	$ 518,789

Amortization expense was $16.3 million in 1999, $12.2 million in 1998 and $8.7 million in 1997.

5 Investments In and Advances to Unconsolidated Affiliates

December 31,	1999	1998
(Dollars in thousands)		
Western Wireless International:		
Latcom Wireless Telephone Co.	$ 8,913	$ 12,724
ACG Telesystems Ghana, LLC	15,275	13,122
Nuevatel-Bolivia	9,065	0
Other international investments	13,184	11,817
Cellular One Group	9,403	0
	$ 55,840	$ 37,663

The Company's ownership interest in these unconsolidated affiliates range from 15% to 50%.

In November 1999, a WWI joint venture was notified that government regulators accepted its bid for a license to provide wireless communication services in Bolivia. WWI contributed $9.1 million for the purchase of the license.

In October 1998, a WWI joint venture was granted a license to provide wireless communication services in Croatia. WWI contributed $3.3 million for the purchase of the license.

In September 1998, a WWI joint venture was granted a license to provide wireless communication services in Haiti. WWI contributed $8.5 million for the purchase of the license.

In June 1998, WWI, through a controlling interest in a partnership (the "Ireland Partnership"), was notified by the Irish Government that it was the preferred applicant for a DCS-1800/GSM 900 mobile communication license in Ireland. The amount bid by the Ireland Partnership on this license was $16.2 million, including related fees. The license has not yet been issued, as the decision by the Irish Government is subject to a pending legal proceeding (refer to Note 8 for more information).

The Company's international investments are subject to the laws and regulations governing telecommunication services in effect in each of the countries in which it operates. These laws and regulations can have a significant influence on the Company's results of operations and are subject to change by the responsible governmental agencies. The financial statements as presented reflect certain assumptions based on laws and regulations currently in effect in each of the various countries. The Company cannot predict what future laws and regulations might be passed that could have a material effect on the Company's results of operations. The Company assesses the impact of significant changes in laws and regulations on a regular basis and updates the assumptions used to prepare its financial statements accordingly.

6 Accrued Liabilities

December 31,	1999	1998
(Dollars in thousands)		
Accrued payroll and benefits	$ 12,755	$ 14,667
Accrued interest expense	13,065	13,091
Accrued property taxes	4,948	4,951
Accrued taxes (other than income)	9,480	3,870
Accrued interconnect charges	10,239	6,358
Other	17,582	27,781
	$ 68,069	$ 70,718

7 Long-Term Debt

December 31,	1999	1998
(Dollars in thousands)		
Credit Facility:		
Revolver	$ 750,000	$ 445,000
Term Loan	200,000	200,000
Additional Facility	100,000	
10-1/2% Senior Subordinated Notes Due 2006	200,000	200,000
10-1/2% Senior Subordinated Notes Due 2007	200,000	200,000
	$ 1,450,000	$ 1,045,000

Credit Facility

The Company has a credit facility with a group of banks (the "Credit Facility") pursuant to which the banks agreed to make loans to the Company, on a revolving-credit basis, in an aggregate principal amount not to exceed $750 million (the "Revolver") and a term loan (the "Term Loan") of $200 million. The Revolver is limited to the principal amount outstanding on December 31, 2000. The Company is required to make quarterly payments on the outstanding principal of the Revolver beginning March 31, 2001, and on the Term Loan beginning June 30, 2001. These payments increase each year on the anniversary date of the initial payment, until paid in full on December 31, 2005, for the Revolver and March 31, 2006, for the Term Loan. The Credit Facility also contains certain financial covenants, the most restrictive of which impose limitations on the incurrence of indebtedness.

Under the Credit Facility, interest is payable at an applicable margin in excess of a prevailing base rate. The prevailing rate is based on the prime rate, the CD rate or LIBOR. The applicable margin on the Revolver is determined quarterly based on the leverage ratio of the Company, excluding certain of its subsidiaries. The applicable margin on the Term Loan is 2.5%. During 1999, 1998 and 1997, all loans under the Credit Facility had been borrowed using the LIBOR option. The weighted average interest rate, including the appropriate applicable margin, was 6.8% in 1999 and 7.6% in 1998. The Credit Facility also provides for an annual fee ranging from 0.25% to 0.375% on the unused commitment, payable quarterly.

During the fourth quarter of 1999, the Company established a $250 million additional facility (the "Additional Facility"), as permitted under the Credit Facility. The Additional Facility is structured as a term loan to be completely drawn by May 5, 2000, and bears interest at LIBOR plus 2.5%. Other terms and conditions are similar to the existing Term Loan. Amounts available for borrowing at December 31, 1999, which are limited by certain financial covenants and other restrictions, were $150 million under the Additional Facility. The repayment of the Credit Facility is secured by, among other things, the grant of a security interest in substantially all of the assets of the Company.

The Credit Facility requires the Company to enter into interest rate swap and cap agreements to manage the interest rate exposure pertaining to borrowings under the Credit Facility. The Company had entered into interest rate caps, swaps and collars with a total notional amount of $525 million at December 31, 1999, and $325 million at December 31, 1998. Generally these instruments have initial terms ranging from three to four years and effectively convert variable rate debt to fixed rate. The weighted average interest rate under these agreements was approximately 7.4% in 1999 and 7.7% in 1998. The amount of unrealized loss attributable to changing interest rates at December 31, 1999 and 1998 was immaterial.

10-1/2% Senior Subordinated Notes Due 2006

In May 1996, the Company issued at par $200 million of 10-1/2% Senior Subordinated Notes that mature on June 1, 2006 (the "2006 Notes"). Interest is payable semi-annually. The 2006 Notes may be redeemed at any time at the option of the Company, in whole or from time to time in part, at varying redemption prices. The Credit Facility prohibits the repayment of all or any portion of the principal amount of the 2006 Notes prior to the repayment of all indebtedness under each credit facility. The 2006 Notes contain certain restrictive covenants which impose limitations on the operations and activities of the Company and certain of its subsidiaries, including the incurrence of other indebtedness, the creation of liens, the sale of assets, issuance of preferred stock of subsidiaries, and certain investments and acquisitions. The 2006 Notes are subordinate in right of payment to the Credit Facility.

10-1/2% Senior Subordinated Notes Due 2007

In October 1996, the Company issued at par $200 million of 10-1/2% Senior Subordinated Notes that mature on February 1, 2007 (the "2007 Notes"). Interest is payable semi-annually. The 2007 Notes were issued *pari passu* to the 2006 Notes. As such, the 2007 Notes may be redeemed at any time at the option of the Company, in whole or from time to time in part, at varying redemption prices. The Credit Facility prohibits repayment of all or any portion of the principal amount of the 2007 Notes prior to the repayment of all indebtedness under each credit facility. The 2007 Notes contain certain restrictive covenants that are consistent with that of the 2006 Notes. The 2007 Notes are subordinate in right of payment to the Credit Facility.

The aggregate amounts of principal maturities as of December 31, 1999, are as follows (dollars in thousands):

Year ending December 31,	
2000	$ 0
2001	77,250
2002	115,500
2003	190,500
2004	190,500
Thereafter	876,250
	$ 1,450,000

In addition, the Credit Facility includes a covenant requiring additional pre-payment of principal to be made starting March 31, 2001 if the Company's operating cash flows, net of capital expenditures exceed predetermined levels. The Company estimates additional principal payments for 2001 range from $0 to $25 million.

8 Commitments and Contingencies

The Company leases various facilities, cell site locations, rights-of-way and equipment under operating lease agreements. The leases expire at various dates through the year 2019. Some leases have options to renew for additional periods up to 25 years. Certain leases require the Company to pay property taxes, insurance and normal maintenance costs. Substantially all of the Company's leases have fixed minimum lease payments. The Company has no significant capital lease liabilities.

Future minimum payments required under operating leases and agreements that have initial or remaining noncancellable terms in excess of one year as of December 31, 1999, are summarized below (dollars in thousands):

Year ending December 31,		
2000	$	12,845
2001		11,111
2002		9,555
2003		6,440
2004		2,817
Thereafter		4,440
	$	47,208

Aggregate rental expense for all operating leases was approximately $14.8 million in 1999, $12.2 million in 1998 and $10.0 million in 1997.

The Company has entered into purchase agreements to buy hardware, software, and consulting services in the aggregate of $18.5 million relating to the implementation of a new billing system. As of December 31, 1999, $7.3 million has been paid toward these commitments.

The Company has various other purchase commitments for materials, supplies and other items incident to the ordinary course of business which are neither significant individually nor in the aggregate. Such commitments are not at prices in excess of current market value.

On October 3, 1999, the Irish High Court remanded to the Office of the Director of Telecommunication Regulation ("ODTR") its decision that ranked MMC number one in a bid for a third mobile phone license in Ireland. The court found that the ODTR may have shown bias in its decision to rank MMC number one in the bid process and therefore the decision of the regulator may have been unreasonable. MMC and the ODTR have appealed this ruling to the Irish Supreme Court. If the ruling is upheld on appeal, then it is most likely that: (i) the previous bids will be reviewed and re-ranked or (ii) a new bidding process will be implemented. Management remains committed to the Irish market and believes that the attributes of its original bid that resulted in the initial number one ranking will continue to be recognized as the best plan. However, pending the outcome of the appeal, there is no assurance that the Company will retain its current ranking.

During the period from which the Company's bid was ranked number one up through the date of the recent court decision, WWI continued to invest in MMC. However, since MMC may not be awarded the license, it is possible that the investment underlying MMC may not be realized. If MMC is not successful in its bid for this license, the estimated range of a potential loss to be recorded by WWI would range from $9 to $12 million.

9 Income Taxes

Significant components of deferred income tax assets and liabilities, net of tax, are as follows:

December 31,	1999	1998
(Dollars in thousands)		
Deferred tax assets:		
Net operating loss carryforwards	$ 107,853	$ 71,737
Other temporary differences	33,685	12,440
Total deferred tax assets	141,538	84,177
Valuation allowance	(91,360)	(55,596)
	50,178	28,581
Deferred tax liabilities:		
Property and wireless licenses basis difference	(50,178)	(28,581)
	$ 0	$ 0

The Company had available at December 31, 1999, net operating loss ("NOL") carryforwards of approximately $270 million. The NOL carryforwards will expire between 2003 and 2019. The Company may be limited in its ability to use these carryforwards in any one year due to ownership changes that preceded the business combination that formed the Company in July 1994. The change in the valuation allowance increased $36 million in 1999, $3 million in 1998 and $2 million in 1997.

Management believes that available objective evidence creates sufficient uncertainty regarding the realization of the net deferred tax assets. Such factors include a history of recurring operating losses and expected increased competition from new entrants into the Company's cellular markets. Accordingly, a valuation allowance has been provided for the net deferred tax assets of the Company.

The difference between the statutory tax rate of approximately 40% (35% federal and 5% state, net of federal benefits) and the tax benefit of zero recorded by the Company is primarily due to the full valuation allowance against net deferred tax assets. The Company's ability to utilize the NOL carryforwards in any given year may be limited by certain events, including a significant change in ownership interest.

After the Spin-off, the NOL carryforwards resulting from VoiceStream's cumulative tax losses remained with VoiceStream. Pursuant to a tax sharing agreement entered into at the time of the Hutchison Investment, VoiceStream paid the Company $20 million, an amount representative of the tax benefit of NOLs generated while VoiceStream was a wholly owned subsidiary of the Company, which was accounted for as a return of capital to the Company.

10 Shareholders' Equity

Stock issuances

In 1999, the Company issued 1,480,486 shares of its Class A Common Stock as a result of employee stock option exercises.

The Company issued 105,000 shares in 1999 and 100,000 shares in 1998, of its Class A Common Stock to certain key executives pursuant to an Executive Restricted Stock Plan. The vesting of these shares is subject to certain performance thresholds as determined by the Board of Directors.

In May 1998, the Company completed a secondary offering on form S-3 (the "Secondary Offering") of 13,915,000 Class A Common Stock shares (including on over-allotment exercised by the underwriters). The Company did not issue any new primary shares and received no proceeds from the Secondary Offering. The shares were offered by certain shareholders of the Company who elected to convert a portion of their Class B Common Stock into publicly traded Class A Common Stock for sale pursuant to a registration statement. No member of management of the Company sold any shares in the Secondary Offering.

Other transactions

During the second quarter, as a result of the Spin-off, the Company recognized compensation expense on all options outstanding as of May 3, 1999. On the date of the Spin-off, the Company cancelled and reissued all outstanding stock options. All reissued stock options were granted in a manner that ensured employees of both the Company and VoiceStream maintained the value of their options, subject to normal fluctuations in the price of both companies stock, after the Spin-off.

This reissuance did not accelerate benefits to option holders. The Company believes this allows employees to continue to better participate in the success of the company for which they work. As outlined in the provisions of EITF 90-9, at the date of the Spin-off, the Company recorded deferred compensation of approximately $82.8 million and compensation expense for those options in which the service period had passed of $63.4 million. Subsequent to the date of the Spin-off, the Company has recognized an additional $6.2 million of stock option compensation through December 31, 1999.

11 Stock-Based Compensation Plans

The Management Incentive Stock Option Plan (the "MISOP"), which has been effective since 1994, provides for the issuance of up to 7,500,000 shares of common stock as either Nonstatutory Stock Options or as Incentive Stock Options, the terms and conditions of which are at the discretion of the administrator of the MISOP.

The Employee Stock Purchase Plan (the "ESPP"), which has been effective since 1997, provides for the issuance of up to 1,000,000 shares of Class A Common Stock to eligible employees participating in the plan. The terms and conditions of eligibility under the ESPP require that an employee must have been employed by the Company or its subsidiaries for at least three months prior to participation. A participant may contribute up to 10% of their total annual compensation toward the ESPP, not to exceed the IRS contribution limit each calendar year. Shares are offered under this ESPP at 85% of market value at each offer date. Participants are fully vested at all times.

At December 31, 1999, 1998, and 1997, the Company has accounted for the above described MISOP and ESPP following the guidelines of APB Opinion No. 25 and related interpretations. Had compensation cost for the MISOP and the ESPP been determined based upon the fair value at the grant dates for awards under these plans consistent with the method defined in SFAS No. 123, the Company's net loss and basic loss per share would have increased to the pro forma amounts indicated below:

Year ended December 31,	1999	1998	1997
(Dollars in thousands, except per share data)			
Net loss:			
As reported	$ (148,773)	$ (224,069)	$ (265,534)
Pro forma	$ (157,604)	$ (232,110)	$ (271,745)
Basic and diluted loss per share:			
As reported	$ (1.94)	$ (2.95)	$ (3.76)
Pro forma	$ (2.05)	$ (3.06)	$ (3.84)

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model using the following weighted-average assumptions:

	1999	1998	1997
Weighted average risk free interest rates	5.6%	5.8%	6.3%
Expected dividend yield	0%	0%	0%
Expected volatility	63%	50%	50%
Expected lives (in years)	4.75	7.5	7.5

The Black-Scholes option-pricing model requires the input of highly subjective assumptions and does not necessarily provide a reliable measure of fair value.

The decrease in expected lives results from the cancellation and re-issuance of all outstanding stock options as a result of the Spin-off; see Note 10 "Other transactions."

Options granted, exercised and canceled under the above MISOP are summarized as follows:

Year ended December 31,	1999		1998		1997	
(In thousands, except pricing information)	Shares	Weighted average price	Shares	Weighted average price	Shares	Weighted average price
Outstanding, beginning of period	4,348	$ 11.78	3,711	$ 9.79	4,165	$ 9.66
Options granted	5,058	$ 7.61	992	$ 17.41	18	$ 14.65
Options exercised	(1,453)	$ 5.02	(291)	$ 5.02	(269)	$ 4.85
Options cancelled	(4,311)	$ 13.01	(64)	$ 14.32	(203)	$ 13.12
Outstanding, end of period	3,642	$ 7.32	4,348	$ 11.78	3,711	$ 9.79
Exercisable, end of period	1,889	$ 5.54	2,656	$ 9.36	2,384	$ 8.23

The weighted average fair value of stock options granted was $22.01 in 1999, $9.75 in 1998 and $9.34 in 1997.

The following table summarizes information about fixed price stock options outstanding at December 31, 1999:

(in thousands, except pricing information)	Options outstanding			Options exercisable	
Range of exercise prices	Number outstanding	Weighted average remaining contractual life	Weighted average exercise price	Number exercisable	Weighted average exercise price
$ 0.53 – $ 5.28	966	5 years	$ 4.48	966	$ 4.48
$ 6.03 – $ 6.42	913	7 years	$ 6.29	728	$ 6.26
$ 6.42 – $ 9.32	919	8 years	$ 8.14	195	$ 8.11
$ 9.95 – $ 35.00	844	9 years	$ 10.79	0	$ –
$ 0.53 – $ 35.00	3,642	7 years	$ 7.32	1,889	$ 5.54

In May 1999, in connection with the Spin-off, the Company cancelled and reissued all outstanding options as, (i) the Company's option holders received one vested VoiceStream option and one vested Western Wireless option for each existing vested Western Wireless option; and (ii) the Company's option holders who became VoiceStream employees received for each unvested Western Wireless option at the Spin-off a number of unvested VoiceStream options. All reissued stock options were granted in a manner that ensured employees of both the Company and VoiceStream maintained the value of their options, subject to normal fluctuations in the price of both companies stock, after the Spin-off. This reissuance did not accelerate any benefits to option holders.

In September 1998, the Company's Board of Directors approved the 1998 Stock Appreciation Plan (the "Plan") whereby selected key personnel of WWI and its Subsidiaries may receive performance units, which are "rights" to receive an amount based on 5% of the fair market value of WWI. The maximum number of performance units that may be granted under the Plan as amended is 20,000. As of December 31, 1999, 15,000 performance units have been issued under the Plan. For the year ended December 31, 1999, based on the valuation of WWI on January 1, 2000, the Company has incurred $3.9 million in cost related to the Plan.

12 Acquisitions

All of the following acquisitions were accounted for using the purchase method of accounting. Substantially the entire purchase price of each of the acquisitions was allocated to licensing costs.

In November 1999, the Company purchased the cellular licenses and operations of the Texas 7 and Arkansas 11 RSAs for approximately $165 million in cash.

In June 1999, the Company completed the purchase of 50% of the Cellular One Group for $9 million in cash.

In June 1999, the Company completed the purchase of the cellular licenses and operations of the Brownsville, TX and McAllen, TX Metropolitan Statistical Areas ("MSA") for an aggregate amount of approximately $96 million in cash.

In February 1999, the Company completed the purchase of the cellular license and operations of the Wyoming 4 and Oklahoma 1 RSA for $19 million in cash. Prior to the purchase of the Wyoming 4 RSA, the Company operated this market under an Interim Operating Authority ("IOA") from the FCC.

In August 1998, the Company purchased the cellular license and operations of the Colorado 4 RSA for approximately $18.5 million in cash.

In June 1998, the Company purchased the cellular license and operations of the Nebraska 5 RSA for approximately $15.5 million in cash. Prior to the purchase of the Nebraska 5 RSA, the Company operated this market under an IOA from the FCC.

In March 1998, the Company was granted 36 Local Multipoint Distribution Service ("LMDS") licenses that it was the high bidder on in an FCC auction. The Company paid approximately $5.6 million for these licenses.

13 Selected Quarterly Consolidated Financial Information (Unaudited)

Selected quarterly consolidated financial information for the years ended December 31, 1999 and 1998 is as follows:

(Dollars in thousands, except per share data)

Quarter ended	Total revenues	Operating income (loss)	Net income (loss)	Basic earnings (loss) per common share	Diluted earnings (loss) per common share
March 31, 1999	$ 115,863	$ 21,991	$ (113,588)	$ (1.49)	$ (1.49)
June 30, 1999	$ 136,551	$ (31,352)	$ (47,944)	$ (0.63)	$ (0.63)
September 30, 1999	$ 157,044	$ 40,850	$ 13,542	$ 0.18	$ 0.17
December 31, 1999	$ 157,883	$ 29,440	$ (783)	$ (0.01)	$ (0.01)
March 31, 1998	$ 90,630	$ 15,988	$ (64,150)	$ (0.84)	$ (0.84)
June 30, 1998	$ 98,404	$ 18,446	$ (53,040)	$ (0.70)	$ (0.70)
September 30, 1998	$ 111,364	$ 24,226	$ (49,673)	$ (0.65)	$ (0.65)
December 31, 1998	$ 116,222	$ 22,620	$ (57,206)	$ (0.75)	$ (0.75)

14 Segment Information

The Company's operations consist of both domestic and international operations. The Company mainly provides cellular services in rural markets in the western United States. The Company's international operations mainly consist of unconsolidated joint ventures. Certain centralized back office costs and assets benefit all of the Company's operations. These costs are allocated to both segments in a manner, which reflects the relative time devoted to each of the segments.

The only significant international component of the Company's financial results is the equity in net loss of unconsolidated affiliates. The domestic cellular operations comprise the majority of the Company's total revenues, expenses and total assets as presented in the table below:

	Domestic Operations	Int'l Operations	Consolidated
(Dollars in thousands)			
Year ended December 31, 1999			
Total revenues	$ 567,341		$ 567,341
Depreciation and amortization expense	101,254	$ 759	102,013
Operating income (loss)	65,788	(4,859)	60,929
Interest expense	95,476	4,517	99,993
Equity in net income (loss) of unconsolidated affiliates	305	(14,834)	(14,529)
Total assets	1,276,878	78,696	1,355,574
Total capital expenditures	154,370	13,849	168,219
Year ended December 31, 1998			
Total revenues	$ 416,620		$ 416,620
Depreciation and amortization expense	74,395	$ 7	74,402
Operating income (loss)	83,708	(2,428)	81,280
Interest expense	91,184	1,043	92,227
Equity in net loss of unconsolidated affiliates		(4,746)	(4,746)
Total assets	1,180,856	40,444	1,221,300
Total capital expenditures	73,371		73,371
Year ended December 31, 1997			
Total revenues	$ 302,848		$ 302,848
Depreciation and amortization expense	66,595		66,595
Operating income (loss)	39,034	$ (1,754)	37,280
Interest expense	41,406		41,406
Equity in net loss of unconsolidated affiliates		(1,731)	(1,731)
Total assets	1,358,775	27,760	1,386,535
Total capital expenditures	54,318		54,318

15 Related Party Transactions

The financial statements include an allocation of certain centralized costs to VoiceStream and its affiliates, prior to and subsequent to the Spin-off. Such centralized items include the costs of shared senior management, customer care operations and certain back office functions. These costs have been allocated to VoiceStream and its affiliates in a manner that reflects the relative time devoted to each. For the twelve months ended December 31, 1999, 1998 and 1997, the Company allocated to VoiceStream and its affiliates costs of $8.9 million, $26.3 million and $30.5, respectively.

After the Spin-off, the NOL carryforwards resulting from VoiceStream's cumulative tax losses were transferred to VoiceStream. Pursuant to a tax sharing agreement entered into at the time of the Hutchison investment, VoiceStream paid the Company $20 million, the amount representative of the tax benefit of NOLs generated while VoiceStream was a wholly owned subsidiary of the Company. This transaction was accounted for as a return of capital to the Company.

The Company, its Holding Co., WWI, and Bradley Horwitz, the Executive Vice President-International, have entered into an amendment of a subscription and put and call agreement with respect to shares of common stock of WWI whereby Mr. Horwitz's interest in WWI is decreased from 10% to 4.04% in consideration of the Company's investment in WWI of an additional $29 million in 1996 and 1997. Holding Co. continues to own the balance of the outstanding capital stock of WWI. Any funds provided by the Company to WWI on or subsequent to January 1, 1998, shall be considered revolving debt loaned by the Company to WWI at an interest rate of 10.5% per annum.

16 Subsequent Events

On March 2, 2000 the Company signed a commitment letter to secure $2.1 billion in new financing consisting of a combination of revolving and term loans. Final terms and conditions of this arrangement are contingent upon the approval of the new financing among the syndicate of lenders. The new financing arrangement is expected to have terms and conditions similar to the existing Credit Facility. Proceeds from the new financing arrangement will be used to repay the Company's existing Credit Facility. Assuming the new financing is established, the Company will recognize an extraordinary loss ranging from approximately $13 to $22 million for the impairment of existing deferred financing costs relating to the Company's current debt structure.

In January 2000, the Company completed the purchase of the Utah 5 Rural Service Area ("RSA") for approximately $25 million in cash and $5 million in seller subordinate debt. Further, the Company signed an agreement to acquire the assets associated with the Arizona 6 and Wyoming 1 RSAs for an aggregate amount of approximately $67 million in cash. The purchase is pending approval from the FCC, and are expected to close in the second quarter of 2000.

In January 2000, WWI, through its joint venture with MAGIC, completed an acquisition of the assets and operations of Comstar in the Ivory Coast. WWI has contributed $9.1 million to date for the purchase of the license. The Comstar network is currently under expansion.

Report of Independent Public Accountants

To the Board of Directors and Shareholders of Western Wireless Corporation:

We have audited the accompanying consolidated balance sheets of Western Wireless Corporation and subsidiaries as of December 31, 1999 and 1998, and the related consolidated statements of operations and comprehensive loss, shareholders' equity and cash flows for each of the three years in the period ended December 31, 1999. These financial statements and schedule referred to below are the responsibility of Western Wireless management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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 audits provide 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 Western Wireless Corporation and subsidiaries as of December 31, 1999 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1999, in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule listed in the index of consolidated financial statements is presented for purposes of complying with the Securities and Exchange Commission rules and is not a required part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Arthur Andersen LLP

Arthur Andersen LLP
Seattle, Washington
March 1, 2000

ATTACHMENT E

TARIFF SCHEDULE

APPLICABLE TO

TELECOMMUNICATIONS SERVICES

OF

WESTERN CLEC CORPORATION

Issued by: Nathan Glazier
Regulatory Specialist
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3650 131st Ave., SE
Bellevue, WA 98006

CHECK SHEET

Page 1-90 inclusive of this tariff are effective as of the date shown. Original and revised pages, as named below, comprise all changes from the original tariff in effect on the date indicated.

PAGE	REVISION	PAGE	REVISION	PAGE	REVISION
1	Original	31	Original	61	Original
2	Original	32	Original	62	Original
3	Original	33	Original	63	Original
4	Original	34	Original	64	Original
5	Original	35	Original	65	Original
6	Original	36	Original	66	Original
7	Original	37	Original	67	Original
8	Original	38	Original	68	Original
9	Original	39	Original	69	Original
10	Original	40	Original	70	Original
11	Original	41	Original	71	Original
12	Original	42	Original	72	Original
13	Original	43	Original	73	Original
14	Original	44	Original	74	Original
15	Original	45	Original	75	Original
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17	Original	47	Original	77	Original
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20	Original	50	Original	80	Original
21	Original	51	Original	81	Original
22	Original	52	Original	82	Original
23	Original	53	Original	83	Original
24	Original	54	Original	84	Original
25	Original	55	Original	85	Original
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27	Original	57	Original	87	Original
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EXPLANATION OF SYMBOLS, REFERENCE MARKS, AND ABBREVIATIONS OF TECHNICAL TERMS USED IN THIS TARIFF

The following symbols shall be used in this tariff for the purposes indicated below:

(C) - To signify changed listing, rule, or condition which may affect rates or charges.

(D) - To signify discontinued material, including listing, rate, rule or condition.

(I) - To signify an increase.

(L) - To signify that material relocated from or to another part of tariff schedule with no change in text, rate, rule or condition.

(N) - To signify new material including listing, rate, rule or condition.

(R) - To signify reduction.

(T) - To signify change in wording or text but not change in rate, rule, or condition.

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TARIFF FORMAT

A. Sheet Numbering - Sheet numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new sheets occasionally are added to the Tariff. When a new sheet is added between sheets already in effect, a decimal is added to the sheet number. 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 Original Sheet 14 cancels the 3rd Original Sheet 14. Because of various suspension periods, deferrals, etc., the Commission follows in its Tariff approval process, the most current sheet number on file with the Commission is not always the Tariff sheet in effect.

C. Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

2.
2.1.
2.1.1.
2.1.1.1.
2.1.1.1.1.
2.1.1.1.1.1.
2.1.1.1.1.1.1.
2.1.1.1.1.1.1.1.
2.1.1.1.1.1.1.1.1.

TARIFF FORMAT (Cont'd)

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. All revisions made in a given filing are designated on the check sheet by an asterisk(*). There will be no other symbols used on the check sheet if these are the only changes made to it. The Tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the Commission.

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APPLICATION OF TARIFF

This tariff sets forth the service offerings, rates, terms and conditions applicable to the furnishing of telecommunications services (local and toll) by Western CLEC Corporation within the State of Arizona.

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1. DEFINITIONS

Certain terms used generally throughout this tariff are defined below.

Advance Payment: Payment of all or part of a charge required before the start of Service.

Authorized User: A person, firm, corporation or other entity that either is authorized by the Customer to use local exchange telephone service or is placed in a position by the Customer, either through acts or omissions, to use local exchange telephone service.

Call Forward Busy: Automatically routes incoming calls to a designated answering point when the called line is busy.

Call Forward No Answer: Automatically routes incoming calls to a designated answering point when the called line does not answer within a pre-specified number of rings.

Call Forward Variable: Automatically routes incoming calls to a designated answering point, regardless of whether the User's Station is idle or busy.

Call Hold: Allows the User to hold one call for any length of time provided that neither party goes Off Hook.

Call Park: Allows a User to "park" a call against his or her directory number within the business group and "unpark" the call from any other directory number. A business group consists of a series of Customer-defined telephone numbers.

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1. DEFINITIONS (Cont'd)

Call Pickup: Allows a User to answer incoming calls to another Station line within a defined call pickup group. Call Pickup is provided as either Group Call Pickup, where predesignated groups can pickup each other's calls by activating an access code or a feature key, or Directed Call Pickup, where any call can be retrieved by dialing a different access code followed by the extension number.

Call Transfer/Consultation/Conference: Provides the capability to transfer or add a third party, using the same line.

Call Waiting: Provides the User with a burst of tone to indicate that another call is waiting. The second call can either be answered by flashing the switchhook or hanging up the phone and being rung back by the caller.

Call Waiting Cancel: Allows a User to cancel the Call Waiting feature on a per call basis by dialing a specific two-digit code.

Calling Number Delivery: Identifies the 10-digit number of the calling party.

Calling Name and Number Delivery: Identifies the name, as provided in the directory listing, as well as the 10-digit number of the calling party.

Calling Number Delivery Blocking: Blocks the delivery of the number to the called party on either a per-call or per-line basis.

Class of Service (COS): Used to prevent a Station for dialing certain codes and numbers.

Company: Western CLEC Corp. (formerly known as Eclipse Communications Corporation or Eclipse), a Delaware corporation, which is the issuer of this tariff.

Commission: The Arizona Corporation Commission.

Conference/Three-Way: The User can sequentially call up to five other people and add them together to make up a three-way call.

1. DEFINITIONS (Cont'd)

Customer: The person, firm, corporation or other entity which orders service and is responsible for the payment of charges and for compliance with the Company's tariff regulations.

Customer Group Dialing Plan: A dialing scheme shared by the members of a Customer group, such as four-digit internal dialing.

Dial Pulse (DP): The pulse type employed by rotary dial Station sets.

Direct Inward Dialing (DID): A service attribute that routes incoming calls directly to Stations, bypassing a central answering point.

Do Not Disturb: Allows the User to prevent incoming calls from ringing his or her line by diverting them to a tone or a recorded announcement that informs the caller that the User is not accepting calls at this time.

Dual Tone Multi-Frequency (DTMF): The pulse type employed by tone dial Station sets.

Exchange Carrier: Any individual, partnership, association, joint-stock company, trust governmental entity or corporation engaged in the provision of local exchange telephone service.

Hunting: Routes a call to an idle Station line. With Serial Hunting, calls to a member of a hunt group will search from that point to the end of the group and stop.

Individual Case Basis: A service arrangement in which the regulations, rates and charges are developed based on the specific circumstances of the Customer's situation.

1. DEFINITIONS (Cont'd)

Joint User: A person, firm or corporation designated by the Customer as a user of local exchange service furnished to the Customer by the Company, and to whom a portion of the charges for such facilities are billed under a joint use arrangement.

LATA: A local access and transport area established pursuant to the Modification of Final Judgment decree entered by the United States District Court for the District of Columbia in Civil Actions No. 82-0192 for the provision and administration of communications services.

Least Idle Trunk Selection (LIDL): LIDL trunk selection occurs when a switching unit selects from a Trunk group the Trunk that has been idle for the shortest period of time.

Local Calling: A completed call or telephonic communications between a calling Station and any other station within the local service area of the calling Station.

Local Exchange Carrier: A company which furnishes exchange telephone service.

Mbps: Megabits, or millions of bits, per second.

Message Waiting: This feature provides an indication to a Station User that a message is waiting. Indications may be visual (lamp) or audible (stuttered dialtone).

Most Idle Trunk Selection (MIDL): MIDL Trunk selection occurs when a switching unit selects from a Trunk group the Trunk that has been idle for the longest period of time.

Multiple Appearance Directory Numbers: A directory number that is assigned more than once to one or more Proprietary Business Sets.

Multi-Frequency (MF): An inter-machine pulse-type used for signaling between telephone switches, or between telephone switches and PBX/key systems.

Network: The telecommunications facilities of the Company.

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1. DEFINITIONS (Cont'd)

Non-Recurring Charges: The one-time initial charges for services or facilities, including but not limited to charges for construction, installation, or special fees, for which the Customer becomes liable at the time the Service Order is executed.

Off-Hook: The term "off-hook" denotes the active condition of a telephone exchange service line.

On-Hook: The term "on-hook" denotes the idle condition of a telephone exchange service line.

Originating Off-Net: A call originating on and placed via non-Company owned or Company leased facilities.

Originating On-Net: A call originating on and placed via Company owned or Company leased facilities.

Recurring Charges: The monthly charges to the Customer for services, facilities and equipment, which continue for the agreed-upon duration of the Service.

Service Commencement Date: The first day following the date on which the Company notifies the Customer that the requested Service or facility is available for use, unless extended by the Customer's refusal to accept Service which does not conform to standards set forth in the Service Order or this tariff, in which case the Service Commencement Date is the date of the Customer's acceptance of service. The parties may mutually agree on a substitute Service Commencement Date.

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1. DEFINITIONS (Cont'd)

Service Order: The written request for telecommunications services executed by the Customer and the Company in a format specified by the Company. The signing of a Service Order by the Customer and acceptance thereof by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this tariff, but the duration of the service is calculated from the Service Commencement Date.

Service: The Company's telecommunications services offered on the Company's network.

SpeedCall: Provides a User with the option to call selected directory numbers by dialing a one or two-digit code.

Station: Telephone equipment from or to which calls are placed.

Trunk: A communications path connecting two switching systems in a network used in the establishment of an end-to-end connection.

User: A Customer or any other person authorized by the Customer to use Service provided under this tariff.

2. REGULATIONS

2.1. Undertaking of the Company

2.1.1. Scope

The Company undertakes to furnish communications service in connection with one-way and/or two-way information transmission between points within the State of Arizona under the terms of this tariff.

Customers may use services and facilities provided under this tariff to obtain access to services offered by other service providers. The Company may act as the Customer's agent for ordering facilities or services provided by other carriers or entities as required in the Commission's rules and orders, when authorized by the Customer. The Company is responsible under this tariff only for the services and facilities provided herein, and it assumes no responsibility for any service provided by any other entity that purchases access to the Company's network in order to originate or terminate its own services, or to communicate with its own Customers. The Customer shall be responsible for all charges due for such service arrangements.

2.1.2. Shortage of Equipment of Facilities

2.1.2.1. The Company reserves the right to limit or allocate the use of existing facilities, or of additional facilities offered by the Company when necessary because of lack of facilities or due to some other cause beyond the Company's control.

2.1.2.2. The furnishing of Service under this tariff is subject to the availability on a continuing basis of all the necessary facilities, and is limited to the capacity of the Company's facilities as well as facilities the Company may obtain from other carriers, from time to time, to furnish Service as required at the sole discretion of the Company.

2. REGULATIONS (Cont'd)

2.1. Undertaking the Company (Cont'd)

2.1.3. Terms and Conditions

2.1.3.1. Except as otherwise provided herein, Service is provided and billed on the basis of a minimum period of at least one month, and shall continue to be provided until canceled by the Customer, in writing, on not less than thirty (30) days' notice. Unless otherwise specified herein, for the purpose of computing charges in this tariff, a month is considered to have thirty (30) days. All calculations of dates set forth in this tariff shall be based on calendar days, unless otherwise specified herein.

2.1.3.2. Customers may be required to enter into written Service Orders which shall contain or reference the name of the Customer, a specific description of the Service ordered, the rate to be charged, the duration of the Services, and the terms and conditions in this tariff.

2.1.3.3. At the expiration of the initial term specified in each Service Order, or in any extension thereof, Service shall continue on a month-to-month basis at the then current rates unless terminated by either party upon thirty (30) days' written notice. Any termination shall not relieve Customer of its obligation to pay any charges incurred under the Service Order and this tariff prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the Service Order shall survive such termination.

2. REGULATIONS (Cont'd)

2.1. Undertaking of the Company (Cont'd)

2.1.3. Terms and Conditions (Cont'd)

2.1.3.4. This tariff shall be interpreted and governed under the laws of the State of Arizona without regard to the State's choice of laws provision.

2.1.3.5. The Customer has no property right to the telephone number or any other call number designation associated with Services furnished by the Company. The Company reserves the right to change such numbers, or the central office designation associated with such numbers, or both, assigned to the Customer, whenever the Company deems it necessary to do so in the conduct of its business.

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2. REGULATIONS (Cont'd)

2.1. Undertaking of the Company (Cont'd)

2.1.3. Terms and Conditions (Cont'd)

2.1.3.6. The Customer agrees to operate Company-provided equipment in accordance with instructions of the Company or the Company's agent. Failure to do so will void Company liability for interruption of Service and may make the Customer responsible for damage to equipment pursuant to Subsection 2.1.3.7 below.

2.1.3.7. The Customer agrees to return to the Company all Company-provided equipment within five (5) days of termination of the Service. Said equipment shall be in the same condition as when delivered to Customer, normal wear and tear only excepted. Customer shall reimburse the Company, upon demand, for any costs incurred by the Company due to Customer's failure to comply with this provision.

2. REGULATIONS (Cont'd)

2.1. Undertaking of the Company (Cont'd)

2.1.4. Liability of the Company

Because the Customer has exclusive control of its communications over the Services furnished by the Company, and because interruptions and errors incident to these Services may be unavoidable, the Services the Company furnishes are subject to the terms, conditions, and limitations specified in this tariff and to such particular terms, conditions, and limitations as set forth in the special regulations applicable to the particular Services and facilities furnished under this tariff.

2.1.4.1. The liability of the Company for damages arising out of the furnishing of these Services, including but not limited to mistakes, omission, interruptions, delays, or errors, or other defects, representations, or use of these Services or arising out of the failure to furnish the Service, whether caused by acts of commission or omission, shall be limited to the extension of allowances for interruption. The extension of such allowances for interruption shall be the sole remedy of the Customer, authorized user, or joint user and the sole liability of the Company.

2.1.4.2. The Company shall not be liable or responsible for any special, consequential, exemplary, lost profits, or punitive damages, whether or not caused by the intentional acts or omissions or negligence of the Company's employees, agents or contractors.

2. REGULATIONS (Cont'd)

2.1. Undertaking of the Company (Cont'd)

2.1.4. Liability of the Company (Cont'd)

2.1.4.3. The Company shall not be liable for any failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood or other catastrophes; any law, order, regulations, direction, action, or request of the United States Government, or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state, or local governments, or any civil or military authority; national emergencies; insurrections; riots; wars; unavailability of rights-of-way or materials; or strikes, lock-outs, work stoppages, or other labor difficulties.

2.1.4.4. The Company shall not be liable for any act or omission of any entity furnishing to the Company or the Company's Customers facilities or equipment used for or with the services the Company offers.

2.1.4.5. The Company shall not be liable for any outages caused by the facilities or equipment of any carrier furnishing services to the Company.

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2. REGULATIONS (Cont'd)

2.1. Undertaking of the Company (Cont'd)

2.1.4. Liability of the Company (Cont'd)

2.1.4.6. The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of Customer-provided equipment or facilities.

2.1.4.7. The Company shall not be liable for the claims of vendors supplying equipment to Customers of the Company which may be installed at premises of the Company nor shall the Company be liable for the performance of said vendor or vendor's equipment.

2.1.4.8. The Company does not guarantee nor make any warranty with respect to installations it provides for use in an explosive atmosphere. The Customer indemnifies and holds the Company harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location, or use of any installation so provided.

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2. REGULATIONS (Cont'd)

2.1. Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company (Cont'd)

2.1.4.9. The Company is not liable for any defacement of or damage to the premises of a Customer (or authorized or joint user) resulting from the furnishing of Services or equipment on such premises or the installation or removal thereof, when such defacement or damage is not the result of negligence or willful misconduct on the part of the agents or employees of the Company.

2.1.4.10. The Company shall not be liable for any damages resulting from delays in meeting any Service dates due to delays resulting from normal construction procedures. Such delays shall include, but not be limited to, delays in obtaining necessary regulatory approvals for construction, delays in obtaining right-of-way approvals and delays in actual construction work.

2.1.4.11. The Company shall not be liable for any damages whatsoever to property resulting from the installation, maintenance, repair or removal of equipment and associated wiring unless the damage is caused by the Company's willful misconduct or negligence.

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2. REGULATIONS (Cont'd)

2.1. Undertaking of the Company (Cont'd)

2.1.4. Liability of the Company (Cont'd)

2.1.4.12. The Company shall not be liable for and damages whatsoever associated with service, facilities, or equipment which the Company does not furnish or for any act or omission of Customer or any other entity furnishing services, facilities or equipment used for or in conjunction with the Company's telecommunications service.

2.1.4.13. The Company shall not incur any liability, direct or indirect, to any person who dials or attempts to dial the digits "9-1-1" or to any other person who may be affected by the dialing of the digits "9-1-1."

2.1.4.14. The liability of the Company for errors in billing that result in overpayment by the Customer shall be limited to a credit equal to the dollar amount erroneously billed, or in the event that payment has been made and Service has been discontinued, to a refund of the amount erroneously billed.

2.1.4.15. THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OR MERCHANTABILITY AND FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

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2. REGULATIONS (Cont'd)

2.1. Undertaking of the Company (Cont'd)

2.1.5. Notification of Service-Affecting Activities

The Company will provide the Customer reasonable notification of Service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventative maintenance. Generally, such activities are not specific to an individual Customer but affect many Customers' Services. No specific advance notification period is applicable to all Service activities. The Company will work cooperatively with the Customer to determine the reasonable notifications requirements. With some emergency or unplanned Service-affecting conditions, such as outage resulting from cable damage, notification to the Customer may not be possible.

2.1.6. Provision of Equipment and Facilities

2.1.6.1. The Company shall use reasonable efforts to make available Services to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with the regulations contained in this tariff. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.

2.1.6.2. The Company shall use reasonable efforts to maintain facilities that it furnishes to the Customer. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair or otherwise interfere with any of the facilities installed by the Company, except upon the written consent of the Company.

2. REGULATIONS (Cont'd)

2.1. Undertaking of the Company (Cont'd)

2.1.6. Provision of Equipment and Facilities (Cont'd)

2.1.6.3. Equipment installed at the Customer Premises for use in connection with the Services the Company offers shall not be used for any purpose other than that for which the Company provided it.

2.1.6.4. The Company shall not be responsible for the installation, operation, or maintenance of any Customer-provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities. Beyond this responsibility, the Company shall not be responsible for:

(a) the transmission of signals by Customer-provided equipment or for the quality of, or defects in, such transmission; or

(b) the reception of signals by Customer-provided equipment; or

(c) network control signaling where such signaling is performed by Customer-provided network control signaling equipment.

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2. REGULATIONS (Cont'd)

2.1. Undertaking of the Company (Cont'd)

2.1.7. Non-routine Installation

At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours or in hazardous locations in accordance with the provisions of Subsection 2.3.1(e). In such cases, charges based on cost of the actual labor, material, or other costs incurred by or charged to the Company will apply. If installation is started during regular business hours but, at the Customer's request, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

2.1.8. Ownership of Facilities

Title to all facilities provided in accordance with this tariff remains with the Company, its agents or assigns.

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2. REGULATIONS (Cont'd)

2.2. Prohibited Uses

2.2.1. Unlawful Use

The Service the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and/or permits.

2.2.2. Interference

The Company may require a Customer to immediately shut down its transmission of signals if said transmission is causing interference to others.

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2. REGULATIONS (Cont'd)

2.3. Obligations of the Customer

2.3.1. General

The Customer shall be responsible for:

(a) the payment of all applicable charges pursuant to this tariff;

(b) reimbursing the Company for damage to, or loss of, the Company's facilities or equipment caused by the acts or omissions of the Customer; or the noncompliance by the Customer, with these regulations; or by fire or theft or other casualty on the Customer's premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company. The Company will, upon reimbursement for damages, cooperate with the Customer in prosecuting a claim against the person causing such damage and the Customer shall be subrogated to the Company's right of recovery of damages to the extent of such payment;

(c) providing at no charge, as specified from time to time by the Company, any needed personnel, equipment, space and power to operate Company facilities and equipment installed on the premises of the Customer, and the level of heating and air conditioning necessary to maintain the proper operating environment on such premises;

2. REGULATIONS (Cont'd)

2.3. Obligations of the Customer (Cont'd)

2.3.1. General (Cont'd)

(d) Obtaining, maintaining, and otherwise having full responsibility for all rights-of-way, rooftop rights, and conduit necessary for installation of equipment used to provide local exchange telephone service to the Customer from the cable building entrance or property line to the location of the equipment space described in Subsection 2.3.1(c). Any costs associated with obtaining and maintaining the rights-of-way described herein, including the costs of altering the structure to permit installation of the Company-provided facilities, shall be borne entirely by, or may be charged by the Company to the Customer. The Company may require the Customer to demonstrate its compliance with this section prior to accepting an order for Service;

(e) providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises which Company employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment definitions within a hazardous area if, in the Company's opinion, injury or damage to the Company's employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material prior to any construction or installation work;

2. REGULATIONS (Cont'd)

2.3. Obligations of the Customer (Cont'd)

2.3.1 General (Cont'd)

(f) complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and/or permits as may be required with respect to the location of Company facilities and equipment in any Customer premises or the rights-of-way for which Customer is responsible under Subsection 2.3.1(d) above; and granting or obtaining permission for Company agents or employees to enter the premises of the Customer at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of Service as stated herein, removing the facilities or equipment of the Company;

(g) not creating or allowing to be placed or maintained any liens or other encumbrances on the Company's equipment or facilities; and

(h) making Company facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the Customer. No allowance for interruptions in Service will be made for the period during which Service is interrupted for such purposes.

2. REGULATIONS (Cont'd)

2.3. Obligations of the Customer (Cont'd)

2.3.2. Claims

With respect to any Service or facility provided by the Company, Customer shall indemnify, defend and hold harmless the Company from all claims, actions, damages, liabilities, costs and expenses, including reasonable attorney's fees for:

(a) any loss, destruction or damage to property of the Company or any third party, or the death of or injury to persons, including, but not limited to, employees or invitees of either the Company or the Customer, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees; or

(b) any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the Customer, including, without limitation, use of the Company's Services and facilities in a manner not contemplated by the agreement between the Customer and the Company.

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2. REGULATIONS (Cont'd)

2.4. Customer Equipment and Channel

2.4.1. General

A Customer may transmit or receive information or signals via the facilities of the Company.

2.4.2. Station Equipment

2.4.2.1. The Customer is responsible for providing and maintaining any terminal equipment on the Customer premises. The electric power consumed by such equipment shall be provided by, and maintained at the expense of, the Customer. All such terminal equipment must be registered with the FCC under 47 C.F.R., Part 68 and all wiring must be installed and maintained in compliance with those regulations. The Company will, where practicable, notify the Customer that temporary discontinuance of the use of a Service may be required; however, where prior notice is not practicable, nothing contained herein shall be deemed to impair the Company's right to discontinue forthwith the use of a Service temporarily if such action is reasonable under the circumstances. In case of such temporary discontinuance, the Customer will be promptly notified and afforded the opportunity to correct the condition which gave rise to the temporary discontinuance. During such period of temporary discontinuance, credit allowance for Service interruptions as set forth in Section 2.6 following is not applicable.

2. REGULATIONS (Cont'd)

2.4. Customer Equipment and Channel (Cont'd)

2.4.2 Station Equipment (Cont'd)

2.4.2.2. The Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense.

2.4.3. Interconnection of Facilities

2.4.3.1. Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing telecommunications service and the channels, facilities, or equipment of others may be provided at the Customer's expense.

2.4.3.2. Service may be connected to the services or facilities of other communications carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other communications carriers which are applicable to such connections.

2. REGULATIONS (Cont'd)

2.4. Customer Equipment and Channel (Cont'd)

2.4.4. Station Equipment

2.4.4.1. Facilities furnished under this tariff may be connected to Customer-provided terminal equipment in accordance with the provisions of this tariff.

2.4.5. Inspections

2.4.5.1. Upon reasonable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in Subsection 2.4.2.2 for the installation, operation, and maintenance of Customer-provided facilities and equipment. No credit will be allowed for any interruptions occurring during such inspections.

2.4.5.2. If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten (10) days of receiving this notice the Customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do so, the Company may take whatever additional action is deemed necessary, including the suspension of Service, to protect its facilities, equipment and personnel from harm. The Company will, upon request 24 hours in advance, provide the Customer with a statement of technical parameters that the Customer's equipment must meet.

2. REGULATIONS (Cont'd)

2.5. Payment Arrangements

2.5.1. Payment for Service

The Customer is responsible for payment of all charges for Service and facilities furnished by the Company to the Customer or its Joint or Authorized Users. Objections must be received by the Company within thirty (30) days after statement of account is rendered, or the charges shall be deemed correct and binding upon the Customer. If an entity other than the Company imposes charges on the Company, in addition to its own internal costs, in connection with a service for which a Company Non-Recurring Charge is specified, those charges may be passed on to the Customer at the sole discretion of the Company.

2.5.1.1. Taxes: The Customer is responsible for the payment of any sales, use, gross receipts, excise, access or other local, state and federal taxes, charges, user fees, or surcharges (however designated), excluding taxes on the Company's net income imposed on or based upon the provision of telecommunications services, all of which shall be separately designated on the Company's invoices. Any taxes imposed by a local jurisdiction (e.g., county and municipal taxes) will only be recovered from those Customers residing in the affected jurisdictions. It shall be the responsibility of the Customer to pay any such taxes that subsequently become applicable retroactively.

2. REGULATIONS (Cont'd)

2.5. Payment Arrangements (Cont'd)

2.5.1. Payment for Service (Cont'd)

2.5.1.2. A surcharge is imposed on all charges for service originating at addresses in states which levy, or assert a claim of right to levy, a gross receipt tax on the Company's operations in any such state, or a tax on interstate access charges incurred by the Company for originating access to telephone exchanges in that state. This surcharge is based on the particular state's receipts tax and other state taxes imposed directly or indirectly upon the Company by virtue of, and measured by, the gross receipts or revenues of the Company in that state and/or payment of interstate access charges in that state. The surcharge will be shown as a separate line item on the Customer's monthly invoice.

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2. REGULATIONS (Cont'd)

2.5. Payment Arrangements (Cont'd)

2.5.2. Billing and Collection of Charges

Bills will be rendered monthly to Customer.

2.5.2.1. All Service, installation, monthly Recurring Charges and Non-Recurring Charges are due and payable upon receipt. Interest at the maximum rate allowed by law may be applied to any unpaid amount commencing thirty (30) days after the statement date.

2.5.2.2. The Company shall present bills for Recurring and Usage Charges monthly to the Customer, in arrears of the month for which Service is provided.

2.5.2.3. For new Customers or existing Customers whose Service is disconnected, the charge for the fraction of the month in which Service was furnished will be calculated on a pro-rata basis. For this purpose, every month is considered to have thirty (30) days.

2. REGULATIONS (Cont'd)

2.5. Payment Arrangements (Cont'd)

2.5.2 Billing and Collection of Charges (Cont'd)

2.5.2.4. Amounts not paid within thirty (30) days after the date of invoice are considered past due.

2.5.2.5. A $25.00 charge will be assessed for all checks returned for insufficient or uncollected funds or non-existing or closed accounts, apparent tampering, missing signature or endorsement, or any other insufficiency or discrepancy necessitating return of the instrument at the discretion of the drawee bank.

2.5.2.6. In the event that legal action is instituted by the Company to recover any sums then due, and the Company prevails, the Company shall be entitled to recover from the Customer any sums due, attorneys fees and expenses, and any other relief allowed by law.

2. REGULATIONS (Cont'd)

2.5. Payment Arrangements (Cont'd)

2.5.3. Disputed Bills

Customer inquiries or complaints regarding service or accounting may be made in writing or by telephone to the Company at:

Western CLEC Corporation
3650 131st Avenue, SE, Suite 400
Bellevue, WA 98006
(800) 635-0304

Any objection to billed charges should be reported promptly to the Company. Adjustments to Customers' bills shall be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise be appropriate. Where overbilling of a Customer occurs, due either to Company or Customer error, no liability exists which will require the Company to pay any interest, dividend or other compensation on the amount overbilled.

If after investigation and review by the Company, a disagreement remains as to the disputed amount, the Customer may file an appropriate complaint with:

Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

2. REGULATIONS (Cont'd)

2.5. Payment Arrangements (Cont'd)

2.5.4. Advance Payments

2.5.4.1. At the time an application for Service is made, an applicant may be required to pay an amount equal to at least one month's service and/or installation charges which may be applicable, in addition to such special construction and installation charges as are to be borne by the applicant. The amount of the advance payment is credited to the customer's account on the first bill rendered.

2.5.4.2. Federal, state or municipal governmental agencies may not be required to make advance payments.

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2. REGULATIONS (Cont'd)

2.5. Payment Arrangements (Cont'd)

2.5.5. Deposits

2.5.5.1. Applicants for service or existing Customer's whose financial condition is not acceptable to the company, or is not a matter of general knowledge, may be required at any time to provide the Company a security deposit, except that a deposit will not be requested from a Customer who, within the last twelve (12) months, has not had service disconnected for nonpayment of a bill and has not been liable for disconnection of service for nonpayment of a bill, and the bill is not in dispute. Collection by the Company of a deposit will be accordance with the Commission's standards and requirements.

2.5.5.2. The deposit requested will be in cash or the equivalent of cash, and will be held as a guarantee for the payment of charges. A deposit does not relieve the Customer of the responsibility for the prompt payment of bills on representation. The deposit will not exceed an amount equal to:

(1) Two (2) months' charges for telecommunications services or facilities, or long distance services or facilities, actual or estimated, which have a minimum payment period of one month; or

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2. REGULATIONS (Cont'd)

2.5. Payment Arrangements (Cont'd)

2.5.5. Deposits (Cont'd)

(2) one-sixth (1/6) of the charges that would apply for the minimum period for Services or facilities which have a minimum payment period of more than one month; except that the deposit may include an additional amount in event that a termination charge is applicable. In addition, the Company shall be entitled to require such an applicant or Customer to pay all its bills within a specified period of time, and to make such payments in cash or the equivalent of cash. At the Company's option, such deposit may be refunded to the Customer's account at any time. The Company reserves the right to cease accepting and processing Service Orders after it has requested a security deposit and prior to the Customer's compliance with this request.

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2. REGULATIONS (Cont'd)

2.5. Payment Arrangements (Cont'd)

2.5.5. Deposits (Cont'd)

2.5.5.3. A deposit may be required in addition to an Advance Payment.

2.5.5.4. When a Service or facility is discontinued, the amount of a deposit, if any, will be applied to the Customer's account, and any credit balance remaining will be refunded to the Customer, with accrued interest, within forty five (45) days. Before the Service or facility is discontinued, the Company will refund the deposit to the Customer after twelve (12) consecutive months of prompt payment of bills to the Company. The deposit will be refunded by a credit on the Customer's bill.

2.5.5.5. Deposits held will accrue interest in accordance with the Commission's requirements.

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2. REGULATIONS (Cont'd)

2.5. Payment Arrangements (Cont'd)

2.5.6. Discontinuance of Service

The Company may refuse, discontinue or suspend Service, without incurring any liability, under the following conditions provided that, unless otherwise stated, the Customer shall be given prior written notice, where applicable, in accordance with Commission rules:

2.5.6.1. Upon nonpayment of any charges, including deposits for security of payment of Service in accordance with Subsection 2.5.5., owing to the Company.

2.5.6.2. Upon nonpayment of bills thirty (30) or more days past due.

2.5.6.3. Upon violation of any of the other material terms or conditions for furnishing Service if such violation continues during the notice period.

2.5.6.4. Upon condemnation of any material portion of the facilities used by the Company to provide Service to a Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend Service without incurring any liability.

2. REGULATIONS (Cont'd)

2.5. Payment Arrangements (Cont'd)

2.5.6. Discontinuance of Service (Cont'd)

2.5.6.5. Upon the Customer's insolvency, assignment for the benefit of creditors, filing for bankruptcy or reorganization, failing to discharge an involuntary petition within the time permitted by law, or abandonment of Service, the Company may, without prior notice to Customer, immediately discontinue or suspend Service without incurring any liability.

2.5.6.6. Upon any governmental prohibition, or required alteration of the Services to be provided or any violation of any applicable law or regulation, the Company may immediately discontinue or suspend Service without incurring any liability.

2.5.6.7. For non-compliance with or violation of any state, municipal, or federal law, ordinance or regulation pertaining to telephone service.

2.5.6.8. For noncompliance with or violation of Commission regulation.

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2. REGULATIONS (Cont'd)

2.5. Payment Arrangements (Cont'd)

2.5.6. Discontinuance of Service (Cont'd)

2.5.6.9. For use of Service for any purpose other than that described in the Service Order or application.

2.5.6.10. For neglect or refusal to provide reasonable access to the Company or its agents for the purpose of inspection and maintenance of equipment owned by the Company or its agents.

2.5.6.11. For noncompliance with any provision of this tariff if the noncompliance is not corrected within the notice period.

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2. REGULATIONS (Cont'd)

2.5. Payment Arrangements (Cont'd)

2.5.6. Discontinuance of Service (Cont'd)

2.5.6.12. For refusal to furnish information, or for providing false information, to the Company regarding the Customer's identity, address, past or current use of common carrier communications services, or its planned use of the Company's Service(s).

2.5.6.13. Upon ten (10) days' written notice by the Company of any past due amount (which remains unpaid in whole or in part) for any of the Company's other common carrier communications services, of the same kind as the Service at issue, to which the Customer either subscribes or had subscribed or used.

2.5.6.14. Immediately and without notice if the Company deems that such action is necessary to prevent or to protect against fraud or to otherwise protect its personnel, agents, facilities or services. The Company may discontinue service pursuant to this Subsection in the event of:

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2. REGULATIONS (Cont'd)

2.5. Payment Arrangements (Cont'd)

2.5.6. Discontinuance of Service (Cont'd)

(a) A condition determined to be hazardous to the Customer, to other Customers of the Company, to the Company's equipment, the public, or to employees of the Company.

(b) Use, or attempted use, of the Service with the intent to avoid payment either in whole or in part, of the tariffed charges for the service by:

(1) Using or attempting to use Service by rearranging, tampering with, or making connections to the Company's Service not authorized by this tariff.

(2) Using tricks, schemes, false or invalid numbers, false credit devices, or electronic devices.

(3) Any other fraudulent means or devices.

(c) Use of Service or equipment in such a manner as to adversely affect or interfere with the Company's equipment or the Service of other users.

2. REGULATIONS (Cont'd)

2.5. Payment Arrangements (Cont'd)

2.5.6. Discontinuance of Service (Cont'd)

(d) Unauthorized or fraudulent use of Service. Whenever Service is discontinued for fraudulent use of Service, the Company may, before restoring service, require the Customer to make, at his or her own expense, all changes in facilities or equipment necessary to eliminate illegal use and to pay an amount reasonably estimated as the loss in revenue resulting from such fraudulent use.

(e) Any order or decision of a court or other government authority having jurisdiction which prohibits the Company from furnishing such Services.

2.5.6.15. The suspension or discontinuance of Service(s) by the Company pursuant to this Subsection does not relieve the Customer of any obligation to pay the Company for charges due and owing for Service(s) furnished during the time of or up to suspension or discontinuance.

2.5.6.16. Upon the Company's discontinuance of Service to the Customer under Subsections 2.5.6.1, 2.5.6.2, and/or 2.5.6.3, all applicable charges, including termination charges, shall become due. This is in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this tariff.

2. REGULATIONS (Cont'd)

2.6. Allowances for Interruptions of Service

2.6.1. Credit for Interruptions

2.6.1.1. When the use of Service or facilities furnished by the Company is interrupted, except as specified in Subsection 2.6.2. below, a *pro rata* adjustment of the monthly Recurring Charges subject to interruption may be allowed for the Service and facilities rendered useless and inoperative by reason of the interruption. A Service is interrupted when it becomes inoperative to the Customer, e.g., the Customer is unable to transmit or receive, because of a failure of a component furnished by the Company under this tariff.

2.6.1.2. If the Customer reports a Service, facility or circuit to be inoperative but declines to release it for testing and repair, the Service, facility or circuit, is considered to be impaired, but not interrupted. No credit allowances will be made for a Service, facility or circuit considered by the Company to be impaired.

2.6.1.3. An interruption period begins when the Customer reports a Service, facility or circuit to be inoperative and, if necessary, releases it for testing and repair. An interruption period ends when the Service, facility or circuit is operative.

2. REGULATIONS (Cont'd)

2.6. Allowances for Interruptions of Service (Cont'd)

2.6.1. Credit for Interruptions (Cont'd)

2.6.1.4. For calculating credit allowances, every month is considered to have thirty (30) days. A credit allowance is applied on a *pro rata* basis against the monthly Recurring Charges specified hereunder, and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit.

2.6.1.5. Credit allowances for Service outages will be credited as follows:

Length of Interruption	Interruption Period To Be Credited
Up to but not including 3 hours	1/10 Day
3 hours up to but not including 6 hours	1/5 Day
6 hours up to but not including 9 hours	2/5 Day
9 hours up to but not including 12 hours	3/5 Day
12 hours up to but not including 15 hours	4/5 Day
15 hours up to but not including 24 hours	One Day

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2. REGULATIONS (Cont'd)

2.6. Allowances for Interruptions of Service (Cont'd)

2.6.1. Credit for Interruptions (Cont'd)

2.6.1.6. Interruptions over twenty four (24) hours will be rounded up to the next whole twenty four (24) hours.

2.6.2. Limitations on Allowances

No credit allowance will be made for:

(a) interruptions due to the negligence of or noncompliance with the provisions of the tariff by the Customer, Authorized User, Joint User, or other common carrier providing service connected to the Service of Company;

(b) interruptions due to the negligence of any person other than the Company, including, but not limited to, the Customer or other common carriers connected to the Company's facilities;

(c) interruptions due to the failure or malfunction of facilities, systems, power, connections, services or equipment not provided by the Company;

(d) interruptions of Service during any period in which the Company is not given full and free access to its facilities and equipment for the purpose of investigating and correcting interruptions;

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2. REGULATIONS (Cont'd)

2.6. Allowances for Interruptions of Service (Cont'd)

2.6.2. Limitations on Allowances (Cont'd)

(e) interruptions of Service during a period in which the Customer continues to use the Service on an impaired basis;

(f) interruptions of Service during any period when the Customer has released Service to the Company for maintenance purposes or for implementation of a Customer order for a change in Service arrangements;

(g) interruptions of Service due to circumstances or causes beyond the control of the Company;

(h) interruptions that occur or continue due to the Customer's failure to authorize replacement of any element of special construction; and

(i) interruption that was not reported to the Company within thirty (30) days of the date that Service was affected.

2.6.3. Use of Alternative Service by the Company

Should the Customer elect to use an alternative service provided by the Company during the period that a Service is interrupted, the Customer must pay the tariffed rates and charges for the alternative service used.

2. REGULATIONS (Cont'd)

2.7. Cancellation of Service

2.7.1. Cancellation of Application for Service

2.7.1.1. Applications for Service are noncancellable unless the Company otherwise agrees. Where the Company permits Customer to cancel an application for Service prior to the start of Service or prior to any special construction, no charges will be imposed except for those specified below.

2.7.1.2. Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the Service or in preparing to install the Service that it otherwise would not have incurred, a charge equal to the costs the Company incurred shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of service ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had Service begun.

2.7.1.3. The special charges described in Subsections 2.7.1.1 and 2.7.1.2 will be calculated and applied on a case-by-case basis.

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2. REGULATIONS (Cont'd)

2.7. Cancellation of Service (Cont'd)

2.7.2. Cancellation of Service by the Customer

If a Customer cancels a Service Order or terminates Services before the completion of the term for any reason whatsoever other than a Service interruption (as defined in Subsections 2.6.1 and 2.6.2 above), Customer agrees to pay to Company the following sums which shall become due and owing as of the effective date of the cancellation or termination and be payable within the period set forth in Subsection 2.5.2:

2.7.2.1. All costs, fees and expenses reasonably incurred in connection with:

(a) All Non-Recurring Charges reasonably expended by Company to establish Service to Customer, plus

(b) any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by Company on behalf of Customer, plus

(c) all Recurring Charges specified in the applicable Service Order for the balance of the then-current term.

2.7.2.2. In cases where there is a minimum service period, and the Customer terminates Service prior to expiration of that period, Customer shall be liable for the number of months or portion of a month remaining within the minimum service period.

2. REGULATIONS (Cont'd)

2.8. Customer Liability for Unauthorized Use of The Network

2.8.1. Unauthorized Use of the Network

2.8.1.1. Unauthorized use of the Network occurs when: (1) a person or entity that does not have actual, apparent or implied authority to use the Network, obtains the Company's Services provided under this tariff; or (2) a person or entity that otherwise has actual, apparent or implied authority to use the Network, makes fraudulent use of the Network to obtain the Company's Services provided under this Tariff, or uses specific services that are not authorized.

2.8.1.2. The following activities constitute fraudulent use:

(a) Using the Network to transmit a message, locate a person or otherwise give or obtain information, without payment for the Service;

(b) Using or attempting to use the Network with the intent to avoid payment, either in whole or in part, of any of the Company's tariffed charges by either rearranging, tampering with, or making connections not authorized by this tariff to any Service components used to furnish the Company's Services or using fraudulent means or devices, tricks, schemes, false or invalid numbers, false credit devices or electronic devices;

2. REGULATIONS (Cont'd)

2.8. Customer Liability for Unauthorized Use of The Network (Cont'd)

2.8.1. Unauthorized Use of the Network (Cont'd)

(c) 800 callers using the Network with the intent of gaining access to a Customer's outbound calling capabilities on an unauthorized basis; and

(d) Using fraudulent means or devices, tricks, schemes, false or invalid numbers, false credit devices or electronic devices to defraud or mislead callers.

2.8.1.3. Customers are advised that use of telecommunications equipment and services, including that provided under this tariff, carries a risk of various forms of telecommunications fraud (including, but not limited to, toll and PBX fraud perpetrated by users who gain access to a Customer's facilities, account numbers, security or authorization codes, etc.). Customers should take all necessary steps to restrict access to their facilities, including the equipment and Services provided hereunder, and to detect and prevent unauthorized use of the equipment and Services provided by the Company under this tariff.

2. REGULATIONS (Cont'd)

2.8. Customer Liability for Unauthorized Use of the Network (Cont'd)

2.8.2. Liability for Unauthorized Use

2.8.2.1. Except as provided for elsewhere in this tariff, the Customer is responsible for payment of all charges for Services provided under this tariff furnished to the Customer or User. This responsibility is not changed due to any use, misuse or abuse of the Customer's Service or Customer-provided equipment by Users or other third parties, the Customer's employees, or the public.

2.8.2.2. The Customer is responsible for payment of all outbound call charges arising from calls placed to a Customer's 800 service number, whether or not such calls are authorized or fraudulent, where the User gains access to the Customer's outbound calling equipment and services.

2.8.2.3. The Customer is liable for all costs incurred as a result of unauthorized use of the Network, including service charges and any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages.

2.8.2.4. The Customer is responsible for payment of any charges related to the suspension and/or termination of Service, and any charges for reconnection of Service, incurred as a result of unauthorized use of the Network.

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2. REGULATIONS (Cont'd)

2.8. Customer Liability for Unauthorized Use of the Network (Cont'd)

2.8.3. Liability for Calling Card Fraud

2.8.3.1. The Customer is liable for the unauthorized use of the Network obtained through the fraudulent use of a Company calling card, provided that the unauthorized use occurs before the Company has been notified.

2.8.3.2. The Customer must give the Company notice that unauthorized use of a Company calling card has occurred or may occur as a result of loss, theft or other reasons. For the purposes of this Section, "notice" occurs when the Company receives written confirmation that unauthorized use of a Company calling card has occurred or may occur as a result of loss, theft or other reasons.

2. REGULATIONS (Cont'd)

2.8. Customer Liability for Unauthorized Use of the Network (Cont'd)

2.8.4. Liability for Credit Card Fraud

2.8.4.1. The Customer is liable for the unauthorized use of the Network obtained through the fraudulent use of a credit card, provided: (1) the credit card is an accepted credit card, and (2) the unauthorized use occurs before the Company has been notified.

2.8.4.2. An accepted credit card is any credit card that a cardholder has requested or applied for and received, or has signed, used, or authorized another person to use to obtain credit. Any credit card issued as a renewal or substitute in accordance with this paragraph is an accepted credit card when received by the cardholder.

2.8.4.3. The liability of the Customer for unauthorized use of the Network by credit card fraud will not exceed the lesser of $50.00 of the amount of money, property, labor or services obtained by the unauthorized user before notification to the Company.

2.8.4.4. The Customer must give the Company notice that unauthorized use of a credit card has occurred or may occur as a result of loss, theft or other reasons. For the purposes of this section, "notice" occurs when the Company receives written confirmation that unauthorized use of a credit card has occurred or may occur as a result of loss, theft or other reasons.

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2. REGULATIONS (Cont'd)

2.9. Restoration of Service

A non-recurring restoration charge of $25.00 applies to the restoration of suspended Service and facilities because of nonpayment of bills and is payable at the time that the restoration of the suspended Service and facilities is arranged. The restoration charge does not apply when, after disconnection of Service, Service is later re-installed.

2.10. Transfer of Assignment

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the Services and facilities provided by the Company without the written consent of the other party, except that the Company may assign its rights and duties (a) to any subsidiary, parent Company or affiliate of the Company; (b) pursuant to any sale or transfer of substantially all the assets of the Company; or (c) pursuant to any financing, merger or reorganization of the Company.

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2. REGULATIONS (Cont'd)

2.11. Notices and Communications

The following shall apply with respect to notices and communications:

(a) The Customer shall designate on the Service Order an address to which the Company shall mail or deliver all notices and other communications, except that Customer may also designate a separate address to which the Company's bills for Service shall be mailed.

(b) The Company shall designate on the Service Order an address to which the Customer shall mail or deliver all notices and other communications, except that Company may designate a separate address on each bill for Service to which the Customer shall mail payment on that bill.

(c) All notices or other communications required to be given pursuant to this tariff will be in writing. Notices and other communications of either party, and all bills mailed by the Company, shall be presumed to have been delivered to the other party on the third business day following deposit of the notice, communication or bill with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.

(d) The Company or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

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3. SERVICE DESCRIPTIONS AND RATES

3.1. Local Exchange Telephone Service

The Company's Local Exchange Telephone Service provides a Customer with the ability to connect to the Company's switching network which enables the Customer to:

- place or receive calls to any calling Station in the local calling area, as defined herein;
- place or receive interLATA calls;
- place or receive intraLATA calls;
- access enhanced 911 Emergency Service where available;
- access Operator Services;
- access Directory Assistance;
- place or receive calls to 800 telephone numbers;
- access Telecommunications Relay Service.

3.1.1. Local Exchange Telephone Service Area

Local Exchange Telephone Services are provided in limited geographic areas. Where facilities are available, local exchange services may be offered in the service territory of U.S. West.

3.1.2. Local Calling Areas

Exchanges and zones included in the local calling areas, including EAS areas, are the same as those set forth in the U.S. West tariff currently on file with the Commission. NXX's associated with each particular exchange or zone may be found in the telephone directory published by U.S. West in the Customer's exchange area.

3. SERVICE DESCRIPTIONS AND RATES (Cont'd)

3.1. Local Exchange Telephone Service (Cont'd)

3.1.3. Standard Business Service

Standard Business Service provides the Customer with a single, voice-grade communications channel from the Customer's location to the Company's central office and gives the Customer the ability to complete local calls. Each Standard Business Service will include a telephone number.

3.1.3.1. Rates

	Month to Month Non-Recurring	Month to Month Recurring	Yearly Contract Non-Recurring	Yearly Contract Recurring
Business Line	$55.00	$34.00	$55.00	$33.00
Measured Business Line	$55.00	$21.00	$55.00	$20.00

3.1.4. Optional Features

The Company offers the following features in conjunction with Standard Business Services.

3.1.4.1. Custom Calling Services: Custom Calling Services provide the Customer with various telephone line features.

3.1.4.2. Rates

	Month to Month Non-Recurring	Month to Month Recurring	Yearly Contract Non-Recurring	Yearly Contract Recurring
Custom Ringing-1st 1 number	$9.00	$7.00	$6.50	$9.00
Custom Ringing- additional numbers	$9.00	$5.00	$4.50	$9.00

3. SERVICE DESCRIPTIONS AND RATES (Cont'd)

3.1. Local Exchange Telephone Service (Cont'd)

3.1.4. Optional Features (Cont'd)

3.1.4.2. Rates (Cont'd)

	Month to Month Non-Recurring	Month to Month Recurring	Yearly Contract Non-Recurring	Yearly Contract Recurring
Caller ID Call Data-Incoming Each Line/Trunk	$4.50	$4.50	$4.50	$4.50
IntraCall Service	$10.00	$1.25	$10.00	$1.00
Remote Call Forwarding – 1st line	$ 0.00	$7.50	$ 0.00	$7.00
Voice Mail	$10.00	$12.00	$10.00	$11.00
Voice Mail Extension Mailbox	$10.00	$6.00	$10.00	$5.00
Basic Hunting, per access line	$10.00	$7.50	$10.00	$7.50

3. SERVICE DESCRIPTIONS AND RATES (Cont'd)

3.1. Local Exchange Telephone Service (Cont'd)

3.1.4. Optional Features (Cont'd)

3.1.4.2. Rates (Cont'd)

	Month to Month Non-Recurring	Month to Month Recurring	Yearly Contract Non-Recurring	Yearly Contract Recurring
1 Digit Shared Speed Call list	$10.00	$19.00	$10.00	$18.00
1 Digit Each Line Arranged	$10.00	$ 0.00	$10.00	$ 0.00
2 Digit Shared Speed Call list	$10.00	$29.00	$10.00	$27.00
2 Digit Each Line Arranged	$10.00	$ 0.50	$10.00	$10.00
Call Forwarding Busy Line	$10.00	$ 2.00		
Call Forwarding Busy Line/Don't Answer	$10.00	$ 2.25	$10.00	$2.00
Call Forwarding Don't Answer	$10.00	$ 1.75	$10.00	$1.50
Call Rejection	$10.00	$ 4.50	$10.00	$4.00

3. SERVICE DESCRIPTIONS AND RATES (Cont'd)

3.1. Local Exchange Telephone Service (Cont'd)

3.1.4. Optional Features (Cont'd)

3.1.4.2. Rates (Cont'd)

	Month to Month Non-Recurring	Month to Month Recurring	Yearly Contract Non-Recurring	Yearly Contract Recurring
Call Transfer	$10.00	$4.50	$10.00	$4.00
Call Waiting	$10.00	$5.50	$10.00	$4.50
Caller Identification-name and number	$10.00	$7.25	$10.00	$7.00
Caller Identification – number	$10.00	$7.00	$10.00	$6.50
Continuous Redial	$10.00	$3.25	$10.00	$3.25
Dial Call Waiting	$10.00	$1.75	$10.00	$1.50
Distinctive Alert	$10.00	$0.75	$10.00	$0.50
Hot Line	$10.00	$1.75	$10.00	$1.50
Last Call Return	$10.00	$2.75	$10.00	$2.50
Priority Call	$10.00	$3.25	$10.00	$3.00
Selective Call Forwarding	$10.00	$3.25	$10.00	$3.00
Three-Way Calling	$10.00	$5.50	$10.00	$4.50

3. SERVICE DESCRIPTIONS AND RATES (Cont'd)

3.1. Local Exchange Telephone Service (Cont'd)

3.1.4. Optional Features (Cont'd)

3.1.4.2. Rates (Cont'd)

	Month to Month Non-Recurring	Month to Month Recurring	Yearly Contract Non-Recurring	Yearly Contract Recurring
Caller Waiting, Call Forwarding Variable	$10.00	$7.00	$10.00	$6.00

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3. SERVICE DESCRIPTIONS AND RATES (Cont'd)

3.1. Local Exchange Telephone Service (Cont'd)

3.1.4. Optional Features (Cont'd)

3.1.4.2. Rates (Cont'd)

	Month to Month Non-Recurring	Month to Month Recurring	Yearly Contract Non-Recurring	Yearly Contract Recurring
Six Way Calling	$10.00	$ 8.00	$10.00	$ 6.00
Call Forwarding Variable	$10.00	$ 3.25	$10.00	$ 3.00
Caller ID on Call Waiting	$10.00	$ 6.50	$10.00	$ 6.00
Call Waiting, Caller ID & Call Forwarding	$10.00	$11.00	$10.00	$10.00
Anonymous Caller Rejection	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Three-Way Calling Block	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Message Waiting	$10.00	$ 0.25	$10.00	$ 0.20
Caller ID Blocking	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Speed Calling 8	$10.00	$ 1.50	$10.00	$ 1.00
Speed Calling 30	$10.00	$ 1.75	$10.00	$ 1.50
Last Call Return Blocking	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Call Pickup	$10.00	$ 3.00	$10.00	$ 2.00
Value Plan-Call Waiting, Call Forwarding Variable, 3-Way Calling, Caller ID, Call Waiting, Call Pickup, Call Return, Last Call Return, Speed Call (30#)	$10.00	$19.00	$10.00	$16.00

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3. SERVICE DESCRIPTIONS AND RATES (Cont'd)

3.1. Local Exchange Telephone Service (Cont'd)

3.1.5. CENTREX 21 Service

CENTREX 21 is a flat rate, non-blocking business service for customers with three (3) to fifty (50) Stations. It consists of standard features which are available to all Station users in the shared customer group, as well as optional features which may be included on a line-by-line basis. Features may be delivered via analog lines and/or 2B+S (digital voice only) ISDN lines.

3.1.5.1. Rates

	Month to Month Non-Recurring	Month to Month Recurring	Yearly Contract Non-Recurring	Yearly Contract Recurring
Centrex 21 Analog Station Line	$55.00	$41.50	$55.00	$37.00
Centrex 21 2B+S Station Line	$99.00	$61.00	$99.00	$55.00
Centrex 21 Electronic Bus Set Station Line	$0.00	$41.50	$0.00	$37.00
Centrex 21 Bus Set Station Line (RSP)	$0.00	$41.50	$0.00	$37.00

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3. SERVICE DESCRIPTIONS AND RATES (Cont'd)

3.1. Local Exchange Telephone Service (Cont'd)

3.1.5. CENTREX 21 Service (Cont'd)

3.1.5.2. CENTREX 21 Optional Service Features

The following optional features are available in conjunction with CENTREX 21 Service.

	Month to Month Non-Recurring	Month to Month Recurring	Yearly Contract Non-Recurring	Yearly Contract Recurring
Centrex 21 Additional Second Directory Number	$10.50	$0.75	$10.50	$0.50
Centrex 21 Analog Call Appearance	$10.50	$0.75	$10.50	$0.50
Centrex 21 Call Park	$ 4.50	$0.75	$ 4.50	$0.50
Centrex 21 Scheduled Call Forwarding	$ 0.00	$6.50	$ 0.00	$6.00

3.1.6. Point-to-Point Service

Point-to-Point Service provides a dedicated line between a Customer's location and the Company's office equipment.

3.1.6.1. Rates

	Non-Recurring	Recurring
DS1 (Point to Point)	ICB	ICB

3. SERVICE DESCRIPTIONS AND RATES (Cont'd)

3.1. Local Exchange Telephone Service (Cont'd)

3.1.7. Advanced Trunks (Analog DID) Service

Advanced Trunks (analog DID) Service provides a trunking arrangement that allows an incoming call from the switched network to reach a specific PBX station directly, without an attendant's assistance.

3.1.7.1. Rates

	Month to Month Non-Recurring	Month to Month Recurring	Yearly Contract Non-Recurring	Yearly Contract Recurring
DID In-Only Analog Trunk Circuit term Provisioned for DID Call Transfer	$31.50	$38.00	$31.50	$36.00
DID 2-Way, 4-Wire Analog Circuit Termination	$27.00	$40.50	$27.00	$37.00
DID Telephone Numbers/Each (Non-Sequential)	$ 1.00	$ 0.15	$ 1.00	$ 0.14
DID Telephone Numbers/Block of 20 (Sequential)	$18.00	$ 2.75	$18.00	$ 2.50
DID Reservation for Nonsequential Tel No.	$ 0.00	$ 0.00	$ 0.00	$ 0.00

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3. SERVICE DESCRIPTIONS AND RATES (Cont'd)

3.1. Local Exchange Telephone Service (Cont'd)

3.1.7. Advanced Trunks (Analog DID) (Cont'd)

3.1.7.1. Rates (Cont'd)

	Month to Month Non-Recurring	Month to Month Recurring	Yearly Contract Non-Recurring	Yearly Contract Recurring
DID Reservation for Sequential Tel No. per Block of 20	$0.00	$2.75	$0.00	$2.50
DID Expanded Answer Equip w/1st CCSPs	$135.00	$ 20.00	$135.00	$ 18.50
DID Expanded Answer Station No./Each No.	$ 1.50	$ 0.00	$ 1.50	$ 0.00
DID Expanded Answer 3rd CCSP	$ 0.00	$ 42.00	$ 0.00	$ 40.50
DID Expanded Answer 4th CCSP	$ 0.00	$ 60.00	$ 0.00	$ 58.50
DID Expanded Answer 5th CCSP	$ 0.00	$ 74.00	$ 0.00	$ 72.00
DID Expanded Answer 6th CCSP	$ 0.00	$ 84.00	$ 0.00	$ 82.00
DID Expanded Answer 7th CCSP	$ 0.00	$ 91.00	$ 0.00	$ 89.00
DID Expanded Answer 8th CCSP	$ 0.00	$103.00	$ 0.00	$100.00
DID Expanded Answer 9th CCSP	$ 0.00	$110.00	$ 0.00	$108.00
DID Expanded Answer 10th CCSP	$ 0.00	$118.00	$ 0.00	$115.00

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3. SERVICE DESCRIPTIONS AND RATES (Cont'd)

3.1. Local Exchange Telephone Service (Cont'd)

3.1.7. Advanced Trunks (Analog DID) (Cont'd)

3.1.7.1. Rates (Cont'd)

	Month to Month Non-Recurring	Month to Month Recurring	Yearly Contract Non-Recurring	Yearly Contract Recurring
Trunk Queuing for DID Station	$ 2.00	$ 0.00	$ 2.00	$ 0.00
Trunk Queuing per Queue Group	$157.50	$ 0.00	$157.50	$ 0.00
Trunk Queuing per Queue Slot in Group	$ 0.00	$14.00	$ 0.00	$14.00
DID 2-Way Call Transfer/2-way Trunk Equip	$ 9.00	$12.00	$ 9.00	$11.50
DID # Block (20#'s per block)	$ 18.00	$55.00	$ 18.00	$53.00
DID Trunk Circuit Termination (In-Only)	$ 27.00	$40.50	$ 27.00	$37.00
DID 2-Way Digital Trunk Circuit w/ Answer	$ 27.00	$40.50	$ 27.00	$37.00

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3. SERVICE DESCRIPTIONS AND RATES (Cont'd)

3.1. Local Exchange Telephone Service (Cont'd)

3.1.8. Digital Trunking

Digital Trunking provides a DS1 facility between the Customer's PBX and Western CLEC's central office equipment, providing twenty four (24) voice grade channels.

3.1.8.1. Rates

	Month to Month Non-Recurring	Month to Month Recurring	Yearly Contract Non-Recurring	Yearly Contract Recurring
Digital Switched Services (DSS) Basic Trunks or Combo of Basic & Advanced	$900.00	$308.00	$900.00	$301.50
All Digital Switched Service Advanced Trunks – DSS Facility & Common Equipment on DS3	$900.00	$140.00	$900.00	$135.00
All Digital Switched Service Advanced Trunks on DS3 – Basic DSS Trunks with Flat Usage	$900.00	$ 0.00	$900.00	$ 0.00
Basic Digital Switched Service In-Only Trunk w/Hunting	$ 50.00	$ 28.00	$ 50.00	$ 27.00
Basic Digital Switched Service Out-Only Trunk	$ 50.00	$ 28.00	$ 50.00	$ 27.00
Basic Digital Switched Service 2-way Trunk w/Hunting	$ 50.00	$ 28.00	$ 50.00	$ 27.00
Advanced In-Only Trunk w/DID & Hunting	$ 50.00	$ 22.00	$ 50.00	$ 20.50
Advanced Out-Only Trunk w/Answer Supervision	$ 77.00	$ 22.00	$ 77.00	$ 20.50
Advanced Digital Switched Service 2-way Trunk w/DID/Hunting/Answer	$ 50.00	$ 22.00	$ 50.00	$ 20.50
Advanced Digital Switched Service 2-Way Data Trunk	$ 50.00	$ 22.00	$ 50.00	$ 20.50

3. SERVICE DESCRIPTIONS AND RATES (Cont'd)

3.1. Local Exchange Telephone Service (Cont'd)

3.1.9. ISDN

Integrated Services Digital Network is a communications line allowing for transfer of voice, video, and data all on the same line.

3.1.9.1. ISDN Primary Rate Service

(PRI) is a bundling of 24 ISDN channels. The PRI configuration is 23 B+D, 23 B channels for transport of voice, data and video at 64 kbps plus a single D channel for call setup and control.

	Month to Month Non-Recurring	Month to Month Recurring	Yearly Contract Non-Recurring	Yearly Contract Recurring
ISDN PRI Standalone T1 Facility	$900.00	$335.00	$900.00	$301.50
Service Configuration				
ISDN PRI 23B + D Configuration	$922.50	$400.00	$922.00	$360.00
ISDN PRI 24B Configuration	$922.50	$400.00	$922.50	$360.00
ISDN PRI 23B+Back-up D Configuration	$922.50	$400.00	$922.50	$360.00
Trunk Connections, per B Channel				
ISDN PRI Call-by-Call Trunk Connect/B Channel	$50.00	$23.00	$ 50.00	$ 20.50
ISDN PRI Dedicated Inward Trunk Connect/B channel	$77.00	$64.34	$ 77.00	$ 57.50

3. SERVICE DESCRIPTIONS AND RATES (Cont'd)

3.1. Local Exchange Telephone Service (Cont'd)

3.1.9. ISDN (Cont'd)

3.1.9.1. ISDN Primary Rate Service (Cont'd)

	Month to Month Non-Recurring	Month to Month Recurring	Yearly Contract Non-Recurring	Yearly Contract Recurring
ISDN PRI Dedicated Outward Trunk Connect/B Channel	$50.00	$23.00	$50.00	$20.50
ISDN PRI Dedicated 2-Way Trunk Connection/B Channel	$77.00	$64.34	$77.00	$57.50
Circuit Switched Data Connection, Per T1 Facility				
ISDN PRI Circuit Switched Data Connect/23B Data Channels	$1,138.50	$583.00	$1,138.50	$524.50

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3. SERVICE DESCRIPTIONS AND RATES (Cont'd)

3.1. Local Exchange Telephone Service (Cont'd)

3.1.9. ISDN (Cont'd)

3.1.9.1. ISDN Primary Rate Service (Cont'd)

	Month to Month Non-Recurring	Month to Month Recurring	Yearly Contract Non-Recurring	Yearly Contract Recurring
ISDN PRI Circuit Switched Data Connect/24B Data Channels	$1,206.00	$608.00	$1,206.00	$547.00

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3. SERVICE DESCRIPTIONS AND RATES (Cont'd)

3.1. Local Exchange Telephone Service (Cont'd)

3.1.9. ISDN (Cont'd)

3.1.9.2. ISDN Basic Rate Service

	Month to Month Non-Recurring	Month to Month Recurring	Yearly Contract Non-Recurring	Yearly Contract Recurring
ISDN Flat Rate	$99.00	$170.00	$ 99.00 $165.00	$ 99.00 $ 0.00
ISDN Flat Rate/RSP	$99.00	$ 0.00		

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3. SERVICE DESCRIPTIONS AND RATES (Cont'd)

3.1. Local Exchange Telephone Service (Cont'd)

3.1.9. ISDN (Cont'd)

3.1.9.3. ISDN Features: The following basic features available in conjunction with ISDN:

	Month to Month Non-Recurring	Month to Month Recurring	Yearly Contract Non-Recurring	Yearly Contract Recurring
ISDN Call Rejection, Per Number	$9.00	$3.00	$9.00	$ 3.00
ISDN Continuous Redial, Per Terminal	$9.00	$2.00	$9.00	$2.00
ISDN Last Call Return, Per Terminal	$9.00	$1.50	$9.00	$1.50
ISDN Priority Call, Per Terminal	$9.00	$1.50	$9.00	$1.50
ISDN Selective Call Forwarding, Per Number	$9.00	$2.00	$9.00	$2.00

3. SERVICE DESCRIPTIONS AND RATES (Cont'd)

3.1. Local Exchange Telephone Service (Cont'd)

3.1.9. ISDN (Cont'd)

3.1.9.4. ISDN Optional Features: The following optional features are available in conjunction with ISDN.

	Non-Recurring	Recurring
ISDN Additional Call Appearances, Per Appearance	$9.00	$0.50
ISDN Additional PDN, Per PDN	$9.00	$10.50
ISDN Additional Secondary Directory Number, Per PDN	$9.00	$0.50
ISDN Additional Shared Call Appearance, Per Appearance	$9.00	$0.50
ISDN Additional X.25 Logical Channel, Per Channel	$9.00	$0.00
ISDN Additional Call Appearance, Per Terminal	$9.00	$0.50
ISDN Call Forwarding Busy Line-All Calls	$9.00	$0.00
ISDN Call Forwarding Don't Answer-All Calls	$9.00	$0.00
ISDN Call Forwarding Variable-All Calls	$9.00	$0.00
ISDN Caller Identification Blocking - All Calls	$9.00	$0.00
ISDN MultiLine Hunt for CSD-Circular /B Channel	$9.00	$1.50
ISDN MultiLine Hunt for CSD-Regular /B Channel	$9.00	$1.50

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3. SERVICE DESCRIPTIONS AND RATES (Cont'd)

3.1. Local Exchange Telephone Service (Cont'd)

3.1.9. ISDN (Cont'd)

3.1.9.4. ISDN Optional Features (Cont'd)

	Non-Recurring	Recurring
ISDN Multiline Hunt For CSD-UCD Hunt /B Channel	$9.00	$7.50
ISDN Delayed and Abbreviated Ringing	$6.00	$0.00
ISDN Nonstandard Configuration Group, Per Button	$13.50	$0.00
ISDN Six Way conference, Per Terminal	$9.00	$0.50
ISDN X.25 Fast Select	$9.00	$0.00
ISDN X.25 Fast Select Acceptance, Per Number	$9.00	$0.00
ISDN X.25 Reverse Charging, Per Number	$9.00	$0.00
ISDN X.25 Reverse Charging Acceptance, Per Number	$9.00	$0.00
Loop Extension Charge	$90.00	$0.00

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3. SERVICE DESCRIPTIONS AND RATES (Cont'd)

3.1 Local Exchange Telephone Service (Cont'd)

3.1.10. Extended Area Service

This Service expands the Customer's local calling zone enabling the Customer to place calls within the local calling area without incurring intraLATA toll charges.

3.1.10.1. Rates

	Non-Recurring	Recurring
Extended Area Calling Service Gardiner & W. Yellowstone Butte, Billings, Helena & Great Falls	$0.00	$2.00

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Bellevue, WA 98006

3. SERVICE DESCRIPTIONS AND RATES (Cont'd)

3.1 Local Exchange Telephone Service (Cont'd)

3.1.11. PBX CO Trunks

PBX CO Trunks provide point-to-point connection between a Customer's PBX and Western CLEC's central office equipment. PBX trunks can provide inbound-only, outbound-only, two-way, or toll service.

3.1.11.1. Rates

	Month to Month Non-Recurring	Month to Month Recurring	Yearly Contract Non-Recurring	Yearly Contract Recurring
PBX Trunk Flat Rate	$50.00	$33.00	$50.00	$32.00
PBX Trunk Measured Rate	$50.00	$19.00	$50.00	$18.00
PBX 2-Way/4 Wire Flat Rate-E&M, DID & Hunting	$50.00	$75.00	$50.00	$73.00
PBX 1-Way Out Flat Rate	$50.00	$33.00	$50.00	$32.00
PBX 1-Way In Flat Rate	$50.00	$33.00	$50.00	$32.00
PBX 1-Way In/Hunting for DID Flat Rate	$50.00	$41.00	$50.00	$39.00
PBX Measured Rate 1-Way Out Trunk	$50.00	$19.00	$50.00	$18.00
PBX Measured Rate 2-Way In Trunk	$50.00	$19.00	$50.00	$18.00
PBX Measured Rate 1-Way In w/Hunting DID	$50.00	$19.00	$50.00	$18.00

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3. SERVICE DESCRIPTIONS AND RATES (Cont'd)

3.1. Local Exchange Telephone Service (Cont'd)

3.1.12. Miscellaneous Services

3.1.12.1. Listings

	Non-Recurring	Recurring
Listing/Order Charge	$10.50	$2.00
Listing/Telephone Answering Service Bureau	$10.50	$5.00
Listing/Additional Listing Bus.	$10.50	$2.00
Listing/E-Mail Listing	$10.50	$5.00
Listing/Enterprise	$10.50	$2.00
Listing/Special Reversed Charge LD Service Addl Listing	$10.50	$2.00
Listing/Foreign Listing	$10.50	$2.00
Listing/Additional Listing at No Charge	$55.00	$2.00
Listing/Companion Line	$21.00	$20.50
Listing/Non-Companion Line	$21.00	$27.00
Listing/PBX & Semi-Pub PBX	$21.00	$27.00
Listing/Mobile Radio	$10.50	$2.00
Listing/Client Main Listing	$10.50	$4.50
Listing/Mobile Unit #	$10.50	$2.00
Listing/URL / Internet Address	$10.50	$20.50
Listing/Non-List Service at No Charge	$55.00	$2.00
Listing/Non-List Service	$10.50	$1.00
Listing/Non-Pub Listing at No Charge	$55.00	$2.00
Listing/Non-Pub Service	$10.50	$2.50
Listing/Residence Additional Listing	$4.50	$1.00
Listing/Alpha Listing	$10.50	$2.00
Add/Listing/WATS Listing	$10.50	$2.00

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3. SERVICE DESCRIPTIONS AND RATES (Cont'd)

3.1. Local Exchange Telephone Service (Cont'd)

3.1.12. Miscellaneous Services (Cont'd)

3.1.12.2. Premise Visit: Where required, the following premise visit charges apply:

	Non-Recurring	Recurring
Premise Visit Charge - First 15 minutes	$40.00	$0.00
Premise Visit Charge - Additional 15 Minutes	$10.00	$0.00

3.1.12.3. Other Services

	Month to Month Non-Recurring	Month to Month Recurring	Yearly Contract Non-Recurring	Yearly Contract Recurring

3. SERVICE DESCRIPTIONS AND RATES (Cont'd)

3.1. Local Exchange Telephone Service (Cont'd)

3.1.13. Other Charges

Additional charges and surcharges may apply, including the following:

3.1.13.1. Federal Access Charge

Multiline Key and PBX Trunk: $9.00
Individual Line: $3.50

3.1.13.2. Surcharges: As applicable.

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3. SERVICE DESCRIPTIONS AND RATES (Cont'd)

3.2. Directory Assistance

A Customer may obtain Directory Assistance at the following rates:

Regional Directory Assistance	$0.57
National Directory Assistance	$0.64
Directory Assistance Call Completion	$0.58
Directory Assistance Call Completion Link	$0.75
Connect to Directory Assistance	$0.92

3.3. Operator Assistance

A Customer may obtain the assistance of a local Operator to complete local exchange telephone calls.

Operator-Handled Calling Card Call	$0.77
Machine Handled Call	$0.30
Busy Line Verification	$1.20
Busy Line Interrupt	$1.45
Operator Assistance	$0.60

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3. SERVICE DESCRIPTIONS AND RATES (Cont'd)

3.4. Vanity Telephone Numbers

At the request of the Customer, the Company may assign a telephone number with the last four digits selected by the Customer. The assignment is subject to availability of a particular number and subject to the terms and conditions set forth in Subsection 2.1.3. There will be a $200.00 non-recurring charge for Vanity Telephone Numbers.

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4. PROMOTIONAL AND TRIAL OFFERINGS

4.1. Promotional Offerings

The Company, from time to time, may make promotional offerings of its Services which may include waiving or reducing the applicable charges for the promoted service. The promotional offerings may be limited as to the duration, the date and times of the offerings and the locations where the offerings are made.

4.2. Trial Service Offering (TSO)

In the normal course of business the Company, at its discretion, may elect to offer certain Services to Customer on a "trial basis." These trial offerings do not obligate the Company to continue the trial beyond a stated period or to offer said Service as general tariffed offering in the future.

5. INDIVIDUAL CASE BASIS (ICB) ARRANGEMENTS

Arrangements will be developed on a case-by-case basis in response to a bona fide request from a Customer or prospective Customer to develop a competitive bid for a service offered under this tariff. Rates quoted in response to such competitive request may be different than those specified for such service in this tariff. ICB rates will be offered to the Customer in writing and on a non-discriminatory basis.

904195.1

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Western CLEC Corporation
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Bellevue, WA 98006

ATTACHMENT F

BEFORE THE ARIZONA CORPORATION COMMISSION

AZ CORP COMMISSION

SEP 23 11 42 AM '99

DOCUMENT CONTROL

CARL J. KUNASEK
Commissioner-Chairman

JIM IRVIN
Commissioner

WILLIAM A. MUNDELL
Commissioner

IN THE MATTER OF THE APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY OF ECLIPSE COMMUNICATIONS CORPORATION TO PROVIDE COMPETITIVE INTRASTATE TELECOMMUNICATIONS SERVICES AS A RESELLER, LOCAL EXCHANGE SERVICES AS A RESELLER, AND FACILITIES-BASED LOCAL AND INTRASTATE INTEREXCHANGE TELECOMMUNICATIONS IN THE STATE OF ARIZONA	**DOCKET NO. T-03590A-98-0364** **NOTICE OF FILING AFFIDAVIT OF PUBLICATION**

Snell & Wilmer
L.L.P.
LAW OFFICES
One Arizona Center
Phoenix, AZ 85004-0001
(602) 382-6000

Notice is hereby given that Eclipse Communications Corporation has filed this day a copy of the Affidavit of Publication from *The Arizona Republic* evidencing that it has published statewide notice of its application for a certificate of convenience and necessity in the above-captioned proceeding.

RESPECTFULLY submitted this 23rd day of September, 1999.

SNELL & WILMER

Jeffrey W. Crockett, Esq.
One Arizona Center
Phoenix, Arizona 85004-0001
Attorneys for Eclipse
Communications Corporation

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copies filed this 23rd day of
of September, 1999, with:

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

COPIES HAND-DELIVERED
this 23rd day of September, 1999, to:

Jerry L. Rudibaugh, Chief Hearing Officer
Hearing Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Deborah R. Scott, Director
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Maureen A. Scott, Staff Attorney
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

COPIES MAILED this 23rd day
of September, 1999, to:

Timothy Berg, Esq.
Fennemore Craig, P.C.
3003 North Central Avenue
Suite 2600
Phoenix, Arizona 85012

Gina Ball

Snell & Wilmer
L.L.P.
LAW OFFICES
One Arizona Center
Phoenix, AZ 85004-0001
(602) 382-6000

PUBLIC NOTICE

PUBLIC NOTICE OF APPLICATION BY ECLIPSE COMMUNICATIONS CORPORATION TO PROVIDE COMPETITIVE INTRASTATE TELECOMMUNICATIONS SERVICES AS A FACILITIES-BASED PROVIDER AND RESELLER

Eclipse Communications Corporation (the "Company") has filed with the Arizona Corporation Commission (the "Commission") an application for a Certificate of Convenience and Necessity to provide competitive intrastate telecommunications services as a facilities-based provider and reseller in the State of Arizona at rates and terms specified in the tariff filed with the application (Docket No. T-03590A-98-0364). The Company's application is available for inspection during regular business hours at the offices of the Arizona Corporation Commission in Phoenix, Arizona, at 1200 West Washington Street and at the offices of the Company at 3650 131st Avenue SE, Suite 400, Bellevue, Washington 98006.

Interested persons shall have twenty (20) days from the publication of this notice to file objections to the application and petition. The law provides that the Commission may schedule a public hearing at which, under appropriate circumstances, interested parties may intervene. Intervention shall be permitted to any person entitled by law to intervene and having a direct and substantial interest in this matter. Persons desiring to intervene must file a written motion to intervene with the Commission within twenty (20) days from the date of publication of this notice. This motion should be sent to the Company or its counsel and to all parties of record, and which, at the minimum, shall contain the following:

1. The name, address, and telephone number of the proposed intervenor and any party upon whom service of documents is to be made if different than the intervenor.
2. A short statement of the proposed intervenor's interest in the proceeding (e.g., a customer of the Company, a shareholder of the Company, a competitor, etc.)
3. A statement certifying that a copy of the motion to intervene has been mailed to the Company or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105. The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and making a statement on their own behalf.

If you have any questions concerning this application, or want information on intervention, you should contact the Consumer Services Section of the Commission by calling 1-800-222-7000.

99420-August 18, 1999

THE ARIZONA REPUBLIC

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

August 18, 1999

Tom

Sworn to before me this
20 day of
August A.D. 1999

OFFICIAL SEAL
MARILYN GREENWOOD
NOTARY PUBLIC-ARIZONA
MARICOPA COUNTY
My Comm. Expires May 23, 2003

Marilyn Greenwood
Notary Public