

ORIGINAL



AMERICAN FIBER NETWORK



0000059199

November 27, 2006

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

T-03815A-06-0747

Re: Application for CC&N of American Fiber Network, Inc. as a facilities-based and reseller of local exchange services.

To Whom It May Concern:

Enclosed please find one original and thirteen (13) copies of the above referenced application. Should you require additional information, please advise.

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert E. Heath'.

Robert E. Heath
EVP

Arizona Corporation Commission

DOCKETED

NOV 29 2006

DOCKETED BY	<i>NLM</i>
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AZ CORP COMMISSION
DOCUMENT CONTROL

2006 NOV 29 A 11: 02

RECEIVED

ARIZONA CORPORATION COMMISSION

Application and Petition for Certificate of Convenience and Necessity to Provide
Intrastate Telecommunications Services

Mail original plus 13 copies of completed application to:

For Docket Control Only:
(Please Stamp Here)

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

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

Type of Service: NA

Docket No.: _____ Date: _____

Date Docketed: _____

Type of Service: NA

Docket No.: _____ Date: _____

Date Docketed: _____

A. COMPANY AND TELECOMMUNICATION SERVICE INFORMATION

(A-1) Please indicate the type of telecommunications services that you want to provide in Arizona and mark the appropriate box(s).

- Resold Long Distance Telecommunications Services (Answer Sections A, B).
- Resold Local Exchange Telecommunications Services (Answer Sections A, B, C).
- Facilities-Based Long Distance Telecommunications Services (Answer Sections A, B, D).
- Facilities-Based Local Exchange Telecommunications Services (Answer Sections A, B, C, D, E)
- Alternative Operator Services Telecommunications Services (Answer Sections A, B)
- Other _____ (Please attach complete description)

(A-2) The name, address, telephone number (including area code), facsimile number (including area code), e-mail address, and World Wide Web address (if one is available for consumer access) of the Applicant:

American Fiber Network, Inc.

9401 Indian Creek Parkway, St. 140

Overland Park, KS 66210

(913)338-2658

fax (913)661-0538

information@afnltcd.com

www.afnltcd.com

(A-3) The d/b/a ("Doing Business As") name if the Applicant is doing business under a name different from that listed in Item (A-2):

N/A

(A-4) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Management Contact:

Robert E. Heath

9401 Indian Creek Pkwy, St. 140

Overland Park, KS 66210

(913)338-2658

Fax (913)661-0538

Rob.heath@afnltd.com

(A-5) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Attorney and/or Consultant:

Contact Mr. Heath. No attorney or consultant being utilized with this application.

(A-6) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Complaint Contact Person:

Robert E. Heath

9401 Indian Creek Pkwy, St. 140

Overland Park, KS 66210

(913)338-2658

Fax (913)661-0538

Rob.heath@afnltd.com

(A-7) What type of legal entity is the Applicant? Mark the appropriate box(s) and category.

Sole proprietorship

Partnership: _____ Limited, _____ General, _____ Arizona, _____ Foreign

Limited Liability Company: _____ Arizona, _____ Foreign

Corporation: _____ "S", X "C", _____ Non-profit

Other, specify: _____

(A-8) Please include "Attachment A":

Attachment "A" must include the following information:

1. A copy of the Applicant's Certificate of Good Standing as a domestic or foreign corporation, LLC, or other entity in Arizona.
2. A list of the names of all owners, partners, limited liability company managers (or if a member managed LLC, all members), or corporation officers and directors (specify).
3. Indicate percentages of ownership of each person listed in A-8.2.

(A-9) Include your Tariff as "Attachment B".

Your Tariff must include the following information:

1. Proposed Rates and Charges for each service offered (Tariff pages 61-68; 71; 81-82).
2. Tariff Maximum Rate and Prices to be charged (Tariff pages 61-68; 71; 81-82).
3. Terms and Conditions Applicable to provision of Service (Tariff pages 18-42).
4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (Tariff page 34).
5. The proposed fee that will be charged for returned checks (Tariff page 33).

(A-10) Indicate the geographic market to be served:



Statewide. (Applicant adopts statewide map of Arizona provided with this application).



Other. Describe and provide a detailed map depicting the area.

(A-11) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any formal or informal complaint proceedings pending before any state or federal regulatory commission, administrative agency, or law enforcement agency.

Describe in detail any such involvement. Please make sure you provide the following information:

1. States in which the Applicant has been or is involved in proceedings.
2. Detailed explanations of the Substance of the Complaints.
3. Commission Orders that resolved any and all Complaints.
4. Actions taken by the Applicant to remedy and/or prevent the Complaints from re-occurring.

There are no formal or informal complaints against American Fiber Network, Inc. or any of its officers, directors or partners.

(A-12) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any civil or criminal investigation, or had judgments entered in any civil matter, judgments levied by any administrative or regulatory agency, or been convicted of any criminal acts within the last ten (10) years.

Describe in detail any such judgments or convictions. Please make sure you provide the following information:

1. States involved in the judgments and/or convictions.
2. Reasons for the investigation and/or judgment.
3. Copy of the Court order, if applicable.

No officer, director, manager, or partner of American Fiber Network, Inc. has been or is currently involved in any civil or criminal investigation, or has had judgments entered in any civil matter, judgments levied by any administrative or regulatory agency, or been convicted of any criminal acts within the last 10 years.

(A-13) Indicate if the Applicant's customers will be able to access alternative toll service providers or resellers via 1+101XXXX access.

Yes

No

(A-14) Is Applicant willing to post a Performance Bond? Please check appropriate box(s).

For Long Distance Resellers, a \$10,000 bond will be recommended for those resellers who collect advances, prepayments or deposits.

Yes

No

If "No", continue to question (A-15).

For Local Exchange Resellers, a \$25,000 bond will be recommended.

Yes

No

If "No", continue to question (A-15).

For Facilities-Based Providers of Long Distance, a \$100,000 bond will be recommended.

Yes

No

If "No", continue to question (A-15).

For Facilities-Based Providers of Local Exchange, a \$100,000 bond will be recommended.

Yes

No

If any box in (A-14) is marked "No", continue to question (A-15).

Note: Amounts are cumulative if the Applicant is applying for more than one type of service.

(A-15) If any box in (A-14) is marked "No", provide the following information. Clarify and explain the Applicant's deposit policy (reference by tariff page number). Provide a detailed explanation of why the Applicant's superior financial position limits any risk to Arizona consumers.

The tariff filed upon the approve of this application will read:

2.18 Deposits

(a) If the Customer cannot establish a satisfactory credit standing with the Company, the Customer shall make a deposit before a service is furnished or continued. Such deposit shall be held as a guarantee for the payment of charges. The Company may require such a deposit, which may be in addition to an advance payment, if the Company considers this action necessary to safeguard its interests. The deposit shall not exceed two-twelfths (2/12) of estimated annual billings. At any time, at its option, or after twelve (12) months of service if the Customer has not been delinquent in the payment of the Company bills, the Company may return the deposit or credit it to the Customer's account. When a service is discontinued the amount of any applicable deposit will be applied to the Customer's account and any credit balance remaining will be refunded.

(b) Interest on deposits held shall be accrued at the rate applicable to the Company's escrow account in which such deposits.

(c) Upon termination of service, the Company shall return to the Customer the amount then on deposit plus accrued interest, less any amounts due to the Company due to the Company by the Customer for service rendered on the telephone account for which the deposit was collected.

(d) Any deposit, plus accrued interest, may be applied to the Customer's telephone account following completion of twelve months' satisfactory payment. The credit will be applied against service in the 13th and, if appropriate, subsequent months once satisfactory credit is established. Upon the Customer's request, the refund shall be made in the form of a check issued and mailed to the subscriber no longer.

American Fiber Network, Inc. ("AFN") has never defaulted on a deposit refund and will not rely on cash from deposits to finance its operations. Further, compared to its liquid assets, the expected deposit liability should be covered many times over. AFN's historic ability to manage its cash flow to meet its operational needs, including deposit refunds, should serve as evidence enough of its superior financial standing.

(A-16) Submit copies of affidavits of publication that the Applicant has, as required, published legal notice of the Application in all counties where the Applicant is requesting authority to provide service.

Note: For Resellers, the Applicant must complete and submit an Affidavit of Publication Form as Attachment "C" before Staff prepares and issues its report. Refer to the Commission's website for Legal Notice Material (Newspaper Information, Sample Legal Notice and Affidavit of Publication). For Facilities-Based Service Providers, the Hearing Division will advise the Applicant of the date of the hearing and the publication of legal notice. Do not publish legal notice or file affidavits of publication until you are advised to do so by the Hearing Division.

The Company will work with its documents processor to provide all necessary notification at the Hearing Division's request.

(A-17) Indicate if the Applicant is a switchless reseller of the type of telecommunications services that the Applicant will or intends to resell in Arizona:



Yes



No

If "Yes", provide the name of the company or companies whose telecommunications services the Applicant resells.

Global Crossing, Qwest, Wiltel.

(A-18) List the States in which the Applicant has had an application approved or denied to offer telecommunications services similar to those that the Applicant will or intends to offer in Arizona:

Note: If the Applicant is currently approved to provide telecommunications services that the Applicant intends to provide in Arizona in less than six states, excluding Arizona, list the Public Utility Commission ("PUC") of each state that granted the authorization. For each PUC listed provide the name of the contact person, their phone number, mailing address including zip code, and e-mail address.

The Applicant has applied for and received authority to provide Local Exchange and Long Distance Service in FL, IL, IN, MD, MI, NJ, NY, OH, PA, TX, WI, CA, NV, OR, WA, MT, ID, CO, NM, IA, MN, UT, OK, KS, MO, LA, AL, NC, SC, TN, KY, MA, GA, CT, VA, and HI .

(A-19) List the States in which the Applicant currently offers telecommunications services similar to those that the Applicant will or intends to offer in Arizona.

Note: If the Applicant currently provides telecommunication services that the Applicant intends to provide in Arizona in six or more states, excluding Arizona, list the states. If the Applicant does not currently provide telecommunications services that the Applicant intends to provide in Arizona in five or less states, list the key personnel employed by the Applicant. Indicate each employee's name, title, position, description of their work experience, and years of service in the telecommunications services industry.

The Applicant currently serves Local Exchange and Long Distance customers in FL, IL, IN, MD, MI, NJ, NY, OH, PA, TX, WI, CA, NV, OR, WA, MT, ID, CO, NM, IA, MN, UT, KS, MO, LA, AL, NC, SC, TN, KY, MA, GA, CT, VA, and HI.

(A-20) List the names and addresses of any alternative providers of the service that are also affiliates of the telecommunications company, as defined in R14-2-801.

There are no known affiliate providers of service currently operating in AZ.

(A-21) Check here if you wish to adopt as your petition a statement that the service has already been classified as competitive by Commission Decision:

- Decision # 64178 Resold Long Distance
 Decision # 64178 Resold LEC
 Decision # 64178 Facilities Based Long Distance
 Decision # 64178 Facilities Based LEC

B. FINANCIAL INFORMATION

(B-1) Indicate if the Applicant has financial statements for the two (2) most recent years.

Yes No

If "No," explain why and give the date on which the Applicant began operations.

(B-2) Include "Attachment D".

Provide the Applicant's financial information for the two (2) most recent years.

1. A copy of the Applicant's balance sheet.
2. A copy of the Applicant's income statement.
3. A copy of the Applicant's audit report.
4. A copy of the Applicant's retained earnings balance.
5. A copy of all related notes to the financial statements and information.

Note: Make sure "most recent years" includes current calendar year or current year reporting period.

(B-3) Indicate if the Applicant will rely on the financial resources of its Parent Company, if applicable.

The Applicant has financed its growth independently from its founding in 1999 until it was acquired July of 2005. It is still operated as a separate business entity and funds all aspects of its operations through its own revenues.

(B-4) The Applicant must provide the following information.

1. Provide the projected total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval. Adjusted revenues may be calculated as the number of units sold times the maximum charge per unit.
2. Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification.
3. Provide the net book value (original cost less accumulated depreciation) of all Arizona jurisdictional assets expected to be used in the provision of telecommunications service to Arizona customers at the end of the first twelve months of operation. Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list.
4. If the projected value of all assets is zero, please specifically state this in your response.
5. If the projected fair value of the assets is different than the projected net book value, also provide the corresponding projected fair value amounts.

See Attachment E for answer to questions 1 and 2 to this section. As for 3-5, AFN has no plans to install equipment or assets within the state of Arizona at this time.

C. RESOLD AND/OR FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(C-1) Indicate if the Applicant has a resale agreement in operation,

Yes No

If "Yes", please reference the resale agreement by Commission Docket Number or Commission Decision Number.

T-03815A-00-0515

D. FACILITIES-BASED LONG DISTANCE AND/OR FACILITIES BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(D-1) Indicate if the Applicant is currently selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in Arizona. This item applies to an Applicant requesting a geographic expansion of their CC&N:

Yes No

If "Yes," provide the following information:

1. The date or approximate date that the Applicant began selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in Arizona.
2. Identify the types of facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services that the Applicant sells in Arizona.

If "No," indicate the date when the Applicant will begin to sell facilities-based long distance telecommunications AND/OR facilities-based local exchange telecommunications services in Arizona.

30 days after the certificate has been issued.

E. FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(E-1) Indicate whether the Applicant will abide by the quality of service standards that were approved by the Commission in Commission Decision Number 59421:

Yes

No

(E-2) Indicate whether the Applicant will provide all customers with 911 and E911 service, where available, and will coordinate with incumbent local exchange carriers ("ILECs") and emergency service providers to provide this service:

Yes

No

(E-3) Indicate that the Applicant's switch is "fully equal access capable" (i.e., would provide equal access to facilities-based long distance companies) pursuant to A.A.C. R14-2-1111 (A):

Yes

No

We do not currently have plans to install our own switch, but will be utilizing the existing facilities of the ILECs. We do allow "fully equal access".

I certify that if the applicant is an Arizona corporation, a current copy of the Articles of Incorporation is on file with the Arizona Corporation Commission and the applicant holds a Certificate of Good Standing from the Commission. If the company is a foreign corporation or partnership, I certify that the company has authority to transact business in Arizona. I certify that all appropriate city, county, and/or State agency approvals have been obtained. Upon signing of this application, I attest that I have read the Commission's rules and regulations relating to the regulations of telecommunications services (A.A.C. Title 14, Chapter 2, Article 11) and that the company will abide by Arizona state law including the Arizona Corporation Commission Rules. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.



(Signature of Authorized Representative)

11/27/06

(Date)

Robert E. Heatly

(Print Name of Authorized Representative)

EVP

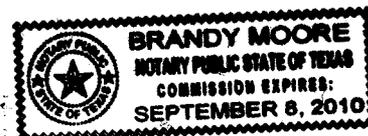
(Title)

SUBSCRIBED AND SWORN to before me this 28th day of November, 2006

Brandy Moore

NOTARY PUBLIC

My Commission Expires September 8, 2010



STATE OF ARIZONA



Office of the
CORPORATION COMMISSION
CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, **Brian C. McNeil**, Executive Director of the Arizona Corporation Commission, do hereby certify that

*****AMERICAN FIBER NETWORK, INC.*****

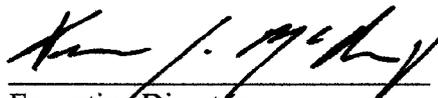
a foreign corporation organized under the laws of Delaware did obtain authority to transact business in the State of Arizona on the 8th day of October 1999.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation has not had its authority revoked for failure to comply with the provisions of the Arizona Business Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed an Application for Withdrawal as of the date of this certificate.

This certificate relates only to the legal authority of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 27th Day of November, 2006, A. D.




Executive Director

Order Number: 105300

President and chief executive officer	Douglas C. Bethell 9401 Indian Creek Suite 140 OP, KS 66210
Director	Jay O. Wright 6701 Democracy Blvd Suite 300 Bethesda, MD 20817
Secretary/treasurer	Tammy Martin 200 Public Square St. 700 Cleveland, OH 44114 (800) 888-8888

Ownership

<u>Name, Address and Telephone</u>	<u># of Shares Owned</u>	<u>% of Shares Issued</u>	<u>% of Voting Control</u>
MobilePro Corporation 6701 Democracy Blvd Suite 300 Bethesda, MD 20817 (301) 315-9040	1,000	100%	100%

Attachment B

Tariff

Attachment A
Certificate of Good Standing
Officers
Ownership

American Fiber Network, Inc.

Schedule of

GENERAL REGULATIONS FOR EXCHANGE SERVICES

Applying to the Intrastate Regulated
Services and Facilities of this Company
In the State of Arizona

Issued: November 27, 2006

Issued by:

Effective:

Robert E. Heath
Vice President

CHECK SHEET

Current sheets in the tariff are as follows:

<u>Sheet</u>	<u>Revision</u>	<u>Sheet</u>	<u>Revision</u>
1	Original	38	Original
2	Original	39	Original
3	Original	40	Original
4	Original	41	Original
5	Original	42	Original
6	Original	43	Original
7	Original	44	Original
8	Original	45	Original
9	Original	46	Original
10	Original	47	Original
11	Original	48	Original
12	Original	49	Original
13	Original	50	Original
14	Original	51	Original
15	Original	52	Original
16	Original	53	Original
17	Original	54	Original
18	Original	55	Original
19	Original	56	Original
20	Original	57	Original
21	Original	58	Original
22	Original	59	Original
23	Original	60	Original
24	Original	61	Original
25	Original	62	Original
26	Original	63	Original
27	Original	64	Original
28	Original	65	Original
29	Original	66	Original
30	Original	67	Original
31	Original	68	Original
32	Original		
33	Original		
34	Original		
35	Original		
36	Original		
37	Original		

Issued: November 27, 2006

Issued by:

Effective:

Robert E. Heath
Vice President

CHECK SHEET - (cont.)

Current sheets in the tariff are as follows:

<u>Sheet</u>	<u>Revision</u>	<u>Sheet</u>	<u>Revision</u>
69	Original	106	Original
70	Original	107	Original
71	Original	108	Original
72	Original	109	Original
73	Original	110	Original
74	Original	111	Original
75	Original	112	Original
76	Original	113	Original
77	Original	114	Original
78	Original	115	Original
79	Original	116	Original
80	Original	117	Original
81	Original	118	Original
82	Original	119	Original
83	Original	120	Original
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APPLICATION OF PRICE LIST

This price list sets forth the service offerings, rates, terms and conditions applicable to the furnishing of intrastate communications services within the State of Arizona by American Fiber Network, Inc. (hereinafter "The Company").

The Company has been authorized by the Public Service Commission of Arizona to provide competitive local exchange and interexchange services as a Reseller. The rates and rules contained herein are subject to change pursuant to the rules and regulations of the Public Service Commission of Arizona.

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Robert E. Heath
Vice President

**EXPLANATION OF SYMBOLS REFERENCE MARKS AND ABBREVIATIONS OF
TECHINICAL TERMS USED IN THIS PRICE LIST**

The following symbols shall be used in this price list for the purpose 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 increase.
- L To signify material relocated from or to another part of the price list schedules with no change in text, rate, rule or condition.
- N To signify new material including listing, rate, rule or condition
- R To signify reduction.
- S To signify reissued matter.
- T To signify a change in wording of text but not a change in rate, rule or condition.

SERVICE AREA

This price list sets forth service offerings, rates, terms and conditions applicable to the furnishing of the Company's end user intrastate telecommunications services to Customers within the State of Arizona.

Customer Contact - For establishment of service, complaints and inquires regarding service and billing, or reporting or inquiring about network outages or service problems.

American Fiber Network, Inc.
9401 Indian Creek Pkwy, Suite 140
Overland Park, KS 66210
Customer Service: Toll Free 1-800-864-0583
Maintenance Toll Free: 1-800-864-0583

Commission Contact - For complaints, inquiries and matters concerning rates, terms or conditions of this price list.

American Fiber Network, Inc.
Robert E. Heath, Vice President
9401 Indian Creek Pkwy, Suite 140
Overland Park, KS 66210
Direct: (913) 338-2658
Fax: (913) 661-0538

1.0 DEFINITIONS

The following definitions are used throughout this price list.

Access Lines: A telephone facility which permits access to and from both the Customer's premises and the telephone exchange or serving central office.

Advance Payment: A payment required before the start of service. It may consist of any required construction cost, all appropriate non-recurring charges, and an estimate of the first months recurring charges.

Agent: A business representative authorized by the Company, whose function is to bring about, modify, affect, accept performance of; or terminate contractual obligations between the Company and its applicants or Customers.

Applicant: A person who applies for telecommunications service. Includes persons seeking reconnection of their service after Company-initiated termination.

Application: A request made in writing for telephone service.

Authorized User: A person, firm or corporation, which is authorized by the Company to be connected to the service of the Customer or joint user.

Automatic Number Identification (ANI): Allows the automatic transmission of caller's billing account telephone number to a local exchange company, interexchange carrier or a third party subscriber. The primary purpose of ANI is to allow for billing of toll calls.

Basic Rate Area: A specific area, within which the schedule rates for local exchange service apply without exchange line mileage or without special rates in lieu of mileage.

Bit: The smallest unit of information in the binary system of notation.

1.0 DEFINITIONS - (cont.)

CCS: One hundred call seconds or one hundred seconds of telephone conversation. One hour of traffic is equal to 36 CCS.

Call Blocking: Provides a user the ability to have their number not delivered to the called station.

Call Hold: Allows the user to hold one call for any length of time provided that neither party goes on-hook.

Call Park: Allows a station line to park a call against its own line number. The parked call can be retrieved from any station line by dialing a feature code and the line number against which the call is parked.

Central Office: Company facilities where subscribers' lines are joined to switching equipment for connecting other subscribers to each other, locally and long distance.

Company or American Fiber Network, Inc.: The issuer of this price list.

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

Dial Pulse (or "DP"): The pulse type employed by rotary dial station sets.

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

Duplex Service: Service which provides for simultaneous transmission in both directions.

Fiber Optic Cable: A thin filament of glass with a protective outer coating through which a light beam carrying communications signals may be transmitted by means of multiple internal reflections to a receiver, which translates the message.

1.0 DEFINITIONS - (cont.)

Kbps: Kilobits per second, denotes thousands of bits per second.

United States District Court for the District of Columbia in Civil Action No.82-0192; or any other LATA: A Local Access and Transportation Area established pursuant to the Modification of Final Judgment entered by the geographic area designated as a LATA in the National Exchange Carrier Association, Inc. Tariff F.C.C. No.4.

Mbps: Megabits, denotes millions of bits per second.

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

N on listed Service: Means a Customer is not listed in the published directory, but is listed in the directory assistance database.

Non-Published Service: Means a Customer is not listed in the published directory or in the directory assistance database.

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 price list, in which case the Service Commencement Date is the date of the Customer's acceptance. The Company and Customer may mutually agree on a substitute Service Commencement Date.

Service Order: The written request for Services executed by the Customer and the Company in the format devised by the Company. The signing of a Service Order by the Customer and

1.0 DEFINITIONS - (cont.)

acceptance by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this price list, but the duration of the service is calculated from the Service Commencement Date.

Shared: A facility or equipment system or subsystem that can be used simultaneously by several Customers.

Shared Inbound Calls: Refers to calls that are terminated via the Customer's LEC-provided local exchange access line.

Shared Outbound Calls: Refers to calls in Feature Group D exchanges whereby the Customer's local telephone lines are presubscribed by the local exchange company to the Company's outbound service such that "1 + 10-digit number" calls are automatically routed to the Company's network. Calls to stations within the Customers LATA may be placed by dialing "10 + XXX'1 or "101XXXX"11'10XXX" plus 1 + 10-digit number.

User or End User: A Customer or any other person authorized by a Customer to use service provided under this price list.

2.0 REGULATIONS

2.1 Undertaking of the Company:

2.1.1 Scope

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

The services offered herein may be used for any lawful purpose. There are no restrictions on sharing or resale of the Company's services. However, the Customer remains liable for all obligations under this price list even if such sharing or resale arrangements exist regardless of the Company's knowledge of these arrangements. If service is jointly ordered by more than one Customer, each is jointly and severally liable for all obligations.

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

Company services 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 any tariff or price list of such other communications carriers.

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

The services of the Company are furnished for the transmission of voice communications but may also be used for data, facsimile, signaling, metering, or other similar communications, subject to the transmission capabilities of the technologies or

2.0 REGULATIONS - (cont.)

combination of technologies available. Service is available twenty-four hours a day, seven days a week.

2.2 Shortage of Equipment or Facilities

The Company reserves the right to limit or to allocate the use of its existing and future facilities when necessary because of a lack of facilities or due to any cause beyond the Company's control.

The furnishing of service under this price list is subject to the availability on a continuing basis of all facilities necessary to provide the service. Services will be provided using the Company's fiber optic and other facilities as well as facilities the Company may obtain from other carriers.

2.3 Selection of Transmission

The Company selects and/or arranges for directly or with its underlying carrier(s) the channels and/or service components and underlying network facilities used to provide service. The Company may modify or change the channels, service components and underlying Company facilities or underlying carrier at any time subject to Part 68 of the FCC's Rules and Regulations and this price list.

2.4 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 preventive 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 notification requirements. With some emergency

2.0 REGULATIONS - (cont.)

or unplanned service-affecting conditions, such as outage resulting from cable damage, notification to the Customer may not be possible.

2.5 Provision of Equipment and Facilities

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 price list. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.

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.

2.6 Terms and Conditions

Service is provided on the basis of a minimum term of at least one-month, 24-hours per day. For purposes of this price list, a month is considered to have 30 days. All calculations of dates set forth in this price list shall be based on calendar days, unless otherwise specified herein. This price list shall be interpreted and governed by the laws of the State of Arizona.

2.7 Non-routine Installation and Special Construction

2.7.1 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 such cases, charges based on cost of the actual labor, material, or other costs incurred by or charged to the Company will apply.

2.0 REGULATIONS - (cont.)

2.7 Non-routine Installation and Special Construction -
(cont.)

2.7.2 Special Construction

Subject to the agreement of the Company, special construction of facilities may be undertaken on a reasonable efforts basis at the request of the Customer. Special construction may include that construction undertaken:

- (a) where facilities are not presently available;
- (b) of a type other than that which the Company would normally utilize in the furnishing of its service;
- (c) over a route other than that which the Company would normally utilize in the furnishing of its services;
- (d) in a quantity greater than that which the Company would normally utilize in the furnishing of its services;
- (e) on an expedited basis;
- (f) on a temporary basis until permanent facilities are available;
- (g) involving abnormal costs; or
- (h) in advance of normal construction.

Special construction will be undertaken at the discretion of AFN consistent with budgetary responsibilities and consideration for the impact on AFN's other Customers and contractual responsibilities.

2.0 REGULATIONS - (cont.)

2.8 Ownership of Facilities

Title to all facilities and equipment, and related plans and proposals, provided by the Company in furnishing service remains with the Company, its agents or contractors. Such facilities and equipment, plans and proposals shall be returned to the Company by the Customer whenever requested, within a reasonable period following the request in as good condition as reasonable wear will permit.

2.9 Government Authorization

The provision of the Company's services is subject to and contingent upon the Company obtaining and retaining all governmental authorizations that may be required or be deemed necessary by the Company. The Company shall use reasonable efforts to obtain and keep in effect all such Governmental authorizations. The Company shall be entitled to take, and shall have no liability for, any action necessary to bring its facilities and/or services into conformance with any requirement or request of the Federal Communications Commission or other governing entity or agency.

2.10 Rights-of-Way

Provisioning of the Company's services is subject to and contingent upon the Company's ability to obtain and maintain rights-of-way and access to private property necessary for installation of the facilities used to provide the Company's services to the Customer's service point as agreed to by the Company.

2.11 Liability of the Company

The liability of the Company for damages arising out of the furnishing of its services, including but not limited to mistakes, outages, omissions, interruptions, delays, errors, or other defects, representations, failures arising

2.0 REGULATIONS - (cont.)

out of the use of these services or failure to furnish service, whether caused by act, omission or negligence, shall be limited to extension of allowances as set forth in the section of this price list on Allowances for Interruptions in Service. The extension of such allowances for interruption shall be the sole remedy of the Customer or other person, and the sole liability of the Company. The Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to the Customer as a result of any Company service, equipment or facilities, or the acts or omissions or negligence of the Company's employees or agents.

The Company shall not be liable for any delay or failure of performance of equipment due to causes beyond its control, including but not limited to:

acts of God, fire, flood, explosion or other catastrophes; any law, order, regulation, direction, action or request of the United States government, or of any other government, including state and local agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state or local governments, or of any civil or military authority; national emergencies; insurrections; riots; wars; unavailability of rights-of-way or materials; or strikes, lockout, work stoppages, or other labor difficulties.

The Company shall not be liable for any act, omission or defect of any entity furnishing to the Company or to the Customer services, facilities or equipment used for or with the Company's services; or for the acts or omissions of common carriers or warehousemen.

With respect to any service or facility provided by the Company, the Customer shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses, for:

(a) any loss, destruction or damage to property of the

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Vice President

2.0 REGULATIONS - (cont.)

Customer or any third party, or the death or injury of any person, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invites; and

(b) any damages or losses due to the fault or negligence of the Customer or due to the failure of malfunction of Customer-provided equipment or facilities.

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 liability whatsoever, and for any damages caused or claimed to have been caused in any way, directly or indirectly, as a result of any such installation.

The Company is not liable for any defacement of or damage to Customer's premises resulting from the furnishing of services or equipment or the installation or removal thereof; unless such defacement or damage is caused by the willful misconduct of the Company's employees or agents.

The Company shall be indemnified, defended and held harmless by the Customer against any claim, loss, expense, damage or liability arising from Customer's use of services involving claims for libel, slander, invasion of privacy, or infringement of copyright, patent, trade secret, or proprietary or intellectual property right of any third party arising from any act or omission by the Customer, including without limitation, the Customer's own communications or use of the Company's services and facilities in a manner not contemplated by this price list or any agreement between the Customer and the Company.

The Company's entire liability, if any, for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid the Company by the Customer for the specific services giving rise to the

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2.0 REGULATIONS - (cont.)

claim. No action or proceeding against the Company shall be commenced more than one year after the service is rendered.

With respect to the furnishing of Company's services to public safety answering points or municipal emergency service providers, the Company's liability, if any, will be limited to the lesser of:

a) the actual monetary damages incurred and proved by the Customer as the direct result of the Company's action, or failure to act, in providing the service; or

(b) the sum of \$1,000.00.

In the event parties other than Customer, including but not limited to joint users and the Customer's Customers, shall have use of the Company's service directly or indirectly through the Customer, then the Customer agrees to forever indemnify and hold the Company harmless from and against any and all such claims, demands, suits, actions, losses, damages, assessments or payments which may be asserted by said parties arising out of or relating to the Company's furnishing of service.

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

2.12 Indemnification

With respect to any service or facility provided by the Company, the Customer shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses; for:

(a) any loss, destruction or damage to property of the Customer or any third party, or the death or injury of any person, to the extent caused by or resulting from

2.0 REGULATIONS - (cont.)

the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees; and

(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 this price list or any agreement between the Customer and the Company.

2.13 Allowances for Interruptions in Service

A credit allowance will be given for interruptions of service, subject to the provisions of this section.

2.13.1 Credit for Service Interruptions

A credit allowance will be made when an interruption occurs because of a failure of any component furnished by the Company under this price list. An interruption in service is considered to exist when a circuit, service or facility is unusable.

An interruption period begins when the Customer reports a circuit, service or facility to be interrupted and releases it for testing and repair. An interruption period ends when the circuit, service or facility is operative.

If the Customer reports an interruption but declines to release the circuit, service or facility for testing and repair, no interruption period will be deemed to exist.

A credit allowance is applied on a pro rata basis, dependent on the duration of the interruption, against the monthly recurring charges payable by Customer under this price list, and shall be expressly

2.0 REGULATIONS - (cont.)

indicated on the next Customer bill. Only those facilities on an interrupted portion of a circuit or service will receive a credit.

For calculating credit allowances, every month is considered to have 30 days. The credit allowance(s) for an interruption or for a series of interruptions shall not exceed any applicable monthly rates.

2.13.2 Limitations on Allowances

No credit allowance will be made for:

(a) interruptions due to the negligence of; or noncompliance with the provisions of this price list by, the Customer, authorized user or joint user.

(b) 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;

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

(d) interruptions of service during a 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; and

(e) interruption of service due to circumstances or causes beyond the control of Company.

2.14 Obligations of the Customer

The obligations of the Customer shall include the following:

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Vice President

2.0 REGULATIONS - (cont.)

(a) The Customer shall be responsible for any damage to or loss of the Company's facilities or equipment caused by the acts or omissions of the Customer.

(b) The Customer shall provide at no charge, as specified by the Company, any personnel, equipment, space, power, heating and air conditioning needed to operate, and maintain a proper operating environment for the Company's facilities and equipment installed on the Customer's premises;

(c) If required by the Company, the Customer shall obtain, maintain, and otherwise have fully responsibility for all rights-of-way and conduit necessary for installation of the Company's facilities from the building entrance or property line to the location of the Company's equipment space on the Customer's premises. The Customer may be required to bear any costs associated with obtaining and maintaining the rights-of-way described herein, including building modification costs. The Customer shall also be responsible for complying with all applicable laws, and obtaining all required permits or other approvals related to the location and installation of the Company's facilities and equipment in the Customer's premises or within the rights-of-way for which the Customer is responsible. The Customer and the Company may mutually agree to enter into a contract under which the Company will provide some or all such non-regulated services and facilities.

(d) The Customer shall grant or obtain permission for the Company's employees or agents to enter the premises of the Customer at any time for the purpose of installing, inspecting, maintaining, repairing, or removing the facilities or equipment of the Company and/or inspecting the Customer-provided equipment which is connected to the Company's facilities.

(e) The Customer shall be responsible for the provision, operation and maintenance of any Customer-

2.0 REGULATIONS - (cont.)

provided terminal equipment connected to the Company's equipment and facilities, and for ensuring compatibility with the Company's equipment and facilities. The Customer shall be responsible for ensuring that the Customer-provided equipment shall not cause damage to the Company's equipment, facilities and wiring or injury to the Company's employees or to other persons. Upon the Company's request, the Customer will submit to the Company a complete manufacturer's specification sheet for each item of the Customer provided equipment that is or is proposed to be attached to the Company's facilities. The Company may provide, at the Customer's expense, any additional protective equipment required, in the sole opinion of the Company, to prevent damage or injury resulting from the connection by any Customer-provided equipment.

(f) The Customer warrants that the services pursuant to this price list are intrastate in nature.

(g) The Customer shall cooperate with the Company to plan, coordinate and undertake any actions required to maintain maximum network capability following natural or manmade disasters which affect telecommunications services.

2.15.1 Prohibited Uses

The Customer shall not use or allow the use of the Company's facilities or equipment installed at the Customer's premises for any purpose other than that for which the Company provides it, without the prior written consent of the Company.

2.15.2 Abuse

The abuse of Company Services is prohibited. Abuse includes, but is not limited to, the following activities:

2.0 REGULATIONS - (cont.)

(a) Using service to make calls which might reasonably be expected to frighten, torment, or harass another; or

(b) Using service in such a way that it interferes unreasonably with the use of Company services by others.

2.15.3 Fraudulent Use

The fraudulent use of; or the intended or attempted fraudulent use of service is prohibited. Fraudulent use consists of using or attempting to use service with the intent to avoid the payment, either in whole or in part, of the price listed charges for the service including but not limited to:

(a) Rearranging, tampering with, or making connections not authorized by this price list to any network components used to furnish service; or

(b) Using fraudulent means or devices, tricks, schemes, false or invalid numbers, false credit devices, or electronic devices.

2.16 Customer Equipment and Channels

2.16.1 General

A Customer may transmit or receive information or signals via the facilities of the Company. The Company's services are designed primarily for the transmission of voice-grade telephonic signals, except as otherwise stated in this price list. A Customer may transmit any form of signal that is compatible with the Company's equipment, but the Company does not guarantee that its services will be suitable for purposes other than voice-grade telephonic communication except as specifically stated in this price list.

2.0 REGULATIONS - (cont.)

2.16.2 Interconnection of Facilities

(a) Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing Communications Services and the channels, facilities, or equipment of others shall be provided at the Customer's expense.

(b) Communications Services 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 or price lists of the other communications carriers which are applicable to such connections.

(c) Facilities furnished under this price list may be connected to Customer provided terminal equipment in accordance with the provisions of this price list. All such terminal equipment shall be registered by the Federal Communications Commission pursuant to Part 68 of Title 47, Code of Federal Regulations; and all User-provided wiring shall be installed and maintained in compliance with those regulations.

2.16.3 Inspections

(a) Upon suitable 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 herein for the installation, operation, and maintenance of Customer-provided facilities, equipment, and wiring in the connection of Customer-provided facilities and equipment to Company-owned facilities and equipment.

(b) If the protective requirements for Customer-

2.0 REGULATIONS - (cont.)

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 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 this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm.

2.17 Payments

Obligations of the Customer with regard to payments shall include:

(a) The Customer shall pay outstanding charges in full within 30 days of the invoice date. Charges normally will be invoiced in advance, with monthly recurring charges invoiced on or about the first of the month for which the charges apply. Amounts not paid within thirty (30) days after the date of the invoice are considered delinquent and are subject to Late Payment Charges pursuant to section 2.16.1 of this price list.

The Customer is responsible for safeguarding the service from use by unauthorized persons, and to pay all charges for use of the service by any persons whether or not authorized by the Customer, except in those instances where it has been determined that the Customer's present and former employees, agents and authorized users were not responsible for calls billed to the Customer via third party billing and the Company did not verify that the charges for the call would be accepted. The Customer is not responsible for unauthorized use of service to the extent such use is proximately caused by the Company's willful or negligent act.

2.0 REGULATIONS - (cont.)

(b) If required by the Company, the Customer shall make an advance payment before services are furnished, which advance payment will be credited to the Customer's initial bill. The Company may require such an advance payment, which may be in addition to a deposit, if the Company considers this action necessary to safeguard its interests.

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

(d) A \$25.00 service charge shall be imposed for any payment for which a draft is returned for insufficient funds.

(e) Any Customer who has been underbilled for services rendered will be notified by the Company upon the discovery of the underbilling. Notification will include the reason(s) that the underbilling occurred. The Customer is responsible for payment of unbilled charges for services rendered up to and including twenty-four (24) months prior to the issuance of the notification to the Customer.

2.17.1 Late Payment Charge

A Late Payment Charge of 1.50 percent (1 1/2%) will apply to each Customer bill when the previous months bill has not been paid in full, leaving an unpaid balance carried forward. The late payment charge is applied to the total unpaid amount carried forward and is included in the total amount due on the current month's bill. The amount of the late payment penalty shall be indicated on the Customer's bill.

2.17.2 Disputed Bills

2.0 REGULATIONS - (cont.)

Any Customer who disputes a portion of a bill rendered for Company services shall pay the undisputed portion of the bill and provide written notice to the Company that such unpaid amount is in dispute within thirty (30) days of receipt of the bill. If such written notice is not received by the Company within thirty (30) days as indicated above, the bill statement shall be deemed to be correct and payable in full by the Customer.

(a) In the event a Customer and the Company cannot resolve the dispute to their mutual satisfaction, the Customer may contact the Public Service Commission of Arizona in accordance with the Commission's rules of procedure.

(b) Once the investigation is completed the Customer shall submit payment of any outstanding amounts deemed due, to the Company, within five (5) working days.

2.17.3 Moves Adds and Changes

Upon written request from the Customer, the Company will transfer an existing service from one location to another, change from one class of service to another, or add additional services or features to specific lines and equipment. The Company may charge the Customer a non-recurring charge for such service.

2.18 Deposits

(a) If the Customer cannot establish a satisfactory credit standing with the Company, the Customer shall make a deposit before a service is furnished or continued. Such deposit shall be held as a guarantee for the payment of charges. The Company may require such a deposit, which may be in addition to an advance payment, if the Company considers this action necessary to safeguard its interests. The deposit shall not exceed two-twelfths (2/12) of estimated

2.0 REGULATIONS - (cont.)

annual billings. At any time, at its option, or after twelve (12) months of service if the Customer has not been delinquent in the payment of the Company bills, the Company may return the deposit or credit it to the Customer's account. When a service is discontinued the amount of any applicable deposit will be applied to the Customer's account and any credit balance remaining will be refunded.

(b) Interest on deposits held shall be accrued at the rate applicable to the Company's escrow account in which such deposits.

(c) Upon termination of service, the Company shall return to the Customer the amount then on deposit plus accrued interest, less any amounts due to the Company due to the Company by the Customer for service rendered on the telephone account for which the deposit was collected.

(d) Any deposit, plus accrued interest, may be applied to the Customer's telephone account following completion of twelve months' satisfactory payment. The credit will be applied against service in the 13th and, if appropriate, subsequent months once satisfactory credit is established. Upon the Customer's request, the refund shall be made in the form of a check issued and mailed to the subscriber no longer.

2.19 Grounds for Refusal of Service

The Company may refuse to establish service if any of the following conditions exist:

(a) The applicant has an outstanding amount due for similar utility services and the applicant is unwilling to make acceptable arrangements with the utility for payment.

(b) A condition exists which in the utility's judgment

2.0 REGULATIONS - (cont.)

is unsafe or hazardous to the applicant, the general population, or the utility's personnel, agents or facilities.

(c) Refusal by the applicant to provide the utility with a deposit when the customer has failed to meet the credit criteria for waiver of deposit requirements.

(d) The Customer is known to be in violation of the utility's price lists filed with the Commission.

(e) Failure of the Customer to furnish such funds, suitable facilities, and/or rights-of-way necessary to serve the Customer and which have been specified by the utility as a condition for providing service.

(f) The Applicant falsifies his/her identity for the purpose of obtaining service.

2.20 Discontinuance of Service

2.20.1 With Written Notice to the Customer

The Company may, upon reasonable written notice to the Customer, discontinue services for any of the following reasons:

(a) for nonpayment of any amounts owing to the Company;

(b) the premises have been vacated by the Customer;

(c) for tampering with the Company's property;

(d) for violation of rules, service agreements, or filed price lists;

(e) for use of Customer equipment which adversely affects the Company's property, facilities, or

2.0 REGULATIONS - (cont.)

service to its other Customers, or 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; or

(f) for any governmental prohibition, or required alteration of the services provided, or any violation of any applicable law or regulation, or unlawful use of service or use of service for unlawful purposes, the Company may immediately discontinue or suspend service; or

(g) for fraudulent obtaining or use of service, including, but not limited to:

(1) providing false information to carrier the Company regarding the Customer's identity, address, creditworthiness, or current or planned use of common communications;

(2) using or attempting to use service by rearranging, tampering with, or making connection to the Company's service where not authorized by this price list;

(3) using tricks, schemes, false or invalid numbers, false credit devices, electronic devices; or

(4) any other fraudulent means or device.

Whenever a fraudulent obtaining or use of a service is detected, the Company may discontinue service without notice, as described in 2.21.2 of this price list; provided, however, that if the Customer makes immediate payment for the estimated amount due for the service that had been fraudulently obtained, and for all costs resulting from such fraudulent use, the Company may choose to continue such service, subject

2.0 REGULATIONS - (cont.)

to any applicable deposit requirements.

2.20.2 Without Written Notice to the Customer

The Company may deny or discontinue the furnishing of any and/or all service(s) to a Customer immediately and without prior notice to the Customer and without the Customer's permission for one or more of the following reasons:

(a) Dangerous Condition. A condition immediately dangerous or hazardous to the life, physical safety, or property exists, or it is necessary to prevent a violation of federal, state or local safety or health codes.

(b) Ordered to Terminate Service. The Company is ordered to terminate service by any court, the Public Service Commission of Arizona, or any other duly authorized public authority.

(c) Services Obtained Illegally. The services(s) was (were) obtained, diverted or used without the authorization or knowledge of the Company.

(d) Customer Unable to be Contacted. The Company has tried diligently to provide reasonable notice to the Customer, but has been unsuccessful in its attempt to contact the Customer.

(e) Misrepresentation of Identity. The Customer has misrepresented the Customer's identity for purposes of obtaining telephone service and either does not have or has an inadequate security deposit on file with the Company and has an outstanding bill exceeding one hundred dollars (\$100).

2.20.3 Upon Customer Request

The Company will, upon Customer request, discontinue

2.0 REGULATIONS - (cont.)

or suspend services due to the Customer's:

- (a) insolvency;
- (b) assignment for the benefit of creditors;
- (c) filing for bankruptcy or reorganization; or
- (d) failure to discharge an involuntary petition in bankruptcy within the time permitted by law.

2.21 Cancellation of Service

If the Customer cancels a service order or terminates service before the completion of the term of service specified in the service order for any reason, the Customer agrees to pay to the Company all costs, fees, and expenses reasonably incurred in connection with special construction and with the term of service. In addition, the Customer may be liable for termination charges up to a maximum amount equal to the total of charges applicable for the remaining term specified in the service order.

2.22 Termination of Service

(a) After the expiration of the initial contract period and if no new contract period is agreed upon, in writing, by the Company and Customer, service may be terminated upon 30 days advance notice to the Company and payment of all charges due to the date of termination of the service, including charges calculated at a month-to-month rate after the expiration of the contract period.

(b) Prior to the expiration of the initial contract period, service may be terminated upon 30 days advance notice to the Company and upon payment of the termination charges hereinafter provided, in addition to all charges for the period service has been rendered.

2.0 REGULATIONS - (cont.)

(c) The Customer is liable for termination charges up to a maximum amount equal to the total charges applicable for the remaining contract term.

(d) The Customer may terminate service prior to the expiration of the term without liability if the Customer orders new service through the Company with a length and a minimum monthly billing commitment exceeding the original agreement. The former service will terminate on the start date of the new service.

2.23 Changes in Equipment and Services

The Company may substitute, change or rearrange any equipment, facility or system used in providing services at any time and from time to time, but shall not thereby materially decrease the technical parameters of the services provided pursuant to the Customer's service order.

The Customer shall not cause or allow any facility or equipment of the Company to be rearranged, moved, disconnected, altered or repaired without the Company's prior written consent.

Upon receipt of a written request from the Customer, the Company will add, delete or change locations or features of specific circuits and/or equipment. The Customer shall be liable for nonrecurring charges for such change. If a request for deletion of a service represents a cancellation prior to the applicable term of service, the Customer will be subject to termination charges.

2.24 Restoration of Service

A reconnection charge of \$50.00 shall be imposed on any Customer whose service has been discontinued pursuant to the provisions of Section 2.20 of this price list. The Company reserves the right to impose additional advance payment and/or deposit requirements on such Customers prior to restoral of service, and to refuse to restore service until all amounts due have been paid.

2.0 REGULATIONS - (cont.)

Should the Customer request that service be restored during a period other than regular working hours, such as evenings or weekends, the Customer may be required to pay an after-hour charge for service reconnection.

2.25 Assignment

The Company may, without obtaining any further consent from the Customer, assign any of its rights, privileges or obligations under this price list: to any subsidiary, parent company or affiliate of the Company; pursuant to any sale or transfer of substantially all the business of the Company; or pursuant to any financing, merger or reorganization of the Company.

The Customer may, upon prior written consent of the Company, which consent shall not be unreasonably withheld, assign its rights, privileges or obligations under this price list: to any subsidiary, parent company or affiliate of the Customer; pursuant to any sale or transfer of substantially all the business of the Customer; or pursuant to any financing, merger or reorganization of the Customer. The Company reserves the right to terminate service if the Customer makes any assignment, transfer, or disposition of its rights, privileges or obligations under this price list without the consent of the Company. Any lawful successor to the Customer, or any other entity which accepts Company's service shall be obligated to pay to Company any amounts due.

2.26 License, Agency or Partnership

No license, expressed or implied, is granted by the Company to the Customer by virtue of an agreement for the furnishing of service hereunder. Neither the Customer nor any joint or authorized users shall represent or otherwise indicate to its Customers or others that the Company jointly participates in the Customer's or joint user's services. The relationship between the Company and the Customer shall not be that of partners or agents for one or the other, and shall not be deemed to constitute a

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Issued by:

Effective:

Robert E. Heath
Vice President

2.0 REGULATIONS - (cont.)

partnership or agency agreement, unless such relationship or agreement is expressly agreed to in writing by both the Company and the Customer.

2.27 Proprietary Information

Neither the Company nor the Customer or any joint or authorized user shall disclose any plans, drawings, trade secrets or other proprietary information of the other party which is made known in the course of the furnishing of service hereunder, except as may be required by law, without prior written consent.

2.28 Promotions

The Company reserves the right, from time to time, to provide promotional offerings. These offerings may include the waiver of non-recurring charges, such as installation charges, and the discounting of the monthly charge for a service, by not more than 15%, over a period of time not to exceed six (6) months.

3.0 LOCAL EXCHANGE SERVICES

3.1 Application to Local Exchange Services

This section contains the regulations and rates applicable to the provision of Local Exchange Services by American Fiber Network, Inc. The Company will offer Resold and facility-based Local Exchange Services in the Qwest serving areas.

3.2 General

Local Exchange Services provide the Customer with connection to the public switched telecommunications network. In addition, Local Exchange Service provides the Customer with a unique telephone number address on the public switched telecommunications network. Each Local Exchange Service enables users to:

- (a) receive calls from other stations on the public switched telecommunications network;
- (b) access other services offered by the Company as set forth in this price list;
- (c) access certain interstate and international calling services provided by the Company;
- (d) access the Company's operators and business office for service related assistance;
- (e) access emergency services by dialing 0 or 9-1-1;and
- (f) access services provided by other common carriers which purchase the Company's Switched Access Services as provided under the Company's Federal and State tariffs or price lists, or which maintain other types of traffic exchange arrangements with the Company, or which accept 10XXX, 800 or other casual traffic originated through the Company's Local Exchange Services.

3.0 LOCAL EXCHANGE SERVICES - (Cont.)

3.3 Termination of Service

The Customer will be billed a Termination Charge if service is discontinued by the Customer under the provisions of the regulations specified in this price list.

3.4 Service Descriptions

Local Exchange Services are categorized as Residential Service, Simple Business Service, Basic Business Service and Digital Trunk Service. Local Exchange Service is provided to Customers who order a minimum of eight lines.

3.4.1 Residential Service

3.4.2 The Simple Business line provides the Customer a single, voice grade channel which can be used to place or receive one call at a time. The Simple Business line is provided for connection of customer-provided single station sets or facsimile machines to the public switched telecommunications network.

3.4.3 Basic Business Line

The Basic Business line provides the Customer the same functionality as Simple Business line service, but may be configured to include the feature of Hunting so that incoming calls to a busy line will overflow to other of the Customer's lines which are not busy.

3.0 LOCAL EXCHANGE SERVICES - (cont.)

3.4 Service Descriptions - (cont.)

RESERVED FOR FUTURE USE

3.0 LOCAL EXCHANGE SERVICES - (cont.)

3.4 Service Descriptions - (cont.)

3.4.4 Optional Features

3.4.4.1 Call Blocking

Allows a Customer to control the disclosure of his/her name and or telephone number to a subscriber of Caller Identification by dialing a code before each call to change the indicator from public to private.

3.4.4.2 Call Forwarding Variable

Allows the Customer to forward incoming calls to another number by dialing a code, plus the number to receive the call. Call Forward - Variable will work on one trunk at a time when used with PBX trunks. This feature also removes that trunk from rotary hunting during use.

3.4.4.3 Call Forward - Busy

Allows incoming calls to a busy station to be routed to a preselected station line within the same system or outside the system. Internal calls can be arranged to be forwarded to a number different than external calls.

3.4.4.4 Call Forwarding Don't Answer

Allows incoming calls to be automatically routed to a preselected station line in the same system or outside the system, when the called station is not answered after a preset number of rings. Internal calls can be arranged to be forwarded to a number different from DID calls.

3.0 LOCAL EXCHANGE SERVICES - (cont.)

3.4 Service Descriptions - (cont.)

3.4.4 Optional Features - (cont.)

3.4.4.5 Call Rejection

Enables the Customer to reject calls, from up to 15 numbers, of calling parties by dialing a code and the telephone numbers of calls to be rejected. Any call attempts to the Customer will be prevented from terminating to the customer and will instead be connected to an announcement informing the caller that the call is not presently being accepted by the called party. A Customer may also reject future calls from the most recent call received by dialing a code after completing the call.

3.4.4.6 Call Transfer

Allows the Customer to transfer an incoming call to a third party or add a third party to an existing call, forming a three party connection, and then to leave the connection without disconnecting the call.

3.4.3.7 Call Waiting

When a Customer is talking on the telephone, a short tone signals that a call is waiting. The tone is heard only by the Call Waiting Customer, while the incoming caller hears a regular ringing signal. Flashing the switchhook holds the first call while the second is answered. The Customer can alternate between calls by flashing the switchhook.

3.0 LOCAL EXCHANGE SERVICES - (cont.)

3.4 Service Descriptions - (cont.)

3.4.4 Optional Features - (cont.)

3.4.4.8 Caller Identification - Name and Number

Allows for the automatic delivery of a calling party's name and telephone number (including non-published and non-listed telephone numbers) to the called Customer, which gives the called Customer an opportunity to decide whether to answer the call immediately or not. The name and number are displayed on Customer provided equipment.

3.4.4.9 Caller Identification - Number

Allows for the automatic delivery of a calling party's telephone number (including non-published and non-listed telephone numbers) to the called Customer, which gives the called Customer an opportunity to decide whether to answer the call immediately or not. The name and number are displayed on Customer provided equipment.

3.4.4.10 Continuous Redial

Allows Customer to dial a code that will cause the feature to automatically redial the last number the Customer dialed. If the called number is busy, the feature will redial the called number for a limited period of time. A distinctive ring alerts the customer when the called number becomes available. This service is available on a usage or subscription basis.

3.0 LOCAL EXCHANGE SERVICES - (cont.)

3.4 Service Descriptions - (cont.)

3.4.4 Optional Features - (cont.)

3.4.4.11 Directed Call Pick-up

Allows a Customer to answer a call, during the ringing cycle, that is directed to another line by dialing a preset access code and the telephone number of the line to be answered. Both the originating line and the line to be answered must be equipped with the feature.

3.4.4.12 Directed Call Pick-up with Barge-In

Allows the Customer to answer a call directed to another line which has been answered or is ringing by a preset access code and the telephone number of the line to be answered. Both the originating line and the line to be answered must be equipped with the feature.

3.4.4.13 Distinctive Call Alert

Allows a Customer to receive an audible Call Waiting tone or Distinctive Ringing signal from a line equipped with Call Waiting. If the called line is idle, a Distinctive Ringing signal will be heard. If the called line is busy, the called line will receive a Call Waiting tone.

3.0 LOCAL EXCHANGE SERVICES - (cont.)

3.4 Service Descriptions - (cont.)

3.4.4 Optional Features - (cont.)

3.4.4.14 Hot Line

Allows a customer, without dialing, to establish a switched connection to a predetermined number when the customer's telephone goes off-hook. No dialing is required and the call is processed automatically to the predetermined telephone number.

3.4.4.15 Hunting

Basic Hunting - Available to Customers with two or more individual line services, so that incoming calls to a busy line will overflow to other of the Customer's lines not busy. The following types of hunting are available; basic hunting, circular, and preferential.

Circular Hunt - an option of Hunting Service that allows for hunting to start at the dialed number and continues in ascending order to the last number in the hunt group. Hunting then proceeds to the first number of the hunt group and continues through the group until an idle line is reached or the number just preceding the dialed number is reached.

Preferential Hunt - an option of Hunting Service that enables incoming calls to a specific number within the hunt group to hunt over a unique hunting sequence of lines within the hunting group. The unique hunting sequence is other than that encountered when a caller dials the first telephone number in the hunt group.

3.0 LOCAL EXCHANGE SERVICES - (cont.)

3.4 Service Descriptions - (cont.)

3.4.4 Optional Features - (cont.)

3.4.4.16 Last Call Return

Allows the Customer to dial a code that will cause the feature to automatically redial the number of the last incoming call to that line, whether the call was answered or not. The Customer does not have to know the number of the calling party. If the calling party's number is blocked, by the calling party, the service will not return the call. If the called number is busy the feature will redial the called number for a limited period of time. A tone alerts the Customer when the called line is available. This service is available on a usage subscription basis.

Last Call Return Customers who do not wish to receive blocked calls can activate Anonymous Call Rejection by pressing *77 (1177 on rotary telephones). The code to deactivate is *87 (1187 on rotary telephones). While the feature is activated, incoming blocked calls are routed to an announcement in the central office. Anonymous Call Rejection is automatically available to business Customers where technically feasible; and to monthly (subscription) Customers only.

3.4.4.17 Priority Call

Allows a Customer to assign a maximum of 15 callers' telephone numbers to a special list. The Customer will hear a distinctive ring at his/her location when calls are received from callers' telephone numbers on that list.

3.0 LOCAL EXCHANGE SERVICES - (cont.)

3.4 Service Descriptions - (cont.)

3.4.4 Optional Features - (cont.)

3.4.4.18 Speed Calling - Send 30

Allows the Customer to call a preselected group of telephone numbers by dialing 1 or 2 digits rather than the actual number. Speed Calling is available with an 8 or 30 telephone capacity. Speed Calling will be provided to PBX Customers only on the basis that all trunks must be equipped with speed calling and have a common numbering plan.

3.4.4.19 Three-Way Calling

Allows the Customer to add a third Customer on an established local or long distance connection without operator assistance. The third Customer may be called by the Customer initiating the Three-Way Calling on either a local or long distance basis.

3.0 LOCAL EXCHANGE SERVICES - (cont.)

3.4 Service Descriptions - (cont.)

(RESERVED FOR FUTURE USE)

3.0 LOCAL EXCHANGE SERVICES - (cont.)

3.4 Service Descriptions - (cont.)

3.4.5 Centrex Service

Centrex Service is a flat rated central office based business service with capabilities and features provisioned by the use of a common block of numbers. All lines within the common block have access to a predetermined group of system features.

3.4.6 PBX Trunks

PBX trunks provide the Customer with a voice analog or digital voice grade circuit to connect the Customer's PBX or trunk-capable key systems to the Company's switch for access to the public switched network. PBX trunks can be arranged in the following configuration:

Two-way - Calls can be routed either in or out.

In-only - Calls can only come in, no out bound calls can come in.

Out-only - Only outbound calls can be placed, no in bound calls can come in.

Trunks can also be configured with Direct Inward Dialing (DID) capacity. DID services is a trunking arrangement which permits incoming calls from the exchange network to reach a specific PBX station directly without an attendant's assistance.

3.0 LOCAL EXCHANGE SERVICES - (cont.)

3.4 Service Descriptions - (cont.)

3.4.7 Digital Trunk Service

Digital Trunk Service provides digital exchange service to the End User. Digital Trunks include digital switched facilities, common equipment, local exchange switching, and flat usage trunks for access to the public switched and toll networks. Digital Trunk Service is available as "Advanced Trunk Service" or "Basic Trunk Service", or as a combination of Advanced and Basic Service.

- (a) Advanced Trunk Service is DID capable.
- (b) Basic Trunk Service is non-DID.

Each digital trunk facility utilizes twenty-four channels and can be configured as "in-only," "out-only," or "two-way."

3.0 LOCAL EXCHANGE SERVICES - (cont.)

3.4 Service Descriptions - (cont.)

3.4.8 Direct Inward Dialing (DID) Service

DID Service is an optional feature which can be purchased in conjunction with Company-provided Trunk Service. DID Service transmits the dialed digits for all incoming calls allowing the customer's PBX to route incoming calls directly to individual stations corresponding to each individual DID number. Charges for DID capability and DID number blocks apply in addition to charges specified for Trunk Service.

One DID Additive charge applies for each DID-equipped trunk or DID-equipped channel or channel group.

A Block Compromise Charge will apply for each number a Customer wishes to remove from a reserved DID block of numbers.

3.4.9 Direct Outward Dialing (DOD) Service

DOD Service is an optional feature which can be purchased allowing the Customer to access and dial outside numbers directly without the intervention of the company operator.

3.4.10 Uniform Access Solution (UAS)

Uniform Access Solution provides an arrangement that allows channels to function with one number per channel group. UAS includes a DS-1 facility with common equipment and a network connection which provides switching for local exchange and toll network access. Each DS-1 facility utilizes 1 through 24 channels configured with trunk-side termination and one number functionality.

3.0 LOCAL EXCHANGE SERVICES - (cont.)

3.4 Service Descriptions - (cont.)

3.4.11 ISDN - Primary Rate Interface (ISDN-PRI)

The basic PR' service structure consists of 23 B-channels and one DH channel, or 24 B channels, for a total transmission rate of 1.544 Mbit/s, which is equivalent to a T1 facility. Each 64 Kbit/s B-channel carries user information such as voice calls, circuit-switched data, or video. The D-channel is a 64 Kbit/s channel that is used to carry the control or signaling information.

3.4.11.1 ISDN-PRI Configuration Options

a) 23 B + D: This service configuration provides for 23 B-channels and 1 D-channel. The B-channels carry user information such as voice calls, circuit-switched data, or video, while the D-channel handles signaling information. When equipped, the D-channel can control a maximum of 459 B-channels. The B-channels may be provisioned on the same facility as the D-channel or on other PRS T1 facilities.

b) 24 B: This service configuration provides for 24 B-channels. The B-channels carry user information such as voice calls, circuit-switched data, or video. The signaling information is provided by the D-channel on the first T1 facility.

c) 23 B + Back-up D: This service configuration provides for 23 B-channels and a back-up D-channel. The back-up D-Channel is used if the primary D-channel, which provides signaling for multiple T1 facilities, fails. All active calls are maintained during the switchover to the back-up D-channel.

3.0 LOCAL EXCHANGE SERVICES (cont.)

3.4 Service Descriptions (cont.)

3.4.11 ISDN - Primary Rate Interface (ISDN-PRI)
(cont.)

3.4.11.2 Standard Features for ISDN- PRI

a) Calling Number Identification (CNI)
Displays the call identification information and the calling party's directory number (including nonpublished and non-listed directory numbers) prior to the call being answered. Callers have the ability to block the delivery of calling party information to the terminating number.

b) CNI Blocking - All Calls

This feature allows all outgoing calls to have the associated call identification information blocked.

c) Circuit Switched Data

This feature allows the transmission of circuit-switched data on a voice circuit.

d) Direct Inward Dialing (DID) Service

This feature allows users to place or receive calls by passing the attendant.

3.0 LOCAL EXCHANGE SERVICES - (cont.)

3.5 Miscellaneous Charges

3.5.1 Reserved Number Service

Reserved Number Service allows the Customer to reserve a number, or a block of numbers, for future use. A reserved block of numbers can only be assigned to a single Customer for use within a single rate center unless numbers are removed from the block subject to a Block Compromise Charge.

3.5.2 Directory Assistance

Allow the Customer to request assistance in determining the listed telephone number of a specified person.

3.5.3 Directory Call Completion

Provides assistance in determining the listed telephone number of a specified person at the Customer's request and then connects the Customer's call to that telephone number.

3.5.4 Trunk Change Charge

If the Customer requests a change in number, configuration or type of trunks or Trunk Service, a Trunk Change Charge may apply.

3.5.5 Miscellaneous Fee

In addition to the rates and charges described in this price list, the Customer is responsible for payment of a transfer charge when transferring any existing account or line from their current Local Exchange Carrier to the Company.

3.0 LOCAL EXCHANGE SERVICES - (cont.)

3.5 Miscellaneous Charges - (cont.)

3.5.6 E-911 TRS. Universal Service

In addition to the rates and charges described in this price list, the Customer is responsible for payment of any taxes, charges or surcharges ordered by the Public Service Commission of Arizona, the Arizona State Legislature, or local and county governments. These surcharges may include, but are not limited to Enhanced 911, Telecommunications Relay Service (TRS), and Universal Service.

3.5.7 Subscriber Line Charge

In addition to the rates described in this price list, the Customer will be responsible for payment of the Subscriber Line Charge which is assessed to the Company by the Local Exchange Carrier for each resold local exchange line.

3.0 LOCAL EXCHANGE SERVICES (cont.)

3.6 Initial Rates and Charges

3.6.1 Residential and Business Service Rates and Charges

	ILEC Service Territory	
	<u>Qwest (MRC)</u>	<u>Set-Up</u>
Residential	\$13.18	\$27.50
Simple Business Basic		
Business	\$30.40	\$42.50
Optional Features:	<u>Resi.</u>	<u>Bus.</u>
Call Blocking	\$4.00	\$4.00
Call Forwarding Var.	\$2.75	\$4.30
Call Forwarding- Busy	\$0.30	\$2.50
Call Forwarding-Don't Ans	\$0.65	\$3.50
Call Rejection	\$4.00	\$4.00
Call Transfer	\$5.50	\$5.50
Call Waiting	\$3.00	\$7.00
Caller Identification- Number	\$5.85	\$7.45
Caller Identification Name & Number	\$5.85	\$7.45
Continuous Redial	\$2.25	\$3.00
Directed Call Pick-up	\$0.75	\$0.75
Directed Call Pick-up/Brg	\$0.75	\$0.75
Distinctive Call Alert	\$0.75	\$0.75
Hot Line	\$1.75	\$1.75
Priority Call	\$2.25	\$3.00
Speed Call - 8	\$1.75	\$2.50
Speed Call - 30	\$2.50	\$4.00
Three-way Calling	\$2.50	\$3.50
Hunting (per line)	\$8.00	\$8.00

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Issued by:

Effective:

Robert E. Heath
Vice President

3.0 LOCAL EXCHANGE SERVICES (cont.)

3.6 Initial Rates and Charges

3.6.2 Centrex Service Rates and Charges

ILEC Service Territory
Qwest

Installation
Charge Term

Per line	\$ 95.00	\$40.00
System Set Up	\$260.00	\$80.00

3.0 LOCAL EXCHANGE SERVICES - (cont.)

3.6 Initial Rates and Charges - (cont.)

3.6.3 PBX Trunk Service Rates and Charges - Analog

Monthly Rates

ILEC Service Territory
Qwest

	<u>Installation Charge</u>	<u>Monthly</u>
Two Way	\$ 65.00	\$65.71
One Way Incoming to CPE	\$ 65.00	\$65.71

3.0 LOCAL EXCHANGE SERVICES - (cont.)

3.6 Initial Rates and Charges - (cont.)

3.6.4 Digital Trunk Services

Monthly Rates

ILEC Service Territory
Qwest

Installation
Charge Monthly

Basic Trunks

In-Only w/Hunting	\$114.00	\$57.00
Out-Only	\$114.00	\$57.00
Two-Way w/Hunting	\$114.00	\$57.00

Basic/Combo

Transport	\$900.00	\$360.00
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Advanced Trunks

In-Only DID		
w/Hunting	\$154.00	\$77.00
Out-Only	\$154.00	\$77.00
Two-Way DID		
w/Ans Sup.	\$154.00	\$77.00

Advanced Transport	\$154.00	\$77.00
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3.0 LOCAL EXCHANGE SERVICES - (cont.)

3.6 Initial Rates and Charges - (cont.)

3.6.5 Direct Inward Dial(DID) Service Rates and
Charges

Monthly Rates

	Installation <u>Charge</u>	ILEC Service Territory Qwest <u>Monthly</u>
DID Number -	\$ 4.00	\$ 1.00
DID Blocks of 20	\$40.00	\$20.00
Reserved DID Number	\$ 4.00	\$ 1.00
Reserved DID Numbers	\$40.00	\$20.00
- Blocks of 20	\$40.00	\$20.00

Non-Recurring Charge

Block Compromise Charge \$450.00

3.0 LOCAL EXCHANGE SERVICES - (cont.)

3.6 Initial Rates and Charges - (cont.)

3.6.6 Uniform Access Solutions (UAS)

Monthly Rates

ILEC Service Territory
Qwest

Installation
Charge

Monthly

Trunk & Transport	\$1800	\$ 900
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3.0 LOCAL EXCHANGE SERVICES - (cont.)

3.6 Initial Rates and Charges - (cont.)

3.6.7 ISDN-PRI Service

	ILEC Service Territory Qwest Installation <u>Charge</u>	<u>Monthly</u>
Voice & Data 23B+D	\$1025	\$ 400
Data Only PRI 23B+D	\$1025	\$ 400
Data Only FRI 24B	\$1025	\$ 400

3.0 LOCAL EXCHANGE SERVICES - (cont.)

3.6 Initial Rates and Charges - (cont.)

3.6.8 Other Rates and Charges

	ILEC Service Territory
	<u>Qwest</u>
Trunk Change Charge	\$400.00
Line Change Charge	\$32.00
	<u>Rate Per Call</u>
Directory Assistance	\$0.35-\$1.25
	<u>Rate Per Customer</u>
Migration Fee	\$25.00
	<u>Rate Per Line</u>
Moves, Adds and Changes	\$56.00

4.0 Coinless Pay Telephone Service Provider Access Line Service

The Company provides Coinless Pay Telephone Service Provider Access Line Service for connection of coinless programmable Customer-provided Pay Telephone equipment to the public switched network, where equipment, facilities and operating conditions permit. Coinless PSP Access Lines provide the PSP Customer with a single, analog, voice-grade telephonic communications channel that can be used to place one call at a time.

4.1 Regulations

4.1.1 The PSP Customer is responsible for all local and long distance usage charges billed to the Coinless PSP Access Line.

4.1.2 Unless otherwise permitted by Commission rule or order, only one pay telephone instrument may be connected to each PSP Access Line. Extensions must be configured and wired so that only one telephone will operate on the line at one time.

4.1.3 Exchange users of Coinless PSP service must be permitted access at no charge to Universal Emergency Number 9-1-1 Services, local and toll operators, Toll Free Service numbers, and 101XXX+0/950-XXX+0 access codes. No charge access must also be provided to report troubles, complaints or request refunds. This rule does not apply to pay telephones provided for inmate use at correctional or confinement institutions.

4.1.4 The Company will not make or offer refunds on behalf of the Coinless PSP provider.

4.0 Coinless Pay Telephone Service Provider Access Line Service -
(cont.)

4.1.5 The Customer is responsible for the installation, operation and maintenance of any pay telephone set used in connection with this service beyond the Company's local loop demarcation point. Pay telephone sets must comply with any applicable FCC Part 68 rules.

4.1.6 The PSP Customer is responsible for installing on or adjacent to each pay telephone in prominent display in signage or screen indicating the following information in well-lighted and clearly legible form. These requirements may be met by a combination of instructions within the Customer's discretion.

- Cost information for local and sent-paid long distance calls;
- Any time limit on a local call;
- Dialing Instructions, including how to reach local and long distance operators;
- No charge telephone numbers:
 - 911
 - owner/operator of the telephone
 - refunds, repairs, and complaints.
- Identification by name of the owner/operator and operator service provider;
- Statement that no incoming calls are allowed;
- Address of the instrument;
- Telephone number or identification number of the instrument.

4.0 Coinless Pay Telephone Service Provider Access Line Service -
(cont.)

Recurring charges for Coinless PSP Lines are billed monthly in advance. Usage charges, if applicable, are billed in arrears. Usage charges apply for calls placed from the PSP Line subscribed to by the PSP Customer. Nonrecurring charges for installation or rearrangement of service are billed on the next month's bill immediately following work performed by the Company.

Each Access Line is provided with touchtone signaling and blocking and screening functions at no additional charge. Calls placed to Directory Assistance from PSP Lines will be billed to the PSP Customer at rates and charges found in this tariff. Intrastate calls placed using the Company's operator assistance will be billed according to the operator assisted rate schedules of this tariff.

Nonrecurring Charges

	<u>Qwest</u>
Each Coinless PSP Line Install	\$60.00
Each Coinless PSP Line Conversion	\$ 6.00
Each PSP Line Add Feature Fee	\$ 5.00
Each PSP Line Suspension Fee	\$20.00
Each PSP Line Restore Fee	\$ 5.00
Each PSP Line Disconnect Fee	\$ 5.00

Recurring Charges

Payphone Access Service	\$11.13
Fraud Protection	\$ 0.11

5.0 LONG DISTANCE SERVICES

5.1 Application to Intrastate Long Distance Services

The following regulations, terms and conditions apply to the intrastate common carrier long distance telecommunications services provided by the Company.

5.2 General Service Description

Long Distance Services are a general offering of voice and data telecommunications capabilities and may be customized to meet specific Customer requirements. Service can be designed by the Company based on Customer-specific information, e.g., calling patterns and traffic volumes, jointly developed by Company and the Customer. Consistent with the Customer-specific information and objectives, the Company retains the right to use either switched or dedicated facilities to provide service. Long Distance Services may be available for multi-year service periods and may be subject to a minimum monthly charge. Rates for service may be stabilized and can be distance-sensitive or postalized, sensitive to time-of-day, or otherwise developed to suit the Customer's needs as may be specified in each service option. Long Distance Services will support Customer-specific seven and ten digit dialing plans.

5.0 LONG DISTANCE SERVICES - (cont.)

5.3 Fraudulent Use of Verified Account Codes

In order to control fraud, the Company may disable or refuse to accept, Verified Account Codes which it reasonably suspects or determines to be invalid or experiencing abuse. The Company will notify the Customer when Verified Account Codes are disabled.

(a) Invalidation of verified account codes: If the Customer notifies the Company that a Customer-administered verified account code is no longer valid, the Customer shall be liable for any calls placed using the verified account code, until the Company receives confirmation from its underlying carrier(s) that the verified account code has been effectively disabled. Customer notification to the Company may be delivered in writing or given orally when followed by facsimile or electronic mail. The Company will use its best efforts to notify its underlying carrier(s) or undertake other appropriate security measures within the shortest reasonable duration of time after the Customer's written, facsimile, or electronic mail notice is received by the Company.

5.4 Description of Rates and Charges

5.4.1 Application of Charges

Long Distance Communications Service includes recurring and nonrecurring charges. Stabilized recurring charges may be offered on a Customer specific basis where service demands or competitive necessity justify such charges. Recurring charges consist of flat-rated monthly and usage-sensitive charges. Service also may include a Minimum Charge. Nonrecurring charges for installation of a service and additions to service, as well as a Termination Charge and Cancellation Charge, are also included.

(a) Non-Recurring Charges: Non-Recurring Charges are billed in advance.

5.0 LONG DISTANCE SERVICES - (cont.)

5.4 Description of Rates and Charges- (cont.)

(b) Recurring Charges: Recurring Charges, including usage-sensitive charges, are billed in arrears.

5.4.2 Installation Charge

Should a nonrecurring Installation Charge apply to a service option, it shall be as specified in the applicable rate section of this price list.

5.4.3 Changes to Service- (cont.)

As specified for each service option, service components may be added to or deleted from a service. A nonrecurring Installation Charge will apply to additions, and recurring charges will be adjusted, as necessary, to reflect all changes to service.

5.4.4 Rate Changes

The Company expressly reserves the right to initiate price list revisions seeking to change the applicable rates under which the Customer has obtained service during any specified service period greater than any minimum service period provided under this price list, unless otherwise agreed upon between the Company and the Customer.

5.4.5 Changes to Terms and Conditions

During any specified service period other than any minimum service period specified in this price list, the Company expressly reserves the right to initiate changes in the terms and conditions under which service is provided, unless otherwise agreed upon between the Company and the Customer and filed in this price list. If the Company initiates such price list revisions without the Customer's agreement, the Customer may discontinue service without liability. If elected, this provision must be exercised by the

5.0 LONG DISTANCE SERVICES - (cont.)

5.4 Description of Rates and Charges- (cont.)

Customer in writing within 30 days following the date of the Company's price list filing. Any changes in the terms and conditions under which service is provided will be filed in this price list.

5.5 General Practices Affecting Rates

The following set forth factors affecting rates which apply to all Long Distance Services unless modified expressly in this price list.

5.5.1 Gross Receipts Tax

When utility or telecommunications assessments, franchise fees, or privilege, license, occupational, excise, or other similar taxes or fees are imposed by certain taxing jurisdictions upon the Company, its underlying carrier(s) or upon Local Exchange Companies and passed on to the Company, the amounts of such taxes or fees will be billed to Customers in such a taxing jurisdiction on a prorated basis.

The amount of charge that may be prorated to each Customer's bill is determined by the communications services provided to and billed to a Customer's service location equal to the amount of the tax or fee imposed upon or passed on to the Company.

5.6 Other Taxes and Surcharges

The Customer will be billed for, and is responsible for payment of any other taxes, surcharges, fees or assessments (excluding taxes on the Company's net income) imposed on or based upon provision, sale or use of the Company's services.

The Customer agrees to pay to the Company the amount of any monthly Surcharge which a Local Exchange Carrier may collect from or which the Company's underlying carrier(s) may impose on the Company for any services or facilities

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Vice President

5.0 LONG DISTANCE SERVICES - (cont.)

used to provide service, including but not limited to Special Access Surcharges and Switched Access Surcharges.

5.7 Rate Determination

The rate for a long distance call which is charged on a per minute basis may be determined by:

- (a) The locations of the originating (calling) station and the terminating (called) station;
- (b) Minutes of use;
- (c) Length of the contract agreed to by the Customer; and
- (d) The minimum dollar commitment for which the Customer has agreed.

The specific factors which apply to a given call and their application are listed in the rate section applicable to that type of call.

5.7.1 Jurisdiction

When the location of the calling and the called stations is a factor in rate determination, the rate is calculated according to whether the termination of the call is intrastate, interstate or international. This price list contains rates for intrastate calls only.

5.0 LONG DISTANCE SERVICES - (cont.)

5.8 Service Offerings

5.8.1 AFN Switched Long Distance Service

AFN Switched Long Distance Service is a usage based direct dialed interexchange service which utilizes switched access facilities, from equal access locations, on the originating end of each call. Calls are billed in six(6) second increments. All charges are billed monthly in arrears.

5.8.2 AFN Switched Toll-Free Service

AFN Switched Toll-Free Service provides Toll-Free calls to terminating points throughout the United States which utilizes switched access facilities, from equal access locations, on the terminating end of each call. Charges for the Toll-Free calls are billed to American Fiber Network, Inc.'s Customers rather than the caller. Calls are billed in six (6) second increments with an initial call duration of six (6) seconds. All charges are billed monthly in arrears.

5.8.3 AFN Dedicated Long Distance Service

AFN Dedicated Long Distance Service is a flat rate direct dialed interexchange service which utilizes dedicated access facilities on the originating end of each call. Calls are billed in six (6) second increments with an initial call duration of six (6) seconds. All charges are billed monthly in arrears.

5.8.4 AFN Dedicated Toll Free Service

AFN Dedicated Toll Free Service provides inbound '800/888' calling to points terminating within the State of Arizona utilizing dedicated access facilities on the terminating end of each call. Charges for the '800/888' calls are billed to the Company's Customers rather than to the originating caller. Calls are billed in six (6) second increments with an initial

5.0 LONG DISTANCE SERVICES - (cont.)

call duration of eighteen (18) seconds. All charges are billed monthly in arrears.

5.8.5 AFN Advantage Travel Card Service

AFN Travel Card Service is a calling card service that allows Customers to call to and from anywhere in the United States. The caller dials a Toll-Free number plus their identification code for access and then enters the digits of the terminating number. Calls are billed in arrears.

5.8.6 All Calls Service

All Calls Service offers lower long distance rates to the Company's Local Service, ISDN-PRI, and/or VPX Customers.

5.8.7 Operator Services

Operator Service rates apply when calls are completed with the assistance of a Company operator. Operator Service rates apply to calls which are billed to a calling card or to a different telephone number (e.g., collect calls, third party billing).

5.8.8 Directory Assistance Service

Directory Assistance Service provides telephone number information to the requesting Customer. Nonpublished telephone number information is not provided with Directory Assistance.

5.9 Optional Features

5.9.1 Diskette Billing

Diskette Billing is a software application that gives Customers the ability to view and analyze long distance calls and call patterns, and to view phone bills on-line. Diskette Billing is especially useful

5.0 LONG DISTANCE SERVICES - (cont.)

for those Customers with a high volume of long distance phone calls.

5.9.2 Direct Termination Overflow (DTO) Dedicated Service

With DTO Dedicated Service, Customers can choose to have their dedicated Toll Free service overflow automatically to another dedicated facility of their choosing.

5.9.3 Direct Termination Overflow (DTO) Switched Service

With DTO Switched Service, Customers can choose to have their dedicated Toll Free service overflow automatically to a switched line of their choosing.

5.9.4 Premium Reports

The Premium Report Package provides in-depth information regarding calling patterns and includes:

- (a) Standard Reports (including optional)
- (b) Toll Free Summary Data (listing the daily call totals by rate period/cost per toll free number)
- (c) Long Call Summary (listing all calls occurring during a billing cycle that exceed a specified length of time.)
- (d) Frequently Called Summary (listing all ANIs called more than a specified number of times).

5.9.5 Toll Free Call Blocking by Area Code

At the Customer's request, a Toll Free number can be blocked from access by area code parameters. Standard setup of Toll Free numbers is to allow calling access from all fifty states.

5.0 LONG DISTANCE SERVICES - (cont.)

5.9 Optional Features - (cont.)

5.9.6 Toll Free Real Time Automatic Number Identification (ANI)

This feature provides Customers with dedicated T-1 trunks real time ANI information with each Toll Free call received. ANI is provisioned by delivering the outpulsed digits of the originating number.

5.9.7 Toll Free Dialed Number Identification Service (DNIS)

This feature provides the Customer with the dialed number identification, or dummy number, of each Toll Free received.

5.9.8 Toll-Free Time of Day/Day of Week Routing

At the Customer's request, a Toll-Free number can be routed differently based on time of day, or day of week parameters. This feature allows for a Toll-Free/888 number to be routed to multiple locations based on the pre-set pattern.

5.9.9 Verified Account Codes

Authorization codes used by the Customer to restrict and/or monitor long distance usage. Upon the Customer's request, 1+ dialing is limited to callers with authorized access. The caller dials the 1+ number, is prompted for the code, and then connects to the dialed party. This feature is only utilized at the Customer's request.

5.0 LONG DISTANCE SERVICES - (cont.)

5.10 Initial Rates and Charges

5.10.1 AFN Switched Long Distance Service Rate

Per Minute Rate
\$0.03-\$0.25

Monthly Billing Fee
\$0.00-\$8.00

5.10.2 AFN Switched Toll Free Service Rate

Per Minute Rate
\$0.03-\$0.25

Monthly Billing Fee
\$0.00-\$8.00

5.10.3 AFN Dedicated Long Distance Rate

Per Minute Rate
\$0.01-\$0.15

Monthly Billing Fee
\$0.00-\$8.00

5.10.4 AFN Dedicated Toll Free Service Rate

Per Minute Rate
\$0.01-\$0.15

Monthly Billing Fee
\$0.00-\$8.00

5.10.5 AFN Travel Card Service Rate

Per Minute Rate
\$0.10-\$0.75

Monthly Billing Fee
\$0.00-\$8.00

5.0 LONG DISTANCE SERVICES - (cont.)

5.10 Initial Rates and Charges (Cont.)

5.10.1 AFN Switched Long Distance Service Rate (Cont.)

	Installation Charge	Monthly Rate
Verified Account Codes (1-499)	\$ 30.00	\$ 15.00
Verified Account Codes (500+)	Custom	Custom
Toll Free		
Directory Listing	\$ 18.00	\$ 15.00
Call Blocking/Area Code (per change)	\$100.00	\$ 0.00
Time of Day/Day of Week Routing (per change)	\$100.00	\$ 35.00
Real Time ANI	\$200.00	\$100.00
DNIS Sending	\$ 75.00	\$ 35.00
Overflow to Dedicated rate	\$ 50.00	dedicated
Overflow to Switched rate	\$ 50.00	switched
Premium Billing	\$ 10.00	\$ 7.50
Diskette Billing	\$ 30.00	\$ 25.00

5.10.7 Operator Service Rates

	<u>Charges</u>
0 + Calling Card	\$1.75
0 + Credit Card	\$1.75
0 - Calling Card	\$3.45
0 - Credit Card	\$3.45
Person - Person Calling Card	\$9.95
Person - Person Credit Card	\$9.95
Collect	\$4.95
Person - Person Collect	\$9.95
Third Party	\$5.50
Person - Person Third Party	\$9.95

5.10.8 Directory Assistance Rates

\$0.75-\$1.50 per call

6.0 Reserved for future use.

7.0 PRIVATE LINE SERVICES

7.1 Application to Private Line Services

This section contains particular regulations, rates and charges applicable to the provision of Private Line, Longhaul and SONET Services by the Company.

7.2 Private Line/Longhaul Service Description

Private Line and Longhaul Services provide point to point dedicated, private line transmission channels for the Customer's exclusive use between two or more locations.

7.2.1 DS-0 Service

DS-0 Service provides a digital transmission path at speeds up to and including 64 Kbps or, if provided over analog facilities, within the nominal frequency range of 300 and 3,000 Hz.

7.2.2 DS-1 Service

DS-1 Service provides the Customer a high capacity channel for transmission of 1.544 Mbps.

7.2.3 DS-3 Service

DS-3 Service provides the Customer a high capacity channel for transmission of 44.736 Mbps.

7.2.4 OC-3

OC-3 Service provides the Customer a high capacity channel for transmission of 155.52 Mbps.

7.2.5 OC-12

OC-12 Service provides the Customer a high capacity channel for transmission of 622.08 Mbps.

7.2.6 OC-48

7.1 Private Line Services (Cont.)

OC-48 Service provides the Customer a high capacity channel for transmission of 2.4 Gbps.

7.3 SONET Services Description

7.3.1 Point-to-Point Service (PTP)

Point-to-Point Services provide facilities and a medium for transmission of Customer information (data, Video etc.) between two points at high bandwidth rates. These bandwidth rates are 155.52 Mbps (OC-3), 622.08 Mbps (OC-12) and 2.4 Gbps (OC-48). These services are provided on fiber optic facilities.

Point-to-Point via Dedicated Fiber (dedicated bandwidth); This type of service involves dedicating the fiber for the sole use of the Customer.

Point-to-Point via SONET Ring (shared bandwidth): With this type of service the facilities are not dedicated to one Customer alone, but shared among many.

7.3.2 Point-to-Multipoint Service (PTM)

With Point-to-Multipoint Service circuits are added or dropped along the way or at the end point. These circuits range from DS-1 and DS-3 to OCN levels. Adding and dropping of circuits is accomplished using a SONET equipment called SONET ADM. PTM services are similar to PTP services with the exception of the capability of adding and dropping circuits.

7.3.3 Dedicated Ring

A Dedicated Ring is a dedicated facility among multiple customer nodes with at least one node at the American Fiber Network, Inc. Hub. Dedicated Rings provide dedicated bandwidth capacity to the customer. These rings are self-healing and will survive in the event of a single failure anywhere within the system and to reconfigure itself around that point of

7.0 Private Line Services (Cont.)

failure. This ensures a near continuous flow of information between the locations that are a part of the ring.

The ring is capable of transporting bandwidth capacities of 1.55 MBPS (OC-3), 622.08 Mbps (OC-12), and 2.4 Gbps (OC-48) as well as higher rates.

7.0 PRIVATE LINE SERVICES - (cont.)

7.4 Initial Rates and Charges

7.4.1 Private Line

DS-1

Installation Charge: \$500

	<u>1 Year</u> <u>Term</u>	<u>3 Year</u> <u>Term</u>	<u>5 Year</u> <u>Term</u>
LSO Channel Termination	ICB	ICB	ICB
POP Channel Termination	ICB	ICB	ICB
IOC Fixed	ICB	ICB	ICB
IOC Mileage (per mile)	ICB	ICB	ICB

DS-3

Installation Charge: \$500

	<u>1 Year</u> <u>Term</u>	<u>3 Year</u> <u>Term</u>	<u>5 Year</u> <u>Term</u>
LSO Channel Termination	ICB	ICB	ICB
POP Channel Termination	ICB	ICB	ICB
IOC Fixed	ICB	ICB	ICB
IOC Mileage (per mile)	ICB	ICB	ICB

7.0 PRIVATE LINE SERVICES - (cont.)

7.4 Initial Rates and Charges - (cont.)

7.4.2 Longhaul

DS-0

Installation Charge: \$500.00

	<u>1 Year</u> <u>Term</u>	<u>2 Year</u> <u>Term</u>	<u>3 Year</u> <u>Term</u>	<u>5 Year</u> <u>Term</u>
Per DS-0 Mile	ICB	ICB	ICB	ICB

DS-1

Installation Charge: \$500.00

	<u>1 Year</u> <u>Term</u>	<u>2 Year</u> <u>Term</u>	<u>3 Year</u> <u>Term</u>	<u>5 Year</u> <u>Term</u>
Per DS-0 Mile	ICB	ICB	ICB	ICB

DS-3

Installation Charge: \$2000.00

	<u>1 Year</u> <u>Term</u>	<u>2 Year</u> <u>Term</u>	<u>3 Year</u> <u>Term</u>	<u>5 Year</u> <u>Term</u>
Per DS-0 Mile				
0-100K	ICB	ICB	ICB	ICB
101-200K	ICB	ICB	ICB	ICB
201-300K	ICB	ICB	ICB	ICB
301-500K	ICB	ICB	ICB	ICB

7.0 PRIVATE LINE SERVICES (cont.)

7.4 Initial Rates and Charges - (cont.)

7.4.2 Longhaul (cont.)

OC-3

Installation Charge: \$6000.00

	<u>1 Year</u> <u>Term</u>	<u>2 Year</u> <u>Term</u>	<u>3 Year</u> <u>Term</u>	<u>5 Year</u> <u>Term</u>
Per DS-0 Mile				
0-100K	ICB	ICB	ICB	ICB
101-200K	ICB	ICB	ICB	ICB
201-300K	ICB	ICB	ICB	ICB
301-500K	ICB	ICB	ICB	ICB

OC-12

Installation Charge: \$24000.00

ILEC Service Territory

Qwest

Per DS-0 Mile	
0-100K	\$0.05
101-300K	\$0.05
301-500K	\$0.05
501-700K	\$0.05

OC-48

Pricing for OC-48 Service is on an ICB basis.

7.0 PRIVATE LINE SERVICES - (cont.)

7.4 Initial Rates and Charges - (cont.)

7.4.3 SONET

OC-3 - Point-to-Point (PTP)

Channel Terminations: 2

	<u>Installation Charge</u>	<u>Monthly Charge</u>
1 Year Term	\$10,000.00	\$3,963.00
3 Year Term	\$ 3,000.00	\$3,642.00
5 Year Term	\$ 1,500.00	\$3,237.00

ILEC Service Territory
Qwest

Charge Per Mile

0-15	\$ 80.00
15-30	\$ 87.00
30 +	\$105.00

OC-3 - Point-to-Multipoint (PTM)

All terms of Point-to-Point Services apply to Point-to-Multipoint with the addition of the following:

ILEC Service Territory
Qwest

Type of Service

DS-1 Port	ICB
DS-S Port	ICB

7.0 PRIVATE LINE SERVICES - (cont.)

7.4 Initial Rates and Charges - (cont.)

7.4.3 SONET - (cont.)

OC-12 - Point-to-Point (PTP)

Channel Terminations: 2

	<u>Installation Charge</u>	<u>Monthly Charge</u>
1 Year Term	\$15,000.00	\$10,216.00
3 Year Term	\$ 5,000.00	\$ 9,477.00
5 Year Term	\$ 2,500.00	\$ 8,425.00

ILEC Service Territory
Qwest

Mileage

Charge Per Mile

0-15	\$232.00
15 - 30	\$262.00
30 +	\$320.00

OC-12 Point-to-Multipoint (PTM)

All terms of Point-to-Point Services apply to Point-to-Multipoint with the addition of the following:

ILEC Service Territory
Qwest

Type of Service

DS-1 Port	ICB
DS-3 Port	ICB
OC-3 Port	ICB

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7.0 PRIVATE LINE SERVICES (cont.)

7.4 Initial Rates and Charges - (cont.)

7.4.3 SONET- (cont.)

OC-48 Point-to-Point (PTP)

Channel Terminations: 2

	ILEC Service Territory Qwest	
	<u>Installation Charge</u>	<u>Monthly</u>
1 Year Term	ICB	ICB
3 Year Term	ICB	ICB
5 Year Term	ICB	ICB

	ILEC Service Territory <u>Qwest</u>	
Charge Mileage		
Charge Per Mile		
0-15		ICB
15 - 30		ICB
30 +		ICB

OC-48 Point-to-Multipoint (PTM)

All terms of Point-to-Point Services apply to Point-to-Multipoint with the addition of the following:

	ILEC Service Territory <u>Qwest</u>	
Type of Service		
DS-1 Port		ICB
DS-3 Port		ICB
OC-3 Port		ICB
OC-12 Port		ICB

7.0 PRIVATE LINE SERVICES - (cont.)

7.4 Initial Rates and Charges - (cont.)

7.4.3 SONET - (cont.)

Dedicated Ring

All Dedicated Ring Pricing is on an ICB basis.

8.0 SWITCHED ACCESS SERVICES

8.1 Application to Switched Access Services

This section contains particular regulations, rates and charges applicable to the provision of Switched Access Services by the Company.

8.2 Explanation of Abbreviations

CCS	Common Channel Signaling
CCSAC	Common Channel Signaling Access Capacity
DLR	Design Layout Report
FGD	Feature Group D
LIDB	Line Information Data Base
PIU	Percent Interstate Usage
SPOI	Signaling Point of Interface
SS7	Signaling System 7
STP	Service Transfer Point
SWC	Serving Wire Center

8.3 General Service Description

Switched Access Service, which is available to Customers for their use in furnishing their own services to End Users, provides a two-point electrical communications path between a Customer's premises and an End User's premises. It provides for the use of terminating, switching, transport facilities and common subscriber plant of the Company. Switched Access Service provides for the ability to originate calls from an End User's premises to an End User's premises in the LATA where it is provided.

8.0 SWITCHED ACCESS SERVICES - (cont.)

8.4 FGD Service Description

FGD Service provides a trunk-side termination through the use of end office or access tandem switch trunk equipment. Wink-start, start pulsing and answer-supervisory signaling are sent by the terminating office. Disconnect-supervisory signaling is sent from the originating or terminating office. When FGD uses SS7 out of band signaling, no signaling will be done via the message channel.

FGD Service is provided with multi-frequency address signaling or SS7 out of band signaling. Up to 12 digits of the called party number dialed by the Customer's End User using dual-tone multi-frequency or dial-pulse address signals will be provide by the Company's equipment to the Customer's premises where the Switched Access Service terminates. Such address signals will be subject to the ordinary transmission capabilities of the switched transport provided.

FGD Service, when used in the terminating direction, may be used to access valid NXX codes served by the Company's switch, community information services of an information provider, and other Customer services (by dialing appropriate codes) when such services can be reached using valid NXX codes. FGD may not be switched, in the terminating direction, to another Trunkside Switched Access Service.

8.0 SWITCHED ACCESS SERVICES - (cont.)

8.4 FGD Service Description - (cont.)

The Company will establish a trunk group or groups for the Customer at the end office switches or access tandem switches where FGD Service is provided. When required by technical limitations, a separate trunk group will be established for each type of FGD switching arrangement provided. Different types of FGD or other switching arrangements may be combined in a single group at the option of the Company.

The access code for FGD switching is a uniform access code of the form 10XXX or 101XXX. These uniform access codes will be the assigned access numbers of all FGD access provided to the Customer by the Company. No access code is required for calls to a Customer over FGD Switched Access Service if the End User's telephone service is arranged for presubscription to that Customer.

Where no access code is required, the number dialed by the Customer's End User shall be a seven or ten-digit number for calls in the North American Numbering Plan (NANP). For international calls outside the NANP, a seven to twelve-digit number may be dialed. The form of the numbers dialed by the Customer's End User is NXX-XXXX, 0, 00, or 1 + NXX-XXX, NPA + NXX-XXX, 0, 00 or 1 + NPA + NXX-XXXX, and, when the end office is equipped for International Direct Dialing, 01 + CCNN or 011 + CC +NN.

8.0 SWITCHED ACCESS SERVICES - (cont.)

8.4 FGD Service Description - (cont.)

When the 10XXX or 101XXX access code is used, FGD switching also provides for dialing the digit 0 or 00 for access to the Customer's operator, 911 for access to emergency reporting service, or at the Customer's option, the end-of-dialing digit (#) for cut-through access to the Customer's premises.

A Customer may order 950 or FGD to activate a Customer's designated 950-XXXX access code. This will allow the Company to direct those designated 950-XXXX calls dialed by the Customer's End Users to the Customer's access service. The Customer must be prepared to handle normally dialed FGD calls, as well as calls dialed with the designated 950-XXXX access code which requires the Customer to receive additional address signaling. Such calls will be rated as FGD.

8.5 Ordering Procedures

Ordering and provisioning procedures for the Company's Switched Access Service are as set forth in this price list.

The Customer shall provide all information necessary for the Company to provide and bill for the requested service including:

- (a) Customer name and premises address(es).
- (b) Billing name and address (when different from Customer name and address).
- (c) Customer contact name(s) and telephone number(s) for the following provisioning activities: order negotiation, order confirmation, interactive design, installation and billing.

8.0 SWITCHED ACCESS SERVICES - (cont.)

8.5 Ordering Procedures - (cont.)

8.5.1 Ordering Options for Access Service

Switched Access Service is provided by the Company as trunk-side switched access with equal access capabilities compatible with industry standards for FGD Service.

8.5.1.1 Switched Access Service

When a Customer requests new or additional Switched Access Services, one or more Access Orders may be required. The number of orders required is dependent on the type of services and/or facilities being requested.

When placing an Access Order for service, the Customer shall specify, at a minimum: information for Switched Transport as described in this price list. This information is in addition to the basic Trunkside Switched Access Service arrangement information.

8.5.1.2 Trunkside Switched Access Service

For Trunkside Switched Access Service ordered in trunks, the Customer shall specify the number of trunks and the end office when Switched Transport and Local Switching options are desired. When ordering trunks to an access tandem or FGD trunks to a Customer-provided tandem, the Customer must also provide the Company an estimate of the amount of traffic it will generate to and/or from each end office subtending the access tandem or Customer-provided tandem to assist the Company in its own efforts to project further facility requirements. In addition, the Customer shall specify for terminating access, whether the trunks are to be arranged in trunk group arrangements or provided as single trunks. The

8.0 SWITCHED ACCESS SERVICES - (cont.)

8.5 Ordering Procedures - (cont.)

traffic type must also be specified using the same categories as described in this price list, to enable efficient provisioning and billing functions.

When a Customer orders Switched Access Service in trunks, the Customer is responsible to assure that sufficient access facilities have been ordered to handle its traffic.

8.5.1.3 LIDB

When the Customer orders LIDB, the Customer must specify the Originating Point Code(s) and Location Identification Code(s) that will access the Company's LIDB per access order.

8.5.1.4 FGD with SS7

When the Customer orders FGD Service with 557 out of band signaling, the Customer must specify the CCSAC Service required between the Customer's SPOI and the Company's STP location per access order.

8.5.2 Order Modifications

The Customer may request a modification of its Access Order at any time prior to notification by the Company that service is available for the Customer's use. The Company will make every effort to accommodate a requested modification when it is able to do so with the normal work force assigned to complete such an order within normal business hours.

If the modification cannot be made with the normal work force during normal business hours, the Company will notify the Customer. If the Customer still desires the Access Order modification, the Company

8.0 SWITCHED ACCESS SERVICES - (cont.)

8.5 Ordering Procedures - (cont.)

will schedule a new service date. All charges for Access Order modifications will apply on a per-occurrence basis.

Any increase in the number of Switched Access Service facilities or trunks will be treated as a new Access Order (for the increased amount only).

8.0 SWITCHED ACCESS SERVICES -(cont.)

8.5 Ordering Procedures - (cont.)

8.5.2 Order Modifications - (cont.)

8.5.2.1 Design Change

The Customer may request a design change to the service ordered. A design change is any change to an Access Order which requires engineering review. An engineering review is a review by Company personnel of the service ordered and the requested changes to determine what change in the design, if any, is necessary to meet the changes requested by the Customer. Design changes include such things as a change of End User premises within the same serving wire center, the addition or deletion of optional features, functions, or a change in the type of Transport Termination (Switched Access only), type of channel interface, type of Interface Group or technical specification package.

Design changes do not include a change of Customer premises, End User premises to a different serving wire center or end office switch. Changes of this nature will require the issuance of a new order and the cancellation of the original order with appropriate cancellation charges applied.

8.0 SWITCHED ACCESS SERVICES - (cont.)

8.5 Ordering Procedures - (cont.)

8.5.2 Order Modifications - (cont.)

8.5.2.1 Design Change - (cont.)

The Company will review the requested change, notify the Customer whether the change is a design change, if it can be accommodated and if a new service date is required. If the Customer authorizes the Company to proceed with the design change, a Design Change Charge will apply.

A Design Change Charge will apply, on a per order, per occurrence basis. This charge will also apply to change an incorrect address as long as the new address is in the same wire center as the incorrect address and the change is made prior to the issuance of the Design Layout Report (DLR). If a change of service date is required, the Service Date Change Charge will apply. If the change of End User premises within the same serving wire center is requested, Expedited Order Charges may also apply.

8.5.2.2 Service Date Change

Access Order service dates for the installation of new services or rearrangements of existing services may be changed. A Service Date Change Charge will apply, on a per order per occurrence basis, for each service date changed, pursuant to this price list. A new service date may be established that is prior to the original Standard or Negotiated Interval service date if the Company determines it can accommodate the Customer's request without delaying service dates for orders of other Customers.

8.0 SWITCHED ACCESS SERVICES - (cont.)

8.5 Ordering Procedures - (cont.)

8.5.2 Order Modifications - (cont.)

8.5.2.2 Service Date Change - (cont.)

If the service date is changed to an earlier date, the Customer will be notified by the Company that Expedited Order Charges as set forth in this price list will apply. Such charges will apply in addition to the Service Date Change Charge.

When, for any reason the Customer indicates that service cannot be accepted on the service date, and the Company accordingly delays the start of service, a Service Date Change Charge will apply. If the Customer requested service date is more than 120 calendar days after the original service date, the order will be canceled by the Company and reissued with the appropriate cancellation charges applied.

8.0 SWITCHED ACCESS SERVICES - (cont.)

8.5 Ordering Procedures - (cont.)

8.5.2 Order Modifications - (cont.)

8.5.2.3 Expedited Orders

A Customer may:

- a) when placing an Access Order for service(s), request a service date that is prior to the assigned service date.
- b) request an earlier service date on a pending or negotiated Access Order, and
- c) request a change of End User premises within the same serving wire center.

If the Customer requests an earlier service date and/or a change of End User premises within the same serving wire center, and the Company agrees to provide the service on an expedited basis, an Expedited Order Charge will apply.

When an expedited service date is missed, the Expedited Order Charge will apply unless the missed service date is caused by the Company.

If costs other than additional labor are to be incurred when an Access Order is expedited, the Company will develop, determine and bill the Customer for the additional costs.

8.0 SWITCHED ACCESS SERVICES - (cont.)

8.6 Presubscription

Presubscription is a procedure whereby an End User or location provider may select and designate to the Company an interexchange carrier(s) to access, without dialing an access code for calls leaving the local service area of the Company. The interexchange carriers are referred to as the End User's or location provider's primary interexchange carrier. The End User or location provider will be allowed to select a primary interexchange carrier for intraLATA calls and a primary interexchange carrier for interLATA calls.

Should a caller wish to use the services of an interexchange carrier other than the primary interexchange carrier, it is necessary for the caller to dial the necessary access code(s) to reach that interexchange carrier's services.

8.0 SWITCHED ACCESS SERVICES - (cont.)

8.6 Presubscription - (cont.)

8.6.1 Application of Charges on Presubscription

(a) End users or location providers placing orders for service will be asked to select a primary interexchange carrier at the time they place an order with the Company for Local Exchange Service. There will be no charge for this selection.

(b) End users or location providers that choose to change their primary interexchange carrier within one month of the effective date of their new service will not be charged for the change.

(c) Subsequent to a one-month period following installation of Local Exchange Service, for any change in selection, including a change from one access code to another access code for the same interexchange carrier, a nonrecurring charge applies. The nonrecurring charge for a primary interexchange carrier (PIC) change is billed to the End User who is the subscriber to the Local Exchange Service. However, an interexchange carrier may, at its option, may elect to pay the charge for any End User and/or location provider at any time. The nonrecurring charge for a PIC change is set forth in this price list.

8.6.2 Dispute Application for Presubscription

If the End User or location provider disputes a PIC change, the Company will investigate the origin of the change and shall restore the End User or location provider to their previous PIC. If the change was due to Company error, the End User or location provider will be returned to their previous primary interexchange carrier free of charge. If the change was submitted by an interexchange carrier, and the interexchange carrier is unable to produce the signed End User or location provider Letter of Authorization (LOA), the nonrecurring charges will be assessed to

8.0 SWITCHED ACCESS SERVICES-(cont.)

8.6 Presubscription - (cont.)

8.6.2 Dispute Application for Presubscription -
(cont.)

the unauthorized interexchange carrier.

If there is a conflict between an End User, a location provider, or their respective agent, on the one hand, and an interexchange carrier on the other hand, over the designation of the primary interexchange carrier, the Company will honor the designation selected by the End User, location provider or their respective agent, regardless of any contractual obligations the End User, location provider or agent may have with one or more interexchange carriers.

If there is a conflict between an End User and/or location provider, on the one hand, and their agent on the other hand, over the designation of the primary interexchange carrier, the Company will honor the designation selected by the End User and/or location provider, regardless of any contractual obligations the End User and/or location provider may have with one or more interexchange carriers or agents.

The nonrecurring charge for an Unauthorized PIC change is set forth in this price list.

8.6.3 Cancellation of Interexchange Participation for Presubscription

If an interexchange carrier elects to discontinue all of its FGD service in the end office, the interexchange carrier is obligated to do the following:

(a) Notify the Company of the cancellation of their FOD service; and

(b) Contact all End Users or location providers that

8.0 SWITCHED ACCESS SERVICES - (cont.)

8.6 Presubscription - (cont.)

8.6.3 Cancellation of Interexchange Participation for
Presubscription - (cont.)

are presubscribed to the canceling interexchange carrier as their primary interexchange carrier. Inform these End Users or location providers of the

cancellation and request the End Users or location providers to contact the Company to select a new primary interexchange carrier.

The Company will bill the canceling interexchange carrier the service order charge for each End User and location provider the interexchange carrier has predesignated to it. Such charge will not apply to the canceling interexchange carrier where the canceling interexchange carrier transfers or assigns its FGD services and the associated 10XXX or 101XXX code to another interexchange carrier in such manner that the Company does not change End User or location provider records or End User and/or location provider PIC designation, or if another interexchange carrier elects to pay the service order charge on behalf of the canceling interexchange carrier.

8.6.4 Interexchange Carrier Initiated Conversions for
Presubscription

When an interexchange carrier requests that their End User and/or location provider be changed from one access code to another access code on a mass conversion basis, e.g., an interexchange carrier using two or more PIC designations or an interexchange carrier assuming ownership of another interexchange carrier's End Users and/or location providers etc., charges as set forth in this price list shall apply.

8.0 SWITCHED ACCESS SERVICES - (cont.)

8.7 Billing and Jurisdictional Reporting Requirements

The following requirements are in addition to the terms and conditions contained in the general regulations section of this price list.

8.7.1 Obligations of the Customer

The Customer must indicate a projected Percent of Interstate Use (PIU) factor in a whole number (i.e., 1-100) when ordering Switched Access Service. A Customer provided PIU factor is required on each Access Service Request (ASR).

Where jurisdiction can be determined from the call detail, the Company will develop a projected PIU factor from the call detail which will be used to bill the Customer. Where call detail is insufficient to determine the jurisdiction, the Customer will provide a Jurisdictional Report indicating the projected PIU factor. The Company will use the Jurisdictional Report to bill all interstate and intrastate rates and/or nonrecurring charges until the Company receives a revised report from the Customer.

8.7.1.1 Reporting Terminating FGD Service

For terminating access minutes on FGD, the Customer has the following options:

- (1) allow the Company to develop the projected PIU factor; or
- (2) provide the Company with a projected PIU factor.

Upon ordering terminating FGD Service, the Company will develop the projected PIU factor until the Company receives a letter from the Customer (by certified U.S. Mail return receipt requested) authorizing the Company to develop the projected PIU factor from a Customer-provided report.

8.0 SWITCHED ACCESS SERVICES - (cont.)

8.7 Billing and Jurisdictional Reporting Requirements -
(cont.)

8.7.1 Obligations of the Customer - (cont.)

8.7.1.1 Reporting Terminating FGD Service -
(cont.)

Customers who choose to provide a projected PIU factor for terminating FGD access minutes shall supply a percentage in whole number (i.e., a number 0-100). The Company will designate the number obtained by subtracting the projected terminating interstate percentage from 100 as the projected terminating intrastate percentage of use. The projected PIU factor supplied by the Customer is used by the Company to apportion the terminating usage between interstate and intrastate until a revised report is received.

The Customer-provided PIU factor will be used until the Customer reports a different projected PIU factor. No prorating or back billing will be done based on the Jurisdictional Report.

8.7.1.2 Failure to Report

When the quarterly reports are not supplied by the Customer, the Company will follow the procedures set out in paragraphs (a)-(c).

a) If the Customer does not supply the reports, the Company will assume the PIU factors to be the same as those provided in the last report. For those cases in which a quarterly report has never been received from the Customer, the Company will assume the PIU factors to be the same as those provided in the order for service.

b) Upon receipt of the Customer's work papers and summary, the Company will begin using the PIU

8.0 SWITCHED ACCESS SERVICES - (cont.)

factors derived from the work papers and summary
with the next billing period and will review the
work papers and summary submitted within thirty
(30) days from receipt of the information.

c) If after review of the information, it is
determined that a billing dispute exists, the
Company will continue to use the derived PIU
factor and begin audit procedures.

8.0 SWITCHED ACCESS SERVICES - (cont.)

8.8 Rates

8.8.1 Application of Rates

The rates associated with Carrier Common Line Service, Switched Transport Service and Local Switching Service are applied to all access minutes of use that originate and terminate at the Company's local switch.

8.8.2 Rate Categories

Following is a description of the rate categories for the facilities required to provide Switched Access Services to the Customer.

8.8.2.1 Carrier Common Line Service

Carrier Common Line Service provides for the use of the Company's common lines by Customers for access to End Users to furnish intrastate telecommunications service.

8.8.2.2 Switched Transport Service

Switched Transport Service provides the transmission facilities between the Customer's premises and the end office switch(es) where the Customer's traffic is switched to originate or terminate its communications.

8.0 SWITCHED ACCESS SERVICES - (cont.)

8.8 Rates - (cont.)

8.8.2 Rate Categories (cont.)

8.8.2.3 Local Switching Service

Local Switching Service provides a switch path from the Company's local subscribers to its local switches.

8.8.2.4 Universal Service Fund

The Universal Service Fund rate will be applied to all intrastate switched access minutes of use.

8.8.3 Rating and Billing of Transport Where More Than One Company is Involved.

Switched Access Service to a Customer may involve more than one Company for the provision of transport service. Each Company will provide its portion of transport to the interconnection point with the next Company. The mileage used to calculate charges for the Company's Transport Service will be based the Company's percentage of network facilities used to provide the service. Other companies involved with the transport service may bill according to their own tariffs or price lists.

8.8.4 Carrier Common Line Service Rates

	<u>Rate Per</u> <u>Access Minute</u>
	<u>Qwest</u>
Terminating, per access minute	\$.021
Originating, per access minute	\$.021

8.0 SWITCHED ACCESS SERVICES - (cont.)

8.8 Rates - (cont.)

8.8.5 Switched Transport Service Rates

Rate Per Access Minute

	Qwest	
	Fixed	Per Mile
Switched Transport	.01	.01

8.8.6 Local Switching Service Rates

Rate Per Access Minute

	Qwest
Local Switching	\$.01757
800 DB query	\$.0035

8.8.7 Service Date Change Charge

Qwest

	<u>Non-Recurring Charge</u>
Per Order	\$100.00

8.8.8 Design Change Charge

	<u>Non-Recurring Charge</u>
Per Order	\$100.00

8.8.9 Expedited Order Charge

	<u>Non-Recurring Charge</u>
Per Order	\$100.00

8.8.10 Presubscription Rates and Charges

	<u>Non-Recurring Charge</u>
PIC Change, per line	\$10.00
Unauthorized PIC Change, per line	\$20.00
Interexchange Initiated Conversion, per line	\$10.00

9.0 DATA SERVICES

9.1 Application to Data Services

This section contains particular regulations, rates and charges applicable to the provision of AFN Data Services including Frame Relay, Transparent LAN Service and Asynchronous Transfer Mode (ATM).

9.2 Frame Relay Service

AFN's Frame Relay product offers an alternative to traditional point-to-point networks for WAN connectivity. Frame Relay service provides multi-point, wide-area connectivity using frame relay packet technology that reduces the connection costs of distributed data networks. This service allows bridges, routers, frame relay access devices and other equipment to connect multiple sites.

The components of AFN's Frame Relay service for each customer location/site are the connection between the customer's premise and AFN's nearest point-of-presence at a pre-specified speed, an assigned port on AFN's frame relay switch, and use of AFN's frame relay network all the way to the destination point. Frame Relay offers a choice of interface speeds, which can be different for multiple locations. They range from 56K to 1.536 Mbps.

9.3 Transparent LAN Service (TSL)

Transparent LAN (TSL) is a service that connects two or more customer locations at very high speed, typically 10 Mbps to 100 Mbps. TSL service is a full service data connection. Included in the TLS service is point-to-point connectivity, installed customer premise equipment, and the monitoring of the customer's network to ensure connectivity.

TLS allow the Customer to create wide-area networks (WAN) by connecting their campus LAN to a native LAN interface from a public network service provider.

9.0 DATA SERVICES - (cont.)

9.4 Asynchronous Transfer Mode (ATM)

Asynchronous Transfer Mode (ATM) is a high speed service for the delivery of data, voice and video. ATM allows the Customer to connect multiple sites together in a network with a single physical connection at each location, through the use of ATM virtual circuits. Each virtual circuit can provide the unique Quality of Service (QOS) for the applications.

ATM delivers data in 53 byte cells similar to data transport via packets such as frame relay. ATM cell size of 53 bytes is constant and is ideal for mixing services with different characteristics onto a single facility.

9.0 DATA SERVICES (cont.)

9.5 Initial Rates and Charges

9.5.1 Frame Relay Port

Reserved for future use.

9.0 DATA SERVICES (cont.)

9.5 Initial Rates and Charges - (cont.)

9.5.2 Transparent LAN Service Port (TLS)

TLS Port Pricing

Reserved for future usage.

9.0 DATA SBRVICBS - (cont.)

9.5 Initial Rates and Charges - (cont.)

9.5.3 Asynchronous Transfer Mode (ATM) Port

Reserved for Future Usage

9.0 DATA SERVICES - (cont.)

9.5 Initial Rates and Charges - (cont.)

9.5.4. Permanent Virtual Circuits (PVC)

Reserved for Future Usage

Attachment C

Affidavit of Publication

(will be provided when completed)

Attachment D
Financial Information

American Fiber Network, Inc.
GAAP Trial Balance – B/S
At 7/31/06, 8/31/06 & 9/30/06

Account	American Fiber Network, Inc.		
	7/31/2006	8/31/2006	9/30/2006
	Final	Final	Final
Cash (Voice Division)	848,724	974,285	737,632
Deposits			
Prepaid Expenses	247,220	230,813	244,606
Accounts Receivable	367,295	379,790	368,202
Allowance for Doubtful Accounts	(9,978)	(20,071)	(20,071)
Due to/from Affiliate	62,262	62,262	62,262
Employee Advances	9,897	9,514	9,514
Inventory- Trade			
Other Current Assets			
Property, Plant & Equipment	347,958	349,558	349,558
Accumulated Depreciation	(303,203)	(303,961)	(304,719)
Sub-total (Net PP&E)	44,755	45,597	44,839
Customer List-US1	134,483	134,483	134,483
Accumulated Amortization	(58,271)	(60,512)	(62,753)
Sub-total (Net Cust. List)	76,212	73,971	71,730
Intercompany loan	467,000	397,000	727,000
Investments (N/R UC Hub)	33,000	33,000	39,001
Investment in Allcom	353,433	356,403	317,325
Deposits			
Intangible Assets			
Goodwill			
Accumulated Amortization			
Other Assets			
Total Assets	2,499,620	2,542,564	2,602,040
Accounts Payable (Voice Division)	305,180	320,470	344,439
Account Payable-Max-US	5,139	5,139	5,139
Accrued Interest-US1	131	131	131
Accrued Payroll	16,014	16,014	16,014
Accrued Payroll Taxes	(64)	549	(1,794)
Sales Tax Payable	277,442	276,651	285,839
Intercompany Sales	(14,702)	(14,702)	(14,702)
Commissions Payable	87,347	74,453	75,717
Deferred Revenue	224,031	237,717	231,951
Unrecovered Revenue		-	-
Amount Payable to AFNS	-	-	-
Other Short Term Notes Payable			
Current Portion of Long Term Debt			
Other Short Term Liabilities			
Inter Company Loan-Mobilepro	433,000	333,000	308,000
Due to Corporate-US1	274,867	274,867	274,867
Notes Payable (long-term)			
Other Long Term Liabilities			
Total Liabilities	1,588,385	1,524,289	1,525,601
Common Stock	100	100	100
Additional Paid in Capital	85,544	85,544	85,544
Preferred Stock			
Shareholders equity - other	(1,953,502)	(1,953,502)	(1,953,502)
Retained Earnings (at beginning of year)	2,370,061	2,370,061	2,370,061
Retained Earnings -US1	(71,387)	(71,387)	(71,387)
Retained Earnings-Allcom	19,546	19,546	(12,874)
Net Income (current year)	460,873	567,913	658,497
Total Stock Holders Equity	911,235	1,018,275	1,076,439
Total Liabilities and Stock Holders Equity	2,499,620	2,542,564	2,602,040

American Fiber Network, Inc.
GAAP Trial Balance -- B/S
At 4/30/06, 5/31/06 & 6/30/06

Account	American Fiber Network, Inc.		
	4/30/2006	5/31/2006	6/30/2006
	Final	Final	Final
Cash (Voice Division)	584,544	711,319	496,084
Deposits			
Prepaid Expenses	231,866	229,439	241,274
Accounts Receivable	202,466	321,754	358,758
Allowance for Doubtful Accounts	(9,978)	(9,978)	(9,978)
Due to/from Affiliate	62,262	62,262	62,262
Employee Advances			9,697
Inventory- Trade			
Other Current Assets			
Property, Plant & Equipment	334,899	335,980	338,980
Accumulated Depreciation	(301,411)	(301,925)	(302,489)
Sub-total (Net PP&E)	33,488	34,055	36,491
Customer List-US1	134,483	134,483	134,483
Accumulated Amortization	(51,548)	(53,789)	(56,030)
Sub-total (Net Cust. List)	82,935	80,694	78,453
Intercompany loan	277,000	307,000	437,000
Investments (N/R UC Hub)	33,000	33,000	33,000
Investment in Allcom	353,851	353,851	353,851
Deposits			
Intangible Assets			
Goodwill			
Accumulated Amortization			
Other Assets			
Total Assets	1,851,434	2,123,396	2,096,892
Accounts Payable (Voice Division)	342,127	462,916	456,745
Account Payable-Max-US	5,139	5,139	5,139
Accrued Interest-US1	131	131	131
Accrued Payroll	-	-	16,850
Accrued Payroll Taxes	-	-	1,289
Sales Tax Payable	156,981	186,887	157,071
Intercompany Sales	(7,500)	(9,465)	(9,465)
Commissions Payable	58,386	62,233	63,438
Deferred Revenue	166,923	202,372	224,031
Unrecovered Revenue			-
Amount Payable to AFNS	-	-	-
Other Short Term Notes Payable			
Current Portion of Long Term Debt			
Other Short Term Liabilites			
Inter Company Loan-Mobilepro	333,000	333,000	133,000
Due to Corporate-US1	274,867	274,867	274,867
Notes Payable (long-term)			
Other Long Term Liabilities			
Total Liabilities	1,330,054	1,518,080	1,323,096
Common Stock	100	100	100
Additional Paid in Capital	85,544	85,544	85,544
Preferred Stock			
Shareholders equity - other	(1,953,502)	(1,953,502)	(1,953,502)
Retained Earnings (at beginning of year)	2,370,061	2,370,061	2,370,061
Retained Earnings -US1	(71,387)	(71,387)	(71,387)
Retained Earnings-Allcom	19,546	19,546	19,546
Net Income (current year)	71,018	154,954	323,433
Total Stock Holders Equity	521,380	605,316	773,795
Total Liabilities and Stock Holders Equity	1,851,434	2,123,396	2,096,891

American Fiber Network
Balance Sheet
FOR THE MONTH ENDING March 31, 2006

Assets

Current Assets:

Cash	\$545,301.43
Accounts Receivable	184,480.99
Accounts Receivable, CABS	9,359.83
Allowance for Doubtful Accts	(9,978.00)
Due to/from Affiliate-US1	62,261.80
Prepaid Expenses	218,762.45
Investment in AllCom	353,851.46

Total Current Assets:	1,364,039.96

Long Term Assets:

Fixed Assets	330,923.01
Accumulated Depreciation	(300,915.36)
Customer List-US1	134,483.14
Accumulated Amortization	(49,307.07)
Intercompany Loan	247,000.00
NR UC Hub	33,000.00
NR American Fiber Net. (NP) AFN Services	-----

Total Long Term Assets	395,183.72

Total Assets

1,759,223.68
=====

Liabilities & Equity

Liabilities:

Accounts Payable Trade	274,552.01
Accounts Payable	608.56
Account Payable-Max-US1	5,139.61
Accrued Interest-US1	131.25
Sales Tax Payable	189,329.82
Commissions Payable	60,755.18
Deferred Revenue	152,426.96
Due to Corporate-US1	274,866.72
Intercompany Loan-Mobilepro	333,000.00

Total Liabilities	1,290,810.11

American Fiber Network
Balance Sheet
FOR THE MONTH ENDING March 31, 2006

Equity

Beginning Retained Earnings	624,825.52
Retained Earnings-US1	(71,387.04)
Retained Earnings-Allcom	19,546.10
Current Income-Loss	1,763,287.38

Total Retained Earnings	2,388,112.90
Capital Stock	100.00
Paid in Capital	85,544.00
Distributions	(1,953,502.39)

Total Equity	468,413.57
Total Liabilities & Equity	1,759,223.68
	=====

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American Fiber Network, Inc.
GAAP Trial Balance -- P/L
For the Months-Ending
7/31/06, 8/31/06 & 9/30/06

American Fiber Network, Inc.			
Account	7/31/2006 Month-to-Date	8/31/2006 Month-To-Date	9/30/2006 Month-To-Date
Voice Revenue	965,622	943,764	851,580
Internet Service			
Fees and Professional Services			
Other Revenue			
Total Revenues	965,622	943,764	851,580
Cost of Sales	649,442	660,876	627,492
Gross Profit	316,180	282,888	224,088
Advertising	-	-	-
Amortization Expense	2,241	2,241	2,241
Auto Expenses	-	-	-
Bad Debt Expense	13	10,148	67
Bank Fees	1,878	2,509	1,990
Collection Expense	-	-	-
Consulting	49,500	26,900	21,000
Depreciation	714	758	758
Dues	-	-	-
Equipment Rent	848	1,586	981
Expenses - Employees	-	-	-
Insurance	5,423	5,639	5,552
Meals	202	699	191
Miscellaneous	-	(14)	-
Office	-	-	-
Office expenses	2,250	1,334	2,198
Office Rent	6,177	6,177	6,177
Other expenses	-	-	-
Other income	-	-	-
Payroll Expenses	202	-	-
Payroll taxes	5,746	7,019	6,606
Postage	2,760	2,517	2,569
Professional fees	416	-	-
Repairs and Maintenance	671	1,428	1,015
Research and development	-	2,144	5,270
Service Charges	-	-	-
Taxes - Other	593	1,544	9,384
Telephone	959	731	1,034
Travel	491	2,946	1,778
Wages (and salaries)	89,310	91,422	57,543
Intercompany Management Fee	-	-	-
Outside Services	8,347	8,120	7,151
Total Operating Expenses	178,741	175,848	133,505
Net Operating Income	137,439	107,040	90,583
Other Income			
Other Income			
Interest Income			-
Interest Income - Intercompany			
Other Expenses			
Interest Expense			
Income Tax Expense			-
Interest Expense - Intercompany			
Net Income	137,439	107,040	90,583

American Fiber Network, Inc.
GAAP Trial Balance – P/L
For the Months-Ending
4/30/06, 5/31/06 & 6/30/06

Account	American Fiber Network, Inc.		
	4/30/2006 Month-to-Date	5/31/2006 Month-To-Date	6/30/2006 Month-To-Date
Voice Revenue	800,683	898,859	919,193
Internet Service			
Fees and Professional Services			
Other Revenue			
Total Revenues	800,683	898,859	919,193
Cost of Sales	588,493	669,146	546,507
Gross Profit	212,190	229,713	372,886
Advertising	-	-	-
Amortization Expense	2,241	2,241	2,241
Auto Expenses	-	-	-
Bad Debt Expense	1,750	31	(6)
Bank Fees	2,686	1,946	2,200
Collection Expense	-	-	-
Consulting	18,500	33,875	34,830
Depreciation	496	514	564
Dues	-	-	-
Equipment Rent	-	596	640
Expenses - Employees	-	349	-
Insurance	5,291	5,229	3,970
Meals	476	159	278
Miscellaneous	-	-	84
Office	-	-	-
Office expenses	2,906	2,451	3,821
Office Rent	6,201	6,177	6,177
Other expenses	-	-	-
Other income	-	-	-
Payroll Expenses	188	254	305
Payroll taxes	3,497	6,065	8,339
Postage	2,517	2,584	3,120
Professional fees	2,211	-	4,301
Repairs and Maintenance	3,000	385	988
Research and development	700	-	220
Service Charges	-	-	-
Taxes - Other	2,501	1,488	6,238
Telephone	722	801	607
Travel	2,680	2,056	1,911
Wages (and salaries)	77,609	78,576	82,075
Intercompany Management Fee	-	-	-
Outside Services	5,000	-	5,000
Total Operating Expenses	141,172	145,777	167,903
Net Operating Income	71,018	83,936	204,783
Other Income			
Other Income			
Interest Income			1,825
Interest Income - Intercompany			
Other Expenses			
Interest Expense			
Income Tax Expense			38,128
Interest Expense - Intercompany			
Net Income	71,018	83,936	168,480

American Fiber Network

For the Twelve Months Ending March 31, 2006
 INCOME STATEMENT

2006

Revenues:

SERVICE REVENUE	\$3,792,046.15
SERV REVENUE-UNEP	399,371.17
LOCAL BILLING SERV FEES	2,023.31
LOCAL BILLING SERV FEES-CLEC	41,008.67
REGULATORY CREDITS	50,647.01
PICC FEES	185,658.08
MUNI CHARGES	3,912.18
PORT FEES	4,725.08
CDR	1,447,607.95
CDR-CABS	148,700.13
LATE FEES	13,083.85
EARNED INTEREST	289.25
C-CAN REVENUE	43,842.48
OSC REVENUE	24,860.90
MISC INCOME	83,148.18
BILLING ADJUSTMENTS	(10,944.08)

Total Revenues

6,229,980.31

Operating Expenses:

SERVICE EXPENSE-RESALE	2,611,908.60
SERVICE EXPENSE-UNEP	213,305.34
PICC FEE EXPENSE	851.10
MUNI CHARGES EXPENSE	4,956.51
PORT FEES EXPENSE	5,589.22
CDR EXPENSE	490,755.99
COMMISSIONS EXP	71,211.61
C-CAN LEC CHARGES	26.00
OAKWOOD COMMISSIONS	154,758.70
OTHER COMMISSIONS	19,334.19
MISC EXPENSE	64,528.26

Total Operating Expenses

3,637,225.52

Income After Operating Expenses:

2,592,754.79

American Fiber Network

For the Twelve Months Ending March 31, 2006
 INCOME STATEMENT

2006

Administrative Expenses:

ACCOUNTANT FEES	1,855.50
AMORTIZATION EXPENSE	20,169.00
ANS SER/VOICE MAIL	959.32
ATTORNEY FEES	5,645.31
AUTO REPAIRS	32.36
BAD DEBT EXPENSE	36,961.21
BANK CHARGES	6,258.68
CREDIT CARD CHARGES	10,388.80
CC CHARGEBACK ADJUSTMENTS	632.74
COMPUTER SOFTWARE	7,477.41
TAX PROCESSING	13,753.16
COMPUTER HARDWARE	1,293.19
COMPUTER TECH SUPPORT	11,364.76
CONSULTING	108,606.50
CONT. ED./SEMINAR	800.00
CONTRIBUTION	150.00
COLLECTION (CREDIT)	269.95
DATA PROC./PROGRAMMING	99.95
DEPRECIATIONS EXPENSE	2,367.00
DONATIONS	50.00
DUES/SUBSCRIPTIONS	2,505.00
EQUIP INSTALL/REPAIR	3,280.33
EQUIP MAINT. AGREEMENT	4,557.44
FRANCHISE TAX	42.28
FRANCHISE TAX AGENT	60.00
AUTO INSURANCE	(222.38)
WORKERS COMP. INS.	1,272.20
LIAB./PROP. INSURANCE	400.00
HEALTH INS	18,134.83
INTERNET SERVICE	2,661.83
DENTAL INS/EMPLOYEE	2,625.29
MARKETING/MKT RESEARCH	6,207.55
OFFICE RENT	55,880.56
RENT	462.79
OFFICE SUPPLIES	9,539.83
OFFICE EQUIP/SERVICE	369.90
POSTAGE/MAIL	22,360.23
PRINTING	9,610.43
401(K) FEES	2,000.00
PAYROLL PROCESSING	1,184.13
SHIPPING	1,934.34
CELLULAR/PAGER	3,160.03
TELEPHONE/OFFICE	67.00
TRANSPORATION	14,701.61
LODGING	6,743.28
MEALS	3,943.11
ENTERTAINMENT	396.25

American Fiber Network

For the Twelve Months Ending March 31, 2006
INCOME STATEMENT

	<u>2006</u>
OTHER EXPENSE/TRAVEL	74.52
PAYROLL/SALARIES	351,013.94
CONTRACT LABOR (TEMP)	13,431.28
FUTA/SUTA	6,596.04
FICA/MEDICARE	22,765.63
PROPERTY TAX/COUNTY	1,136.74
LICENSE/REGISTRATION FEE	7,684.36
FCC & STATE REGULATORY FEES	9,004.09
CORP ANNUAL REPORT	1,443.08
EQUIP LEASE	13,304.03
Total Admin Expenses	829,466.41
Net Profit Before Taxes	1,763,288.38
STATE INCOME TAXES	1.00
Net Profit After Taxes	1,763,287.38

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CASH FLOW FROM OPERATING ACTIVITIES-for March, 2006

Net income (loss)	\$ 1,763,287	
Adjustments to reconcile net income (loss) to net cash		
Used in operating activities:		
Depreciation and amortization	51,674	1
Common stock issued for services, compensation, deferred	-	
Noncash investments for consulting services	-	
Amortization of discount and interest on conversion of debt	-	
(Gain) Loss on disposal of fixed assets	-	
Cash received in acquisition of subsidiaries	19,546	2
Non-cash interest	-	
Changes in assets and liabilities		
Decrease (increase) to/fr Affiliate	(270,738)	3
Decrease (increase) in other current assets	(386,861)	9
Decrease (increase) in accounts receivable	6,334	4
Decrease (increase) in inventory	-	
Decrease (increase) in deposits & other	(94,474)	5
Decrease (increase) in due to/from corporate	(274,867)	6
Increase (decrease) in deferred revenue	27,411	7
Increase (decrease) in other current liabilities	-	
Increase (decrease) on long term note	-	
Increase (decrease) in accounts payable and accrued expenses	237,174	8
Total Adjustments	(684,791)	
Net Cash (Used in) Operating Activities	1,078,496	
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for acquisitions/retained earnings adjustment	(299,370)	12
Payments for location contracts	-	
Deposit on acquisition	-	
Due from MobilePro	(247,000)	9
Goodwill Adjustment	-	
Proceeds on sale of fixed assets	-	
Capital expenditures-intangibles	(153,787)	10
Net Cash (Used In) Investing Activities	(700,157)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from common stock issuances	-	
Proceeds from paid in capital	-	
Proceeds from convertible debentures-other	-	
Reverse stock split - acquisition of outstanding minority shares	-	
Change in convertible debentures - officers, net	-	
Proceeds (payments) of long-term debt, net	-	
Net Cash Provided By Financing Activities	-	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	378,339	
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	166,962	
CASH AND CASH EQUIVALENTS - END OF PERIOD	\$ 545,301	
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	\$ -	
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES:		
Issuance of common stock for :		
Conversion of equity line of credit to stock		
Conversion of convertible debentures - other		
Conversion of payables		
Deferred financing fees		
Amortization of discount and interest on conversion of deb		
Liability for stock to be issued		
Goodwill acquired		
Acquisitions of Subsidiaries		
Fair value of net assets at acquisition date		
Less: Cash paid for subsidiaries		
Cash received in acquisition of subsidiaries	\$ -	
Note payable in escrow		
Investments for consulting services:		

Attachment E

Projected Revenue/Operating Expenses

Arizona Operations

Arizona Revenue Projections-1st 12 months													
Item/Month	1	2	3	4	5	6	7	8	9	10	11	12	Total 1st 12 mos
Revenue:													
Residential	375	450	525	600	675	750	825	900	975	1050	1125	1200	9450
Business	2000	3000	4000	5000	6000	6500	6500	6500	6500	6500	6500	6500	65500
Total Rev.	2375	3450	4525	5600	6675	7250	7325	7400	7475	7550	7625	7700	74950
COGS:													
Line costs	1970	2856	3742	4628	5514	5990	6056	6122	6188	6254	6320	6386	62026
Gross Profit	405	594	783	972	1161	1260	1269	1278	1287	1296	1305	1314	12924