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Mr. Brian McNeil
Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

**Re: Talk America Inc. (formerly known as Talk.com Holding Corp. d/b/a
The Phone Company and also d/b/a Network Services of New Hope)
Replacement Interexchange Telecommunications Tariff
Docket No. T-03342A-97-0129**

Dear Mr. McNeil:

Enclosed for filing please find one (1) original and ten (10) copies of the interexchange telecommunications replacement tariff filed on behalf of Talk America Inc. formerly known as Talk.com Holding Corp. d/b/a The Phone Company and also d/b/a Network Services. This replacement tariff has no further changes other than the new name. This replacement tariff cancels and replaces Tariff No. 1 in its entirety and is dated to become effective on September 23, 2001.

Any questions you may have regarding this filing may be directed to my attention at (407) 740-8575.

Please acknowledge receipt of this filing by date-stamping the extra copy of this cover letter and returning it to me in the self-addressed, stamped envelope provided for that purpose.

Sincerely,

Connie M. Wightman
Consultant to Talk America

CW/im

cc: Sharon Thomas, Talk America
File: Talk America AZ IXC
TMS: AZI0103

Arizona Corporation Commission
DOCKETED

AUG 23 2001

DOCKETED BY	
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AZ. CORP. COMMISSION
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APR 26 2001

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THIS SECTION

FILED BY Janet Taylor APPLICATION FOR AUTHORITY
TERM 04/26/01 TO TRANSACT BUSINESS
DATE 04/26/01 IN ARIZONA

1. The corporate name must contain a corporate ending which may be "corporation," "association," "company," "limited," "incorporated"

or an abbreviation of any of these words. If you are the holder or assignee of a tradename or trademark, attach

Declaration of Tradename Holder form. If your name is not available for use in Arizona, you must adopt a fictitious name and provide a resolution adopting the name, which must be executed by the corporation Secretary.

3. You must provide the total duration in years for which your corporation was formed to endure. If perpetual succession, so indicate in this section. Do not leave blank, or state not applicable.

5. The statutory agent address cannot be a P.O. Box. It must be a physical address in Arizona. Include City, State and Zip code

F0049358-6

The name of the corporation is: Talk.com Holding Corp

A(n) PENNSYLVANIA Corporation.
(State, Province or Country)

We are a foreign corporation applying for authority to transact business in the state of Arizona.

We are a foreign corporation currently authorized to transact business in Arizona and must now file this Application for New Authority pursuant to A.R.S. § 10-1504 because we have changed the following in our domicile jurisdiction:

- Our actual corporate name (or the name under which we originally obtained authority in Arizona).
- The period of our duration.
- The state, province or country of our incorporation.

1. The exact name of the foreign corporation is:

Talk America inc.

If the exact name of the foreign corporation is not available for use in this state, then the fictitious name adopted for use by the corporation in Arizona is:

_____(FN).

2. The name of the state, province or country in which the foreign corporation is incorporated is:

Pennsylvania

3. The foreign corporation was incorporated on the 17 day of May,

1989 and the period of its duration is: Perpetual.

4. The street address of the principal office of the foreign corporation in the state, province or country of its incorporation is:

Talk America Inc.

6805 Route 202

New Hope, PA 18938

5. The name and street address of the statutory agent for the foreign corporation in Arizona is:

C T Corporation System

3225 North Central Avenue.

Phoenix, Arizona 85012

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THIS SECTION

5.a. The street address of the known place of business of the foreign corporation in Arizona IF DIFFERENT from the street address of the statutory agent is:

5.b. Indicate to which address the Annual Report should be mailed.

5.b. The Annual Report and general correspondence should be mailed to the address specified above in section 4 K or 5a _____.

6. If the purpose of your corporation has any limitations with regard to this section, so indicate. If not, state no limitations.

6. The purpose of the corporation is to engage in any and all lawful business in which corporations may engage in the state, province or country under whose law the foreign corporation is incorporated, with the following limitations if any:

NONE

7. The names and usual business addresses of the current directors and officers of the foreign corporation are: (Attach additional sheets if necessary.)

Name: Aloysius T. Lawn, IV, Director [title]
Address: 6805 Route 202
City, State, Zip: New Hope, PA 18938

Name: Gabriel Battista, Chairman of Board [title]
Address: 12020 Sunrise Valley Drive
City, State, Zip: Reston VA 20191

Name: Ken Baritz, Director [title]
Address: 1401 NW 136th Avenue
City, State, Zip: Sunrise, FL 33323

8. The total number of authorized shares cannot be "zero" or "N/A". Include authorized, not issued shares in this section.

8. The foreign corporation is authorized to issue 1950 shares, itemized as follows: (Attach additional sheets if necessary.)

1950 shares of common [class or series] stock at _____ no par value or par value of \$ 1 per share.

_____ shares of _____ [class or series] stock at _____ no par value or par value of \$ _____ per share.

_____ shares of _____ [class or series] stock at _____ no par value or par value of \$ _____ per share.

Director

1. Edward Meyercord
6805 Route 202, New Hope, PA 18938

Officers

1. Gabriel Battista, Chairman, Chief Executive Officer
12020 Sunrise Valley Drive, Reston, VA 20190
2. Ken Baritz, President
1401 NW 136th Ave, Sunrise, FL 33323
3. Edward Meyercord, Chief Operating Officer/Chief Financial Officer & Treasurer
6805 Route 202, New Hope, PA 18938
4. Kevin Griffo, Executive Vice President-Sales and Marketing
12001 Science Drive, Suite 130, Orlando, FL 32826
5. Aloysius T. Lawn, IV, Executive Vice President-General Counsel & Secretary
6. George Vinall, Executive Vice President-Business Development
12020 Sunrise Valley Drive, Reston, VA 20190
7. Thomas Walsh, Senior Vice President-Finance
6805 Route 202, New Hope, PA 18938

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9. The total number of issued shares cannot be "N/A".

The Application must be accompanied by the following: A Certificate of Disclosure, executed within 30 days of delivery to the Commission, by a duly authorized officer

Attach a certified copy of your articles of incorporation, all amendments and mergers (AZ Const. Art. XIV, §8) and a certificate of existence or document of similar import duly authenticated (within 60 days) by the official having custody of corporate records in the state, province or country under whose laws we are incorporated.

The agent may consent to the appointment by either executing the consent, attaching a cover letter, or if paying by check, executing the check.

CF:0024 Rev. 01/01

9. The foreign corporation has issued 1950 shares, itemized as follows:
1950 shares of Common [class or series] stock at _____ no par value or par value of \$ 1 per share.
_____ shares of _____ [class or series] stock at _____ no par value or par value of \$ _____ per share.
_____ shares of _____ [class or series] stock at _____ no par value or par value of \$ _____ per share.

10. The character of business the foreign corporation initially intends to conduct in Arizona is:
Provision of Telecommunications

DATED this 16th day of April, 2001

Talk.com Holding Corp
[Name of Corporation]

Executed by Aloysius T. Lawn
Duly Authorized Officer or Director

Aloysius T. Lawn, IV Executive Vice President, General
[print name] [title] Counsel & Secretary

PHONE _____ FAX _____
[optional] [optional]

ACCEPTANCE OF APPOINTMENT BY STATUTORY AGENT

The undersigned hereby acknowledges and accepts the appointment as statutory agent of this corporation effective this 26 day of April, 2001

C T Corporation System
By: Stephen Adamo
Signature

STEPHEN ADAMO
ASSISTANT SECRETARY
[Print Name]

TALK AMERICA INC.

Arizona Tariff No. 3
Original Title Page

This Tariff Arizona Tariff No. 3, cancels and replaces Arizona Tariff No. 1 in its entirety

**TARIFF SCHEDULES
APPLICABLE TO
INTEREXCHANGE TELECOMMUNICATIONS
NAMING
RATES, RULES AND REGULATIONS
GOVERNING OPERATIONS
OF
TALK AMERICA INC.**

6805 Route 202
New Hope, PA 18938
Phone: 215-862-1500
Toll Free: 800-728-3288

Issued: August 23, 2001

Effective: September 23, 2001

Issued By: Aloysius T. Lawn, IV, Executive Vice President
6805 Route 202
New Hope, PA 18938

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TARIFF SCHEDULES
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CHECK SHEET

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

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

* - indicates those pages included with this filing

Issued: August 23, 2001

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New Hope, PA 18938

AZI0103

OTHER CARRIERS

None

CONCURRING CARRIERS

None

CONNECTING CARRIERS

None

OTHER PARTICIPATING CARRIERS

None

Issued: August 23, 2001

Effective: September 23, 2001

Issued By: Aloysius T. Lawn, IV, Executive Vice President
6805 Route 202
New Hope, PA 18938

AZI0103

TABLE OF CONTENTS

Check Sheet 1
SECTION 1 - Technical Terms and Abbreviations 7
SECTION 2 - Rules and Regulations 9
SECTION 3 - Description of Service and Rates 19
SECTION 4 - Current Price List 29

Issued: August 23, 2001

Effective: September 23, 2001

Issued By: Aloysius T. Lawn, IV, Executive Vice President
6805 Route 202
New Hope, PA 18938

AZI0103

SYMBOLS

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

D - Delete or discontinue.

I - Change Resulting in an increase to a Customer's bill.

M - Moved from another tariff location.

N - New

R - Change resulting in a reduction to a Customer's bill.

T - Change in text or regulation but no change in rate.

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APPLICATION OF TARIFF

This tariff contains the regulations and rates applicable to the provision of intrastate resale common carrier communications service by Talk America Inc. in the State of Arizona.

Issued: August 23, 2001

Effective: September 23, 2001

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AZI0103

TARIFF FORMAT

- A. Sheet Numbering** - Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. Sheet Revision Numbers** - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Consult the Check Sheet for the sheet currently 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.A.
 - 2.1.1.A.1.
 - 2.1.1.A.1.(a).
 - 2.1.1.A.1.(a).I.
 - 2.1.1.A.1.(a).I.(i).
 - 2.1.1.A.1.(a).I.(i).(1).
- D. Check Sheets** - When a tariff filing is made with the Commission, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new sheets are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc. remain the same, just revised revision levels on some sheets.)

Issued: August 23, 2001

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AZI0103

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement which connects the Subscriber's or Customer's location to the Carrier's designated point of presence or network switching center.

Account Codes - Optional, customer defined digits that allow the customer to identify the individual user, department, or client associated with a call.

Authorized User - A person, firm or corporation, or any other entity authorized by the Customer or Subscriber to communicate utilizing the Company's services.

Business Line Termination - For use with inbound service only. Incoming calls are routed directly to the Customer's existing local exchange line. No dedicated access terminations are required.

Carrier or Company - Talk America Inc. unless otherwise indicated by the context.

Commission - The Arizona Corporation Commission.

Customer or End-User - The person, firm or corporation, or other entity which orders, cancels, amends, or uses service and is responsible for the payment of charges and/or compliance with tariff regulations.

Customer Premises Equipment - Terminal equipment, as defined herein, which is located on the Customer's premises.

Dedicated Access - See Special Access.

Equal Access - The ability of the Carrier to serve End Users on a presubscribed basis rather than through the use of dial access codes.

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AZI0103

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS, (CONT'D.)

LEC - Local Exchange Company

Premises - A building or buildings on contiguous property.

Special Access Origination - Where originating access between the Customer and the interexchange carrier is provided via a dedicated circuit. The cost of the dedicated circuit is billed by the access provider directly to the end-user.

Subscriber - The person, firm, corporation, or other legal entity which arranges for services of the Company on behalf of itself or Authorized Users. The Subscriber is responsible for compliance with the terms and conditions of this tariff. A Subscriber may also be a Customer when the Subscriber uses services of the Company.

Switched Access - Where access between the Customer and the Carrier is provided on switched Feature Group circuits. The cost of Switched Access is billed to the Carrier.

Terminal Equipment - Devices, apparatus, and associated wiring, such as teleprinters, telephones, or data sets.

Travel Card - A proprietary calling card offered by the Company which enables the Customer to use the Company's service by dialing a Company-provided access number.

V & H Coordinates - Geographic points which define the originating and terminating points of a call in mathematical terms so that the airline mileage of the call may be determined. Call mileage is used for the purposed of rating calls.

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Effective: September 23, 2001

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AZI0103

SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of the Company

The Company is a resale common carrier providing intrastate telecommunications services within the State of Arizona.

Service is provided twenty-four (24) hours per day, seven (7) days a week.

2.2 Limitations

2.2.1 Service is offered subject to the availability of the necessary facilities and equipment, or both facilities and equipment, and subject to the provisions of this tariff.

2.2.2 The Company reserves the right to discontinue or limit service when necessitated by conditions beyond its control, or when the Customer is using service in violation of provisions of this tariff, or in violation of the law.

2.2.3 All facilities provided under this tariff are directly or indirectly controlled by the Company and the Customer may not transfer or assign the use of service or facilities without the prior express written consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service or facilities.

2.2.4 Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions of service.

2.3 Use

Services provided under this tariff may be used for any lawful purpose for which the service is technically suited.

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Effective: September 23, 2001

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AZI0103

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.4 Liabilities of Company**

- 2.4.1** The liability of the Company for its willful misconduct or gross negligence which is the sole legal cause of damage or injury is not limited by this tariff. With respect to any other claim or suit, by a Customer or by any others, for damages associated with acts or omissions involving initiation, installation, provision, termination, maintenance, repair, interruption or restoration of any service or facilities offered under this tariff, the Company's liability, if any, is limited to 1/30 of the monthly charge for service affected for each 24-hour period during which such failure of service occurs and is reported to or known by the Company. For services for which no monthly charge applies, the Company's liability, if any, is limited to an amount equal to the charges applicable to the initial period charge for re-establishing a connection.
- 2.4.2** In no event will Company be responsible for consequential damages or lost profits suffered by Customer on account of interrupted or unsatisfactory service unless Company is found to have been willfully negligent.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.4 Liabilities of Company, (cont'd.)

2.4.3 The Company is not liable for any act or omission of any other company or companies furnishing a portion of the service.

2.4.4 The Company shall be indemnified and held harmless by the Customer against:

- a. Claims for libel, slander, infringement of copyright or unauthorized use of any trade mark, trade name or service mark arising out of the material, data, information, or other content transmitted by the Customer over the Company's facilities; and
- b. Claims for patent infringement arising from combining or connecting the Company's facilities with apparatus and systems of the Customer; and
- c. All other claims arising out of any act or omission of the Customer in connection with any service provided by the Company.

2.4.5 The Company will make no refund of overpayments by a Customer unless the claim for such overpayment together with proper evidence be submitted within one (1) year from the date of alleged overpayment unless billing records prepared by the Company can be produced which would justify a credit beyond one year.

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AZI0103

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.7 Taxes and Fees**

- 2.7.1** All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items on the Customer's bill and are not included in the quoted rates and charges set forth in this tariff.
- 2.7.2** To the extent that a municipality, other political subdivision or local agency of government, or Commission imposes upon and collects from the Company a gross receipts tax, occupation tax, license tax, permit fee, franchise fee, or regulatory fee, such taxes and fees shall, insofar as practicable and allowed by law, be billed pro rata to Customers receiving service from the Company within the territorial limits of such municipality, other political subdivision or local agency of government.
- 2.7.3** The Company may adjust its rates and charges or impose additional rates and charges on its Customers in order to recover amounts it is required by governmental or quasi-governmental authorities to collect from or pay to others in support of statutory or regulatory programs.

A. Public Pay Telephone Surcharge

In order to recover the Company's expenses to comply with the FCC's pay telephone compensation plan effective on October 7, 1997 (FCC 97-371), an undiscountable per call charge is applicable to all interstate, intrastate and international calls that originate from any domestic pay telephone used to access the Company's services. The Public Pay Telephone Surcharge, which is in addition to standard tariffed usage charges and any applicable service charges and surcharges associated with the Company's service, applies for the use of the instrument used to access the Company service and is unrelated to the Company's service accessed from the pay telephone.

Pay telephones include coin-operated and coinless phones owned by local telephone companies, independent companies and other interexchange carriers. The Public Pay Telephone Surcharge applies to the initial completed call and any reoriginated call (i.e., using the "#" symbol).

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Effective: September 23, 2001

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6805 Route 202
New Hope, PA 18938

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.7 Taxes and Fees, Cont'd.****A. Public Pay Telephone Surcharge, cont'd.**

Whenever possible, the Public Pay Telephone Surcharge will appear on the same invoice containing the usage charges for the surcharged call. In cases where proper pay telephone coding digits are not transmitted to the Company prior to completion of a call, the Public Pay Telephone Surcharge may be billed on a subsequent invoice after the Company has obtained information from a carrier that the originating station is an eligible pay telephone.

The Public Pay Telephone Surcharge does not apply to calls placed from pay telephones at which the Customer pays for service by inserting coins during the progress of the call.

Rate per Call, maximum	\$0.30
------------------------	--------

B. Universal Service Fund

A monthly Universal Service Fund charge will be added to each bill based upon the total intrastate billed revenues. This charge shall in no event exceed the amount of the Arizona Corporation Commission assessment levied upon the Company.

2.6 Terminal Equipment

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

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AZI0103

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.7 Installation**

No installation is required to use the Company's service. Service is initiated by request of the Customer. The Company may refuse to provision service when the Company cannot verify that the party requesting the Company's service is not authorized to make the change.

2.8 Payment for Service

2.8.1 The Customer is responsible for payment of all charges for services and equipment furnished to the Customer or to an Authorized User of the Customer by the Company. All charges due by the Customer are payable to the Company or to the Company's authorized billing agent (such as a local exchange telephone company). Any objections to billed charges must be reported to the Company or its billing agent within six months after receipt of bill. Adjustments to the Customer's bill shall be made to the extent that circumstances exist which reasonably indicate that such changes are appropriate.

2.8.2 The Company's bills are due upon receipt. Amounts not paid within 30 days from the due date of the invoice will be considered past due. Customers may be assessed a late fee on past due amounts in the maximum lawful rate under applicable state law but shall not exceed a late fee of 1.5%. If a Customer presents an undue risk of nonpayment at any time, the Company may require that Customer to pay its bills within a specified number of days and to make such payments in cash or the equivalent of cash.

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New Hope, PA 18938

AZI0103

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.8 Payment for Service, Cont'd.

2.8.4 The Customer shall be responsible for all calls placed by or through Customer's equipment by any person. In particular and without limitation to the foregoing, the Customer is responsible for any calls placed by or through the Customer's equipment via any remote access features.

2.9 Deposits

The Company does not require deposits of Customers.

2.10 Advance Payments

The Company does not require advance payments of Customers.

2.11 Cancellation by Customer

Customer may cancel service by providing thirty days notice.

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New Hope, PA 18938

AZI0103

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.12 Refusal or Discontinuance by Company**

Without incurring liability, the Carrier may immediately discontinue or cancel service: Service may be disconnected without advance written notice under the following conditions:

- a) the existence of an obvious hazard to the safety or health of the consumer of the general population or the Company's personnel or facilities;
- b) the Company has evidence of tampering or the evidence of fraud.

Service may be disconnected provided that the Company has provided five days' written notice as established by the AZ C.C. under the following conditions:

- a) Customer violation of any of the utility's tariffs filed with the Commission and/or violation of the Commission's rules and regulations.
- b) Failure of the Customer to pay a bill for service.
- c) Failure to meet or maintain the Company's credit and deposit requirements (if any).
- d) Failure of the Customer to provide the utility reasonable access to its equipment and property.
- e) Customer breach of contract for service between the Company and Customer
- f) When necessary for the Company to comply with an order of any governmental agency having such jurisdiction.

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AZI0103

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.13 Interconnection**

Service furnished by the Company may be connected with the services or facilities of other carriers. Such service or facilities, if used, are provided under the terms, rates and conditions of the other carrier. The Customer is responsible for all charges billed by other carriers for use in connection with the Company's service.

2.14 Inspection, Testing and Adjustment

Upon reasonable notice, the facilities provided by the Company shall be made available to the Company for tests and adjustments as may be deemed necessary by the Company for maintenance.

2.15 Tests, Pilots, Promotional Campaigns and Contests

The Company may conduct special tests, pilot programs, waivers and promotions to demonstrate the ease of use, quality of service and to promote the sale of its services.

2.16 Reservation of Toll Free "800/888" Numbers

The Company will make every effort to reserve Toll Free "800/888" vanity numbers for customers, but makes no guarantee or warranty that the requested number(s) will be available.

2.17 Portability of Toll Free "800/888" Numbers

The Company will participate in porting Toll Free "800/888" numbers only if the account balance is zero and all charges incurred as a result of the Toll Free "800/888" number have been paid.

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New Hope, PA 18938

AZI0103

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.18 Complaint Procedures

Customer complaints and inquiries regarding their bills may be directed to the toll-free number provided by the billing agent on the bill. In addition, inquiries and complaints may also be directed to:

Customer Service Department
TALK AMERICA INC. and
also d/b/a Network Services of New Hope
6805 Route 202
New Hope, PA 18938

(800) 728-3288

If not satisfied with the Company's response, customers may contact:

Consumer Service Section
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007
(602) 542-4251

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SECTION 3 - DESCRIPTION OF SERVICE AND RATES

3.1 General

Service is offered to residential or business customers and is available from equal access originating end offices only.

3.2 Timing of Calls

3.2.1 Long distance usage charges are based on the actual usage of the Company's network. Chargeable time begins when a connection is established between the calling station and the called station. Chargeable time ends when either party "hangs up" thereby releasing the network connection.

3.2.2 Minimum call duration and rounding of calls for measurement and billing purposes is specified for each product in this tariff.

3.2.3 Except for charges that use a special access line, when a call is established in one rate period and ends in another rate period, the rate in effect at the calling station applies to the portion of the call occurring within that rate period. When a unit of time is split between two rate periods, the rate applicable to that unit of time is based on the rate period in which it began.

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6805 Route 202
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AZI0103

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)
3.3 Calculation of Distance

Usage charges for all mileage sensitive products are based on the airline distance between the Rate Centers associated with the originating and terminating points of the call.

The distance between the originating and terminating points is calculated by using the "V" and "H" coordinates of the Rate Centers as defined by BellCore (Bell Communications Research), in the following manner:

- Step 1 - Obtain the "V" and "H" coordinates for the Rate Center of the originating and the destination points.
- Step 2 - Obtain the difference between the "V" coordinates of each of the Rate Centers. Obtain the difference between the "H" coordinates.
- Step 3 - Square the differences obtained in Step 2.
- Step 4 - Add the squares of the "V" difference and "H" difference obtained in Step 3.
- Step 5 - Divide the sum of the square obtained in Step 4 by ten (10). Round to the next higher whole number if any fraction results from the division.
- Step 6 - Obtain the square root of the whole number obtained in Step 5. Round to the next higher whole number if any fraction is obtained. This is the distance between the originating and terminating points of the call.

Formula:

$$\sqrt{\frac{(V_1 - V_2)^2 + (H_1 - H_2)^2}{10}}$$

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6805 Route 202
New Hope, PA 18938

AZI0103

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)

3.4 Time-of-Day Rate Periods

Unless otherwise indicated elsewhere in this tariff, all usage-based rates in this tariff are subject to the following time-of-day, day-of-week, and holiday rate periods:

	MON	TUES	WED	THUR	FRI	SAT	SUN
8:00 AM TO 5:00 PM*	DAYTIME RATE PERIOD						
5:00 PM TO 11:00 PM*	EVENING RATE PERIOD						EVE
11:00 PM TO 8:00 AM*	NIGHT/WEEKEND RATE PERIOD						

* to, but not including

For services subject to holiday discounts, the Evening Rate Period rates apply on the following Company recognized holidays, unless a lower rate would normally apply:

New Year's Day
Memorial Day
Independence Day
Thanksgiving Day
Christmas Day

January 1
As Federally Observed
July 4
As Federally Observed
December 25

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6805 Route 202
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SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)**3.5 Schedule A**

This long distance service applies to customers who access the Company via local exchange company provided switched access. For billing purposes call timing is rounded up to the nearest six (6) second increment after the initial minimum period of eighteen (18) seconds. In addition to the applicable usage charges, calls placed using Travel Card access also incur a fixed service charge per completed call.

MAXIMUM RATES

Mileage Band	DAY		EVENING		NIGHT/WEEKEND	
	Initial Period	Ea.Addl. Period	Initial Period	Ea.Addl. Period	Initial Period	Ea.Addl. Period
All	0.1356	0.0452	0.0948	0.0316	0.0948	0.0316

Travel Card Charge Per Call: \$0.90

3.6 Schedule B

This long distance service applies to customers who access the Company via dedicated special access channels. For billing purposes call timing is rounded up to the nearest six (6) second increment after the initial minimum period of eighteen (18) seconds.

MAXIMUM RATES

Mileage Band	DAY		EVENING		NIGHT/WEEKEND	
	Initial Period	Ea.Addl. Period	Initial Period	Ea.Addl. Period	Initial Period	Ea.Addl. Period
All	0.0966	0.0322	0.0672	0.0224	0.0672	0.0224

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6805 Route 202
New Hope, PA 18938

AZI0103

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)**3.7 Switched Inbound Service**

Switched Toll-Free Service provides an in-bound calling service to the Company Customers. The Company's Customer is billed for each toll-free (i.e., 800/888) call, rather than the call originator. Calls terminate to the Company's Customer via switched access lines. For billing purposes, call timing is rounded up to the nearest six (6) second increment after the initial minimum period of eighteen (18) seconds.

Rates:

	<u>Rate Per Hour of Use</u>
	MAXIMUM
Day	\$33.00
Evening	\$33.00
Night/Weekend	\$33.00

3.8 Dedicated Inbound Service

Dedicated Toll-Free Service provides an in-bound customer provided calling service to The Company's Customers. The Company's Customer is billed for each toll-free (i.e., 800/888) call, rather than the call originator. Calls terminate to the Company's Customer via customer-provided dedicated access lines. For billing purposes, call timing is rounded up to the nearest six (6) second increment after the initial minimum period of eighteen (18) seconds.

	<u>Rate Per Hour of Use</u>
	MAXIMUM
Day	\$19.00
Evening	\$15.00
Night/Weekend	\$13.00

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6805 Route 202
New Hope, PA 18938

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SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)**3.9 Non-Subscriber Calling**

Per Minute Usage Charges are based on airline mileage as calculated using the formula found in Section 3.3 of this tariff. All calls are rounded to the next higher full minute with a minimum billing of one minute per call.

MAXIMUM Per Minute Rates:

Mileage Band	DAY		EVENING		NIGHT/WEEKEND	
	1st Minute	Ea.Addl Minute	1st Minute	Ea.Addl Minute	1st Minute	Ea.Addl Minute
1-10	0.4800	0.2200	0.3120	0.1430	0.2400	0.1100
11-22	0.6800	0.3200	0.4420	0.2080	0.3400	0.1600
23-55	0.7000	0.4000	0.4870	0.2730	0.3900	0.2100
56-124	0.8200	0.5000	0.5610	0.3310	0.4600	0.2700
125-292	0.8400	0.5400	0.5900	0.3700	0.4700	0.3000
293+	0.8600	0.6000	0.6360	0.3960	0.5200	0.3200

Non-subscriber Charge, per Call:

\$3.60

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6805 Route 202
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SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)**3.10 Marketing Partnership Distance Savings Plan**

Marketing Partnership Long Distance Savings Plan (MP LDSP) is offered to Customers who subscribe to service through a participating Internet Service Provider (ISP) or other Marketing Partnership (e.g. AOL Long Distance Savings Plan). The participating marketing partner must have a previously established partnership agreement with the Company. The Customer is billed for each call placed using MP LDSP. Each call is billed in one minute increments. The minimum call duration for billing purposes is one minute. The Customer has access to call detail and billing records only on-line through the participating marketing partner and billing is handled through commercial credit card payment arrangements. Monthly recurring charges apply only to residential toll-free calling service. Optional Travel Service is also available. Travel Service is accessed via a toll-free number provided by the Company. Fractional charges are rounded up to the next highest penny on a per call basis.

	Maximum	
	<u>InterLATA</u>	<u>IntraLATA</u>
MP LDSP Outbound (1+) Rate Per Minute:	\$0.30	\$0.12
MP LDSP Inbound (toll-free)Rate Per Minute:	\$0.30	\$0.30
Travel Card Rate Per Minute:	\$0.30	\$0.30
Travel Card Charge Per Call:	\$0.60	\$0.60
Monthly Recurring Charge, per toll-free number:	\$10.00	

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6805 Route 202
New Hope, PA 18938

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SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)**3.11 Talk America Plan 1**

Talk America Plan 1 is offered to Business Customers for outbound and toll-free inbound calling from/to presubscribed switched lines. The account may be used for interstate, international or intrastate calling. Travel Card service is offered in conjunction with Talk America Plan 1. A per call service charge applies to each completed Travel Card call.

Service is initiated through a qualified Talk America sales agent. Charges are billed via a valid commercial credit card. Call detail and billing records are available on-line via the Talk America web site.

The usage rate for each call is determined by the minimum monthly usage level selected by the Customer. When the Customer's total billing in any monthly billing cycle falls below the selected minimum monthly usage level, the minimum monthly usage fee applies instead of the actual usage charges. Interstate, outbound and inbound (toll-free), international and intrastate outbound and inbound (toll-free) and Travel Card usage, Travel Card per call service charges, and monthly recurring charges apply toward meeting the minimum monthly usage commitment. A term commitment of six (6) months applies to the minimum monthly usage level of \$150.

Calls are billed in six (6) second increments after an initial minimum call duration of thirty (30) seconds. Fractional call charges are rounded up to the next penny.

3.11.1 Early Termination Penalty

When the Customer elects a \$150 minimum monthly usage level that requires a six (6) month term commitment and cancels service prior to fulfillment of the term commitment, a term penalty is immediately applied to the Customer's bill. The term penalty is a one-time charge equal to the minimum monthly usage commitment level multiplied by the number of months remaining in the term.

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6805 Route 202
New Hope, PA 18938

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SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)**3.11 Talk America Plan 1, (Cont'd.)****3.11.2 Usage Charges**

Minimum Monthly Usage	Maximum Per Minute Intrastate
\$50.00	\$0.342
\$100.00	\$0.342
\$150.00	\$0.342

3.11.3 Travel Card Service

Maximum per minute rate:	\$0.249
Maximum Per call service charge:	\$0.99

3.12 Talk America Plan 2

Talk America Plan 2 is offered to Residential Customers for outbound and toll-free inbound calling from/to presubscribed switched lines. The account may be used for interstate, international or intrastate calling. Travel Card service is offered in conjunction with Talk America Plan 2 service. A per call service charge applies to each completed Travel Card service call.

Service is initiated via internet registration or through a qualified Talk America sales agent. Charges are billed via a valid commercial credit card. Call detail and billing records are available on-line via the Talk America web site.

Calls are billed in one (1) minute increments after an initial minimum call duration of one (1) minute. Fractional call charges are rounded up to the next penny.

Rates for this service are the same as the rates that are found in Section 3.10 of this tariff.

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6805 Route 202
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SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)

3.13 Directory Assistance

Directory Assistance is available to Customers of The Phone Company SDN Long Distance Service. A Directory Assistance charge applies to each call to the Directory Assistance Bureau. A maximum of one request may be made on each call to Directory Assistance. The Directory Assistance charge applies to each call regardless of whether the Directory Assistance Bureau is able to furnish the requested telephone number.

Directory Assistance, Per Call: \$1.90

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6805 Route 202
New Hope, PA 18938

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SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)**3.14 Local Exchange Carrier Connected Service**

This service applies to Customers who select the Company as their interLATA or intraLATA carrier through a local exchange carrier without contacting the Company to select a calling plan. Each call will be billed in one minute increments with a minimum call duration of one minute for billing purposes. The applicable rate is the usage rate specified below, in addition to all other applicable service charges and surcharges specified in this tariff.

Rate Per Minute: \$0.1500

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6805 Route 202
New Hope, PA 18938

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SECTION 4 - CURRENT PRICE LIST
4.1 Schedule A - Switched Access

This long distance service applies to customers who access the Company via local exchange company provided switched access. For billing purposes call timing is rounded up to the nearest six (6) second increment after the initial minimum period of eighteen (18) seconds. In addition to the applicable usage charges, calls placed using Travel Card access also incur a fixed service charge per completed call.

Mileage Band	DAY		EVENING		NIGHT/WEEKEND	
	Initial Period	Ea.Addl Period	Initial Period	Ea.Addl Period	Initial Period	Ea.Addl Period
All	0.0678	0.0226	0.0474	0.0158	0.0474	0.0158

Travel Card Charge Per Call:

\$0.75

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6805 Route 202
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SECTION 4 - CURRENT PRICE LIST, (CONT'D)

4.2 Schedule B - Dedicated Access

This long distance service applies to customers who access the Company via dedicated special access channels. For billing purposes call timing is rounded up to the nearest six (6) second increment after the initial minimum period of eighteen (18) seconds.

Mileage Band	DAY		EVENING		NIGHT/WEEKEND	
	Initial Period	Ea.Addl Period	Initial Period	Ea.Addl Period	Initial Period	Ea.Addl Period
All	0.0483	0.0161	0.0336	0.0112	0.0336	0.0112

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6805 Route 202
New Hope, PA 18938

AZI0103

SECTION 4 - CURRENT PRICE LIST, (CONT'D.)

4.3 Switched Inbound

Rate Per Hour of Use

CURRENT

Day	\$16.20
Evening	\$16.20
Night/Weekend	\$16.20

4.4 Dedicated Inbound

Rate Per Hour of Use

CURRENT

Day	\$9.42
Evening	\$7.86
Night/Weekend	\$6.57

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6805 Route 202
New Hope, PA 18938

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SECTION 4 - CURRENT PRICE LIST, (CONT'D.)

4.5 Non-Subscriber Calling

Per Minute Usage Charges are based on airline mileage as calculated using the formula found in Section 3.3 of this tariff. All calls are rounded to the next higher full minute with a minimum billing of one minute per call.

Mileage Band	DAY		EVENING		NIGHT/WEEKEND	
	1st Minute	Ea.Addl Minute	1st Minute	Ea.Addl Minute	1st Minute	Ea.Addl Minute
1-10	0.2400	0.1100	0.1560	0.0715	0.1200	0.0550
11-22	0.3400	0.1600	0.2210	0.1040	0.1700	0.0800
23-55	0.3500	0.2000	0.2435	0.1365	0.1950	0.1050
56-124	0.4100	0.2500	0.2805	0.1655	0.2300	0.1350
125-292	0.4200	0.2700	0.2950	0.1850	0.2350	0.1500
293+	0.4300	0.3000	0.3180	0.1980	0.2600	0.1600

Non-subscriber Charge, per Call: \$1.80

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6805 Route 202
New Hope, PA 18938

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SECTION 4 - CURRENT PRICE LIST, (CONT'D.)**4.6 MP Long Distance Savings Plan**

	<u>InterLATA</u>	<u>IntraLATA</u>
MP LDSP Outbound (1+) Rate Per Minute:	\$0.15	\$0.089
MP LDSP Inbound (toll-free) Rate Per Minute:	\$0.15	\$0.15
Travel Card Rate Per Minute:	\$0.249	\$0.249
Travel Card Charge Per Call:	\$0.99	\$0.99
Monthly Recurring Charge, per toll-free number	\$5.00	

4.7 Talk America Plan 1 Rates**4.7.1 Usage Charges**

	Per Minute
Minimum Monthly Usage	Intrastate
\$50.00	\$0.171
\$100.00	\$0.171
\$150.00	\$0.171

4.7.2 Travel Card Service

Per minute rate:	\$0.249
Per call service charge:	\$0.99

4.8 Talk America Plan 2 Rates

Rates for this service are the same as the rates that are found in Section 4.6 of this tariff.

4.9 Directory Assistance

Directory Assistance, Per Call:	\$0.95
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6805 Route 202
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AZI0103

SECTION 4 - CURRENT PRICE LIST, (CONT'D.)**4.10 Local Exchange Carrier Connected Service**

This service applies to Customers who select the Company as their interLATA or intraLATA carrier through a local exchange carrier without contacting the Company to select a calling plan. Each call will be billed in one minute increments with a minimum call duration of one minute for billing purposes. The applicable rate is the usage rate specified below, in addition to all other applicable service charges and surcharges specified in this tariff.

Rate Per Minute: \$0.1500

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6805 Route 202
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