



0000041939

NEW APPLICATION

**HEIN & ASSOCIATES, P. C.**

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DOCKET NO.

T-03616A-98-0486

August 19, 1998

hbastiampillai@helein.com

Arizona Corporation Commission

**DOCKETED**

AUG 27 1998

DOCKETED BY

**VIA OVERNIGHT DELIVERY**

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

Re: **Network International, LC**  
**Application for Certificate of Public Convenience and Necessity**

Ladies and Gentleman:

On behalf of Network International, LC ("NIL"), a long distance resale carrier, we transmit herewith an original and ten (10) copies of an application for a Certificate of Public Convenience to provide intrastate resale of long distance telecommunications services in Arizona.

An extra copy of this letter and application is also enclosed to be date-stamped and returned to the undersigned in the pre-addressed, postage-paid envelope provided. Should any questions arise, kindly contact the undersigned.

Please direct all inquiries or correspondence related to this filing to the attention of the undersigned.

Respectfully submitted,

Harisha J. Bastiampillai  
Regulatory Counsel

Enclosures

# NEW APPLICATION

BEFORE THE ARIZONA CORPORATION COMMISSION  
AZ CORP COMMISSION

MARCIA WEEKS  
CHAIRMAN  
RENZ D. JENNINGS  
COMMISSIONER  
CARL J. KUNASEK  
COMMISSIONER

DOCKET NO. T-03616A-98-0486

AUG 27 11 34 AM '98

DOCUMENT CONTROL

~~Arizona Corporation Commission~~  
**DOCKETED**

AUG 27 1998

IN THE MATTER OF THE )  
APPLICATION OF )  
NETWORK INTERNATIONAL, LC )  
FOR A CERTIFICATE )  
OF CONVENIENCE AND NECESSITY )  
TO PROVIDE INTEREXCHANGE )  
TELECOMMUNICATIONS SERVICES )  
WITHIN THE STATE OF ARIZONA )

DOCKETED BY 

DOCKET NO. T-03616A-98-0486

APPLICATION OF

NETWORK INTERNATIONAL, LC

FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY

## GENERAL REQUIREMENTS

A. Applicant:

Network International, LC  
12126 Darnestown Road, Suite 6  
Gaithersburg, MD 20878  
(800) 980-0023

B. Management Contact for Applicant:

Mark Sandler  
President  
Network International, LC  
12126 Darnestown Road, Suite 6  
Gaithersburg, MD 20878  
(800) 980-0023

C. Attorney for Applicant:

Harisha Bastiampillai, Esquire  
Helein & Associates, P.C.  
8180 Greensboro Drive, Suite 700  
McLean, Virginia 22102  
(703) 714-1321 (voice)  
(703) 714-1330 (facsimile)

D. Nature of Services to be Provided:

1. In accordance with Ariz. Rev. Stat. Ann. Section 40-101 et seq. (1991) and Ariz. Comp. Admin. R. & Regs. R14-2-503 (1991), Network International, LC (hereinafter "Applicant" or "NIL") hereby files an application for a certificate of convenience and necessity from the Arizona Corporation Commission (hereinafter "Commission") to provide intrastate, interLATA and intraLATA telecommunications services (resale of presubscribed "1+" long-distance service, 800/888 inbound service, and calling card service) within Arizona. The telecommunications services Applicant proposes to offer within Arizona will be similar to Applicant's existing interstate service for which no Commission authority is required.

2. Applicant's service provides for the switchless resale of the tariffed services of certified facilities-based carriers, such as Cable & Wireless or WorldCom Network Services, Inc. to businesses and residences.

3. Applicant's service will be available 24 hours a day, seven days a week, for calls originating and terminating in Arizona.

4. Applicant submits the following reasons in support of its belief that the Commission should grant its application:

- (a) Applicant's proposed resale of long-distance telephone service will meet the needs of subscribers who wish to obtain the lower-cost, competitively priced telecommunications services traditionally available only to high volume users.
- (b) In addition to providing its subscribers with the cost advantages realized by the resale of facilities-based capacity, Applicant's proposed service will help to optimize the use of existing telecommunications facilities and contribute to their efficient use and operation.
- (c) The Commission's granting of the instant application is consistent with the Commission's Order in Decision No. 57339, Docket No. U-2507-88-045, et al. (April 5, 1991), in which the Commission recognized that competition within the intrastate, interLATA telecommunications market provides long-term benefits to Arizona consumers, among which benefits are the following: (i) lower-priced and better quality services; (ii) innovative packaging of telecommunications resources as well as increased diversification and reliability of supply of telecommunications services; and (iii) development of an expanded telecommunications supply industry in Arizona with attendant employment opportunities for Arizona residents.

5. The Commission's order granting authority to Applicant may require the filing and updating of limited tariffs setting forth certain of Applicant's telecommunications services and

rates. Such rates need not be supported by cost data and should become automatically effective after a reasonable waiting period determined by the Commission because the marketplace will dictate price. In addition, Applicant will be subject to the Commission's present complaint procedures. However, the Commission may wish to apply modified complaint procedures to resolve customer disputes with Applicant as a competitive provider of long-distance services.

6. Applicant requests that the Commission grant it authority to provide "1+" outbound, inbound, and calling card long-distance services on a resale basis in Arizona subject to the above-referenced conditions. Such a regulatory scheme will protect Arizona consumers and promote competition and consequently efficiency in the provision of intrastate interLATA and intraLATA telecommunications services.

7. Applicant requests that its application be granted on an ex parte basis. Applicant is prepared to offer its low-cost, long-distance telecommunications services immediately upon Commission authorization and to begin providing the benefits of its service offerings to Arizona consumers.

E. Corporate Status of Applicant:

Applicant is a privately-held limited liability corporation, incorporated under the laws of the State of Virginia.

F. Corporate Documents, Officers, and Directors:

1. A copy of Applicant's Articles of Organization is attached as Exhibit 1. Applicant's Certificate of Authority to Do Business in the State of Arizona has been applied for and will be provided as soon as it is obtained.

2. Copies of Applicant's current Certificate of Good Standing from the State of Virginia is attached as Exhibit 3.

3. Names of Officers and Directors:

Mark Sandler - President

Patrick McGugan - Vice President of Operations

David Pritz - Vice President - MIS Systems

Laura Campos-Sandler - Secretary

4. Not applicable (Applicant is not an Arizona corporation).

G. Not applicable (Applicant is not a partnership).

H. Not applicable (Applicant is not a sole proprietorship).

I. Description of facilities that will be used to provide service in Arizona:

Applicant will provide presubscribed "1 + " resale of outbound and inbound long-distance service. All facilities and equipment used to provide Applicant's service are operated and maintained by Applicant's underlying carriers, currently WorldCom Network Services, Inc. And Cable & Wireless.

J. Not applicable (no construction will be necessary).

K. Not applicable (no construction will be necessary).

L. Current Balance Sheet and One Year Projected Balance Sheet:

A copy of Applicant's current balance sheet is attached as Exhibit 4. A copy of Applicant's one year projected balance sheet will be filed with the Commission upon request.

M. Current Income Statement:

A copy of Applicant's current income statement is attached as Exhibit 6.

N. Date Utility Expects to Make a Profit:

Applicant expects to make a profit in Arizona within 6 months of certification.

O. Proposed Tariff:

A copy of Applicant's proposed tariff is attached as Exhibit 7.

P. Map of Service Area

A copy of Applicant's proposed service area is attached as Exhibit 8.

Q. Complaint Processing Procedures

Applicant's complaint processing procedures are described in Exhibit 9.

R. List of Approved States

A list of states in which applicant is approved is at Exhibit 10.

S. Diagram of Call Network

A diagram of Applicant's Call Network is found in Exhibit 11.

Respectfully submitted this 19<sup>th</sup> day of August, 1998.

Network International, LC

By:   
Harisha Bastiampillai, Esquire  
Helein & Associates, P.C.  
8180 Greensboro Drive, Suite 700  
McLean, Virginia 22102

Its Attorneys

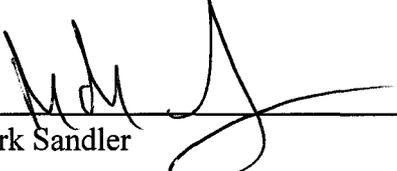
**VERIFICATION**

STATE OF MARYLAND

COUNTY OF \_\_\_\_\_

Mark Sandler, being duly sworn, deposes and says:

That he is the President of Network International; that he has read the foregoing petition and knows the contents thereof, and that the same is true of his own knowledge except as to the matters therein stated upon information and belief, and as to those matters he believes them to be true; and that he consents to the verified affidavit being used as evidence in this proceeding.

  
\_\_\_\_\_  
Mark Sandler

Subscribed and sworn to me this 13 day of July, 1998.

  
\_\_\_\_\_  
Notary Public

My commission expires:

1/10/99

**EXHIBIT 1**

**Articles of Organization**

SECRETARY'S OFFICE

96 APR 30 AM 10:02

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION  
ARTICLES OF ORGANIZATION

Pursuant to Chapter 12 of Title 13.1 of the Code of Virginia the undersigned states as follows:

1. The name of the limited liability company is:

NETWORK INTERNATIONAL, LC

2. The address of the initial registered office in Virginia is:

McGUIRE WOODS BATTLE & BOOTHE, LLP  
8280 GREENSBORO DRIVE  
SUITE 900, TYSONS CORNER  
MCLEAN, VIRGINIA 22102-3892

Located in the county of FAIRFAX.

3. A. The registered agent's name is LARRY RIFKEN whose business address is identical with the registered office.

B. The registered agent is an INDIVIDUAL who is a resident of Virginia and a member of the Virginia State Bar.

4. The post office address of the principal office where the records will be maintained pursuant to Virginia Code § 13.1-1028 is:

12126 DARNESTOWN ROAD, SUITE 6  
GAITHERSBURG, MARYLAND 20878

5. The latest date on which the limited liability company is to be dissolved and its affairs would up is:

DECEMBER 31, 2026.

6. Signature:

  
Organizer

4/16/96  
Date

ROBERT D. GROSSMAN, JR.  
Printed Name

F:\DAC\NETWORK.INT

**COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION**

April 30, 1996

The State Corporation Commission has found the accompanying articles submitted on behalf of

**NETWORK INTERNATIONAL, LC**

to comply with the requirements of law, and confirms payment of all related fees.

Therefore, it is ORDERED that this

**CERTIFICATE OF ORGANIZATION**

be issued and admitted to record with the articles of organization in the Office of the Clerk of the Commission.

**STATE CORPORATION COMMISSION**

By



--- Commissioner

96-04-30-4002

# Commonwealth of Virginia



## State Corporation Commission

I Certify the Following from the Records of the  
Commission:

The foregoing is a true copy of the ARTICLES OF ORGANIZATION filed in this office on April 30, 1996 by NETWORK INTERNATIONAL, LC, a VIRGINIA Limited Liability Company.

Nothing more is hereby certified.



Signed and Sealed at Richmond  
on this Date: June 05, 1998

*William J. Bridge*

William J. Bridge, Clerk of the Commission

**EXHIBIT 2**

**Authority to Transact Business in Arizona**

Applicant has requested the authority to do business in Arizona from the Arizona Secretary of State. A copy of the certificate granting same will be forwarded upon receipt for inclusion herein.

**EXHIBIT 3**

**Certificate of Good Standing**

Applicant's Certificate of Good Standing in Virginia, its state of incorporation, is attached.

# Commonwealth of Virginia



## State Corporation Commission

I Certify the Following from the Records of the  
Commission:

The foregoing is a true copy of the ARTICLES OF ORGANIZATION filed in this office on April 30, 1996 by NETWORK INTERNATIONAL, LC, a VIRGINIA Limited Liability Company.

Nothing more is hereby certified.



Signed and Sealed at Richmond  
on this Date: June 05, 1998

*William J. Bridge*

William J. Bridge, Clerk of the Commission

**EXHIBIT 4**

**Current Balance Sheet**

NETWORK INTERNATIONAL, LC

Balance Sheet

May 31, 1998

ASSETS

Current Assets

Checking Account	\$65,576.19
Tax Account	4,559.63
CAP A/C Account	110,812.51

Bank Accounts	\$180,948.33
Employee Advances	9,193.74

TOTAL CURRENT ASSETS		\$190,142.07
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Property, Plant & Equipment

Equipment	\$3,256.66
Furniture & Fixtures	6,615.43
Less:	
Accumulated Depreciation	(3,296.00)

Net Plant and Equipment	\$6,576.09
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TOTAL PROPERTY, PLANT & EQUIPMENT		\$6,576.09
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Other Assets

Security Deposits	\$4,078.96
Net Organization Costs	0.00

TOTAL OTHER ASSETS		\$4,078.96
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TOTAL ASSETS		\$200,797.12
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**NETWORK INTERNATIONAL, LC**

**Balance Sheet**

**May 31, 1998**

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**Current Liabilities**

Payroll Taxes Payable \$0.00

TOTAL CURRENT LIABILITIES \$0.00

**Long Term Liabilities**

Notes Payable-Stockholder \$889,480.15

TOTAL LONG TERM LIABILITIES \$889,480.15

**TOTAL LIABILITIES** \$889,480.15

**Stockholders' Equity**

Common Stock \$5,000.00  
Retained Earnings (693,683.03)

TOTAL STOCKHOLDERS' EQUITY (\$688,683.03)

**TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY** \$200,797.12

**EXHIBIT 5**

**One Year Projected Balance Sheet**

**Will be provided to Commission immediately  
upon request.**

**EXHIBIT 6**

**Current Income Statement**

**NETWORK INTERNATIONAL, LC**  
**Statement of Income**  
**One Month Ended May 31, 1998, and the Five Months Then Ended**

	<u>One Month</u>	<u>%</u>	<u>Five Months</u>	<u>%</u>
<b>Revenue</b>				
Sales	\$406,556.11	87.8	\$1,198,667.41	91.2
Sales - OAN	56,274.62	12.2	112,007.67	8.5
Interest Income	491.56	.1	4,045.79	.3
Refunds	0.00	.0	(229.05)	(.0)
<b>NET REVENUE</b>	<b>463,322.29</b>	<b>100.0</b>	<b>1,314,491.82</b>	<b>100.00</b>
<b>Disbursements</b>				
Advertising	0.00	.0	(2,477.24)	(.2)
Bank Charges	351.50	.1	1,598.81	.1
Billing Fees	5,431.96	1.2	20,886.33	1.6
Commissions - Agent	20,779.47	4.5	55,531.44	4.2
Contract Labor	0.00	.0	1,193.50	.1
Credit Card Fees	925.07	.2	3,995.58	.3
Equipment Lease	1,341.34	.3	8,400.95	.6
Graphic Design	0.00	.0	10,731.65	.8
Insurance	1,297.31	.3	11,351.55	.9
Legal & Accounting	1,326.29	.3	11,222.10	.9
Office Supplies	1,409.84	.3	4,785.27	.4
Payroll Taxes	1,919.35	.4	8,482.73	.7
Postage & Freight	500.60	.1	2,824.95	.2
Rent	1,790.30	.4	8,718.50	.7
Salaries & Wages - Other	24,149.93	5.2	102,099.77	7.8
Sales Leads	0.00	.0	153,236.19	11.7
Taxes & Licenses	14,861.04	3.2	14,861.04	1.1
Tax Administration	2,750.00	.6	13,750.00	1.1
Taxes from Tax Account	18,191.89	3.9	95,276.63	7.3
Telemarketing Phil (Nova)	12,690.00	2.7	24,285.00	1.9
Telemarketing Vegas (Telenet)	45,712.51	9.9	182,968.58	13.9
Telmarketing Fl	0.00	.0	3,108.00	.2
Telephone	0.00	.0	11,797.45	.9
Telephone - Line Usage	211,000.00	45.5	641,535.78	48.8
Telephone Line Usage - Offshore	0.00	.0	31.45	.0
Travel & Entertainment	4,501.21	1.0	20,870.07	1.6
Utilities	86.28	.0	545.90	.0
Verification Phil (Nova)	2,053.00	.4	4,137.00	.3
Verification Vegas (Telenet)	12,463.00	2.7	34,766.85	2.6
Verification Fl	0.00	.0	450.75	.0
<b>TOTAL DISBURSEMENTS</b>	<b>385,531.89</b>	<b>83.2</b>	<b>1,450,966.58</b>	<b>110.4</b>
<b>NET INCOME BEFORE AMORTIZATION AND DEPRECIATION</b>	<b>77,790.40</b>	<b>16.8</b>	<b>(136,474.76)</b>	<b>(10.4)</b>
<b>NET INCOME</b>	<b>\$77,790.40</b>	<b>16.8</b>	<b>(\$136,474.76)</b>	<b>(10.4)</b>

**EXHIBIT 7**

**Proposed Tariff**

**TELECOMMUNICATIONS SERVICES TARIFF**

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TITLE SHEET

ARIZONA TELECOMMUNICATIONS TARIFF

This tariff contains the description, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services provided by Network International, LC., with principal offices at 12126 Darnestown Road, Suite 6, Gaithersburg, MD 20878. This tariff applies to services furnished within Arizona. This tariff is on file with the Arizona Corporation Commission, where copies may be inspected during normal business hours. The address of the Arizona Corporation Commission is as follows:

Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

The name, address and telephone numbers for the officer of Network International, LC who is responsible for providing information with respect to the operating procedures of the Company is listed below.

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**ISSUED:**

**EFFECTIVE:**

**By: Mark Sandler, President  
Network International, LC  
12126 Darnestown Road, Suite 6  
Gaithersburg, MD 20878**

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**TELECOMMUNICATIONS SERVICES TARIFF**

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CHECK SHEET

Pages 1 through 22 inclusive of this tariff are effective as of the date shown at the bottom of the respective page(s). Original and revised pages as named below comprise all changes from the original tariff and are currently in effect as of the date at the bottom of this page.

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

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**ISSUED:****EFFECTIVE:**

**By: Mark Sandler, President  
Network International, LC  
12126 Darnestown Road, Suite 6  
Gaithersburg, MD 20878**

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TELECOMMUNICATIONS SERVICES TARIFF

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**ISSUED:**

**EFFECTIVE:**

**By: Mark Sandler, President  
Network International, LC  
12126 Darnestown Road, Suite 6  
Gaithersburg, MD 20878**

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TELECOMMUNICATIONS SERVICES TARIFF

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SYMBOLS

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

- (D) - Discontinued rate or regulation
- (I) - Increase in rate
- (M) - Moved to/from another tariff location
- (N) - New rate or regulation
- (R) - Reduction in rate
- (T) - Change in text only

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ISSUED:

EFFECTIVE:

By: **Mark Sandler, President**  
**Network International, LC**  
**12126 Darnestown Road, Suite 6**  
**Gaithersburg, MD 20878**

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**TELECOMMUNICATIONS SERVICES TARIFF**

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TARIFF FORMAT

- A. Page Numbering - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between pages 14 and 15 would be 14.1.
- B. Page Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the A.C.C. For example, 4th Revised Page 14 cancels the 3rd Revised Page 14. Because of various suspension periods, deferrals, etc. the A.C.C. follows in its tariff approval process, the most current page number on file with the A.C.C. is not always the tariff page in effect. Consult the Check Sheet for the page 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).(l).

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**ISSUED:****EFFECTIVE:**

**By: Mark Sandler, President  
Network International, LC  
12126 Darnestown Road, Suite 6  
Gaithersburg, MD 20878**

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**TELECOMMUNICATIONS SERVICES TARIFF**

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**TARIFF FORMAT** (Cont'd)

- D. Check Sheets - When a tariff filing is made with the A.C.C., an updated check sheet accompanies the tariff filing. The check sheet lists the pages contained in the tariff, with a cross reference to the current revision number. When new pages 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 page if these are the only changes made to it (i.e., the format, etc., remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular page is the most current on file with the A.C.C.

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**ISSUED:****EFFECTIVE:**

**By: Mark Sandler, President**  
**Network International, LC**  
**12126 Darnestown Road, Suite 6**  
**Gaithersburg, MD 20878**

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**TELECOMMUNICATIONS SERVICES TARIFF**

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**SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS**

Access Line - A telephone line provided by local exchange carriers which connect a telephone or other communications device at a customer's location to Network International LC's underlying carrier's telecommunications network switching center(s).

Authorization or Account Code - A numerical code of four to eleven digits, one or more of which codes are available to a customer to enable the customer to lawfully connect its communication devices for the purpose of accessing the telecommunications networks of Network International, LC's Underlying Carrier, and which thereby are used to prevent unauthorized network access and to identify the customer and its calling volumes for billing purposes.

Carrier or Company - Network International, LC or "NIL."

Customer - The person, firm, corporation, end user, or other entity which orders or uses services and is responsible for the payment of charges.

A.C.C. - Arizona Corporation Commission.

Holidays - New Year's Day, Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day.

Service Agreement - Company's standard form for the ordering and acceptance of a customer's request for and commitment to take Company's service offerings pursuant to this tariff.

Rate Center - The Points of Presence (POPs) or first point of interconnection of local exchange facilities providing access to the long distance network of the Company's Underlying Carrier and the point from which a customer's traffic is rated and billed.

Underlying Carrier - The telecommunications carrier whose network facilities provide the technical capability and capacity necessary for the transmission and reception of customer telecommunications traffic within Arizona.

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**ISSUED:**

**EFFECTIVE:**

**By: Mark Sandler, President  
Network International, LC  
12126 Darnestown Road, Suite 6  
Gaithersburg, MD 20878**

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**TELECOMMUNICATIONS SERVICES TARIFF**

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**SECTION 2 - RULES AND REGULATIONS****2.1 Undertaking of Company**

Company undertakes to provide only those designated Services as are furnished under the terms and subject to the conditions and customer payment of the applicable rates of this tariff for communications originating and terminating within Arizona.

The Company's Services are available to its customers twenty four hours per day, seven days per week.

**2.2 Limitations**

2.2.1 Service is offered subject to the availability of the facilities of Company's Underlying Carrier and the provisions of this tariff.

2.2.2 Company reserves the right to discontinue furnishing service, or limit the use of service necessitated by conditions beyond its control, including without limitation, for customer non-payment of charges; or when the customer's use of a service becomes or is in violation of the law or the provisions of this tariff.

2.2.3 The Services provided under this tariff are subject to the direct and exclusive control of the Company. No one may alter or affect the Services nor transfer or assign its use of the Services without the express written consent of the Company, which consent may be withheld, without limitation, by Company in its sole discretion at any time such alteration, effect, transfer or assignment would result in an interruption of the Services or a change in the customer's location to which the Services are to be provided.

---

**ISSUED:****EFFECTIVE:**

**By: Mark Sandler, President  
Network International, LC  
12126 Darnestown Road, Suite 6  
Gaithersburg, MD 20878**

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**TELECOMMUNICATIONS SERVICES TARIFF**

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**SECTION 2 - RULES AND REGULATIONS (Cont'd)****2.2 Limitations (Cont'd)**

2.2.4 In the event prior written permission from the Company is given for 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 for service.

**2.3 Liabilities of the Company**

2.3.1 Company has no liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in the transmission or call processing of customer's communications traffic by the Underlying Carrier. The Company's liability for such damages occurring in the course of furnishing the Company's Services but not caused by its gross negligence or willful misconduct or that of its employees or agents in no event shall exceed an amount equivalent to the proportionate charge to the customer for the period during which such mistakes, interruptions, omissions, delays, errors, or defects in the Company's furnishing of its Services occur.

2.3.2 Acceptance of the provisions of Section 2.3.1 by the Commission does not constitute its determination that the limitation of liability imposed by the Company should be upheld in a court of law; but the recognition that as it is the duty of the courts to adjudicate negligence claims and rights to recover damages therefor, so it is the duty of the courts to determine the validity of the exculpatory provisions of Section 2.3.1.

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**ISSUED:****EFFECTIVE:**

**By: Mark Sandler, President  
Network International, LC  
12126 Darnestown Road, Suite 6  
Gaithersburg, MD 20878**

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**TELECOMMUNICATIONS SERVICES TARIFF**

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**SECTION 2 - RULES AND REGULATIONS (Cont'd)****2.3 Liabilities of the Company (Cont'd)**

2.3.3 Company shall be indemnified and held harmless by the customer against:

- (A) Claims for libel, slander, or infringement of copyright arising out of the material, data, information, or other content of a customer's communications traffic;
- (B) Claims for patent infringement arising from a customer's use of its equipment, facilities, or systems with the Company's Services; and
- (C) All other claims arising out of any act or omission of the customer in connection with any service provided by Company.

**2.4 Interruption of Service**

2.4.1 Credit allowance for the interruption of service is subject to the general liability provisions set forth in Section 2.3.1 herein. Customer shall receive no credit allowance for interruption of service due to Carrier's testing or adjusting, to negligence of the customer, or to the failure of channels or equipment provided by the customer. It shall be the obligation of the customer to notify the Company immediately of any interruption in service for which a credit allowance is claimed. Before giving such notice, the customer shall ascertain that the trouble is not being caused by any action or omission within customer's control, or is not in wiring or equipment, if any, furnished by the customer in connection with the Company's Services.

2.4.2 No credit is allowed in the event service must be interrupted in order to provide routine service quality or related investigations.

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TELECOMMUNICATIONS SERVICES TARIFF

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SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.4 Interruption of Service (Cont'd)

2.4.3 Credit for failure of service shall be allowed only when such failure is caused by or occurs due to causes within the control of Company or in the event Company is entitled to a credit for the failure of the facilities of Company's Underlying Carrier used to furnish customer's service.

2.4.4 No credit shall be allowed:

(A) For failure of services or facilities of customer; or

(B) For failure of services or equipment caused by the negligence or willful acts of customer.

2.4.5 Credit for an interruption shall commence after customer notifies Company of the interruption or when Company becomes aware thereof, and ceases when service has been restored.

2.4.6 Before customer notifies Company of an interruption, customer shall make reasonable attempts to ascertain that customer, a third party, or its or their actions and/or equipment is/are not the cause thereof.

2.4.7 Credits are applicable only to that portion of service interrupted.

2.4.8 For purposes of credit computation, every month shall be considered to have 720 hours.

2.4.9 No credit shall be allowed for an interruption of a continuous duration of less than two hours.

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**SECTION 2 - RULES AND REGULATIONS (Cont'd)****2.4 Interruption of Service (Cont'd)**

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

Credit Formula:

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

"A" = outage time in hours

"B" = total monthly charge for affected facility

**2.5 Restoration of Service**

The use and restoration of service shall be administered by the Underlying Carrier in accordance with the priority system specified in Part 64, Subpart D of the Rules and Regulations of the Federal Communications Commission and in the Rules and Regulations of the Arizona Commerce Commission.

**2.6 Deposits**

The Company does not require a deposit from its customers.

**2.7 Advance Payments**

The Company does not collect advance payments.

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**SECTION 2 - RULES AND REGULATIONS (Cont'd)****2.8 Taxes**

All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax and so forth) are listed as separate line items and are not included in the Company's scheduled rates.

**2.9 Collections**

2.9.1 In the event Company incurs fees or expenses, including attorney's fees, to collect, or to attempt to collect, any charges owed Company by customer, including charges alleged to have resulted from fraud or abuse of customer's services, the Company shall charge customer all such fees and expenses, including Company's reasonable attorneys' fees, incurred to collect or to attempt to collect its charges, and Company shall be entitled to recover such fees or expenses irrespective of whether it prevails in any legal action brought to collect its charges, all in accordance with and subject to the following additional legal requirements -

2.9.2 In accordance with the "filed tariff doctrine," as established by judicial and regulatory decisions and precedents, customer shall pay all charges due and owing irrespective of any claims of loss, liability, set off, damages, or other claims against Company to which customer may claim to be entitled. The duty to pay such charges shall arise upon the demand for payment by Company and shall not be delayed or deferred by the commencement of any legal or equitable action by either customer or Company in connection with such charges incurred under this tariff.

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**SECTION 2 - RULES AND REGULATIONS (Cont'd)****2.9 Collections (Cont'd)**

2.9.3 Customer agrees that all actions, suits, or proceedings, to recover charges due under this tariff shall be prosecuted in the United States District Court for the Eastern District of Virginia. Customer consents to and submits to the exercise of jurisdiction over the subject matter, waives personal service of any and all process upon it, and consents that all such service of process be made by registered mail directed to customer at its address registered with Company. Service so made shall be deemed to be completed five business days after such process shall have been deposited in the mail, postage prepaid. Customer waives trial by jury, any objection based on forum non conveniens, any objection to venue or jurisdiction of any action instituted hereunder, and consents to the granting of such legal or equitable relief as deemed appropriate by the Court.

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SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.10 Employee Concessions

There are no employee concessions.

2.11 Specific Services

The Company does not currently offer any specific services for which conditions of eligibility apply.

2.12 Billing

Company utilizes billing by the Local Exchange Carrier.

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TELECOMMUNICATIONS SERVICES TARIFF

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SECTION 3 - DESCRIPTION OF SERVICES

3.1 Usage Based Services

3.1.1 Long distance usage charges are based on the actual usage of the Company's network. Timing for all calls begin when the called party answers the call (i.e. when two-way communications are established). Answer detection is based on standard industry answer detection methods, including hardware and software answer detection.

3.1.2 Chargeable time for all calls ends when one of the parties disconnects from the call.

3.1.3 The minimum call duration for billing purposes varies with each particular plan.

3.1.4 Unless otherwise specified in this tariff, calls are billed in six (6) second increments.

3.1.5 Usage is measured and rounded up to the next higher increment for billing purposes.

3.1.6 There are no billing charges applied for incomplete calls.

3.2 Outbound Interexchange Service

The Company's service is provided for use by presubscribed Customers or Authorized Users. Calls are routed over the Company's resold transmission and switching facilities to any valid NPA-NXX in the state of Arizona.

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SECTION 3 - DESCRIPTION OF SERVICES (Cont'd)

3.3 800/888 Service

800/888 service provides for the termination of inbound toll-free calls to one-party exchange access lines from points within Arizona to Customer premises within Arizona.

3.5 Directory Assistance

The Company provides standard Directory Assistance.

3.6 Services Not Available

Carrier does not offer 900, 911, collect, or third-party billed calling.

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**TELECOMMUNICATIONS SERVICES TARIFF**

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SECTION 4 - RATES

4.1 Basic Residential Service

Basic 1+ outbound and toll free inbound services are provided to residential customers at the following flat (non-distance sensitive, any hour) rate billed in full minute increments with a minimum billing increment of one minute.

Each Minute  
or Fraction

\$0.175

4.2 Basic Business Service

Basic 1+ outbound and toll free inbound services are provided to business customers at the following flat (non-distance sensitive, any hour) rate billed in six (6) second increments with a minimum billing increment of thirty (30) seconds.

Initial 30 Seconds  
or Fraction

Incremental 6 Seconds  
or Fraction

\$0.0875

\$0.0175

4.3 Executive Service

Business customers taking service through an account executive (alternate channel of distribution) are provided 1+ outbound and toll free inbound services at the following flat (non-distance sensitive, any hour) rate billed in six (6) second increments with a minimum billing increment of thirty (30) seconds.

Initial 30 Seconds  
or Fraction

Incremental 6 Seconds  
or Fraction

\$0.0735

\$0.0147

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**TELECOMMUNICATIONS SERVICES TARIFF**

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SECTION 4 - RATES (Cont'd)4.4 Affinity Group Service

Customers belonging to a bona fide religious organization which operates a regularly scheduled religious programming network and whose members are allowed and which do order service in response to network media advertising or messages, are provided 1+ outbound and toll free inbound services at the following flat (non-distance sensitive, any hour) rate billed in six (6) second increments with a minimum billing increment of thirty (30) seconds.

4.4.1 1+ Outbound Service

<u>Initial 30 Seconds or Fraction</u>	<u>Incremental 6 Seconds or Fraction</u>
\$0.0750	\$0.0150

4.4.2 Toll Free Inbound Service

<u>Initial 30 Seconds or Fraction</u>	<u>Incremental 6 Seconds or Fraction</u>
\$0.08	\$0.016

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SECTION 4 - RATES (Cont'd)

4.5 Discount Hospitality Service

Carrier's Discount Hospitality Service for hotels, motels, residence inns, and other such establishments provide 1+ and toll free inbound services at the following flat (non-distance sensitive, any hour) rate billed in six (6) second increments with a minimum billing increment of thirty (30) seconds and requires a commitment to an average minimum of monthly intrastate usage of not less than \$100.00.

1+ Service

<u>Initial 30 Seconds or Fraction</u>	<u>Incremental 6 Seconds or Fraction</u>
\$0.0495	\$0.0099

Toll Free Service Inbound

<u>Initial 30 Seconds or Fraction</u>	<u>Incremental 6 Seconds or Fraction</u>
\$0.0545	\$0.0109

4.6 Service Direct

Customers taking service by directly ordering over the Internet or which order service pursuant to a written LOA are provided 1+ outbound and toll free inbound services at the following flat (non-distance sensitive, any hour) rate billed in six (6) second increments with a minimum billing increment of thirty (30) seconds.

<u>Initial 30 Seconds or Fraction</u>	<u>Incremental 6 Seconds or Fraction</u>
\$0.06	\$0.012

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SECTION 4 - RATES (Cont'd)

4.7 Directory Assistance Charge:

4.7.1 Residential customers will receive six (6) free directory assistance calls per monthly billing cycle. Thereafter, for each residential customer call to directory assistance:

Directory Assistance

\$0.85 per call

4.7.2 Business customers pay the following charge for all directory assistance calls:

Directory Assistance

\$0.85 per call

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SECTION 4 - RATES (Cont'd)

4.8 Returned Check Charge

Carrier charges a fee of \$20.00 or 5% of the amount of any check returned for insufficient funds up to a maximum of \$25.00, whichever is greater.

4.9 Late Payment Charge

A late fee of 1.5% per month will be charged on any balance remaining unpaid after thirty (30) days.

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## **EXHIBIT 8**

### **Map of Service Area**

**Network International, LC will serve the entire State of Arizona.  
Therefore, no map of proposed service areas is being submitted.**

**EXHIBIT 9**

**Complaint Processing Procedure**

# **NETWORK INTERNATIONAL, LC**

## **Customer Service Plan**

### **Customer Orders**

Orders for Network International's ("NIL") services are sent to NIL's office in Gaithersburg, Maryland. Orders are then sent to NIL's underlying carrier for activation. All customer service and billing inquiry procedures are performed at NIL's offices in Maryland.

### **Security Deposit and Refund Requirements**

NIL does not require deposits or advance payments from customers.

### **Billing**

NIL will use Local Exchange Carrier ("LEC") billing preparation.

### **Complaint Procedures**

All Customer Service issues are handled by in-house representatives at NIL's Gaithersburg, Maryland location. Customers may reach NIL's offices via a toll free telephone number, (800) 980-0023. NIL's Manager for Customer Service is in charge of customer service for the Company. All customer service inquiries are promptly handled directly by the manager from which the problem/situation originated. Resolution is reached verbally or by written communication to the Customer. Service quality issues are promptly communicated to NIL's underlying carrier, if necessary.

### **Termination of Service Procedures.**

Customers may cancel service by changing their presubscribed carrier (i.e., PIC change) through the local exchange carrier. In all cases, customers are able to use the services of other long distance service providers by dialing the access code of the carrier of choice.

**EXHIBIT 10**

**List of Approved States**

Network International, LC is authorized to operate in the following states:

Colorado

District of Columbia

Iowa

Michigan

New Jersey

Texas

Utah

Virginia

Washington

**EXHIBIT 11**

**Diagram of Call Network**

# Attachment C.

