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Transcript Exhibit(s)

AZ CORP COMMISSION
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Docket #(s): T-03228A-06-0800

Exhibit #: A1, A2, A3, A4, A5, A6, A7, A8, S1

Arizona Corporation Commission
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NEW APPLICATION

ARIZONA CORPORATION COMMISSION

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

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Mail original plus 13 copies of completed application to: For Docket Control Only:
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Arizona Corporation Commission
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Phoenix, Arizona 85007-2927

T-03228A-06-0800

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: Competitive Resold Interexchange

Docket No.: T-03338A-96-0392 Date: 7/17/96 Date Docketed: 5/16/03

Type of Service: Resold Local Exchange Carrier

Docket No.: T-0322BA-05-0244 Date: 4/6/05 Date Docketed: 12/9/05

A. COMPANY AND TELECOMMUNICATION SERVICE INFORMATION

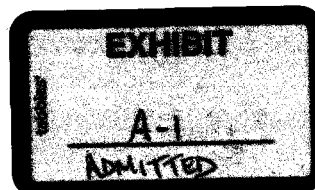
(A-1) Please indicate the type of telecommunications services that you want to provide in Arizona and mark the appropriate box(s).

- 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:

Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, Texas 75230
Telephone: (214) 432-1453
Fax: (214) 432-1576
dhoyle@matrixbt.com
Website Address: www.matrixbt.com

07/07/06



(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):

Matrix Business Technologies

(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:

*Scott Klopack, Vice President, Regulatory Affairs & General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, Texas 75230
Telephone: (214) 432-1468
Fax: (214) 432-1576
E-mail address: sklopack@matrixbt.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:

*Judith A. Riley, President
Telecom Professionals, Inc.
5909 Northwest Expressway, Suite 403
Oklahoma City, OK 73132
Telephone (405) 755-8177
Fax: (405) 755-8377
E-mail address: jriley@telecompliance.net
www.telecompliance.net*

(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:

*Dana Hoyle, Manager of Regulatory Affairs
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, Texas 75230
Telephone: (214) 432-1453
Fax: (214) 432-1576
E-mail address: dhoyle@matrixbt.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", ___ "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.

Please see Attachment A for the applicants Certificate of Good Standing. Matrix is an indirect, wholly owned subsidiary of Platinum Equity, LLC. An organizational chart showing Matrix's corporate structure, is also attached at Attachment A.

Matrix's officers and directors, are:

Officers

Russell Lambert, President and Chief Executive Officer

Charles Taylor, Chief Financial Officer

Directors

Tom T. Gores, Founder, Chairman and Chief Executive Officer, Platinum Equity LLC

Robert J. Joubran, Chief Operating Officer, Platinum Equity LLC

Brian Wall, Managing Director, Europe, Platinum Equity LLC

Robert J. Wentworth, Executive Vice President, Platinum Equity LLC

Steve Zollo, Senior Vice President and General Manager, Portfolio Asset Management, Platinum Equity LLC

Rob Archambault, Senior Vice President, Operations, Platinum Equity LLC

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

Applicant has filed a tariff and it is currently pending in T-03228A-06-0706. Included as Attachment B is a copy of the Applicant's currently pending tariff.

Your Tariff must include the following information:

1. Proposed Rates and Charges for each service offered (reference by Tariff page number).

Revised Pages 46-51

2. Tariff Maximum Rate and Prices to be charged (reference by Tariff page number).

Revised Pages 46-51

3. Terms and Conditions Applicable to provision of Service (reference by Tariff page number).

Revised Pages 5, 12 and 13

4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number).

Revised Pages 25-27

5. The proposed fee that will be charged for returned checks (reference by Tariff page number).

Revised Page 26

(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.

Since 2001, the Federal Communications Commission ("FCC") has issued 13 orders resolving informal complaints from subscribers against Matrix Telecom, Inc. ("Matrix"). Each of these complaints alleged that Matrix had switched the subscriber's primary interexchange carrier without proper authorization. The FCC denied or found to be resolved nine of these 13 complaints. Of the remaining four, three found a technical violation of the FCC's "slamming" rules which resulted from Matrix's reliance on a third party to verify the subscriber's intent to switch his or her carrier to Matrix. In these three cases, the third party failed to confirm the telephone number to be switched. Matrix no longer uses the services of this third party verification provider. The remaining case involved a customer transferred to Matrix after his chosen carrier went out of business.

In 2001, the FCC issued an Order of Forfeiture, finding that Matrix had violated Section 254(d) of the Communications Act of 1934, as amended, 47 U.S.C. § 254(d), and Section 54.706 of the Commission's rules, 47 C.F.R. § 54.706, by failing to make required contributions to universal service support programs. See *Matrix Telecom, Inc.*, File No. EB -00-IH-0057, Forfeiture Order, FCC 01-48, 16 FCC Rcd 10553. The events that led to this Order took place prior to Platinum Equity's acquisition of Matrix, and under prior management. In its Order, the FCC cited with approval the efforts of the new Platinum Equity ownership and management both to put in place remedial compliance measures and to pay overdue amounts. In view of these efforts, the FCC reduced the base forfeiture amount it otherwise would have imposed by over 40 percent.

In 1995, the FCC issued a Notice of Apparent Liability alleging that Matrix had changed the primary interexchange carrier of one of its customers without obtaining proper authorization to do so. See *Matrix Telecom, Inc.*, File No. ENF-96-02, Notice of Apparent Liability for Forfeiture, DA 95-2421, 11 FCC Rcd 1258 (Com Car. Bur 1995). The parties later entered into a Consent Decree resolving these allegations with no finding of wrongdoing. See *Matrix Telecom, Inc.*, File No. ENF-96-02, Order, DA 96-2108, 11 FCC Rcd 21539 (Com. Car. Bur. 1996) (approving Consent Decree). The underlying events took place under the prior ownership and management of Matrix.

In 1993, again during the prior ownership and management of Matrix, the FCC issued a letter of admonition to Matrix regarding the form of its Letter of Agency ("LOA") used in signing up new long distance customers. See *Letter to Mr. Dennis Miga, Managing Partner, Matrix Telecom, 9003 Airport Freeway, Suite 340, Fort Worth, Texas 76180*, DA 93-886, 8 FCC Rcd 5512 (Com. Car. Bur. 1993). The LOA is no longer used.

Matrix is periodically the subject of informal customer complaints filed before state public utility commissions. There were 22 such complaints filed in 2005 and 28 such complaints filed in 2006. These generally concern minor billing issues or service questions. All but one of these complaints has been resolved. In the remaining case, Matrix has requested additional information from the customer and is awaiting a response.

(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.

Copy of the Court order, if applicable.

Paul Bird, currently Matrix's Sr. Vice President of Technology, was employed with NextiraOne from 1993 to March 1, 2006 as the Director of Networks. During 2001, Mr. Bird and his team designed the telecommunications platform that would allow certain native-American tribes to access the Internet. The U.S. government has a program for funding such telecommunications services for school and libraries. On April 20, 2006, NextiraOne pled guilty to charges of wire fraud for overbilling the U.S. government for the services actually provided to the tribes (a copy of the pleas agreement is attached, see Exhibit F). As the architect of the platform, neither Mr. Bird nor his team were involved with submitting invoices to either the United States or the tribes.

(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.

Matrix does not plan to collect deposits from its customers. Additionally, Matrix routinely has in excess of \$100,000 in unencumbered cash or cash equivalents on hand. These funds will limit any risk to Arizona consumers comparably to a bond in that amount.

(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.

(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.

Matrix Telecom, Inc. d/b/a Matrix Business Technologies is a reseller of Global Crossing Local Services, Inc., see Decision Nos. 68343 and 65926. Matrix seeks to augment this authority to include facilities-based service authority, so that it can gain the flexibility to better to meet its customers' needs, for instance through the use of its own facilities, leased unbundled network elements from Incumbent Local Exchange Carriers, and commercial wholesale agreements similar to the UNE-P replacement agreements that ILECs have recently reached with other CLECs, in addition to resale.

(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.

Matrix currently provides resold local exchange telecommunications service in 44 states and the District of Columbia (all but Alaska, Delaware, Idaho, Iowa, Louisiana, and South Dakota). Matrix currently provides resold intrastate interexchange telecommunications services in all 50 states. Matrix has not had an application for authority to provide exchange or intrastate interexchange telecommunications services denied in any state.

(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.

Attached, please find a list of certifications currently held by the applicant. Applicant currently operates as a reseller of local exchange telecommunications services in 44 states and operates as a reseller of long distance services on a nationwide basis. Applicant has not provided facilities-based local exchange or interexchange telecommunications services in any jurisdiction to date.

(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.

*Americatel Corporation
4045 97th Avenue
Miami, Florida 33178*

(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.

These data are competitively sensitive trade secret information that are proprietary to Matrix and are not routinely disclosed in any public forum. On advice from the Commission's staff, Matrix does not submit Attachment "D" at this time.

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

Since 1999, Matrix has been an indirect, wholly-owned subsidiary of Platinum Equity, LLC. Matrix has operated as a telecommunications carrier since 1990 and does not intend to rely on the financial resources of Platinum Equity in connection with this application.

(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.

These data are competitively sensitive trade secret information that are proprietary to Matrix and are not routinely disclosed in any public forum. On advice from the Commission's staff, Matrix does not submit Attachment "E" 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.

Matrix has entered in to a private wholesale arrangement with its current underlying provider, Global Crossing. The agreement was a private offering between CLECs and therefore is not subject to requirements of Sections 251 and 252 of the Communications Act of 1934, as amended. As such, there is no associated Docket Number or Decision Number associated with said agreement.

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.

Matrix does not currently provide facilities-based local exchange or interexchange telecommunications services in Arizona. As indicated above, Matrix seeks additional flexibility to serve its customers using a combination of its own facilities, unbundled network elements leased from incumbent local exchange carriers, services obtained pursuant to commercial wholesale agreements with other carriers, and resold telecommunications services. Deployment of these services will depend on the relative costs of these options and the needs of Matrix's customers.

Commission approval of this application will serve the public interest by promoting greater competition in Arizona telecommunications markets, to the ultimate benefit of consumers. Such competition promotes lower prices for telecommunications services and higher service quality. At the same time, competition drives increased innovation by carriers striving to best meet their customers' needs.

Matrix is already a competitor in the Arizona local and long distance telecommunications markets, and offers high quality telecommunications services at a low cost. Grant of this application will give Matrix greater flexibility in meeting the needs of its customers, permitting it to provide service through resale, facilities-based arrangements, commercial wholesale agreements, leased unbundled network elements, or some combination of these. As a result, Matrix will be able to offer Arizona businesses and residential consumers more service choices, and greater opportunities to customize services to meet those customers' needs. Moreover, this increased flexibility will make Matrix a stronger competitor by permitting it to realize significant economic and marketing efficiencies, which in turn will allow Matrix's operations more readily to increase in size and scope, further accelerating the beneficial effects of competition discussed above.

(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

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.

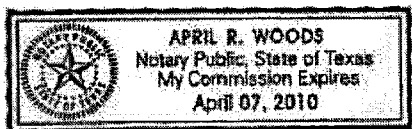
Justin Klopach
(Signature of Authorized Representative)

12/20/06
(Date)

Scott Klopach
(Name)

Vice President, Regulatory Affairs & General Counsel
(Title)

SUBSCRIBED AND SWORN to before me this 20th day of December, 2006



April R. Woods
NOTARY PUBLIC

My Commission Expires April 7th 2010

ATTACHMENT A
CERTIFICATE OF GOOD STANDING

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

*****MATRIX TELECOM, INC.*****

a foreign corporation organized under the laws of Texas did obtain authority to transact business in the State of Arizona on the 11th day of June 1994.

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 13th Day of December, 2006, A. D.




Executive Director

Order Number: 109501

When recorded mail to:

Name: C T Corporation System

Address: 3225 N. Central Avenue

Suite 1601

City/State/Zip: Phoenix, AZ 85012

Hold at FRONT COUNTER for C T Corporation

OFFICIAL RECORDS UNIT
MARICOPA COUNTY RECORDER
HELEN PURCELL
2006-0904974 07/06/06 03:30 PM
1 OF 2

this area reserved for county recorder

CAPTION HEADING:

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This is part of the official document.

CERTIFICATE OF DOING BUSINESS UNDER FICTITIOUS NAME
PURSUANT TO PROVISIONS OF A.R.S. SEC. 44-1236

KNOW ALL MEN BY THESE PRESENTS:

That Matrix Telecom, Inc. whose business address is 2207 Commerce Street, Dallas TX, 75201 is conducting a business in Arizona under the name of Matrix Business Technologies.

Dated: June 26, 2006

Matrix Telecom, Inc.

By: [Signature]
Russ Lambert, President

Statutory Agent

C T CORPORATION SYSTEM

By [Signature]

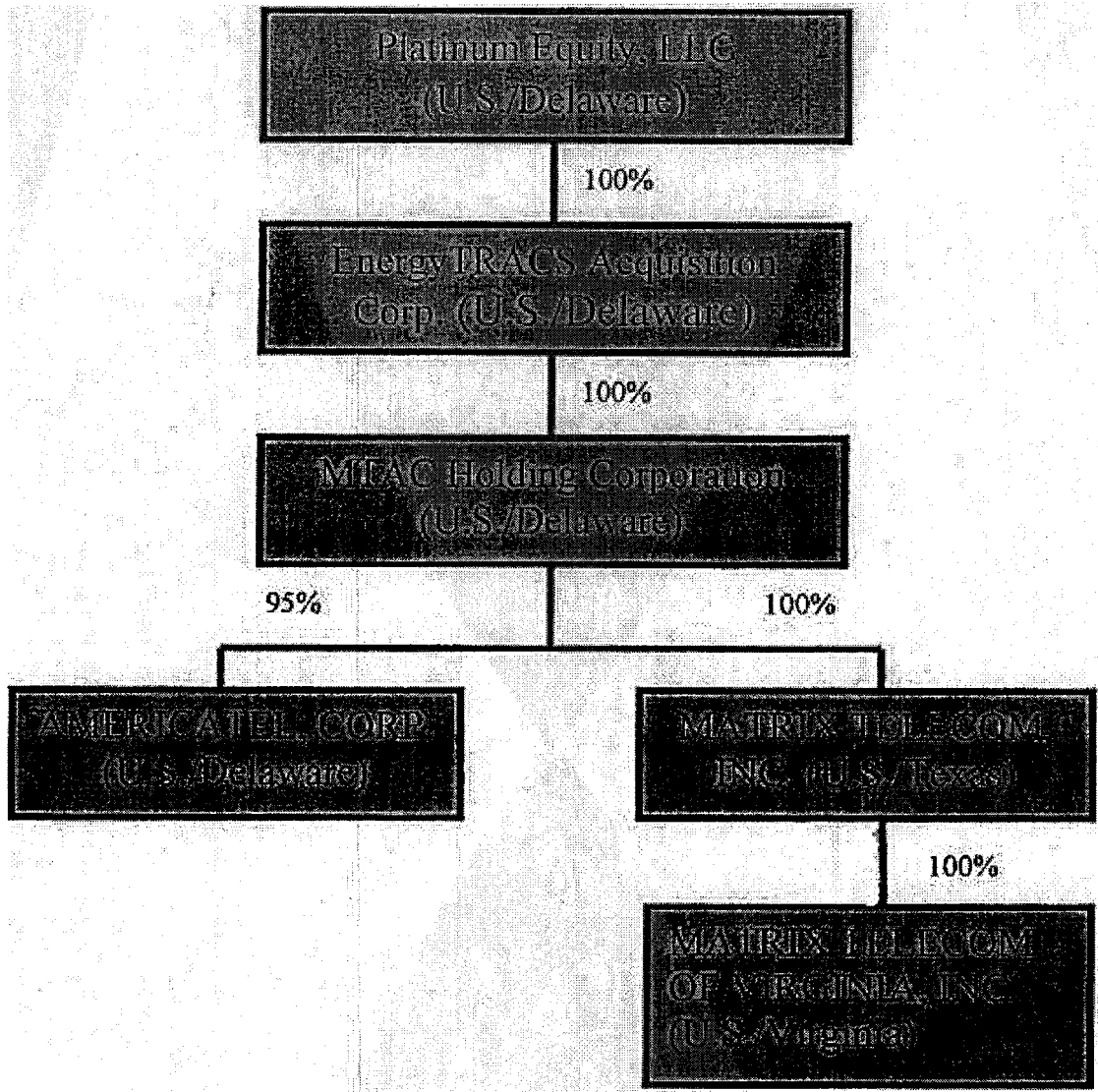
STATE OF Missouri)
County of St Louis) SS

This instrument was acknowledged before me this 30th day of June, 2006, by [Signature] a duly authorized representative of C T Corporation System, the statutory agent in Arizona for Matrix Telecom, Inc.

My commission expires: Oct 22, 2009

[Signature]
Notary Public





ATTACHMENT B

TARIFF AS FILED IN

T-03228A-06-0706

RETURN
COPY



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2006 NOV 20 P 2: 0

AZ CORP COMMISSION
DOCUMENT CONTROL

November 17, 2006

VIA FEDERAL EXPRESS
STANDARD OVERNIGHT

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
602-542-3477

T-03228A-06-0706

Matrix Telecom, Inc d/b/a Matrix Business Technologies Filing Local Tariff No 2

To Whom It May Concern:

Enclosed, please find an original and thirteen (13) copies of Matrix Telecom, Inc's Local Tariff No. 2.

Tariff No. 2 is being filed to revise Local Tariff No. 1 and also to introduce Matrix Telecom, Inc.'s adoption of assumed name, Matrix Business Technologies.

To indicate receipt, please date stamp the extra copy and return to me via the enclosed self addressed stamped envelope. If you have any further questions, please contact me at (214) 231-4481 or email at rhunt@matrixbt.com.

Sincerely,

A handwritten signature in cursive script that reads "Renee Hunt".

Renee Hunt
Regulatory Assistant

Enclosures

RATES, TERMS AND CONDITIONS
RELATING TO THE PROVISION OF
LOCAL EXCHANGE SERVICES
IN THE STATE OF ARIZONA

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopach,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

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Issued: November 6, 2006

Effective: December 10, 2006

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Vice President of Regulatory Affairs and General Counsel
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Issued: November 6, 2006

Effective: December 10, 2006

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Dallas, TX 75230
800-406-0705
www.matrixbt.com

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APPLICATION OF TARIFF

This tariff sets forth the service offerings, rates, terms and conditions applicable to the furnishing of local exchange service by Matrix Telecom, Inc d/b/a Matrix Business ("the Company") in the serving areas defined herein.

(T)

The provision of local exchange services is subject to existing regulations and terms and conditions specified in this tariff and may be revised, added to or supplemented by superseding issues.

This tariff is on file with the Arizona Corporation Commission. In addition, this tariff is available for review at the main office of Matrix Telecom, Inc d/b/a Matrix Business Technologies at 7171 Forest Lane, Suite 700, Dallas, Texas 75230.

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EXPLANATION OF SYMBOLS

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

- C To indicate changed regulation.
- D To indicate discontinued rate or regulation.
- I To indicate increased rate.
- M To indicate a move in the location of text.
- N To indicate new rate or regulation.
- R To indicate reduced rate.
- S To signify reissued matter (N)
- T To indicate a change in text but no change in rate or regulation.

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EXPLANATION OF TERMS

ADVANCE PAYMENT

Part or all of a payment required before the start of service.

AGENCY

For 911 or E911 service, the government agency(s) designated as having responsibility for the control and staffing of the emergency report center.

AUTHORIZED USER

A person, corporation or other entity who is authorized by the Company's customer to utilize service provided by the Company to the customer. The customer is responsible for all charges incurred by an Authorized User.

ATTENDANT

An operator of a PBX console or telephone switchboard.

BUILDING

A structure enclosed within exterior walls or fire walls, built, erected and framed of component structural parts and designed for permanent occupancy.

CALL INITIATION

The point in time when the exchange network facility is initially allocated for the establishment of a specific call.

CALL TERMINATION

The point in time when the exchange network facility allocated to a specific call is released for reuse by the network.

CENTRAL OFFICE

An operating office of the incumbent local exchange company where connections are made between telephone exchange lines.

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EXPLANATION OF TERMS (cont'd)

CUSTOMER

A person, firm, partnership, limited liability company, corporation, municipality, cooperative association or organization, governmental agency, or other entity receiving telecommunications services.

(T)

EMERGENCY

A situation that appears to present immediate danger to person or property.

EMERGENCY SERVICE (ENHANCED 911)

Allows customers to reach appropriate emergency services, including police, fire and medical services. Enhanced 911 has the ability to selectively route an emergency call to the primary E911 provider so that it reaches the correct emergency service located closest to the caller. In addition, the Customer's address and telephone information will be provided to the primary E911 provider for display at the Public Safety Answering Point (PSAP).

E911 SERVICE AREA

The geographic area in which the government agency will respond to all E911 calls and dispatch appropriate emergency assistance.

E911 CUSTOMER

A governmental agency that is the customer of record and is responsible for all negotiations, operations and payment of bills in connection with the provision of E911 service.

ERROR

A discrepancy or unintentional deviation by the Company from what is correct or true. An "error" can also be an omission in records.

EXCHANGE

An area, consisting of one or more central office districts, within which a call between any two points is a local call.

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EXPLANATION OF TERMS (cont'd)

(T)

EXCHANGE ACCESS LINE

A central office line furnished for direct or indirect access to the exchange system.

FINAL ACCOUNT

A customer's outstanding charges still owed to the Company.

INVESTIGATIVE OR LAW ENFORCEMENT OFFICER

An officer of the United States, a state or a political subdivision of the United States which is empowered by law to investigate or make arrests for crimes related to communications, or an attorney authorized by law to prosecute those crimes.

LAST NUMBER REDIAL

Enables a station line user to redial the last called number by use of an access code rather than dialing the entire number.

LATA

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

LOCAL CALL

A call which is not rated as a long distance call.

LOCAL CALLING AREA

The area, consisting of one or more central office districts, within which a subscriber for exchange service may make telephone calls without a long distance charge.

LOCAL EXCHANGE CARRIER

A company that furnishes exchange telephone service.

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EXPLANATION OF TERMS (cont'd)

LOCAL SERVICE

Telephone exchange service within a local calling area.

MOVE

The disconnection of existing service at one location and reconnection of the same service at a new location in the same building or in a different building on the same premises.

PBX

A private branch exchange.

PRESUBSCRIPTION

An arrangement whereby a Customer may select and designate to the Company an Exchange Carrier it wishes to access, without an access code, for completing intraLATA and interLATA toll calls. The selected Exchange Carrier is referred to as the End User's Primary Interexchange Carrier (PIC).

PRIVATE BRANCH EXCHANGE SERVICE

Service providing facilities for connecting central office trunks and tie lines to PBX stations, and for interconnecting PBX station lines by means of a switchboard or dial apparatus.

RATE CENTER

Company-designated service locations from which service is rendered or rated.

RECURRING CHARGES

The monthly charges to the Customer for services, facilities and equipment, which continue for the agreed upon duration of the service.

SERVICE COMMENCEMENT DATE

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

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EXPLANATION OF TERMS (cont'd)

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

SERVING CENTRAL OFFICE

The central office from which local service is furnished.

SPEED CALLING

Permits a station line user to dial selected numbers by using fewer digits than normally required. This is accomplished through the assignment of abbreviated codes to frequently called numbers. The speed calling list is customer-changeable.

TELECOMMUNICATIONS RELAY SERVICE (TRS)

Enables deaf, hard-of-hearing or speech-impaired persons who use a Text Telephone (TT) or similar devices to communicate freely with the hearing population not using TT or vice verse. A customer will be able to access the state provider to complete such calls.

TELEPHONE CALL

A voice connection between two or more telephone stations through the public switched exchange system.

TERMINATION OF SERVICE

Discontinuance of both incoming and outgoing service.

TOLL BLOCKING

Allows end users to block direct-dialed long distance calls from their telephones.

TOLL CALL

Any call extending beyond the local exchange of the originating caller which is rated on a toll schedule by the Company.

USER

A customer or any other person authorized by a Customer to use service provided under this Tariff.

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SECTION 1- REGULATIONS

1.1 Undertaking of the Company

1.1.1 The Company undertakes to provide the services in this tariff on the terms and conditions and at the rates and charges set forth herein.

1.1.2 The Company is responsible under this tariff only for the services and facilities provided herein, and it assumes no responsibility for any service provided by any other entity. Customers may use services and facilities provided under this tariff to obtain access to services offered by other service providers.

1.1.3 The Company will provide a toll-free number giving Customers access to service personnel during regular business hours. (T)

1.1.4 The Company will comply with any applicable quality of service requirements according to Arizona laws and rules. (T)

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SECTION 1- REGULATIONS (cont'd)**1.2 Terms and Conditions**

- 1.2.1 Customers may be required to enter into written service orders which shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this tariff. The Customer will be required to execute any other documents as may be reasonably requested by the Company. (T)
- 1.2.2 Service is provided for a minimum period of at least one month, 24 hours a day. A month is considered to have thirty days unless otherwise specified. At the expiration of the initial terms specified in each service order, or in any extension thereof, service shall continue on a month to month basis at the then current tariffed, month to month rates, unless terminated by the Customer. Any termination shall not relieve the Customer of its obligation to pay any charges incurred under the service order and this tariff prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the service order shall survive such termination. (T)
- 1.2.3 This tariff shall be interpreted and governed by the laws of the State of Arizona without regard for the State's choice of laws provisions. (T)
- 1.2.4 Another telephone company must not interfere with the right of any person or entity to obtain service directly from the Company. (T)
- 1.2.5 The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits. (T)
- 1.2.6 In response to a subpoena or investigation or other demand issued or authorized by a court or government agency, the Company shall provide customer records and related information without further notice. (T)
- 1.2.7 Customer shall not connect any equipment to the Company's network, except with at least ten (10) days prior written notice to the Company. (T)

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SECTION 1- REGULATIONS (cont'd)**3 Notification of Service Affecting Activities**

The Company will provide the Customer reasonable notification of service-affecting activities that may occur in the 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-affecting activities. The Company will work cooperatively with the Customer to determine reasonable notification requirements. With some emergency or unplanned service affecting conditions, such as an outage resulting from cable damage, notification to the Customer may not be possible.

1.4 Provision of Equipment and Facilities

The Company will make reasonable efforts to make services available to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with the regulations contained in this tariff. The Company does not guarantee availability by any such date and any liability of the Company will be limited by Section 1.5 of this tariff. (T)

The Company shall use reasonable efforts to maintain the services that it furnishes to the Customer. The Customer may not rearrange, disconnect, remove, attempt to repair or otherwise interfere with any of the services provided by the Company, except upon the written consent of the Company. The Customer may not permit others to rearrange, disconnect, remove, attempt to repair or otherwise interfere with any of the services provided by the Company, except upon the written consent of the Company. (T)

The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's facilities, as well as the facilities the Company may obtain from other carriers, from time to time, to furnish service as required at the sole discretion of the Company. (T)

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SECTION 1- REGULATIONS (cont'd)

1.4 Provision of Equipment and Facilities (cont'd)

Customer bears all responsibility in the event they utilize equipment not approved or authorized by the Company. Customer shall supply all electrical power and other utilities necessary to operate or use the services provided.

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

- A the transmission of signals by Customer provided equipment or for the quality of, or defects in such transmission; or
- B the reception of signals by Customer provided equipment; or
- C network control signaling where such signaling is performed by Customer provided network control signaling equipment.

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. If installation is started during regular business hours but at the Customer's request extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

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SECTION 1- REGULATIONS (cont'd)**1.5 Liability of the Company**

- 1.5.1 The liability of the Company for damages arising out of the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays or errors, other defects, or representations by the Company, or use of these services or damages arising out of the failure to furnish the service whether caused by acts or omission, shall be limited to the extension of allowances for interruption as set forth below. The extension of such allowances for interruption shall be the sole remedy of the Customer 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 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.
- 1.5.2 The Company's liability for willful misconduct, if established as a result of liability, if any, with regard to delayed installation of the Company facilities or commencement of service, shall not exceed \$1,000. With respect to any other claim or suit, by a Customer or by any others, for damages associated with the ordering (including the reservation of any specific number for use with a service), installation (including delays thereof), provision, termination, maintenance, repair, interruption or restoration of any service or facilities offered under this tariff, and subject to the provisions of this tariff, the Company's liability, if any, shall be limited as provided herein.
- 1.5.3 The Company shall be indemnified, defended and held harmless against any claim, loss or damage arising from the use of service offered under this tariff, involving:
- A claims for libel, slander, invasions of privacy or infringement of copyright arising from any communication;
 - B claims for patent infringement arising from combining or using the service furnished by the Company in connection with facilities or equipment furnished by others; or
 - C claims for loss of profit; or
 - D all other claims arising out of any act or omission of others in the course of using services provided pursuant to this tariff.

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SECTION 1- REGULATIONS (cont'd)**1.5 Liability of the Company (cont'd)**

- 1.5.4 The Company's failure to provide or maintain services under this tariff shall be excused by labor difficulties, governmental orders, civil commissions, preemption of existing services to restore services in compliance with Part 64, Subpart D, Appendix A, of the F.C.C.'s Rules and Regulations, acts of God and other circumstances beyond the Company's control. (T)

The Company shall not be liable for the Customer's failure to fulfill its obligations to take all necessary steps including, without limitation, obtaining, installing and maintaining all necessary equipment, materials and supplies for interconnecting the terminal equipment or communications system of the Customer, or any third party acting as its agent, to the Company's exchange access lines. If the Customer or its agent fails to maintain and operate its equipment and/or system or that of its agent properly, with resulting imminent harm to Company personnel, or the quality of service to other Customers, the Company may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, the Company may, upon written notice, terminate the Customer's service without liability. (T)

With Respect to Emergency Number 911 Service (T)

- A This service is offered solely as an aid in handling assistance calls in connection with fire, police and other emergencies. The Company is not responsible for any losses, claims, demands, suits or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or person for any personal injury to or death of any person or persons and for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused by: (1) mistakes, omissions, interruptions, delays, errors or defects in the provision of this service, or (2) installation, operation, failure to operate, maintenance, removal, presence, condition, location, or use of any equipment and facilities furnishing this service.

SECTION 1- REGULATIONS (cont'd)

(M)(T)

1.5 Liability of the Company (cont'd)

1.5.7 With Respect to Directory Listings

- A** In the absence of gross negligence or willful misconduct, and except for any allowances stated below, no liability for damages arising from errors or mistakes in or omissions of any directory listings, or errors or mistakes in or omissions of listings obtainable from the directory assistance operator, including errors in the reporting thereof, shall attach to the Company.
- B** An allowance for errors or mistakes in or omissions of any published directory listings or for errors or mistakes in or omissions of listings obtainable from the directory assistance operator shall be given as follows:
- (i) **Free Listings:** For free or non-charged published directory listings credit shall be given at the rate of one times the monthly tariff rate for an additional or charge listing affected for the life of the directory or the charge period during which the error, mistake or omission occurs.
 - (ii) **Charge Listings:** For each additional or charge published directory listings, credit shall be given at the monthly tariff rate for each such listing for the life of the directory or the charge period during which the error, mistake or omission occurs
 - (iii) **Operator Records:** For free or charge listings obtainable from records used by the directory assistance operator, upon notification to the Company of the error, mistake or omission in such records by the subscriber, the Company shall be allowed a period of three business days to make a correction. If the correction is not made in that time, credit shall be given at the rate of 2/20ths of the basic monthly rate for the line or lines in question for each day thereafter that the records remain uncorrected.

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SECTION 1- REGULATIONS (cont'd)

1.6 Directory Listings

The Company will, as a service to the Customer, arrange for listing of Customer's phone number in the local white pages telephone directories, such listing to consist of one line of standard type. The Company's liability with respect to directory listings is set forth in Section 1.5 preceding. Customer must contact its yellow pages representative concerning its advertising in yellow pages directories.

When a Customer with a non-published telephone number, as defined herein, places a call to Emergency 911 Service, the Company will release the name and address of the calling party, where such information can be determined, to the appropriate local governmental authority responsible for the Emergency 911 Service upon request of such governmental authority. By subscribing to service under this tariff, Customer acknowledges and agrees with the release of information as described above.

In conjunction with a non-published telephone number, the Company will not be liable for failure or refusal to complete any call to such telephone when the call is not placed by number. The Company will try to prevent the disclosure of such telephone number, but will not be liable should such number be divulged.

The Company shall not be liable for any act or omission concerning the implementation of presubscription as defined herein.

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SECTION 1- REGULATIONS (cont'd)

(M)(T)

1.5 Liability of the Company (cont'd)

With Respect to Directory Listings (cont'd)

- (iv) **Credit limitation:** The total amount of the credit provided for the preceding paragraphs (i) and (ii) shall not exceed, on a monthly basis the total of the charges for each charge listing as specified in paragraph (ii), for the line or lines in question.
- (v) **Definitions:** As used in paragraphs (i), (ii) and (iii) above, the terms "error," "mistake," or "omission" shall refer to a discrepancy in the directory listing or directory assistance records which the Company has failed to correct and where the error affects the ability to locate a particular subscriber's correct telephone number. The terms shall refer to addresses only to the extent that an error, mistake or omission of an address places the subscriber on a street or a community different from the one provided to the Company.
- (vi) **Notice:** Such allowances or credits as specified in paragraphs (i) and (ii) above, shall be given upon notice to the Company by the subscriber that such error, mistake or omission has occurred; provided, however, that when it is administratively feasible for the Company to have knowledge of such error, mistake or omission, the Company shall give credit without the requirement of notification by the subscribers.

With Respect to Caller ID Blocking

- A The Company shall have no liability for monetary damages (including without limitation claims for direct, indirect, special, incidental or consequential damages, whether or not the Company has been advised of the possibility of such damages), arising from any failures, errors, malfunctions or omissions of Caller ID Blocking, whether or not arising from or relating to any ordinary negligence by the Company.

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SECTION 1- REGULATIONS (cont'd)

1.7 Interruptions in Service

An interruption is deemed to have occurred when the phone lines of the underlying carrier are inoperative. If a Customer reports a facility, service or circuit to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.

Temporary Suspension for Repairs

The Company's underlying provider shall have the right to make necessary repairs or changes in its facilities at any time and will have the right to suspend or interrupt service temporarily for the purpose of making the necessary repairs or changes in its system. When such suspension or interruption of service for any appreciable period is necessary, the Company will give the Customers who may be affected as reasonable notice thereof as circumstances will permit, and will perform the work with reasonable diligence, and if practicable at times that will cause the Customer the least inconvenience. When the Company's services are being repaired or changed, it shall take appropriate precautions to avoid unnecessary interruptions of Customer's service.

Credit Allowance for Interruptions

- A** Interruptions of more than 24 hour periods which are reported to or detected by the Company, and which are not due to the negligence or willful act of the Customer are credited to the Customer at the pro rata monthly charge involved for each twenty-four hours or fraction thereof of interruption. Credit is not allowed for interruptions to service of less than 24 hours.

- B** For calculating credit allowances, every month is considered to have 30 days. A credit allowance is applied on a pro rata basis against the monthly recurring charges specified there under for local line or local trunk service and is dependent upon the length of interruption. Only those facilities on the interrupted portion of circuit will receive a credit.

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SECTION 1- REGULATIONS (cont'd)

1.7 Interruptions in Service (cont'd)

1.7.3 Limitations on Credit Allowances

No credit allowances will be made for:

- (i) interruptions due to the negligence of, or non-compliance with the provisions of this Tariff by the Customer;
- (ii) interruptions which are restored on or before the day after the interruption is reported or discovered by the Company.

1.8 Obligations of the Customer

1.8.1 Customer Responsibility

The Customer shall be responsible for:

- (i) the payment of all applicable charges pursuant to this Tariff;
- (ii) providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents shall be installing or maintaining the Company's services.

1.8.2 Claims

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

- (i) Any loss, destruction or damage to property of the Company or any third party, or the death or injury to persons, including, but not limited to employees or invitees of either party, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees; or
- (ii) 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 Customer, including, without limitation, use of the Company's services and facilities in a manner not contemplated by the agreement between the Customer and the Company.

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SECTION 1- REGULATIONS (cont'd)

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1.8 Obligations of the Customer (cont'd)**1.8.3 Station Equipment**

The Customer is responsible for providing and maintaining any terminal equipment on the Customer premises. The electric power consumed by such equipment shall be provided by, and maintained at the expense of, the Customer. All such terminal equipment must be registered with the FCC under 47 C.F.R., Part 68 and all wiring must be installed and maintained in compliance with those regulations. The Company will, where practicable, notify the Customer that temporary discontinuance of the use of a service be required; however, where prior notice is not practicable, nothing contained herein shall be deemed to impair the Company's right to discontinue forthwith the use of a service temporarily if such action is reasonable under the circumstances. In case of such temporary discontinuance, the Customer will be promptly notified and afforded the opportunity to correct the condition which gave rise to the discontinuance, credit allowance for service interruptions as set forth in Section 1.7.2 is not applicable.

1.8.4 Interconnection of Facilities

- A Any special interface equipment necessary to achieve compatibility between the facilities used by the Company for furnishing local exchange service and the channels, facilities, or the equipment of others may be provided at the Customer's expense. Customer shall be liable for damages resulting from Customer's use of non-compatible equipment.
- B Local services may be connected to the services or facilities of other communication carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other communication carriers which are applicable to such connections.
- C Services furnished under this tariff may be connected to Customer provided terminal equipment in accordance with the provisions of this tariff.

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SECTION 1- REGULATIONS (cont'd)

.8 Obligations of the Customer (cont'd)

1.8.5 Inspections

- A** Upon reasonable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in this tariff for the installation, operation, and maintenance of Customer-provided facilities and equipment to Company-provided facilities. No credit will allowed for any interruptions occurring during such inspections.
- B** If the protective requirements for the Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten 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. The Company will, upon request 24 hours in advance, provide the Customer with a statement of technical parameters that the Customer's equipment must meet.

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SECTION 1- REGULATIONS (cont'd)

1.9 Payment Arrangements

The Customer is responsible for payment of all charges for services furnished by the Company to the Customer or its Authorized Users. Objections must be received by the Company within a reasonable period of time after receipt of bill, or all the charges shall be deemed correct and binding upon the Customer. If an entity other than the Company imposes charges of the Company, in addition to its own internal costs, in connection with a service for which a Company non-recurring charge is specified, those charges may be passed on to the customer.

1.9. Taxes and Surcharges

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

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SECTION 1- REGULATIONS (cont'd)

1.9 Payment Arrangements (cont'd)

1.9.2 Bills and Collection of Charges

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- A Bills will be rendered monthly to Customer. Fixed monthly recurring charges are billed in advance. Usage charges and minimum charges for service are billed in arrears. Customer shall be liable for all accrued local charges, directory charges, long distance charges and other charges arising prior to the service commencement date, as defined herein, and shall pay the Company for any such charges which may be assessed against the Company in any manner.
- B All service, installation, monthly recurring charges and non-recurring charges are due and payable upon receipt.
- C For new customers or existing customers whose service is disconnected, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have 30 days.
- D Amounts not paid within 30 days after the date of invoice are considered past due. A late payment charge of 1.5%, or lower if required by law, per month shall apply to amounts shown on a monthly bill which remain after the due date. The late payment charge does not apply to any taxes the Company is required by law to levy on a customer. In the event the Company incurs fees or expenses, including attorney's fees, in collecting or attempting to collect any charges owed the Company, the Customer will be liable to the Company for payment of all such fees and expenses reasonably incurred.
- E A \$15.00 charge will be assessed for checks with insufficient funds or non-existing accounts.
- F If Customer chooses to place calls or receives calls via a non-Matrix Telecom affiliated carrier, the Company will not be liable for any charges related to such calls

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SECTION 1- REGULATIONS (cont'd)

1.9 Bills and Collection of Charges (cont'd)

(T)

1.9.3 Disputed Bills

- A The Customer shall notify the Company of any disputed items on a bill within a reasonable period of time after receipt of the bill. The existence of a disputed amount does not relieve the customer of their obligation to pay current charges. If the Customer and the Company are unable to resolve the dispute to their mutual satisfaction, the Customer may file a complaint with the Commission in accordance with the Commission's rules of procedure.
- B The date of the dispute shall be the date the Company receives sufficient documentation to enable it to investigate the dispute.
- C The date of the resolution is the date the Company completes its investigation and notifies the Customer of the disposition of the dispute.

1.10 Discontinuance of Service

- A The discontinuance of service by the Company pursuant to this section does not relieve the Customer of any obligation to pay the Company for charges due and owing for service(s) furnished during the time of or up to discontinuance of service.
- B Upon the Company's discontinuance of service to Customer pursuant to this section, all applicable charges, including termination charges, shall become due. This is in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this tariff.

1.10.1 Discontinuance of Service by the Company

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- A The Company may discontinue or suspend service to Customer without prior written notice without incurring liability for the following reasons:
 - (i) The existence of an obvious hazard to the safety or health of the consumer or the general population or the Company's personnel; or
 - (ii) The Company has evidence of tampering or evidence of fraud.

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SECTION 1- REGULATIONS (cont'd)

10 Discontinuance of Service

1.10. Discontinuance of Service by the Company

B The Company may discontinue or suspend service to Customer upon no less than 5 days written notice without incurring liability for the following reasons:

- (i) Customer violation of any of the provisions of this tariff, and/or violation of the Commission's rules and regulations;**
- (ii) Failure to pay a bill for service;**
- (iii) Failure to meet or maintain the Company's credit and deposit requirements;**
- (iv) Failure of the Customer to provide the Company reasonable access to its equipment and property;**
- (v) Customer breach of contract for service between the Company and the customer;**
When necessary for the utility to comply with an order of any governmental agency having such jurisdiction;
Unauthorized resale of service.

1.10.2 Discontinuance of Service by Customer

A If Customer cancels a service order or terminates service before the completion of the term for any reason whatsoever other than a service interruption (as defined in 1.7), Customer agrees to pay to Company the following sums which shall become due and owing as of the effective date of the cancellation or termination and be payable within the period set forth in this tariff, all costs, fees, and expenses incurred in connection with:

- (i) all non-recurring charges reasonably expended by Company to establish service to Customer, plus**
- (ii) any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by Company on behalf of Customer, plus**

all recurring charges specified in the applicable service order tariff for the balance of the then current term.

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SECTION 1- REGULATIONS (cont'd)

Discontinuance of Service (cont'd)

1.10.3 Cancellation of Application for Service

- A Where, prior to cancellation by Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred, less net salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of services ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service begun.
- B Applications for service may be cancelled prior to the start of service or prior to any special construction. No charges will be imposed except for those specified above.
- C The special charges described above will be calculated and applied on a case-by-case basis.

1.11 Restoration of Service

When Customer's service has been disconnected in accordance with this tariff and the service has been terminated through the completion of a Company service order, service will be re-established only upon the basis of an application for new service.

Transfers and Assignments

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

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SECTION 1- REGULATIONS (cont'd)

Notices and Communications

- A The Customer shall designate on the Service Order an address to which the Company shall mail or deliver all notices and other communications, except that Customer may also designate a separate address to which the Company's bills for service shall be mailed.
- B The Company shall designate on the Service Order an address to which the Customer shall mail or deliver all notices and other communications, except that Company may designate an address on the bill for service to which the Customer shall mail payment for that bill.
- C All notices or other communications required to given pursuant to this tariff will be in writing. Notices and other communications of either party, and all bills mailed by the Company, shall have been presumed to have been delivered to the party on the third business day following the deposit of the notice, communication or bill with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.
- D The Company or Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

Promotional Offers

The Company may, from time to time, make promotional offerings of its services. The promotional offerings may be limited as to the duration, the date and times of the offering and the locations where the offerings are made.

1.15 Individual Case Basis (ICB) Arrangements

Arrangements will be developed on a case-by-case basis in response to a bona fide request or prospective Customer to develop a competitive bid for a service not generally offered under this tariff. ICB rates will be offered to the Customers in writing and on a non-discriminatory basis.

1.16 Customer Service

Customer service personnel are available twenty-four (24) hours a day, seven days a week and may be reached toll-free at 888-411-0111.

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SECTION 2 – SERVICE DESCRIPTIONS

2.1 Local Service

2. General

A Matrix Telecom, Inc. d/b/a Matrix Business Technologies' local service enables the Customer to:

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- (1) receive calls from other stations on the public switched telephone network;
- (2) place calls to other stations on the public switched telephone network;
- (3) access the Company for service related assistance; access directory assistance for the local calling area; access toll free telecommunications services; access enhanced 911 services for emergency calling; access Telephone Relay Service; and
- (4) access the interexchange network. A Customer may presubscribe to the carrier of their choice for interLATA and intraLATA calling, or Customer may access a provider on an *ad hoc* basis by dialing the provider's Carrier Identification Code (10XXX).

B The local calling area will be the same as that used by the incumbent local exchange company, a description of which can be found in the telephone directory published by the incumbent local exchange company.

C Service will be offered in the service areas in which the Company has been certified by the Arizona Public Utilities Commission.

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**SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)**

(S)

2.2 Features

2.2.1 General

The following features will be available on all lines. Not all features are compatible with certain key sets and PBX systems.

A Call Forward

This optional feature allows all calls directed to a telephone number to be routed to a user defined telephone number. The user is charged any applicable usage charges for the re-routed call. The user can activate/deactivate Call Forward and define a telephone number where all calls will be forwarded. Calls cannot be forwarded to an International Direct Distance Dialing (IDDD) number.

B Call Forward Busy Line

This optional feature forwards calls to a busy station to a predetermined number. Calls cannot be forwarded to an International Direct Distance Dialing (IDDD) number. The user is charged any applicable usage charges for the forwarded call.

C Call Forward Don't Answer

This optional feature allows users to re-route a call to a predetermined station in the event that the call is not answered within a customer-specified number of rings. Users are charged for any applicable usage charges on the forwarded call.

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**SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)**

(S)

2.2 Features (cont'd)**2.2.1 General (cont)****D Call Return**

Allows a customer to automatically redial the telephone number of the last incoming call to that line, regardless of whether the call was answered, unanswered, or busy. After the recall is activated, and unless the number is blocked as described below, an announcement of the number is provided to the customer, who then has the choice of either continuing the recall by entering a code, or terminating the recall by hanging up. If the redialed number is busy, a distinctive ring alerts the customer when the number becomes available. If the telephone number of the last incoming call has been blocked through the use of a service such as Caller ID Blocking, the number cannot be redialed.

E Call Trace

Call Tracing allows for the identification and recording of the telephone numbers of some or all of the incoming calls to the telephone line of a customer.

F Call Transfer

Allows Customer to transfer an incoming call to a third party or to add a third party to an existing call, forming a three-party connection. The original party can then leave the call without disconnecting the other parties. Calls can be transferred to any number in the North American Dialing Plan (1-NPA-NXX-XXXX type numbers).

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**SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)**

(S)

2.2 **Features** (cont'd)

2.2.1 **General** (cont)

G Call Waiting

Provides a tone to notify customer on an existing call that a second call is waiting.

H Caller ID

Allows for the automatic delivery of a calling party's number to the called customer. The telephone number is displayed on customer-provided equipment.

I Continuous Redial

Allows a customer to automatically redial the last telephone number dialed. If the called number is busy, the number is redialed for a limited period of time.

J Direct Connect Line

Allows a customer to automatically dial a pre-designated number whenever the originating telephone goes off-hook. This feature is assigned to a phone which is used only for this purpose.

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SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

(S)

2.2 Features (cont'd)**2.2.1 General (cont)****K Hunting**

This optional feature routes a call to an idle line in a prearranged group when the called telephone number is busy. Typically this feature is used with the customer's main telephone number and several subtending lines so that the customer can receive calls on several lines, although all calls are placed to the same number. Hunting will not work with Call Forward Busy and Don't Answer

L Remote Call Forward

Allows the Customer to automatically forward calls from one telephone number to another. The Customer is charged any applicable usage charges on the forwarded call.

M Third Number/Collect Blocking

Allows a Customer to block calls from being billed to individual stations, either on a third-number basis, or on a collect basis.

N Three Way Calling

Allows a user to add a third party to an existing conversation without expensive conferencing equipment. This feature also allows a user to place a call on hold in order to make a consultation call on the same line. When the consultation call is completed the user hangs-up or depresses the flash key on the telephone and is reconnected to the original conversation.

O Toll Blocking

Allows the user to restrict long distance outgoing calls on each line equipped.

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**SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)**

2.2 Features (cont'd)

2.2.2 Terms and Conditions

- A Per call blocking and unblocking shall be offered at no charge. Per line blocking shall be offered at no charge for the first request of each Customer. Domestic violence programs and law enforcement agencies shall always be offered per line blocking at no charge.
- B The results of a call trace will be furnished only to law enforcement agencies or authorities upon proper request by them.
- C Disclosure of telephone number may occur when caller subscribes to Caller Identification or Automatic Call Back. Call blocking, on either a per call or per line basis, prevents the delivery of this information.

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**SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)**

2.3 Directory Listings

2.3.1 Description

Directory listings will be provided in accordance with Section 1.6 of this tariff. The following types of listings are available:

- A Primary Listing.** A primary listing contains the name of the Customer, or the name under which business is regularly conducted, as well as the address and telephone number of the Customer. Primary listings are provided at no charge;
- B Additional Listings.** Additional listings are available only in the names of Authorized Users of the Customer's service, as defined herein;
- C Non-Published Listings.** Non-published listings are not printed in directories nor are they available from directory assistance. Non-published listings are subject to the provisions set forth in Sections 1.2 and 1.6;
- D Non-Listed Numbers.** Non-listed numbers are those which provide for the omission or deletion of the Customer's listing from the telephone directory. Such listings are available from directory assistance;
- E Foreign Listings.** A foreign listing is one which is published in a directory not in the Customer's immediate calling area.
- F Extra Line Listings.** Provides additional information after main or additional listings.
- G Cross Reference Listing.** This provides a reference to another listing in the same directory.

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**SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)**

2.4 Directory Assistance

2.4.1 Description

The Customer may access Directory Assistance for the purpose of determining phone numbers within its local calling area by calling the Directory Assistance Operator. A maximum of two number requests per call will be allowed.

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2.4.2 Directory Assistance Credits

A Credit will be given for calls to Directory Assistance as follows:

- 1 The Customer experiences poor transmission or is cut-off during the call; or
- 2 The Customer is given the incorrect telephone number.

B To obtain credit, the Customer must contact their Customer Service representative at 888-411-0111.

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**SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)**

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2.5 Operator Services**2.5.1 General**

The Customer has the option of contacting the incumbent local exchange company operator for general information, such as dialing instructions, country or city codes, area code information and Customer Service 800 numbers. The Customer may obtain the assistance of an incumbent local exchange operator to complete local exchange telephone calls in the following manner:

- A Third Party Billing.** Provides the Customer with the ability to charge a local call to a third number which is different from the called or calling party. The party answering at the third number has the option to refuse acceptance of the charges in advance or when queried by the operator.
- B Collect Calls.** Provides the Customer with the capability to charge a call to the called party. On the operator announcement of a collect call, the called party has the option to refuse acceptance of charges in advance or when queried by the operator.
- C Person to Person.** Calls completed with the assistance of an operator to a particular Station and person specified by the caller. The call may be billed to the called party.
- D Station to Station.** Calls completed with the assistance of an operator to a particular Station. The call may be billed to the called party.
- E Busy Line Verification.** Provides the customer with the verification that a line is busy and not otherwise disrupted.
- F Busy Line Interrupt.** Provides the customer with the option of interrupting a line that has been verified to be busy.

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**SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)**

2.6 Presubscription

A Customer may presubscribe to the intraLATA and/or interLATA carrier of their choice for long distance calling.

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**SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)**

2.7 Service Restoration Charge

When service has been discontinued in accordance with the provisions of this tariff, and Customer wishes to restore service, a Service Restoration Charge will apply.

2.8 Vanity Number

When a customer requests a specific number (e.g. 555-TOYS), and the number is available, a charge will apply when the Company provides the service of retrieving and providing said number.

2.9 Private Branch Exchange (PBX) Service

2.9.1 Description

The Company's PBX Service uses PBX Trunks to connect to a customer PBX system or other similar equipment. This service provides customers with unrestricted local calling and carrier access. The Company treats these trunks similar to individual exchange lines and supports multi-line hunting over a group of trunks.

2.9.2 Rearrangement of PBX Service

A non-recurring per account charge will apply to effect changes to a PBX trunking arrangement. Such changes may include, but are not limited to, trunk hunting sequence, a change in signaling arrangement, etc. These Rates can be found in Sections 3 & 4, herein.

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**SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)****2.10 Direct Inward Dial (DID) Service¹**

2.10.1 DID Service is an optional feature which can be purchased in conjunction with Company-provided PBX trunks. 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 central Office termination and DID number blocks apply in addition to charges specified for PBX Trunks. One additional termination charge applies for each DID-equipped PBX Trunk. Telephone numbers are furnished in blocks of 20. Blocks of number groups will be determined at the sole discretion of the Company's resources. Whenever possible, the Company will attempt to provide telephone numbers arranged consecutively in a group, but will not guarantee nor accept responsibility for provision of such an arrangement within or between a block of numbers. In addition, the Company reserves the right to review vacant DID stations or stations not in use to determine efficient telephone number utilization. Should the Company determine, based on its own discretion, that there is inefficient number utilization, the Company may reassign the DID numbers.

¹ Where all numbers in a group have not been connected for service, the Customer is responsible for providing interception of calls to vacant or non-working assigned station lines or telephone numbers by means of attendant intercept or recorded announcement service. The Company will not terminate these numbers to an intercept message on the Customer's behalf.

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**SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)**

2.11 Moves, Adds and Changes

2.11.1 Non-recurring Installation Charges as described in Sections 3 & 4 of this tariff will be applied per line when a Customer moves to a new address within the same local exchange.

2.11.2 Non-recurring charges as described in Sections 3 & 4 of this tariff will be applied per line when a Customer requests any changes or additions to an existing account.

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SECTION 3 - RATES – BUSINESS SERVICES

(N)

3.1 Business Service Monthly Recurring Charge

Business Line Local Only	\$37.50 per line
Business Line Local plus Long Distance ¹	\$30.50 per line
Analog PBX Trunk Local Only	\$68.00 per trunk
Analog PBX Trunk plus Long Distance ¹	\$61.00 per trunk
DID CO Termination	\$50.25 per trunk

3.2 Initial Service Conversion Charge

\$26.00 per business line or trunk converted, non-recurring
\$57.00 per DID CO termination per trunk, non-recurring

3.3 Installation Charge

\$52.50 per business line installed, non-recurring
\$53.00 per trunk installed, non-recurring

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¹ When a Customer chooses to use the Company's Long Distance in addition to its local service, the Customer receives a \$7.00 subsidy on local service.

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SECTION 3 - RATES – BUSINESS SERVICES (cont)

(M)

3.4 Features

	<u>Monthly Recurring Charge</u>	<u>Non Recurring Charge</u>	<u>Per Usage Charge</u>
Call Return	\$0.00	\$0.00	\$0.75
Continuous Redial	\$0.00	\$0.00	\$0.75
Call Trace	\$0.00	\$0.00	\$2.00
Three-way Conference Calling	\$3.75	\$12.25	\$2.00
Hunting-per Business Line	\$6.00	\$12.25	\$0.00
Hunting-per Analog Trunk	\$7.50	\$12.25	\$0.00
3 rd # Billed/Collect Blocking	\$7.00	\$12.25	\$0.00
Call Forward Variable	\$4.50	\$12.25	\$0.00
Call Forward Busy Line	\$6.00	\$12.25	\$0.00
Call Forward Don't Answer	\$3.75	\$12.25	\$0.00
Call Forward Busy Line/Don't Answer	\$9.00	\$12.25	\$0.00
Call Waiting	\$7.00	\$12.25	\$0.00
Speed Dial	\$2.75	\$12.25	\$0.00
Speed Dial, Expanded	\$4.25	\$12.25	\$0.00
Caller ID (Name and Number)	\$7.50	\$12.25	\$0.00
Vanity Number	\$9.25	\$230.00	\$0.00
Ground Start	\$0.00	\$12.25	\$0.00
Toll Restrict Blocking	\$4.75	\$26.00	\$0.00
Third # and Collect Blocking	\$7.00	\$12.25	\$0.00
Change Call Blocking	\$0.00	\$0.00	\$0.00
Change Class Blocking	\$0.00	\$12.25	\$0.00
Call Forward w/ Remote Access	\$7.75	\$12.25	\$0.00
Per Use Blocking	\$0.00	\$12.25	\$0.00

3.5 DID Number Groups

	<u>Monthly Recurring Charge</u>	<u>Non-recurring Charge</u>
20 numbers per group	\$2.75	\$18.75

(M)

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopack,
Vice President of Regulatory Affairs and General Counsel
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800-406-0705
www.matrixbt.com

SECTION 3 - RATES – BUSINESS SERVICES (cont)**3.6 Directory Listings**

	Monthly Recurring Charge	Non - Recurring Charge
Primary Listing	\$0.00	\$0.00
Additional Listing	\$2.75	\$20.75
Cross Reference Listing	\$2.75	\$20.75
Extra Line Listing	\$2.75	\$20.75
Foreign Listing	\$2.75	\$20.75
Non-Published Listing	\$1.70	\$20.75
Non-Listed Number	\$1.35	\$20.75

3.7 Local Directory Assistance

\$0.59 per call

3.8 Directory Assistance Call Completion\$0.35 per call¹**3.9 Operator Services**

	surcharge	per minute charge
Third Party Billing	\$1.30	\$0.2700
Collect	\$1.30	\$0.2700
Person to Person	\$3.50	\$0.2700
Busy Line Verification	\$1.40	\$0.0000
Busy Line Verification 3 rd # Billed	\$2.75	\$0.0000
Busy Line Verification w/Interrupt	\$2.75	\$0.0000

3.10 Presubscription

A Customer may change their intra and/or interLATA long distance carrier. The Customer will incur a \$10.00 per line, per occurrence charge. A single occurrence can include a change of both the intraLATA and interLATA carriers.

¹ Provided where facilities permit; charge in addition to charge in 3.8

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SECTION 3 - RATES – BUSINESS SERVICES (cont)**3. Service Restoration Charge**

\$55.00 per occurrence

3.12 Service Change Charge

\$27.50 per occurrence

3.13 Intercept Service

When a switching arrangement for an individual customer (a single line or entire hunt group) is discontinued at an end office, an intercept announcement is provided. This arrangement provides, for ninety (90) days, an announcement that the service associated with the number dialed has been disconnected. There is no charge for this service.

3.14 Time and Material Charges

Trip Charge	\$61.00
Each 15 min increment	\$16.00

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SECTION 4 - RATES – LOCAL DIGITAL SERVICE

(N)

4.1 Local Digital Service Monthly Recurring Charge

ISDN-PRI – Per D Channel \$100.00

4.2 Local Digital Service Non-Recurring Charge

ISDN-PRI – Per D Channel \$2500.00

4.3 Optional Features

The optional features, hunting and vanity numbers, are provided at no additional charge to subscribers of Local Digital Service.

4.4 Presubscription

A Customer may change their intra and/or interLATA long distance carrier. The Customer will incur a \$5.00 per line, per occurrence charge. A single occurrence can include a change of both the intraLATA and interLATA carriers.

4.5 Miscellaneous Charges

	Monthly Recurring Charge	Non-Recurring Charge
Foreign Exchange Service (Per T)	\$100.00	\$0.00
Service Change Charge	\$0.00	\$15.00

4.6 Directory Listings

	Monthly Recurring Charge	Non-Recurring Charge
Additional Listing	\$2.75	\$20.75
Foreign Listing	\$2.75	\$20.75
Cross Reference Listing	\$2.75	\$20.75
Non-Listed Number	\$1.40	\$20.75
Non-Published Number	\$1.40	\$20.75

(N)

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SECTION 4 - RATES - LOCAL DIGITAL SERVICE (cont)

(N)

4.7 Operator Services

	Surcharge	Per Minute
Third Party Billing	\$1.30	\$.2700
Collect	\$1.30	\$.2700
Person to Person	\$3.50	\$.2700
Busy Line Verification	\$1.40	\$.0000
Busy Line Verification w/Interrupt	\$2.75	\$.0000

4.8 Local Directory Assistance

\$0.59 per call

4.9 Directory Assistance Local Call Completion\$0.39 per call⁴

(N)

⁴ Provided where facilities permit; charge in addition to charge in 4.8

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SECTION 4 - RATES – LOCAL DIGITAL SERVICE (cont)**4.10 Time and Material Charges**

Customer shall be responsible for payment of costs associated with installation of new local digital services or other time and material charges imposed on the Company by a Local Exchange Carrier as a prerequisite for installing or maintaining the Customers service, and not already recovered via the Company's existing recurring or nonrecurring charges as outlined herein. The customer will be advised of said charge prior to completion of service and will be given the option to contract an independent technician to complete the work. Hourly Rates are as follows:

	Per Visit
Trouble Isolation	\$75.00
Flat Inside Wire Maintenance	\$100.00
Flat Jack Installation -	
First Jack	\$75.00
Additional Wired	\$25.00
Additional Unwired	\$75.00

(N)

(N)

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ATTACHMENT C
NOT APPLICABLE

ATTACHMENT D

NOT INCLUDED – CONFIDENTIAL

ATTACHMENT E

NOT INCLUDED – CONFIDENTIAL

ATTACHMENT F
PLEA AGREEMENT

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH DAKOTA
SOUTHERN DIVISION

FILED
APR 20 2006
[Signature]
CLERK

UNITED STATES OF AMERICA,

CR06 - 90041

Plaintiff,

PLEA AGREEMENT

vs.

NEXTIRAONE, LLC,

Defendant.

NextiraOne, LLC ("NextiraOne," or "defendant"), a limited liability company organized and existing under the laws of Delaware with its principal place of business in Houston, Texas; defendant's counsel; and the United States Department of Justice, by and through the United States Attorney's Office for the District of South Dakota and the Antitrust Division of the Department of Justice (hereinafter "the United States"), hereby submit the following Plea Agreement to the United States District Court pursuant to Rule 11(c)(1)(B) of the Federal Rules of Criminal Procedure ("Fed. R. Crim. P.").

Rights of Defendant

1. The defendant understands its rights:
 - (a.) to be represented by an attorney;
 - (b.) to be charged by Indictment;
 - (c.) to plead not guilty to any criminal charge brought against it;
 - (d.) to have a trial by jury, at which it would be presumed not guilty of the charge and the United States would have to prove every essential element of the charged

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offense beyond a reasonable doubt for it to be found guilty;

- (e.) to confront and cross-examine witnesses against it and to subpoena witnesses in its defense at trial;
- (f.) to appeal its conviction if it is found guilty; and
- (g.) to appeal the imposition of sentence against it.

Agreement to Plead Guilty and Waive Certain Rights

2. The defendant knowingly and voluntarily waives the rights set out in Paragraph 1(b)-(f) above. The defendant also knowingly and voluntarily waives the right to file any appeal, any collateral attack, or any other writ or motion, including but not limited to an appeal under 18 U.S.C. § 3742, that challenges the sentence imposed by the Court if that sentence is consistent with or below the recommended sentence in Paragraph 10 of this Plea Agreement, regardless of how the sentence is determined by the Court. This agreement does not affect the rights or obligations of the United States as set forth in 18 U.S.C. § 3742(b). Pursuant to Fed. R. Crim. P. 7(b), the defendant will waive Indictment and plead guilty at arraignment to a one-count Information to be filed in the United States District Court for the District of South Dakota. The Information will charge the defendant with wire fraud in violation of 18 U.S.C. § 1343.

3. NextiraOne agrees that the elements of the charged offense are as follows:

Wire Fraud –

Elements:

- (a.) Participation in a scheme to defraud or a plan for obtaining money or property by making false promises or statements;
- (b.) Knowledge that the promises or statements were false;
- (c.) The promises or statements were material;

(d.) Intent to defraud; and

(e.) The reasonably foreseeable use of, and actual use of, interstate wire communications to carry out an essential part of the scheme.

4. NextiraOne, pursuant to the terms of this Plea Agreement, will make a factual admission of guilt to the Court in accordance with Fed. R. Crim. P. 11, as set forth in Paragraph 5 below.

Factual Basis for Offense Charged

5. Had this case gone to trial, the United States would have presented evidence sufficient to prove the following facts:

(a) For the purposes of this Plea Agreement, the "relevant period" encompasses from at least December, 2000, through at least December, 2002. Williams Communications Solutions ("WCS") was acquired by Platinum Equity, LLC ("Platinum Equity") in April 2001, and the name of the business was changed to Nextira and later NextiraOne. At the time of the acquisition, WCS was engaged in the design, sale, and maintenance of advanced voice and data networks.

(b) During the relevant period, the Schools and Libraries Universal Service Support Mechanism ("E-rate" or the "E-rate Program") was a program mandated by Congress in the Telecommunications Act of 1996 and operated under the auspices of the Federal Communications Commission ("FCC") to provide funding to permit schools and libraries to upgrade their telecommunication and data infrastructure and to connect to and utilize the Internet. The FCC subsequently designated the Universal Services Administrative Company ("USAC"), a non-profit corporation, to administer the E-rate Program.

(c) The E-rate Program's discount mechanism was designed to ensure that the neediest schools received the most financial help. All participating school districts, however, are

required to pay the remaining portion of their bill for equipment and services acquired under the E-rate Program after their discount had been applied. Each school's discount is determined based on the number of students in the district qualifying for the United States Department of Agriculture's school lunch program, with the neediest school districts eligible for the highest discounts.

(d.) During the relevant period, applications for E-rate funding far exceeded the funding amounts available each year. To ensure that E-rate funding was distributed to the widest number of applicants, USAC required all applicants to comply with various program rules and procedures. Two such requirements were that only USAC-approved equipment, services, and supplies would be eligible for funding and that local school districts had to follow competitive bidding procedures in accordance with local and state laws to ensure that the school districts received the lowest possible prices from vendors.

(e.) During the relevant period, WCS and NextiraOne paid a member of the Oglala Lakota Sioux Tribe residing on the Pine Ridge Reservation in the District of South Dakota for introducing WCS to the Oglala Lakota Sioux Tribe, assisting with filing required forms, obtaining authorized signatures, and handling questions from USAC's Schools and Libraries Division ("SLD").

(f.) On or about December 15, 2000, WCS made a presentation to the Tribal leaders and to the ONEC member schools in Rapid City, South Dakota, during which WCS promised the ONEC schools that they could participate in the E-rate Program at absolutely no cost. This offer circumvented the rules and regulations governing the E-rate Program.

(g.) On or about January 12-13, 2001, WCS presented its E-rate proposal for the

ONEC schools at a second meeting. It was understood by this date that the Tribe and ONEC schools would utilize WCS as the primary vendor for ONEC's FY Four application.

(h.) On or about January 18-19, 2001, the Tribal member and an associate met to prepare the Form 471s for the ONEC schools. A Form 471 is a school district's application for E-rate funding. It is supposed to set out the selected vendors' bid amounts, memorialized in contracts, for the equipment and services called for by the district's Request for Proposal and/or original Form 470. An employee of WCS guided the Tribal member and his associate through the process of electronically filing the Form 471s on-line at the SLD web site, with specific, line-by-line instructions on what to fill out on each form. Under WCS's guidance, the Tribal member and the associate filed the ONEC Form 471s, which contained atypical, non-competitive, manufacturer "list" prices for large portions of the technology equipment. On or about January 19, 2001, and with the continuing assistance of WCS, the Tribal member mailed the written certifications and attachments for ONEC's Form 471s from Pine Ridge, South Dakota, to the SLD's office in Lawrence, Kansas.

(i.) In or around September 2001, the SLD began a review of ONEC's Form 471s submitted in January 2001. As part of that review, the SLD asked ONEC to supply certain information to the SLD. The Tribal member submitted letters to the SLD which contained material representations and certifications. On or around October 31, 2001, the SLD, in reliance on the prior representations and certifications, approved funding for the ONEC E-rate project in part as follows: \$3,879,903.61 for Internal Connections.

(j.) On or about December 13, 2001, the defendant filed a Service Provider Invoice Form 474 in the amount of \$429,020.40 with the SLD even though as of that date no equipment

had been delivered or installed for the ONEC member schools on the Pine Ridge Reservation.

(k.) Beginning in or about December 2001, in connection with changes in project management personnel, the defendant re-engineered the original ONEC voice and data network design with the result that the total cost decreased. The defendant did not tell the ONEC schools that the project's costs, after the redesign, were lower.

(l.) At no time during the relevant period did the defendant advise ONEC, or the Tribal member and his associate, to file a USAC Form 500 notifying the SLD of these equipment changes and substantially decreased costs. A Form 500 is filed when a school decides to change the original scope of a project, or when it makes modifications to the services and equipment for which funding was requested. A Form 500 is a written request made by the applicant to the SLD that reduces, cancels, or requests a modification to a prior funding commitment.

(m.) During the relevant period, for the purpose of executing its scheme, the defendant transmitted electronic wire communications in interstate commerce, including a facsimile dated January 21, 2002, from a billing person at NextiraOne that contained a fraudulent "invoice" that falsely made it appear that ONEC had been billed for the non-discounted portion as well as the ineligible items associated with the Pine Ridge project. The facsimile was sent from Houston, Texas to SLD invoice analysts located in Whippany, New Jersey.

(n.) Based in part on materially false representations made to the SLD, NextiraOne succeeded in over-billing the E-rate Program in excess of \$1 million for the ONEC FY Four E-rate project. NextiraOne received a total of \$3,805,192.20 from the SLD for ONEC's FY Four E-rate project. The loss resulting from the charged offense is sufficient to justify a fine of \$1,818,380 pursuant to 18 U.S.C. § 3571(d).

(o.) During April 2001, through December 2002, NextiraOne employed more than 1,000 people and an individual formerly within high-level personnel of the organization was willfully ignorant of the fraudulent scheme.

(p.) The above information is provided for the limited purpose of setting forth a factual basis for the plea of guilty. It is not a full recitation of either WCS's or the defendant's actions relating to, knowledge of, or participation in the fraudulent scheme.

(q.) The events described above occurred prior to the arrival of current senior management of NextiraOne in May 2003. Under its new management, NextiraOne reorganized its sales force and adopted a Code of Business Ethics and Conduct; it also dismantled its E-rate consulting services business unit. NextiraOne has cooperated with the United States' investigation. NextiraOne has made its current employees available for interviews by the United States and, pursuant to a subpoena, it has produced voluminous corporate records in hard copy and electronic format to the United States.

(r.) NextiraOne Federal, LLC, a subsidiary of NextiraOne which operates as a separate company, was not involved in the events described above.

Possible Maximum Sentence

6. The defendant understands that the statutory maximum penalty which may be imposed against it upon conviction for a violation of 18 U.S.C. § 1343 is a fine in an amount equal to the greatest of:

- (a.) \$500,000 (18 U.S.C. § 3571 (c)(3));
- (b.) twice the gross pecuniary gain from the offense (18 U.S.C. § 3571 (d)); or
- (c.) twice the gross pecuniary loss caused to the victims of the crime (18 U.S.C.

§ 3571 (d)).

7. In addition, the defendant understands that:
- (a) pursuant to 18 U.S.C. § 3561(c)(1), the Court may impose a term of probation of at least one year, but not more than five years;
 - (b) pursuant to 18 U.S.C. § 3663A(c)(1)(A)(ii), the Court shall order it to pay restitution to the victims of the offense; and
 - (c) pursuant to 18 U.S.C. § 3013 (a)(2)(B), the Court is required to order the defendant to pay a \$400 special assessment upon conviction for the charged crime.

Sentencing Guidelines

8. The defendant understands that the Sentencing Guidelines are advisory, not mandatory, but that the Court must consider the Guidelines in effect at the time of the offense, along with other factors set forth in 18 U.S.C. § 3553(a), in determining and imposing sentence. The defendant understands that the Guidelines determinations will be made by the Court by a preponderance of the evidence standard. The defendant understands that although the Court is not ultimately bound to impose a sentence within the applicable Guidelines range, its sentence must be reasonable based upon consideration of all relevant sentencing factors set forth in 18 U.S.C. § 3553(a).

9. The defendant stipulates that the Sentencing Guidelines would be calculated as follows, and that it will not ask for any other adjustment or reduction in the offense level or for a downward departure of any kind, including for its continuing cooperation:

For Wire Fraud:

a.	Base Offense Level (U.S.S.G. § 2B1.1):	6
b.	Specific offense characteristics: (U.S.S.G. § 2B1.1(b)) (Actual Loss > \$1 million)	+ 16
c.	Adjusted offense level:	<u>22</u>
d.	Base Fine (U.S.S.G. § 8C2.4):	\$1.2 million
e.	Culpability Score (U.S.S.G. § 8C2.5): (> 1000 employees and willful ignorance of the offense by high-level personnel of the organization)	5 + 4
f.	Acceptance of Responsibility:	- 2
g.	Total Culpability Score:	7
h.	Minimum/Maximum Multiplier (U.S.S.G. § 8C2.6):	1.4 to 2.8
i.	Fine Range (U.S.S.G. § 8C2.7):	\$1.68 million to \$2 million

Sentencing Agreement

10. Pursuant to Fed. R. Crim. P. 11(c)(1)(B), the United States agrees that it will recommend, as the appropriate disposition of this case, that the Court impose a sentence within the applicable Guidelines range requiring NextiraOne to:

(a.) Pay the United States \$1,818,380 within five days of this Plea Agreement being accepted by the Court. The United States also recommends that the Court not impose a term of probation. NextiraOne's parent, Platinum Equity, will act as a guarantor of this payment as set forth in Exhibit "A" to this Plea Agreement. The criminal fine shall be paid to the U.S. Clerk of Court, District of South Dakota, by FEDWIRE.

(b.) Within five (5) days of the civil Settlement Agreement being executed, NextiraOne

shall release claims totaling \$2.6 million to the FCC. This money shall be distributed in accordance with the civil Settlement Agreement which is attached as Exhibit "B" to this Plea Agreement.; and

(c.) Pay a special assessment of \$400, pursuant to 18 U.S.C. § 3013(a)(2)(B), in addition to any fine imposed.

The United States and the defendant jointly submit that this Plea Agreement, together with the record that will be created by the United States and the defendant at the plea and sentencing hearings, and the further disclosure described in Paragraph 11, will provide sufficient information concerning the defendant, the crime charged in this case, and the defendant's role in the crime to enable the meaningful exercise of sentencing authority by the Court under 18 U.S.C. § 3553. The United States and defendant agree to request jointly that the Court accept the defendant's guilty plea and impose sentence on an expedited schedule as early as the date of arraignment, based upon the record provided by the defendant and the United States, under the provisions of Fed. R. Crim. P. 32(c)(1)(A)(ii) and U.S.S.G. § 6A1.1. The Court's denial of the request to impose sentence on an expedited schedule will not void this Plea Agreement.

The parties agree that there exist no aggravating or mitigating circumstances of a kind, or to a degree, not adequately taken into consideration by the U.S. Sentencing Commission in formulating the Sentencing Guidelines justifying a departure pursuant to U.S.S.G. §5K2.0. The parties agree not to seek or support any sentence outside the Guidelines range nor any Guidelines adjustment for any reason that is not set forth in this Plea Agreement. In view of all the facts and circumstances of this case, including NextiraOne's continuing cooperation with the United States, the parties agree that the recommended sentence is reasonable.

11. Subject to the ongoing, full, and truthful cooperation of the defendant described in Paragraph 13 and 14 of this Plea Agreement, and before sentencing in the case, the United States will fully advise the Court and the Probation Office of the fact, manner, and extent of the defendant's cooperation and its commitment to prospective cooperation with the United States' investigation and prosecutions, all material facts relating to the defendant's involvement in the charged offense, and all other relevant conduct.

12. The United States and the defendant understand that the Court retains complete discretion to accept or reject the recommended sentence provided in Paragraph 10 of this Plea Agreement. NextiraOne understands that, as provided in Fed. R. Crim. P. 11(c)(3)(B), if the Court does not impose the recommended sentence contained in this Agreement, it nevertheless has no right to withdraw its plea of guilty.

NextiraOne's Cooperation

13. NextiraOne has cooperated with the United States' investigation and will continue to cooperate fully and truthfully with the United States in the prosecution of this case; the current federal investigations of violations of federal fraud, antitrust, and related criminal laws involving the sale of equipment and services funded by the E-rate Program; any other federal investigation resulting therefrom; and any litigation or other proceedings arising or resulting from any such investigation to which the United States is a party ("Federal Proceeding"). The cooperation provisions of this Plea Agreement, as set forth in Paragraphs 13-16, shall be limited to one (1) year from the date of this Plea Agreement being accepted by the Court.

14. The ongoing, full, and truthful cooperation of the defendant shall include, but not be limited to:

(a.) producing to the United States all non-privileged documents, information, and other materials, wherever located, in the possession, custody, or control of the defendant, requested by the United States in connection with any Federal Proceeding; and

(b.) using its best efforts to secure the ongoing, full, and truthful cooperation, as defined in Paragraph 15 of this Plea Agreement, of each current officer or employee of the defendant or its successors, as may be requested by the United States, including making these persons available at the defendant's expense for interviews and the provision of testimony in grand jury, trial, and other judicial proceedings in connection with any Federal Proceeding.

15. The ongoing, full, and truthful cooperation of each person described in Paragraph 14(b) above will be subject to the procedures and protections of this paragraph, and shall include, but not be limited to:

(a.) producing all non-privileged documents, including claimed personal documents, and other materials, wherever located, requested by attorneys and agents of the United States;

(b.) making himself or herself available for interviews, not at the expense of the United States, upon the request of attorneys and agents of the United States;

(c.) responding fully and truthfully to all inquiries of the United States in connection with any Federal Proceeding, without falsely implicating any person or intentionally withholding any information, subject to the penalties of making false statements (18 U.S.C. § 1001) and obstruction of justice (18 U.S.C. § 1503);

(d.) otherwise voluntarily providing the United States with any non-privileged material or information not requested in (a) - (c) of this paragraph that he or she may possess or

control that is related to any Federal Proceeding; and

(e.) when called upon to do so by the United States in connection with any Federal Proceeding, testifying in grand jury, trial, and other judicial proceedings, pursuant to subpoena, fully, truthfully, and under oath, subject to the penalties of perjury (18 U.S.C. § 1621), making false statements or declarations in grand jury or court proceedings (18 U.S.C. § 1623), contempt (18 U.S.C. §§ 401-402), and obstruction of justice (18 U.S.C. § 1503).

16. NextiraOne agrees not to intentionally provide false information to the Court, the Probation Office, Pretrial Services, or the United States; or fail to comply with any of the other promises it has made in this Plea Agreement.

17. NextiraOne has no current intention to participate in the E-rate Program. If, however, at any time within the five (5) year period following the date of execution of this Plea Agreement, NextiraOne decides to provide telecommunications goods or services intended to be funded by the E-rate Program, it shall give prior written notice to the FCC and provide high-level management oversight of NextiraOne's E-rate business. Such oversight shall include appointment of a Compliance Officer to monitor all aspects of NextiraOne's E-rate business, whose responsibilities shall include: (i) internal monitoring and audits to ensure compliance with E-rate application and bidding procedures and the absence of any hidden side agreements or undisclosed terms; (ii) implementation of a continuing education and training program for participation in the E-rate Program that shall cover the application process, competitive bidding, eligible E-rate services, the billing process, document retention, the service provider role, and such other areas as the Compliance Officer may consider appropriate; (iii) coordination with key executives in the company's accounting, finance, installations, legal, marketing, and sales units

to ensure compliance with E-rate Program requirements; (iv) disclosure to NextiraOne's Chief Executive and Chief Financial Officers and its General Counsel, as well as the FCC's Office of Inspector General, of any program violations, including any associated disciplinary action taken or recommended; and (v) periodic reports every six months concerning NextiraOne's compliance with the requirements set forth in this paragraph, to the FCC's Office of Inspector General. The oversight and reporting obligations set forth in this paragraph, as well as the cooperation provisions of paragraphs 13-16, shall apply to NextiraOne, its successors and assigns. If NextiraOne is acquired by another corporation or entity ("Acquiring Company") and NextiraOne is (i) maintained as a separate legal entity by the Acquiring Company, and (ii) any E-rate Program activities of NextiraOne are maintained solely within NextiraOne, the oversight and reporting obligations set forth in this paragraph shall not apply to the Acquiring Company or any parent, subsidiary, sister company, affiliate, legal entity, or business unit (other than NextiraOne) of the Acquiring Company. If NextiraOne is legally merged into or with another legal entity, the oversight and reporting obligations set forth in this paragraph, as well as the cooperation provisions of paragraphs 13-16, shall apply to such merged entity, including NextiraOne, its successors and assigns, but shall not apply to any parent, subsidiary, sister company, or affiliate of such merged entity.

18. Following the entry of its guilty plea pursuant to the Plea Agreement, NextiraOne agrees not to commit or attempt to commit any crimes before sentence is imposed.

19. NextiraOne agrees that this Plea Agreement and the attached Exhibits "A", and "B", contain all of the promises and agreements between it and the United States, and it will not claim otherwise in the future.

20. NextiraOne agrees that this Plea Agreement binds the United States Department of Justice, excepting the Tax Division only, but does not bind any other federal, state, local, or Tribal agency.

United States' Agreement

21. Upon acceptance of the guilty plea called for by this Plea Agreement and the imposition of the recommended sentence, and expressly conditioned upon the cooperation requirements of Paragraph 13-15 of this Plea Agreement, the United States agrees not to file, prosecute, or seek any further criminal charges against the defendant, or its affiliated entities, or their successors, for any act or offense committed by NextiraOne prior to the date of this Plea Agreement involving the E-rate Program. The nonprosecution terms of this paragraph do not apply to individuals, civil matters of any kind, to any violation of federal tax or securities laws, or to any crime of violence. NextiraOne has entered into a separate civil Settlement Agreement with the United States which is attached as Exhibit "B" to this Plea Agreement.

22. The United States recommends that the appropriate sentence in this case should be as set forth in Paragraph 10 above, unless the defendant violates the terms and conditions of this Plea Agreement.

23. The defendant understands that it may be subject to administrative action by federal, state, local, or tribal agencies other than the United States Department of Justice, Antitrust Division, based upon the conviction resulting from this Plea Agreement, and that this Plea Agreement in no way controls what action, if any, other agencies may take. The Division agrees that, if requested, it will advise the appropriate officials of any governmental agency, whether federal, state, local or tribal, considering any administrative, criminal, or civil action, of the fact,

manner, and extent of the cooperation of the defendant and its affiliated entities and successors as a matter for that agency to consider before determining what action, if any, to take, and will advise as to the lack of involvement of NextiraOne Federal, LLC, a subsidiary of NextiraOne which operates as a separate company, in the conduct leading to this guilty plea.

Representation by Counsel

24. NextiraOne confirms that it has had adequate time to discuss this case, the evidence, and this Plea Agreement with legal counsel, and that its counsel has provided it with all the legal advice that it requested regarding the nature of the charge, any possible defenses to the charge, and the nature and range of possible sentences.

Voluntary Plea

25. NextiraOne confirms that its decision to enter a guilty plea is made knowing the charges that will be brought against it, any possible defenses, and the benefits and possible detriments of proceeding to trial. NextiraOne's decision to enter into this Plea Agreement and to tender a plea of guilty is freely and voluntarily made and is not the result of force, threats, assurances, promises, or representations other than the representations contained in this Plea Agreement. The United States has made no promises or representations to the defendant as to whether the Court will accept or reject the recommendations contained in this Plea Agreement.

Violation of Plea Agreement

26. The defendant agrees that, should the United States determine in good faith, during the period that any Federal Proceeding is pending, that the defendant or any of its affiliated entities or successors have failed to provide full and truthful cooperation, as described in Paragraph 13-15 of this Plea Agreement, or has otherwise violated any provision of this Plea Agreement, the

United States will notify counsel for NextiraOne in writing by personal or overnight delivery or facsimile transmission and may also notify counsel by telephone of its intention to void any of its obligations under this Plea Agreement (except its obligations under this paragraph), and NextiraOne and its affiliated entities and successors shall be subject to prosecution for any federal crime of which the United States has knowledge, including, but not limited to, the substantive offenses relating to the investigation resulting in this Plea Agreement. The defendant and its affiliated entities agree that, in the event that the United States is released from its obligations under this Plea Agreement and brings criminal charges against the defendant or its affiliated entities or successors for any offense referred to in Paragraph 21 of this Plea Agreement, the statute of limitations period for such offense will be tolled for the period between the date of the signing of this Plea Agreement and six (6) months after the date the United States gave notice of its intent to void its obligations under this Plea Agreement. NextiraOne, however, may seek Court review of any determination made by the United States under this Paragraph to void any of its obligations under the Plea Agreement.

27. The defendant understands and agrees that in any further prosecution of it or its affiliated entities or successors resulting from the release of the United States from its obligations under this Plea Agreement, because of the defendant's or its affiliated entities' or successors' violation of the Plea Agreement, any documents, statements, information, testimony, or evidence provided by it, its affiliated entities or successors, or current officers and employees of it or its affiliated entities or successors, to attorneys or agents of the United States, federal grand juries, or courts, and any leads derived therefrom, may be used against it or its affiliated entities in any such further prosecution. In addition, the defendant unconditionally waives its right to challenge the

use of such evidence in any such further prosecution, notwithstanding the protections of Rule 410 of the Federal Rules of Evidence.

Entirety of Agreement

28. This Plea Agreement constitutes the entire agreement between the United States and the defendant concerning the disposition of the criminal charge in this case. This Plea Agreement cannot be modified except in writing, signed by the United States and the defendant.

29. This Agreement has been authorized, following consultation with counsel, by the sole Manager of NextiraOne, as set forth in the certified resolution attached as Exhibit "C" to this Plea Agreement and is incorporated herein.

30. The undersigned attorneys for the United States have been authorized by the Attorney General of the United States to enter this Plea Agreement on behalf of the United States.

31. A facsimile signature shall be deemed an original signature for the purpose of executing this Plea Agreement. Multiple signature pages are authorized for the purpose of executing this Plea Agreement.

DATED:

4.11.06




Robert J. Buhay, Chief Financial Officer
NextiraOne, LLC
Defendant

DATED:

4-17-06

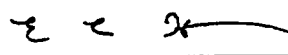
Steven K. Mullins
United States Attorney
District of South Dakota

BY:


DENNIS R. HOLMES
Chief, Criminal Division

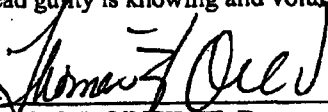
DATED:

4/11/06


ERIC C. HOFFMANN
KALINA M. TULLEY
BRIAN P. MCLAUGHLIN
Attorneys
U.S. Department of Justice
Antitrust Division
209 S. LaSalle Street, Suite 600
Chicago, Illinois 60604
Tel.: (312) 353-7530

I have fully explained to my client all of the rights that a criminal defendant possesses and all of the terms of this Plea Agreement. In my opinion, my client understands all of the terms of this Plea Agreement and all the rights it is giving up by pleading guilty, and, based on the information now known to me, its decision to plead guilty is knowing and voluntary.

DATED:



THOMAS F. O'NEIL III, Esq.
DLA Piper Rudnick Gray Cary US LLP
Counsel for NextiraOne, LLC

Exhibit A

GUARANTEE OF PAYMENT OF FINE AND RESTITUTION

In consideration of the attached Plea Agreement between the government and NextiraOne, LLC, and due to the financial condition of the latter, Platinum Equity, LLC, (NextiraOne's parent company), knowingly and voluntarily agrees that it will act as guarantor to the United States for payment of the criminal fine and restitution amounts imposed on NextiraOne, LLC, pursuant to the attached Plea Agreement. Acknowledgment of the aforesaid guarantee of the criminal fine and restitution amounts is confirmed by Platinum's authorized representative signing this document. As guarantor, Platinum agrees that, notwithstanding the fact that it did not engage in any of the conduct described in the referenced Plea Agreement, in the event that NextiraOne fails to make payment as set forth in the Plea Agreement (for whatever reason, including but not limited to, bankruptcy or dissolution of NextiraOne, or any other event that would prevent payment by NextiraOne of the fine or restitution imposed by the United States District Court for the District of South Dakota in this matter), Platinum shall cure any such delinquent payment or restitution amount (as defined by 18 USC § 3572 (h)) by NextiraOne, LLC within thirty (30) days of the date the fine or restitution amount became delinquent and will make such payment in accordance with the terms of the sentence imposed by the District Court pursuant to the attached Plea Agreement. Under 18 USC 3572(i), a fine or payment of restitution is in default if a payment is delinquent for more than 90 days, and that within 30 days after notification of the default, the entire amount of the fine or restitution is due.

The undersigned attests that he or she is authorized to enter into this guarantee on behalf of Platinum Equity.



Tom T. Gores
On behalf of Platinum Equity, LLC

SETTLEMENT AGREEMENT

I. PARTIES

This Settlement Agreement (Agreement) is entered into by the United States of America, acting through the United States Department of Justice and on behalf of the Federal Communications Commission (FCC) (collectively, the United States); and NextiraOne, LLC (NextiraOne), through their authorized representatives. The parties listed in this Paragraph are hereinafter collectively referred to as the Parties.

II. PREAMBLE

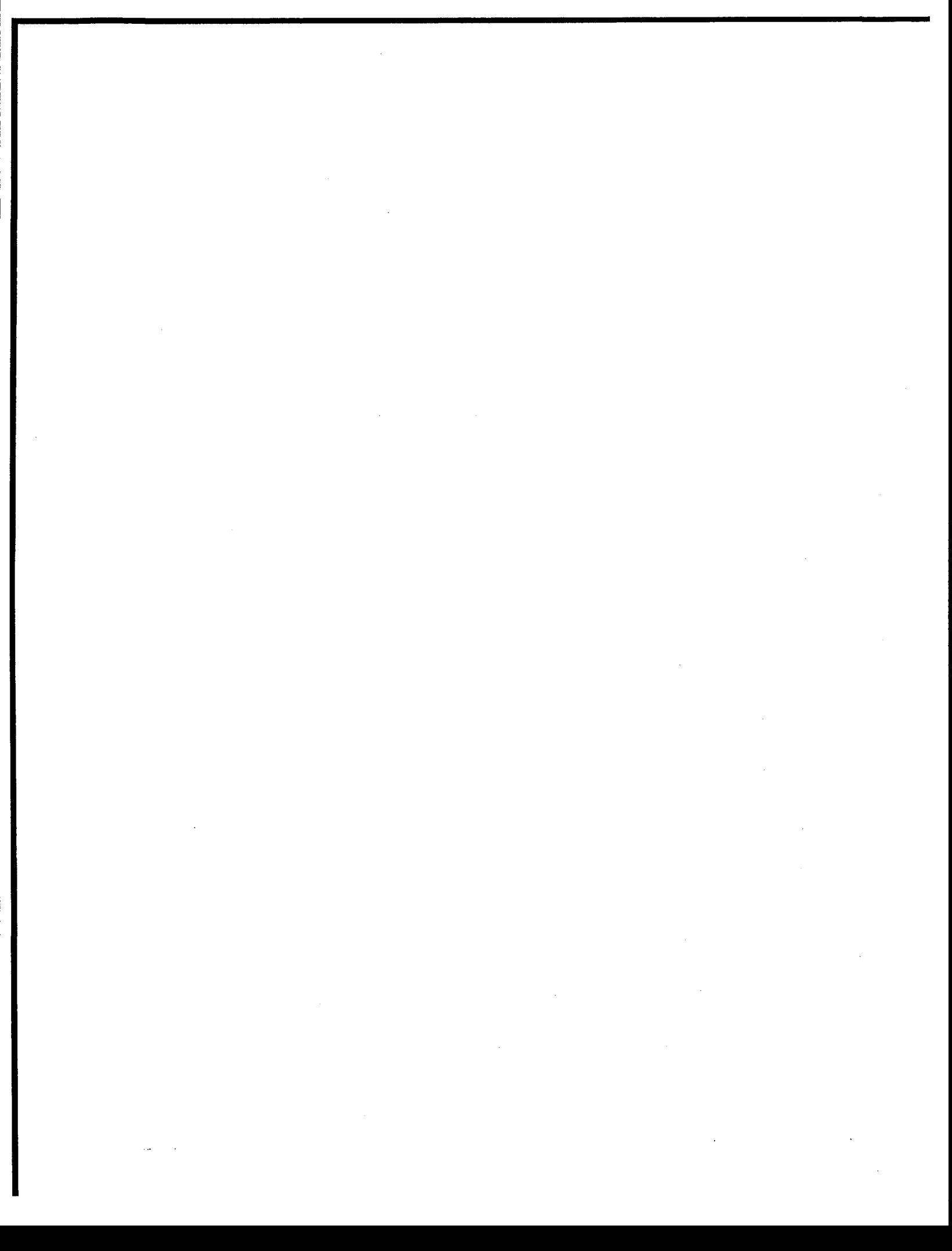
As a preamble to this Agreement, the Parties agree to the following:

A. NextiraOne is a limited liability company organized and existing under the laws of Delaware with its principal place of business in Houston, Texas. NextiraOne does business in South Dakota, among other states. NextiraOne does not operate as a common carrier. NextiraOne was originally known as Williams Communications Solutions (WCS).

B. E-rate is a program created by Congress in the Telecommunications Act of 1996 and administered by the Universal Service Administration Corporation (USAC) for the FCC. Under E-rate, the FCC typically reimburses providers of internet access, internal connections, and telecommunications services for discounts they provide to schools and libraries.

C. NextiraOne is entering a plea of guilty to a one count felony Information charging NextiraOne with wire fraud in violation of 18 U.S.C. § 1343, in connection with NextiraOne's participation in the E-rate program. The guilty plea is being entered in a matter captioned *United States of America v. NextiraOne, LLC* No. CR 06-___ (filed in the District of South Dakota, April __, 2006). A copy of the plea agreement in that matter is attached hereto as Exhibit A (hereinafter the Plea Agreement).

D. The United States contends that it may have certain civil claims against NextiraOne under the False Claims Act, the common law, and other causes of action for NextiraOne's conduct in connection with certain USAC Funding Request Numbers (FRNs) for the funding year 2001 of the E-rate program (from July 1, 2001 through June 30, 2002) listed in Exhibits B and C to this Agreement, including submitting and causing to be submitted false claims for payment by: (1) engaging in non-competitive bidding practices; (2) claiming and



receiving E-rate funds for goods and services that were ineligible for E-rate discounts; (3) providing materially false information to the United States regarding goods and services that were provided to schools and school districts under the E-rate program; (4) disregarding the requirement that all schools and school districts make co-payments to cover that portion of each funded E-rate project that was not paid for by E-rate discounts; (5) charging inflated prices on invoices and other documents provided to the United States to conceal some or all of the practices listed in this Paragraph. The conduct described in this Paragraph is referred to throughout as the Covered Conduct.

E. NextiraOne has entered into a separate agreement with the Oglala Nation Education Coalition (ONEC) to resolve claims that it or its affiliated schools may have had against NextiraOne regarding the participation of ONEC and NextiraOne and/or WCS, in the E-rate program, including the Covered Conduct and the matters set forth in the Plea Agreement.

F. This Agreement is neither an admission of liability by NextiraOne nor a concession by the United States that its claims are not well-founded.

G. To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, the Parties reach a full and final settlement pursuant to the Terms and Conditions below.

III. TERMS AND CONDITIONS

1. NextiraOne agrees to compensate the United States \$2,678,000 (hereinafter referred to as the Settlement Amount), as follows:

a. NextiraOne agrees to release the United States, including but not limited to the FCC and USAC, from any obligations to pay and any other liability for work performed under the USAC Funding Request Numbers (FRNs) listed in Exhibits B, C, and D to this Agreement. Exhibit B includes FRNs for the ONEC schools associated with the Covered Conduct; Exhibit C sets forth invoices, unrelated to the ONEC schools, for Our Lady of Guadalupe School, Kansas City, MO (BEN 75144); West New York School District, West New York, NJ (BEN122770); and Vallejo City Unified School District, Vallejo, CA (BEN 144225); and Exhibit D includes FRNs for uncompensated E-rate work performed by NextiraOne and its

related affiliates, or WCS, for other school districts in the amount of \$2,600,000, for which NextiraOne would otherwise be entitled to payment but for the release herein. It is the intent of the United States that Exhibit D to this Agreement identify FRNs representing uncompensated work performed by NextiraOne and its related affiliates, and/or by WCS, in an amount not less than \$2.6 million. The United States may make any changes or substitutions to Exhibit D that may be necessary to give effect to that intent.

b. In addition, to the extent that NextiraOne or any of its subsidiaries or affiliates has performed uncompensated E-rate work in connection with (i) any E-rate funding request filed by the Bureau of Indian Affairs collectively, or any other Native American school falling under the auspices and control of the BIA, individually, including but not limited to those listed in Exhibit E, or (ii) any claims not otherwise released herein, except for the FRNs set forth on Exhibit G, but only to a maximum amount of \$937,102.15, NextiraOne agrees to release the United States, including but not limited to the FCC and USAC, from any obligations to pay such claims and any other liability for work performed under such funding requests.

c. NextiraOne agrees to pay an additional \$78,000 by electronic funds transfer pursuant to written instructions to be provided by the United States Department of Justice, which payment shall be made within five days after payment from USAC to NextiraOne of the \$331,504.99 for the E-rate work performed under the FRNs listed in Exhibit F, but in no event later than 180 days after the effective date of this Agreement. Upon payment to NextiraOne, NextiraOne releases the United States, including but not limited to the FCC and USAC, from any other liability in connection with these FRNs.

2. In the event that the District Court does not accept the Plea Agreement, and/or does not impose a sentence consistent with the Plea Agreement, the United States or NextiraOne may, each in its respective discretion, within five calendar days of the Court's dispositive action on the Plea Agreement, declare this Agreement null and void by written notice to the other party.

3. NextiraOne agrees to fully cooperate with the United States in any investigation or litigation related to its participation in the E-Rate Program. NextiraOne has represented to the United States that it has no information or evidence concerning any misconduct by its current or

former employees in connection with any applications, contracts, bids, or transactions involving the District of Columbia Public Schools. However, it agrees to provide any such information or evidence to the United States should it subsequently obtain it.

4. Additional Releases

a. NextiraOne fully and finally releases the United States, the FCC and USAC, together with their respective agencies, employees, servants, and agents, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) which NextiraOne has asserted, could have asserted, or may assert in the future against the United States, the FCC and USAC, and their respective agencies, employees, servants, and agents, related to the Covered Conduct, the funding requests in Exhibits B, C and D, the BENs in Exhibit E, the Information, the Plea Agreement, and the investigation and prosecution thereof. NextiraOne does not release the United States from any claims to compensation under the FRNs set forth in Exhibit G up to an aggregate amount of \$937,102.15, as any such claims are outside the scope of this settlement agreement. The Parties acknowledge that such claims are subject to the administrative procedures of USAC and applicable rules of the FCC and that the FCC and USAC make no representations as to the eligibility of these claims for payment.

b. Subject to the exceptions in Paragraph 5 below, in consideration of the obligations of NextiraOne set forth in this Agreement, and conditioned upon NextiraOne fully satisfying the Settlement Amount, (i) the United States (on behalf of itself, its officers, agents, agencies, and departments) agrees to fully and finally release NextiraOne and its subsidiaries, affiliates, or parent corporations, and their predecessors, successors, and assigns, and any of their past or present directors, officers, and employees, from any civil or administrative monetary claim the United States has or may have relating to the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. § 3801-3812; or the common law theories of payment by mistake, unjust enrichment, disgorgement, restitution, recoupment, breach of contract, and fraud, for the Covered Conduct; (ii) the FCC (on behalf of itself, its officers, employees, and agents, and on behalf of USAC) agrees to release NextiraOne and any subsidiaries, affiliates, or parent corporations, and their predecessors,

successors, and assigns, and any of their past or present directors, officers, and employees, from any administrative monetary claims the FCC has or may have for the Covered Conduct.

5. Notwithstanding any term of this Agreement, specifically reserved and excluded from the scope and terms of this Agreement as to any entity or person (including NextiraOne) are the following claims:

- (a) any civil, criminal, or administrative liability to the United States arising under Title 26, U.S. Code (Internal Revenue Code);
- (b) any criminal liability;
- (c) any process or proceeding, administrative or judicial, for any agency suspension or debarment action. Any suspension or debarment shall not affect any payments that NextiraOne may otherwise obtain for the invoices set out in Exhibit F, as referenced under Paragraph 1(c) of this Agreement;
- (d) any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- (e) any claims of the United States based upon such obligations as are created by this Agreement;
- (f) any liability for the delivery of any deficient or defective products/services, including liability under any express or implied product/service liability warranties; and
- (g) any civil or administrative claims of the United States (including its agencies) against individuals, including but not limited to past or present directors, officers, and employees of NextiraOne and any affiliates, subsidiaries, and parent corporations, and their predecessors, successors, and assigns who are criminally indicted or charged, or are convicted, or who enter into a criminal plea agreement related to the Covered Conduct.

6. NextiraOne waives and shall not assert, in any criminal prosecution or administrative action relating to the Covered Conduct, any defenses that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution,

this Agreement bars a remedy sought in such criminal prosecution or administrative action. Nothing in this Paragraph or any other provision of this Agreement constitutes an agreement by the United States concerning the characterization of the Settlement Amount for purposes of the Internal Revenue Laws, Title 26 of the United States Code.

7. NextiraOne agrees that all costs (as defined by the Federal Acquisition Regulation 31.205-47) incurred by or on behalf of NextiraOne in connection with (a) the matters covered by this Settlement Agreement; (b) the Government's audits and investigations of the matters covered by this Settlement Agreement; (c) NextiraOne's investigation, defense of matters, and corrective actions relating to the Covered Conduct; (d) the negotiation of this Settlement Agreement; and (e) the payments made to the United States pursuant to this Settlement Agreement, shall be unallowable costs for government accounting purposes. NextiraOne shall separately account for all costs that are unallowable under this Settlement Agreement.

8. This Agreement is intended to be for the benefit of the Parties only. Except as expressly stated in Paragraph 4 above, the Parties do not release any claims against any other person or entity.

9. NextiraOne warrants that payment of the Settlement Amount in the manner set forth in Paragraph III.1 to this Agreement will not result in NextiraOne becoming insolvent within the meaning of 11 U.S.C. §§ 547(c) and 548 (a)(1)(B)(ii)(I). Further, the Parties expressly warrant that, in evaluating whether to execute this Agreement, the Parties (a) have intended that the mutual promises, covenants, and obligations set forth herein constitute a contemporaneous exchange for new value given to NextiraOne within the meaning of 11 U.S.C. §§ 547(c)(1), and (b) have concluded that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange. Further, the Parties warrant that the mutual promises, covenants, and obligations set forth herein are intended to and do, in fact, represent a reasonably equivalent exchange of value which is not intended to hinder, delay, or defraud any entity to which NextiraOne is indebted to, or became indebted to, on or after the date of this transfer, all within the meaning of 11 U.S.C. § 548(a)(1).

10. NextiraOne agrees that this Settlement Agreement satisfies the requirements of the citation provision under subsections 503(b)(5)(A)-(B) of the Communications Act of 1934, as amended, 47 U.S.C. § 503(b)(5)(A)-(B), such that the FCC may issue a Notice of Apparent Liability against NextiraOne pursuant to 47 U.S.C. § 503(b)(4) if, after the Effective Date of this Agreement, NextiraOne engages in conduct of the type described as the Covered Conduct in Paragraph D of this Agreement.

11. The United States and NextiraOne shall each bear their own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

12. All Parties represent that this Agreement is freely and voluntarily entered into without any degree of duress or compulsion whatsoever.

13. This Agreement is governed by the laws of the United States. The Parties agree that exclusive jurisdiction and venue for any dispute arising between and among the Parties under this Agreement shall be the United States District Court for the District of South Dakota.

14. This Agreement constitutes the complete agreement between the Parties with respect to civil and administrative monetary liability. This Agreement may not be amended except by written consent of the Parties.

15. The individuals signing this Agreement on behalf of NextiraOne represent and warrant that they are duly authorized by NextiraOne to execute this Agreement. The United States signatories signing this Agreement represent that they are signing this Agreement in their official capacities and that they are duly authorized to execute this Agreement.

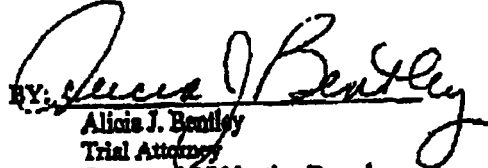
16. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same agreement.

17. This Agreement is binding on NextiraOne's successors, transferees, heirs, and assigns.

18. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date). Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Settlement Agreement.

THE UNITED STATES OF AMERICA

DATED: 4-7-06

BY: 
Alicia J. Bentley
Trial Attorney
Commercial Litigation Branch
Civil Division
U.S. Department of Justice

DATED: 4.7.06

BY: 
NextiraOne, LLC

DATED: 4-8-06

BY: 

Counsel for NextiraOne

Attachments

- Exhibit A - Plea Agreement
- Exhibit B - E-Rate Funds Disbursed on Behalf of Oglala Nation Education Coalition (BEN #222989) in Connection with Covered Conduct
- Exhibit C - E-Rate Funding Requests Released by Service Provider NextiraOne LLC (SPIN #1430004436) (Pending or Previously Denied)
- Exhibit D - FCC Form 474 Invoices Surrendered by NextiraOne LLC (SPIN #1430004436)
- Exhibit E - Bureau of Indian Affairs Related E-Rate Applicants

**Exhibit F- FCC Form 474 Invoices to be Paid to NextiraOne LLC (SPIN
#1430004436)**

**Exhibit G- Remaining NextiraOne E-Rate Funding Requests which are Outside the
Scope of this Agreement (Currently in Denial Status)**

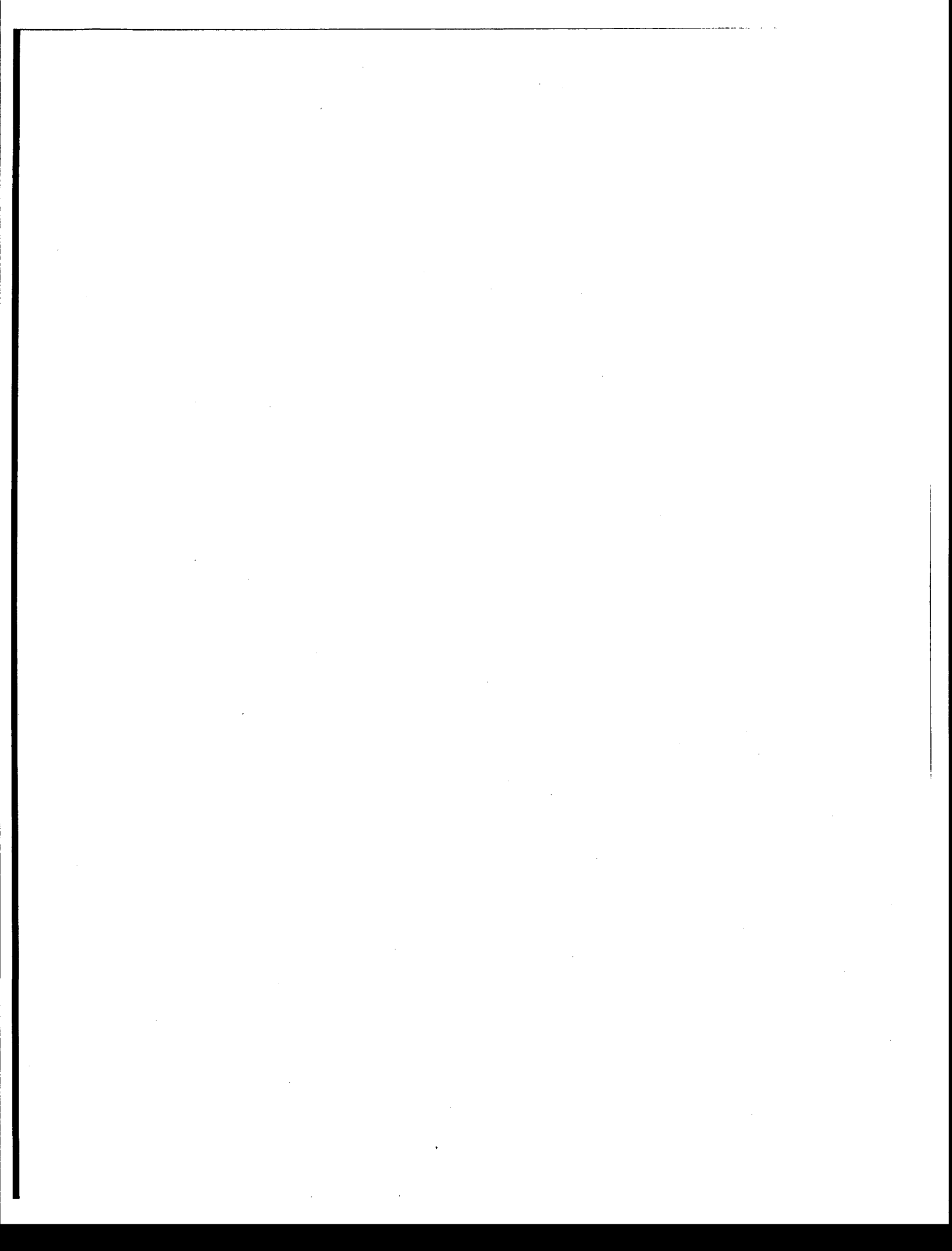


Exhibit B

E-Rate Funds Disbursed on Behalf of
Oglala Nation Education Coalition (BEN #222989)

Funding Year	Form 471	FRN	Amount
2001	260432	659484	616,141.80
2001	260432	659988	160,098.77
2001	260432	659966	658,488.60
2001	260432	659545	2,370,463.33
2001	267618	676730	0.00
Total for NextiraOne LLC (SPIN #143004436)			<u>3,805,192.50</u>

Exhibit C

<u>Funding Year</u>	<u>Form 471</u>	<u>FRN</u>	<u>Disbursed Amount</u>
Our Lady of Guadalupe School (BEN #75144):			
2002	321569	855367	0.00
2002	321569	855410	0.00
2003	377524	1043738	<u>0.00</u>
Total Disbursed to NextiraOne LLC (SPIN #143004436)			<u>0.00</u>
West New York School District (BEN #122770):			
2003	379144	1041454	<u>0.00</u>
Total Disbursed to NextiraOne LLC (SPIN #143004436)			<u>0.00</u>
Vallejo City Unified School District (BEN #144225):			
2002	318595	865487	0.00
2003	373543	1035598	<u>0.00</u>
Total Disbursed to NextiraOne LLC (SPIN #143004436)			<u>0.00</u>

Exhibit D

FCC Form 474 Invoices Surrendered by NextiraOne LLC (SPIN #143004436)

Billed Entity Number	Funding Year	Form 471	FRN	SLD Invoices	Amount
142913	2001	25714	606770	604317	\$370,577.61
142913	2001	25714	606794	604317	\$1,731,716.06
142913	2001	25714	608311	597198	\$166,511.16
142913	2001	25714	608531	597198	\$174,034.82
142913	2001	25714	609303	597198	\$135,577.33
142913	2001	25714	609533	597198	\$21,583.02
TOTAL					<u>\$2,600,000.00</u>

Exhibit E

Bureau of Indian Affairs Related E-Rate Applicants

BEN	Applicant	City	Stat
4247	INDIAN ISLAND SCHOOL	OLD TOWN	ME
4365	BEATRICE RAFFERTY SCHOOL	PERRY	ME
4367	INDIAN TOWNSHIP SCHOOL	PRINCETON	ME
21973	BIA CNTRL OFC/DPT OF INTERIOR	WASHINGTON	DC
30142	CHEROKEE CENTRAL SCHOOL	CHEROKEE	NC
36772	MICCOSUKEE INDIAN SCHOOL	MIAMI	FL
43182	RED WATER ELEMENTARY SCHOOL	CARTHAGE	MS
43193	CONEHATTA ELEMENTARY SCHOOL	CONEHATTA	MS
43383	STANDING PINE ELEMENTARY SCH	WALNUT GROVE	MS
43569	CHOCTAW CENTRAL HIGH SCHOOL	PHILADELPHIA	MS
43571	TUCKER ELEMENTARY SCHOOL	PHILADELPHIA	MS
43572	BOQUE CHITTO ELEMENTARY SCHOOL	PHILADELPHIA	MS
43573	PEARL RIVER ELEMENTARY	PHILADELPHIA	MS
58461	BAHWETING ANISHNABE PUB SCH	SAULT ST MARIE	MI
58573	HANNAHVILLE INDIAN SCHOOL	WILSON	MI
59998	MESKWAKI SETTLEMENT SCHOOL	TAMA	IA
62184	MENOMINEE TRIBAL SCHOOL	NEOPIT	WI
62197	ONEIDA TRIBAL SCHOOL	ONEIDA	WI
63112	LAC COURTE OREILLES OJIBWA SCH	HAYWARD	WY
64641	FOND DU LAC OJIBWE SCHOOL	CLOQUET	MS
65407	NAY-AH-SHING SCHOOL	ONAMIA	MN
65629	CIRCLE OF LIFE SURVIVAL SCHOOL	WHITE EARTH	MN
65657	CHIEF BUG-O-NAY-GE-SHIG SCHOOL	CASS LAKE	MN
65808	FLANDREAU INDIAN SCHOOL	FLANDREAU	SD
66032	TIOSPA ZINA TRIBAL SCHOOL	AGENCY	SD
66050	ENEMY SWIM DAY SCHOOL	WAUBAY	SD
66129	CROW CREEK SIOUX TRIBAL H S	STEPHAN	SD
66158	MARTY INDIAN SCHOOL	MARTY	SD
66347	LOWER BRULE DAY SCHOOL	LOWER BRULE	SD
66385	ST FRANCIS INDIAN SCHOOL	SAINT FRANCIS	SD
66413	ROCK CREEK DAY SCHOOL	BULLHEAD	SD
66418	CHEYENNE-EAGLE BUTTE SCHOOL	EAGLE BUTTE	SD
66437	LITTLE EAGLE DAY SCHOOL	LITTLE EAGLE	SD
66533	TAKINI SCHOOL	HOWES	SD
66553	LONEMAN DAY SCHOOL	OGLALA	SD
66638	CIRCLE OF NATIONS WAHPETON IND. BRDG SCHOOL	WAHPETON	ND
66770	TURTLE MOUNTAIN HIGH SCHOOL	BELCOURT	ND
66772	OJIBWA INDIAN SCHOOL	BELCOURT	ND

**Exhibit E
(cont'd)**

BEN	Applicant	City	Stat
66779	DUNSEITH DAY SCHOOL	DUNSEITH	ND
66785	TATE TOPA ELEMENTARY	FORT TOTTEN	ND
66916	THEODORE JAMERSON ELEM SCH	BISMARCK	ND
66929	STANDING ROCK COMMUNITY SCHOOL	FORT YATES	ND
67008	TWIN BUTTES DAY SCHOOL	HALLIDAY	ND
67076	MANDAREE SCHOOL	MANDAREE	MD
67090	WHITE SHIELD SCHOOL	ROSEGLEN	ND
67150	BUSBY SCHOOL	BUSBY	MT
67993	TWO EAGLE RIVER SCHOOL	PABLO	MT
77029	KICKAPOO NATION SCHOOL	POWHATTAN	KS
80730	CHITMACHA SCHOOL	JEANERETTE	LA
83401	RIVERSIDE INDIAN SCHOOL	ANADARKO	OK
84954	SEQUOYAH HIGH SCHOOL	TAHLEQUAH	OK
95223	ST STEPHENS INDIAN SCHOOL DISTRICT	SAINT STEPHENS	WY
95478	SHO-BAN SCHOOL	FORT HALL	ID
96068	COEUR D'ALENE TRIBAL SCHOOL	DESMET	ID
96805	ANETH COMMUNITY SCHOOL	MONTEZUMA	UT
97508	CASA BLANCA DAY SCHOOL	BAPCHULE	AZ
97574	BLACKWATER COMMUNITY SCHOOL	COOLIDGE	AZ
97669	SALT RIVER DAY SCHOOL	SCOTTSDALE	AZ
97902	GILA CROSSING COMMUNITY SCHOOL	LAVEEN	AZ
98112	NACO ELEMENTARY SCHOOL	NACO	AZ
98161	SAN SIMON SCHOOL	SELLS	AZ
98162	SANTA ROSA BOARDING SCHOOL	SELLS	AZ
98163	TOHONO O'ODHAM HIGH SCHOOL	SELLS	AZ
98433	SANTA ROSA RANCH SCHOOL	TUCSON	AZ
98515	CIBECUE COMMUNITY SCHOOL	CIBECUE	AZ
98523	THEODORE ROOSEVELT SCHOOL	FORT APACHE	AZ
98554	JOHN F KENNEDY SCHOOL	WHITERIVER	AZ
98616	HOTEVILLA-BACA VI COMM SCHOOL	HOTEVILLA	AZ
98620	KAYENTA COMMUNITY SCHOOL	KAYENTA	AZ
98625	CHILCHINBETO DAY SCHOOL	KAYENTA	AZ
98626	HOPI JR/SR HIGH SCHOOL	KEAMS CANYON	AZ
98629	KEAMS CANYON BOARDING SCHOOL	KEAMS CANYON	AZ
98632	HOPI DAY SCHOOL	KYKOTSMOVI	AZ
98633	ROCKY RIDGE BOARDING SCHOOL	KYKOTSMOVI	AZ
98639	POLACCA DAY SCHOOL	POLACCA	AZ
98640	SECOND MESA DAY SCHOOL	SECOND MESA	AZ
98641	TONALEA DAY SCHOOL	TONALEA	AZ
98642	NAVAJO MOUNTAIN HIGH SCHOOL	TONALEA	AZ
98650	MOENCOPI DAY SCHOOL	TUBA CITY	AZ

**Exhibit E
(cont'd)**

BEN	Applicant	City	Stat
98651	TUBA CITY BOARDING SCHOOL	TUBA CITY	AZ
98656	DILCON BOARDING SCHOOL	WINSLOW	AZ
98667	LITTLE SINGER COMMUNITY SCHOOL	WINSLOW	AZ
98671	SEBA DALKAI BOARDING SCHOOL	WINSLOW	AZ
98672	KAIBETO BOARDING SCHOOL	KAIBITO	AZ
98674	SHONTO BOARDING SCHOOL	SHONTO	AZ
98793	HAVASUPAI SCHOOL	SUPAI	AZ
98811	WIDE RUINS BOARDING SCHOOL	CHAMBERS	AZ
98812	COTTONWOOD DAY SCHOOL	CHINLE	AZ
98813	LOW MOUNTAIN BOARDING SCHOOL	CHINLE	AZ
98814	BLACK MESA COMMUNITY SCHOOL	PINON	AZ
98815	ROUGH ROCK COMMUNITY SCHOOL	CHINLE	AZ
98831	GREASEWOOD BOARDING SCHOOL	GANADO	AZ
98832	KINLICHEE BOARDING SCHOOL	GANADO	AZ
98833	NAZLINI BOARDING SCHOOL	GANADO	AZ
98839	PINE SPRINGS SCHOOL	HOUCK	AZ
98840	LUKACHUKAI COMMUNITY SCHOOL	LUKACHUKAI	AZ
98841	PINON DORMITORY	PINON	AZ
98846	HUNTERS POINT BOARDING SCHOOL	SAINT	AZ
98858	T'IS NAZBAS COMMUNITY SCHOOL	TEEC NOS POS	AZ
98864	DENNEHOTSO BOARDING SCHOOL	DENNEHOTSO	AZ
98865	CHINLE BOARDING SCHOOL	MANY FARMS	AZ
98866	MANY FARMS HIGH SCHOOL	MANY FARMS	AZ
98867	RED ROCK DAY SCHOOL	RED VALLEY	AZ
98869	ROCK POINT COMMUNITY SCHOOL	ROCK POINT	AZ
98872	SAN FELIPE PUEBLO ELEM SCHOOL	SAN FELIPE PB	NM
98890	OJO ENCINO DAY SCHOOL	CUBA	NM
98895	PUEBLO PINTADO COMMUNITY SCHOOL	CUBA	NM
98898	NA NEELZHIIN JI OLTA (TORREON)	CUBA	NM
98917	ISLETA ELEMENTARY SCHOOL	ISLETA	NM
98919	JEMEZ DAY SCHOOL	JEMEZ PUEBLO	NM
98923	TO'HAIILEE-HE COMMUNITY SCH	LAGUNA	NM
98925	LAGUNA ELEMENTARY SCHOOL	LAGUNA	NM
98926	LAGUNA MIDDLE SCHOOL	LAGUNA	NM
98941	SKY CITY COMMUNITY SCHOOL	PUEBLO OF	NM
98953	BACA COMMUNITY SCHOOL	PREWITT	NM
98959	T'SIYA ELEMENTARY-MIDDLE SCHOOL	ZIA PUEBLO	NM
99164	BREAD SPRINGS DAY SCHOOL	GALLUP	NM
99166	CROWNPOINT COMMUNITY SCHOOL	CROWNPOINT	NM
99168	MARIANO LAKE COMMUNITY SCHOOL	CROWNPOINT	NM
99169	BORREGO PASS SCHOOL	CROWNPOINT	NM

**Exhibit E
(cont'd)**

<u>BEN</u>	<u>Applicant</u>	<u>City</u>	<u>Stat</u>
209824	PIERRE INDIAN LEARNING CENTER	PIERRE	SD
209828	CROW CREEK SIOUX TRIBAL ELEMENTARY SCHOOL	FORT	SD

Exhibit F

FCC Form 474 Invoices to be Paid to NextiraOne LLC (SPIN #143004436)

Billed Entity Number	Funding Year	Form 471	FRN	SLD Invoices	Amount
142913	2001	245714	609533	597202	\$110,381.03
142913	2001	245714	610089	597202	\$110,224.09
142913	2001	245714	610297	597,202	\$110,899.87
TOTAL					<u>\$331,504.99</u>

Exhibit G

Remaining NextiraOne E-Rate Funding Requests


BE	Billed Entity Name	Fundin Year	Form	FRN	SLD Invoice	Amount
142	Roosevelt Elem School Dist	2001	245714	609868	457384	145,702.13
983	Cavett Elementary School	2001	254701	637946	439391	18,268.60
983	Corbett Elementary School	2001	254771	638327	439392	20,355.29
983	Cragin Elementary School	2001	254984	638675	439393	18,268.60
983	Davidson Elementary School	2001	255001	638858	439394	18,268.60
982	Drachman Prim Magnet Elem	2001	257442	645930	439395	20,355.29
984	Hohokam Middle School	2001	255844	637697	439396	54,346.79
983	Howell Elementary School	2001	257968	648639	439397	27,109.64
984	Johnson Primary School	2001	259455	655021	439398	20,355.29
983	Keen Elementary School	2001	259504	654346	439399	18,268.60
984	Lawrence Intermediate	2001	259174	654098	439400	30,040.44
983	Lynn Elementary School	2001	259768	655604	439401	43,584.53
984	Maldonado Elementary	2001	258091	648245	439402	43,584.53
984	Manzo Elementary School	2001	258300	649444	439403	20,355.29
222	Mary Meredith	2001	259721	655585	439404	18,268.60
984	Maxwell Middle School	2001	256028	638772	439405	37,530.41
984	Menlo Park Elementary	2001	259288	654617	439406	43,584.53
984	Miller Elementary School	2001	259655	655035	439407	43,584.53
983	Mission View Elementary	2001	259640	655023	439408	20,355.29
983	Myers-Ganoung Elementary	2001	258468	650991	439409	20,355.29
983	Naylor Middle School	2001	256064	638917	439410	22,441.99
983	Ochoa Elementary School	2001	259171	653217	439411	20,355.29
185	Project More	2001	259780	656179	439412	20,355.29
983	Pueblo Gardens Elem School	2001	259318	653673	439413	20,355.29
982	Richey Elementary School	2001	258452	649919	439414	20,355.29
983	Roberts Elementary School	2001	258683	653547	439416	43,584.29
983	Robinson Elementary School	2001	258862	651853	439417	20,355.29
983	Rose Elementary School	2001	259872	656344	439418	28,407.39
982	Safford Magnet Middle	2001	256151	639497	439420	15,630.79
983	Van Buskirk Elementary	2001	254999	644601	439422	13,544.09
983	Wakefield Middle School	2001	259828	656301	439423	15,630.79
983	Wright Elementary School	2001	254693	638095	439424	13,544.09
	TOTAL					\$937,102.15

SECRETARY'S CERTIFICATE

NEXTIRAONE, LLC

I, EVA M. KALAWSKI, being the duly elected and qualified Secretary of NextiraOne, LLC (the "Company"), a Delaware limited liability company, do hereby certify that Robert Buhay is Executive Vice President and Chief Financial Officer of the Company and as such has the authority to enter into any and all agreements on behalf of the Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Company this 17th day of April, 2006.



Eva M. Kalawski
Secretary

[SEAL]

CONTRACTOR

Street
City
Phone
Fax
JDE Address Number

SOLD TO:

Cox Communications, Inc.
Construction Services
17602 N. Black Canyon Hwy.
Phoenix, AZ 85053

ATTN:

Accounts Payable

Invoice Number 1234
Invoice Date 1-Mar-99
Hub Number 00
Manager BSW/WYLIE

Cost Code	Construction Type	Job Number	Description	Work Order Number	Amount
31110	CNA	-	-	-	-
32110	CRA	-	-	-	-
33110	CUA	-	-	-	-
31210	CNU	-	-	-	-
32210	CRU	-	-	-	-
33210	CUU	-	-	-	-
51110	FNA	-	-	-	-
52110	FRA	-	-	-	-
53110	FUA	-	-	-	-
51210	FNU	-	-	-	-
52210	FRU	-	-	-	-
53210	FUU	-	-	-	-
41110	NAD	-	-	-	-
44110	RAD	-	-	-	-
42110	NUD	51036D2RNV12	NEW DROP	1457441	-
45110	RUD	51036D2RRV12	REBUILD DROP	1457451	-
43110	NMD	-	-	-	-
46110	RMD	-	-	-	-
61110	DE	-	-	-	-
62110	MR	-	-	-	-
n/a	DIST	-	-	-	-
n/a	AT&T	-	-	-	-
47210	DSU	51036D2TEL12	TELEPHONE DROP	1457463	-

For Contractor Use Only:

Total: \$
Less Retainage: \$
Net Payable: \$

Processing Data:

Voucher Number	<input type="text"/>
Date Entered	<input type="text"/>
Initials	<input type="text"/>
Batch Number	<input type="text"/>

Manager Approval Date

Director Approval Date

DSU - New Underground Telephone Drop - 47210

Const Type: CONTRACTOR
 Invoice Number: 1234
 Hub Number: 00
 Job Number: -
 Description/Loc: -
 Week Ending: -
 JDE WO Number: -
 MCA WO Number: -

Item #	Quantity	Description	U/M	Unit Cost	Extension
HARDENED DROP					
D - 201		Direct Bury	Per Placement	80.00	-
D - 202a		Trench in Dkt 12 inches Minimum Cover (DD) (1' - 50')	Per Placement	46.00	-
D - 202b		Trench in Dkt 12 inches Minimum Cover (DD) (51' - 100')	Per Placement	80.00	-
D - 202c		Trench in Dkt 12 inches Minimum Cover (DD) (101' - 150')	Per Placement	150.00	-
D - 203a		Trench in Dkt 18 inches Minimum Cover (DD) (1' - 50')	Per Placement	64.00	-
D - 203b		Trench in Dkt 18 inches Minimum Cover (DD) (51' - 100')	Per Placement	112.00	-
D - 203c		Trench in Dkt 18 inches Minimum Cover (DD) (101' - 150')	Per Placement	147.00	-
D - 204a		Trench in Dkt 24 inches Minimum Cover (DD) (1' - 50')	Per Placement	78.00	-
D - 204b		Trench in Dkt 24 inches Minimum Cover (DD) (51' - 100')	Per Placement	136.00	-
D - 204c		Trench in Dkt 24 inches Minimum Cover (DD) (101' - 150')	Per Placement	175.00	-
D - 205a		Trench in Dkt 30 inches Minimum Cover (DD) (1' - 50')	Per Placement	80.50	-
D - 205b		Trench in Dkt 30 inches Minimum Cover (DD) (51' - 100')	Per Placement	161.00	-
D - 205c		Trench in Dkt 30 inches Minimum Cover (DD) (101' - 150')	Per Placement	245.00	-
D - 206a		Trench in Dkt 36 inches Minimum Cover (DD) (1' - 50')	Per Placement	98.00	-
D - 206b		Trench in Dkt 36 inches Minimum Cover (DD) (51' - 100')	Per Placement	192.50	-
D - 206c		Trench in Dkt 36 inches Minimum Cover (DD) (101' - 150')	Per Placement	290.50	-
D - 207		Trench in Dkt 12 inches Minimum Cover (DD) Second Address	Per Foot	1.80	-
D - 208		Road Bore	Per Foot	11.50	-
D - 209		Additional Bore with Guided Device	Per Foot	7.00	-
D - 210		Vacuum Pitohole	Per Work Order	315.00	-
D - 211		Machine Trench in Asphalt 24" Minimum Cover	Per Placement	1,072.00	-
D - 212		Machine Trench in Asphalt 24" Minimum Cover (Fountain Hills Only)	Per Placement	1,237.00	-
D - 213		Repair and Replace Concrete	Per Instance	225.00	-
D - 214		Conduit Flush	Each	55.20	-
D - 215		Pull Service Wire in Pre-Existing Conduits	Per Placement	19.25	-
D - 216		Core at 8 inches in Diameter	Each	51.00	-
D - 217		Jobs over 150 Feet in Length	Per Foot	1.72	-
D - 218		Concrete Cut	Per Foot	1.52	-
D - 219		Remove & Replace Concrete over 100sq ft	Per Foot	4.59	-
D - 220		Saw Cut Asphalt	Per Foot	2.29	-
D - 221a		Hand Dig Trenching (Approval Only) (6" Trench - ROW or PUE)	Per Foot	1.57	-
D - 221b		Hand Dig Trenching (Approval Only) (12" Trench - ROW or PUE)	Per Foot	2.11	-
D - 221c		Hand Dig Trenching (Approval Only) (18" Trench - ROW or PUE)	Per Foot	3.19	-
D - 221d		Hand Dig Trenching (Approval Only) (24" Trench - ROW or PUE)	Per Foot	3.77	-
D - 221e		Hand Dig Trenching (Approval Only) (30" Trench - ROW or PUE)	Per Foot	3.90	-
D - 221f		Hand Dig Trenching (Approval Only) (36" Trench - ROW or PUE)	Per Foot	4.48	-
D - 222		Phase Two Extension Only	Per Placement	32.00	-
D - 223		Tie Change (Hardened Drop Only)	Per Location	11.25	-
D - 224		ABC Alley Placement	Per Location	60.00	-
D - 225		ABC Alley Placement (Over 101' +)	Per Foot	0.80	-
D - 226		Asphalt Repair and Replace	Per Sq. Ft.	3.70	-
D - 227		Pot Hole to Find Abandoned Service Conduit and Cail	Each	56.00	-
Pre-Site Survey					
D - 228		Pre site survey	Per Work Order	10.00	-
900		Non Standard Fixed Price (Attachment Required)	n/a	n/a	-

Sub Total:

Date

Manager Approval

DSU - New Underground Telephone Drop - 47210

Const Type: CONTRACTOR
 Invoice Number: 1234
 Hub Number: 00
 Job Number:
 Description/Loc:
 Week Ending:
 JDE WO Number:
 MCA WO Number:

Item #	Quantity	Description	U/M	Unit Cost	Extension
HARDENED DROP					
D-201		Direct Bury	Per Placement	80.00	-
D-202a		Trench in DIRT 12 inches Minimum Cover (DD) (1' - 50')	Per Placement	46.00	-
D-202b		Trench in DIRT 12 inches Minimum Cover (DD) (51' - 100')	Per Placement	60.00	-
D-202c		Trench in DIRT 12 inches Minimum Cover (DD) (101' - 150')	Per Placement	150.00	-
D-203a		Trench in DIRT 18 inches Minimum Cover (DD) (1' - 50')	Per Placement	64.00	-
D-203b		Trench in DIRT 18 inches Minimum Cover (DD) (51' - 100')	Per Placement	112.00	-
D-203c		Trench in DIRT 18 inches Minimum Cover (DD) (101' - 150')	Per Placement	147.00	-
D-204a		Trench in DIRT 24 inches Minimum Cover (DD) (1' - 50')	Per Placement	78.00	-
D-204b		Trench in DIRT 24 inches Minimum Cover (DD) (51' - 100')	Per Placement	136.00	-
D-204c		Trench in DIRT 24 inches Minimum Cover (DD) (101' - 150')	Per Placement	175.00	-
D-205a		Trench in DIRT 30 inches Minimum Cover (DD) (1' - 50')	Per Placement	80.50	-
D-205b		Trench in DIRT 30 inches Minimum Cover (DD) (51' - 100')	Per Placement	161.00	-
D-205c		Trench in DIRT 30 inches Minimum Cover (DD) (101' - 150')	Per Placement	245.00	-
D-206a		Trench in DIRT 36 inches Minimum Cover (DD) (1' - 50')	Per Placement	98.00	-
D-206b		Trench in DIRT 36 inches Minimum Cover (DD) (51' - 100')	Per Placement	192.50	-
D-206c		Trench in DIRT 36 inches Minimum Cover (DD) (101' - 150')	Per Placement	280.50	-
D-207		Trench in DIRT 12 inches Minimum Cover (DD) Second Address	Per Foot	1.80	-
D-208		Road Bore	Per Foot	11.50	-
D-209		Additional Bore with Guided Device	Per Foot	7.00	-
D-210		Vacuum Pot-hole	Per Work Order	315.00	-
D-211		Machine Trench in Asphalt 24" Minimum Cover	Per Placement	1,072.00	-
D-212		Machine Trench in Asphalt 24" Minimum Cover (Foul-Hills Only)	Per Placement	1,237.00	-
D-213		Repair and Replaces Concrete	Per Instance	225.00	-
D-214		Conduit Flush	Each	55.20	-
D-215		Pull Service Wire in Pre-Existing Conduits	Per Placement	19.25	-
D-216		Core at 8 inches in Diameter	Each	51.00	-
D-217		Jobs over 150 Feet in Length	Per Foot	1.72	-
D-218		Concrete Cut	Per Foot	1.52	-
D-219		Remove & Replace Concrete over 100sq ft	Per Foot	4.59	-
D-220		Slow-Cut Asphalt	Per Foot	2.29	-
D-221a		Hand Dig Trenching (Approval Only) (6" Trench - ROW or PUE)	Per Foot	2.11	-
D-221b		Hand Dig Trenching (Approval Only) (12" Trench - ROW or PUE)	Per Foot	3.19	-
D-221c		Hand Dig Trenching (Approval Only) (18" Trench - ROW or PUE)	Per Foot	3.77	-
D-221d		Hand Dig Trenching (Approval Only) (24" Trench - ROW or PUE)	Per Foot	3.80	-
D-221e		Hand Dig Trenching (Approval Only) (30" Trench - ROW or PUE)	Per Foot	4.48	-
D-221f		Hand Dig Trenching (Approval Only) (36" Trench - ROW or PUE)	Per Placement	32.00	-
D-222		Phase Two Extension Only	Per Location	11.25	-
D-223		ABC Alley Placement	Per Location	60.00	-
D-224		ABC Alley Placement (Over 101')	Per Foot	0.80	-
D-225		Asphalt Repair and Replace	Per Sq. Ft.	3.70	-
D-226		Pot-Hole to Field Abandoned Service Conduit and Call	Each	56.00	-
Pre-Site Survey					
D-228		Pre-site survey	Per Work Order	10.00	-
900		(Non Standard Fixed Price (Attachment Required))	n/a	n/a	-

Sub Total: 10.00

Supervisor Approval _____ Date _____

Manager Approval _____ Date _____

Const Type: **DE - Design and Engineering - 61110**
 Contractor: **CONTRACTOR**
 Invoice Number: 1234
 Hub Number: 00
 Job Number: -
 Description/Loc: -
 Week Ending: -
 JDE WO Number: -
 MCA WO Number: -

Const Type: **MR - Make Ready - 62110**
 Contractor: **CONTRACTOR**
 Invoice Number: 1234
 Hub Number: 00
 Job Number: -
 Description/Loc: -
 Week Ending: -
 JDE WO Number: -
 MCA WO Number: -

Item #	Quantity	Description	U/M	Unit Cost	Extension
E - 1		PHOENIX EXTENSION DESIGN RATES			
E - 2		JT & ATE Design	Per CB FL	-	-
E - 3		The Footage	Per CB FL	-	-
E - 4		MDU 1-50 Units	Per Unit	-	-
E - 5		MDU 51-150 Units	Per Unit	-	-
E - 6		MDU 151 +	Per Unit	-	-
E - 7		Post Wire Drawing (ATE/SMARTV Only)	Per Unit	-	-
E - 8		Existing Plant Reesign	Per Project	-	-
E - 9		CAD Project Minimum Charge	Per Project	-	-
E - 10		Cost Estimate	Per Address	-	-
E - 11		Tap ID	Per Hour	-	-
E - 12		Hourly	Per Hour	-	-
E - 13		PHOENIX UPGRADE/REBUILD DESIGN RATES			
E - 14		Construction Strip Map	Per FB FL/CB FL	-	-
E - 15		Strip Map As-built	Per FB FL/CB FL	-	-
E - 16		Resting Fiber on Design Maps (AFQ/UFQ)	Per Map	-	-
E - 17		Overall Base Map	Per Map	-	-
E - 18		Asbuilt Corrections Including Lode Data Updates (Includes R1 and MDU)	Per CB FL	-	-
E - 19		90V Distributed Powering including Status Monitoring	Per Supply	-	-
E - 20		90V Centralized Powering	Per Node	-	-
E - 21		750 MHz. Plant Design <1 Mile	Per Project	-	-
E - 22		750 MHz. Plant Design >1 Mile <5 Miles	Per CB FL	-	-
E - 23		750 MHz. Plant Design >5 Miles	Per CB FL	-	-
E - 24		750 MHz. Plant Design for MDU's 4-10 Units	Per Unit	-	-
E - 25		750 MHz. Plant Design for MDU's 11-50 Units	Per Unit	-	-
E - 26		750 MHz. Plant Design for MDU's 51-Up	Per Unit	-	-
E - 27		Cable Drifter Services (Includes Hardware/Software)	Per Hr.	-	-
E - 28		Walkout/Field Eng.	Per CB FL/UB FL	-	-
900		Addresses Verification (Field)	Per Address	-	-
		TAPID Assignments	Per Mile	-	-
		Non Standard Fixed Price (Attachment Required)	n/a	n/a	-

Sub Total:

Item #	Quantity	Description	U/M	Unit Cost	Extension
P - 1		Plan View Permitting	Per FB FL/CB FL	0.00	-
P - 2		Plan & Profile Permitting	Per FB FL/CB FL	0.00	-
P - 3		Plan View & Plan/Profiles (Minimum Charge)	Each	0.00	-
P - 4		Revisions for 1,2,3 above	Per FB FL/CB FL	0.00	-
P - 5		Standard Replacement Permitting <350 ft.	Each	0.00	-
P - 6		Standard Replacement Permitting >350 ft.	Per FB FL/CB FL	0.00	-
P - 7		Power Supply Permitting to include first 100' of Trench (PO Volt Distributed)	Each	0.00	-
P - 8		Pole Walkout (APS)	Each	0.00	-
P - 9		Pole Engineering (APS)	Each	0.00	-
P - 10		Pole Walkout and Engineering (APS)	Each	0.00	-
P - 11		Pole Walkout (SRP)	Each	0.00	-
P - 12		Pole Engineering (SRP)	Each	0.00	-
P - 13		Pole Walkout and Engineering (SRP)	Each	0.00	-
900		Non Standard Fixed Price (Attachment Required)	n/a	n/a	-

Sub Total:

Supervisor Approval _____ Date _____

Manager Approval _____ Date _____

Matrix Business Technologies

Balance Sheet

as of December 31, 2006

Unaudited

ASSETS

Cash	\$	1,583,791
Accounts receivable, net		8,368,809
Prepaid and other assets		258,912
Total current assets		<u>10,211,512</u>
PP&E, net		840,394
Other non-current assets		13,956,482

Total assets

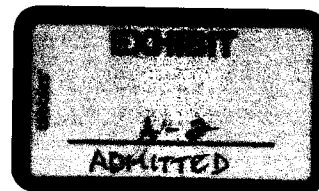
\$ 25,008,388

LIABILITIES AND EQUITY

Accounts payable	\$	528,043
Accrued expenses		4,499,391
Accrued taxes		963,992
Deferred Revenue		1,200
Current portion of long-term debt		22,824,552
Total current liabilities		<u>28,817,178</u>
Long term debt		14,162,568
Total liabilities		<u>42,979,746</u>
Total equity		<u>(17,971,358)</u>

Total equity and liabilities

\$ 25,008,388



Matrix Business Technologies
Income Statement
for the period ending December 31, 2006
Unaudited

Revenue	\$ 72,481,596
Cost of Sales	<u>40,282,807</u>
Gross Margin	32,198,789
Operating Expense	<u>15,373,725</u>
EBITDAR	16,825,064
Depreciation Expense	<u>3,287,368</u>
Operating Income	13,537,696
Other Income/(Expense)	<u>(7,492,547)</u>
Earnings Before Income Taxes	6,045,149
Income Tax Expense/(Benefit)	-
Net Income	<u><u>\$ 6,045,149</u></u>

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS


MIKE GLEASON – Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

IN THE MATTER OF THE APPLICATION) DOCKET NO T-03228A-06-0800
OF MATRIX TELECOM, INC. FOR A)
CERTIFICATE OF CONVENIENCE AND)
NECESSITY TO PROVIDE INTRASTATE)
TELECOMMUNICATIONS SERVICES.)
)
)
)

Matrix Telcom, Inc. hereby files an affidavit of publication in the above-captioned docket.

RESPECTFULLY SUBMITTED this 20th day of September, 2007.

ROSHKA DEWULF & PATTEN, PLC

By: 
Michael W. Patten
One Arizona Center
400 East Van Buren, Suite 800
Phoenix, Arizona 85004

Counsel for Matrix Telecom, Inc.

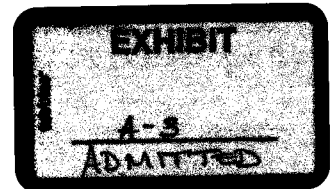
Original and 13 copies of the foregoing
filed this 20th day of September 2007 with:

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

AZ CORP COMMISSION
DOCKET CONTROL

2007 SEP 20 P 3:41

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TELEPHONE NO 602-256-6100
FACSIMILE 602-256-6800

1 Copies of the foregoing hand-delivered/mailed
2 this 20th day of September, 2007 to:

3 Yvette B. Kinsey, Esq.
4 Administrative Law Judge
5 Hearing Division
6 Arizona Corporation Commission
7 1200 West Washington Street
8 Phoenix, Arizona 85007

9 Christopher C. Kempley
10 Chief Counsel, Legal Division
11 Arizona Corporation Commission
12 1200 West Washington
13 Phoenix, Arizona 85007

14 Ernest Johnson, Esq
15 Utilities Division
16 Arizona Corporation Commission
17 1200 West Washington
18 Phoenix, Arizona 85007

19 By 

IN THE MATTER OF THE APPLICATION OF MATRIX TELECOM, INC. DBA MATRIX BUSINESS TECHNOLOGIES FOR APPROVAL OF A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES.

Docket No. T-03228A-06-0809
 On December 26, 2006, Matrix Telecom, Inc. dba Matrix Business Technologies ("Matrix") one Applicant, submitted to the Arizona Corporation Commission ("Commission") an application for a Certificate of Convenience and Necessity ("Certificate") to provide facilities-based local exchange telecommunication services. The Commission's Utilities Division Staff has recommended approval of the Company's application. The Commission is holding the proposals made by the Company's Staff or any

Intervenor and the company will be required to provide this service under the rates and charges and terms and conditions established by the Commission. Copies of the application from the Commission's Utilities Division Staff and any written exceptions to the report of the Commission's Utilities Division Staff by the company will be available to the Company's offices at Matrix Business Technologies, 7171 Forest Lane, Suite 700, Dallas, Texas 75230, on the internet via the Commission website (www.azcc.gov) using the docket number. The Commission will hold a hearing on this matter on September 17, 2007, at 10:00 a.m. at the Commission's offices at 1200 West Washington Phoenix, Arizona. Public comments will be taken on the first day of the hearing.

The law provides for an open public hearing at which any person or party having a substantial interest in the matter may intervene. Intervention shall be permitted to any person entitled by law to intervene and having a substantial interest in the matter. Persons desiring to intervene must file a written motion to intervene with the Commission on the day of the hearing. The motion to intervene must be sent to the Company or its counsel and to all parties of record, and must contain the following information:

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

The granting of intervention, among other things, entitles a party to present sworn evidence at the hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comments on the application or from filing written comments in the record of the case. You will not receive any further notice of this proceeding unless you request it. If you have any questions about this application, you may contact the company at (214) 433-4537. If you desire to file written comments on the application or want further information on intervention, you may contact the consumer services section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007, or call (602) 722-7000. The Commission does not discriminate on the basis of disability in its admission to its public meetings. Persons with a disability may request a reasonable accommodation such as sign language interpreter, as well as request this document in an alternative format by contacting the ADA Coordinator, U.S. Department of Justice, Room 508, H. Ross Perot Building, 400 South Capitol Street, S.W., Washington, D.C. 20541, or by voice phone number 602-542-8931. Requests should be made as early as possible to allow time to arrange the accommodation. Pub. September 7, 2007

THE ARIZONA REPUBLIC

STATE OF ARIZONA }
 COUNTY OF MARICOPA } SS.

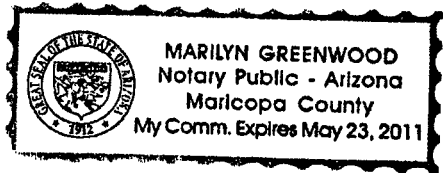
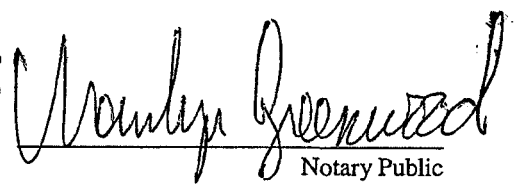
Mark Gilmore, being first duly sworn, upon oath deposes and says: That he is a legal advertising representative of the Arizona Business Gazette, a newspaper of general circulation in the county of Maricopa, State of Arizona, published at Phoenix, Arizona, by Phoenix Newspapers Inc., which also publishes The Arizona Republic, and that the copy hereto attached is a true copy of the advertisement published in the said paper on the dates as indicated.

The Arizona Republic

September 17 2007



Sworn to before me this
 17TH day of
 September A.D. 2007

Notary Public

Richard R. Cameron
(202) 637-2225
richard.cameron@lw.com

ORIGINAL

555 Eleventh
Washington, I
Tel: (202) 637
www.lw.com

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2007 MAY 17 A 11: 10

**AZ CORP COMMISSION
DOCKET CONTROL**

May 15, 2007

VIA OVERNIGHT MAIL

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

Attention: Mr. Wilfred Shand

**RE: Response of Matrix Telecom, Inc. D/B/A Matrix Business Technologies
(Docket T-03228A-06-0800) to Staff's First Set of Data Requests**

Dear Mr. Shand:

Matrix Telecom, Inc. D/B/A Matrix Business Technologies hereby provide the attached information in response to the Staff's first set of data requests in the above-referenced proceeding.

Enclosed are an original and 13 copies of this letter. Please stamp and return to me the additional copy provided for that purpose. Should you have any further questions regarding this proceeding, please do not hesitate to contact me.

Very truly yours,

Richard R. Cameron
Attorney for Matrix Telecom, Inc.

Enclosures

Arizona Corporation Commission
DOCKETED

MAY 17 2007

DOCKETED BY nr

DC989227.1

FIRM / AFFILIATE OFFICES
Barcelona New Jersey
Brussels New York
Chicago Northern Virginia
Frankfurt Orange County
Hamburg Paris
Hong Kong San Diego
London San Francisco
Los Angeles Shanghai
Madrid Silicon Valley
Milan Singapore
Moscow Tokyo
Munich Washington, D.C.

28DR

EXHIBIT
A-4
ADMITTED

**STAFF'S FIRST SET OF DATA REQUESTS TO
MATRIX TELECOM, INC. D/B/A MATRIX BUSINESS TECHNOLOGIES
DOCKET NO. T-03228A-06-0800**

Please make sure each numbered item and each part of the item is answered completely. If it is not, Staff will resubmit the numbered item(s) and/or part(s) of the item in a following data request. Also, please make sure all information you provide in response to item(s) concerning this Application, including Staff's data requests, is updated and current. If you need to update your response to any item(s)/request(s), please reference the item(s)/request(s) and provide your current response(s). In order for Staff to continue with its review of this Application, the following information must be submitted:

JFB1-1 In Item (A-11), please identify the states impacted by the 13 orders issued by the FCC. For each state listed, please indicate the number of subscriber complaints, the substance of each complaint, FCC Orders that resolved any and all complaints and whether the complaints generated any resolutions, fees, fines and/or actions taken by the company to remedy and/or prevent the complaints from re-occurring.

Please see the Attachment A, the spreadsheets detailing the information requested.

In Item (A-11), please identify the states impacted by the Order of Forfeiture issued by the FCC. For each state listed, please indicate the events that produced complaints, the substance of each complaint, FCC Orders that resolved any and all complaints and whether the complaints generated any resolutions, fees, fines and/or actions taken by the company to remedy and/or prevent the complaints from re-occurring.

Matrix Telecom Inc., d/b/a Matrix Business Technologies respectfully requests that the Commission take note that the Order of Forfeiture adopted by the FCC on February 8, 2001 was issued with respect to contributions to universal service support programs. As such, the Order of Forfeiture did not impact individual states. A copy of the Order of Forfeiture is attached herewith as Attachment B.

In Item (A-11), please identify the states impacted by the Notice of Apparent Liability order issued by the FCC. For each state listed, please indicate the allegations that created complaints, the substance of each complaint, FCC Orders that resolved any and all complaints and whether the complaints generated any resolutions, fees, fines and/or actions taken by the company to remedy and/or prevent the complaints from re-occurring. Also, please provide a copy of the Consent Decree you referenced in your Application.

On December 6, 1995, the FCC issued to Matrix a Notice of Apparent Liability for Forfeiture. The FCC preliminarily determined that Matrix had apparently violated Commission rules and orders by changing the PIC designated by Justo Benitez of Houston, Texas, without Benitez's authorization.

After reviewing the facts and circumstances surrounding the alleged violation, the FCC found Matrix apparently liable for forfeiture in the amount of forty thousand dollars (\$40,000). The Commission and Matrix thereafter entered into consent negotiations, agreeing to terminate the proceeding, entering into the consent decree.

STAFF'S FIRST SET OF DATA REQUESTS TO
MATRIX TELECOM, INC. D/B/A MATRIX BUSINESS TECHNOLOGIES
DOCKET NO. T-03228A-06-0800

Matrix made a voluntary contribution to the United States Treasury in the total amount of \$30,000 (thirty thousand dollars) for the investigation of the alleged unauthorized conversion.

To remedy the situation and avoid complaints from re-occurring Matrix agreed that it would not submit to any LEC any PIC-change request unless Matrix has complied with all Commission rules and orders concerning PIC changes. It also agreed that it would continue to conduct sight inspections of each LOA. All LOAs received later than thirty (30) days after execution were to be automatically rejected. All incomplete LOAs (e.g. missing signature, date, or other required information) were to be either returned to the sales distributor or Matrix personnel to contact the prospective customer directly. Upon identifying any LOAs with similar signatures submitted by the same agent, one hundred percent (100%) of the LOAs submitted by that agent were to be rejected and that agent was to be barred from soliciting LOAs for Matrix until a determination was made as to the authenticity of the LOAs.

Matrix agreed that within thirty (30) days of the effective date of the Consent Decree, Matrix would verify a random twenty percent (20%) of all LOAs it received from its marketing organizations. Matrix arranged for verifications to be made by telephone, and several attempts were made to reach all of the end users on the random list. All conversations were to be recorded and archived. Upon identifying any forged or unauthorized LOAs, one hundred percent (100%) of LOAs submitted by the offending agent were to be rejected and that agent was to be barred from soliciting LOAs for Matrix. Six (6) months after the effective date of this Consent Decree, and every six (6) months thereafter for two (2) years, Matrix additionally agreed to submit a report to the FCC on the effectiveness of its mandatory verification program in reducing incidents of unauthorized conversion of consumers' primary interexchange carriers. Matrix agreed to continue sending a "Welcome Letter" to each new customer within 24 hours of processing the LOA. The "Welcome Letter" was to include Matrix's customer service toll free "800" number and contained a statement informing the customer that his or her long distance service has been changed to Matrix. A copy of the consent decree is attached herewith as Attachment C.

In Item (A-11), please identify the states impacted by the letter of admonition issued by the FCC regarding the form of MTI's Letter of Agency. For each state listed, please indicate the customer complaint, the substance of its complaint, FCC Order that resolved any the complaint and whether the complaint generated any resolutions, fees, fines and/or actions taken by the company to remedy and/or prevent the complaints from re-occurring. Also, please provide a copy "Letter to Mr. Dennis Miga" you referenced in your Application.

The state impacted by the letter of admonition issued by the FCC regarding the form of MTI's Letter of Agency was California. The Letter of Agency (LOA) was incorporated into an entry form to help community "kids" through participation in a drawing for a cellular phone and airline tickets sponsored by the Sacramento Surge

STAFF'S FIRST SET OF DATA REQUESTS TO
MATRIX TELECOM, INC. D/B/A MATRIX BUSINESS TECHNOLOGIES
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and Kids at Risk Foundation. The print on the entry form indicated that the signor of the document would be a participant in Care Network's Matrix long distance service.

The nature of the complaint in question was slamming. MTI notes that the letter of admonition was issued in 1993. The accompanying FCC order is DA 93-886. A copy of the "Letter to Mr. Dennis Miga" referenced in the application is enclosed for the Commission's convenience as Attachment D.

In Item (A-11), please identify the states that generated 28 informal complaints in 2006. For each state listed, please indicate the number of complaints, the substance of each complaint, Commission Orders that resolved any and all complaints and whether the complaints generated any resolutions, fees, fines and/or actions taken by the company to remedy and/or prevent the complaints from re-occurring.

Please see the attached spreadsheets detailing the information requested. Please note, the chart only contains reference to 27 complaints. After thorough review, it was found that we previously erroneously included a Better Business Bureau complaint. Therefore, the Attachment E, lists correctly only 27 complaints

JFB1-2 In Item (A-12), please disclose Platinum Equity, LLC's relationship with NextiraOne, LLC. Please disclose NextiraOne, LLC's relationship with MTI. What is the current status of NextiraOne, LLC? A number of schools and libraries involved in being over billed by NextiraOne for services provided to the tribes were located in Arizona. Please disclose how the Plea Agreement impacts the tribal schools and libraries in Arizona. Did the Plea Agreement generate any resolutions, fees, fines and/or changes in operation of the company? Please identify the benefits the tribal schools and libraries in Arizona received from Plea Agreement. Describe in detail any such judgments or convictions.

Currently, Platinum Equity, LLC does not have a relationship with NextiraOne. In May of 2006, BlackBox Network Services issued a press release indicating that it had completed the purchase of both NextiraOne's USA and Canadian operations from Platinum Equity.

In April 2006, NextiraOne, LLC, was sentenced to pay \$4.6 million in fines and restitution for defrauding the E-Rate program and the Oglala Nation Educational Coalition member schools on the Pine Ridge Reservation in South Dakota. According to the single-count wire fraud indictment filed in U.S. District Court in South Dakota, the illegal practices included inflating equipment prices, submitting false and fraudulent invoices, and failure to install and deliver certain equipment and services originally billed to the E-Rate program. Nextira was assessed a \$1.9 million criminal fine and a civil settlement that requires the company to forfeit more than \$2.6 million in reimbursement for uncompensated work that was previously performed at other school districts.

The extent of NextiraOne, LLC's relationship with MTI has only consisted of previous common ownership. MTI was not party to nor was it named in any of the issues cited

STAFF'S FIRST SET OF DATA REQUESTS TO
MATRIX TELECOM, INC. D/B/A MATRIX BUSINESS TECHNOLOGIES
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above. The foregoing information was derived by researching public information and were not a part of any of the company records or reports. As MTI was not part of the plea agreement, MTI has no knowledge as to the benefits tribal schools or libraries may have received from the same.

JFB1-3 In Item (A-14), please indicate if Applicant is willing to post a Performance Bond or irrevocable sight draft Letter of Credit? Please be advised that "No" is not an option.

For Facilities-Based Providers of Local Exchange, a \$100,000 performance bond or irrevocable sight draft Letter of Credit will be recommended.

X Yes

No

Note: Amounts are cumulative if the Applicant has more than one type of service.

JFB1-4 In Item (A-18) you did not list the States in which the Applicant has had an application approved or denied to off telecommunications services similar to those that the Applicant will or intends to offer in Arizona. Please list the States.

Please see the Attachment F- a list of approvals. Applicant has never had an application to provide telecommunications services denied.

JFB1-5 In Item (B-2) you did not 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.

Also, please identify the person from the Commission's Staff that advised you that MTI did not need to submit Attachment "D". Does MTI have a confidentiality/protective agreement on file with the Legal Division of the Commission? If yes, please provide a signed copy of the confidentiality/protective agreement.

For clarification purposes, staff did not advise us that we did not have to submit the information. We were advised that there was no way to submit the exhibits confidentially with the original application. It is our understanding that now that there is an open docket, we should put a protective order in place to cover both the historical and projected financial information before submitting these responses. We

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MATRIX TELECOM, INC. D/B/A MATRIX BUSINESS TECHNOLOGIES
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do not currently have a signed copy of a confidentiality/protective agreement. As soon as this protective agreement is in place, Matrix agrees to expedite disclosure of these documents to staff.

JFB1-6 In Item (B-4) you did not 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.

Expected revenue is \$861,847

2. Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification.

Assumed gross margin on revenue is 44.2%; operating expense would be \$480,911

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.

There are no assets in Arizona. MTI's plan is to lease facilities. Therefore, it does not anticipate owning any Arizona jurisdictional assets during the first twelve months of operation.

4. If the projected value of all assets is zero, please specifically state this in your response.

There are no assets in Arizona. MTI's plan is to lease facilities. Therefore, it does not anticipate owning any Arizona jurisdictional assets during the first twelve months of operation.

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.

There are no assets in Arizona. MTI's plan is to lease facilities. Therefore, it does not anticipate owning any Arizona jurisdictional assets during the first twelve months of operation.

Also, please identify the person from the Commission's Staff that advised you that MTI did not need to submit Attachment "E".

Please see response to JFB1-6.

STAFF'S FIRST SET OF DATA REQUESTS TO
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JFB1-7 In Item (C-1) you indicated that you have a resale agreement in operation. Please reference the resale agreement by Commission Docket Number or Commission Decision Number.

MTI currently has a resale agreement with a competitive local exchange carrier that is not subject to the same requirements under Sec. 251 and 252 of the Telecommunications Act as the incumbent local exchange carrier. This agreement was born out of the transaction approved by this Commission in Dockets T-03228A-05-0216; T-02438B-05-0216; T-03539A-05-0216; T-03658A-05-0216; Decision Number 68347 dated December 9, 2005.

JFB1-8 You have indicated that you want to provide facilities-based local exchange telecommunications services in Arizona. For each type of tariffed service, please answer the set of questions JFB1-9 through JFB1-12.

Matrix's current tariffed services were inherited services that were created and priced by another company. In 2005, in Docket 05-0216, Decision 68347 mentioned above, Matrix purchased certain assets of Global Crossing et al. When that customer base was acquired, Matrix continued to bill the transferred customers under essentially the same terms and conditions of service as before the transfer. As such, all current tariffed Matrix local products were not the subject of Matrix based market analysis, margin analysis, cost support, etc.

JFB1-9 Please explain how your company calculated the actual maximum and actual minimum rates that will be contained in your tariff for facilities-based local exchange telecommunications services.

Please see the response to JFB1-9

JFB1-10 Please indicate why you believe that your range of rates is just and reasonable using a competitive market analysis. Your analysis should contain publicly available examples of tariff rates and charges charged by the incumbent and other carriers for similar services. Include supporting material and any other information that you believe demonstrates that your actual or proposed tariff rates and charges are just and reasonable.

Use a matrix format to lists MTI's proposed services, rates and/or charges. Based on the MTI tariff, list all the facilities-based based local exchange services MTI will provide in Arizona. For each of the facilities-based local exchange services listed, list the rate and/or charge of each service and reference each service, rate and/or charge to MTI's tariff. Provide MTI's tariff pages that support each MTI's services, rates and/or charges.

STAFF'S FIRST SET OF DATA REQUESTS TO
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Use a matrix format to capture MTI's list of facilities-based local exchange services that will be provided in Arizona, show each competitor's tariff rates and/or charges for the same or comparable services and reference each service, rate and/or charge to each competitor's tariff. Provide tariff pages of each competitor that support each competitor's services, rates and/or charges offering the same or similar telecommunications services in Arizona.

At a minimum, show a complete set of tariff information of Qwest, Cox Telcom and two other competitors in Arizona. For a list of telecommunications carriers certificated in Arizona, go to www.cc.state.az.us/utility/utility. For a list of telecommunications carriers' tariff rates and charges, go to www.cc.state.az.us/utility/tariffs.

The material you provide should enable Staff to determine whether the proposed tariff rates and/or charges of the Applicant are identical or just and reasonable compared to other competitors offering the same or similar telecommunications services in Arizona.

Please see the response to JFB1-9. Matrix does not intend that its current services and rates will be the rates and services that it ultimately provides via facilities based authority. Matrix does not currently have an underlying agreement with a wholesale provider. Therefore, it cannot at this time adequately address this question. However, it should be stated, Matrix does agree to provide to staff at their request adequate documentation when it seeks to add new services and products that are provided as a result of its expanded certification. Matrix will provide timely updated tariffs in accordance with Arizona rules and regulations.

- JFB1-11 Please indicate why you believe that your range of rates is just and reasonable using a fair value or cost basis. Please include economic justification or cost support data. Please include any supporting materials.

Please see the response to JFB1-9 and JFB1-10.

- JFB1-12 Use a matrix format to capture MTI's list of facilities-based local exchange services that will be provided in Arizona. Identify other states/jurisdictions in which your company or an affiliate company is providing or applying to provide facilities-based local exchange telecommunications services.

For each facilities-based local exchange services that will be provided in Arizona, list MTI's or affiliates' rates and/or charges that are or will be charged in other states or jurisdictions. Show for each state or jurisdiction the tariff rates and/or charges for the same or comparable services and reference each service, rate and/or charge to MTI's or each affiliate's tariff. Provide MTI's or affiliate's tariff pages that support MTI's or each affiliate's services, rates and/or charges that are or will be charged in other

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states or jurisdiction offering the same or similar telecommunications services in Arizona.

If there is a difference between the tariff rates and charges that MTI or an affiliate charges or will charge in Arizona and the tariff rates and charges that MTI or affiliate charges or will charge in other states or jurisdictions for facilities-based local exchange services: please identify the service, indicate the amount of the difference and explain why you are charging different tariff rates and charges in Arizona.

At a minimum, show a complete set of tariff information of Arizona three other states or jurisdiction.

The material you provide should enable Staff to determine whether the proposed tariff rates and/or charges of the Applicant are identical or just and reasonable compared to the tariff rates and charges that are or will be charged in other states or jurisdiction offering the same or similar telecommunications services in Arizona.

Matrix has not yet filed changes to tariffs in any other jurisdiction that were created as a result of pricing changes due to wholesale opportunities due to change to leasing facilities. This is due to the same reasons cited above in JFB1-9 and JFB1-10.

JFB1-13. Please submit a PDF file of your responses to this data request to jbostwick@cc.state.az.us.

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MATRIX TELECOM, INC. D/B/A MATRIX BUSINESS TECHNOLOGIES
DOCKET NO. T-03228A-06-0800

ATTACHMENT A

FCC Complaints

States Impacted by the 13 FCC Orders

FCC Order	Adoption Date	:C Number	Date of Complaint	State	Nature of Complaint	Resolution
DA 03-1237	4/28/2003	:C 02-S67670	1/16/2002	OR	Slamming	Complaint Denied
DA 03-1837	5/30/2003	:C 02-S67532	5/7/2001	Unknown	Slamming	Complaint Denied
DA 03-2125	7/2/2003	IC 02-S70803	3/18/2002	PA	Slamming	Complaint Denied
DA 04-2099	7/14/2004	IC 03-S82980	3/3/2003	Unknown	Slamming	Complaint Denied
DA 04-2192	7/23/2004	IC 03-S84194	6/11/2003	Unknown	Slamming	Complaint Denied
DA 04-2648	8/26/2004	IC 03-S84738	8/5/2003	Unknown	Slamming	Complaint Denied
DA 04-2821	8/31/2004	IC 10077518S	11/13/2003	Unknown	Slamming	Complaint Denied
DA 04-2941	9/13/2004	IC 03-S85202	10/3/2003	Unknown	Slamming	Resolved
DA 04-3744	11/30/2004	IC 04-S87266			Slamming	Complaint Denied
DA 05-1763	6/27/2005	IC 05-S89180			Slamming	Complaint Denied
DA 05-1830	6/29/2005	IC 05-S89316	4/5/2005		Slamming	Complaint Denied
DA 05-3305	12/28/2005	IC 05-S0196661	9/22/2005		Slamming	Complaint Granted
DA 06-2401	11/30/2006	IC 06-S0214134	1/9/2006	DE	Slamming	Complaint Granted

STAFF'S FIRST SET OF DATA REQUESTS TO
MATRIX TELECOM, INC. D/B/A MATRIX BUSINESS TECHNOLOGIES
DOCKET NO. T-03228A-06-0800

ATTACHMENT B

Order of Forfeiture

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of

File No. EB-00-IH-0057

Matrix Telecom, Inc.

) NAL/Acct. No. X32080022

FORFEITURE ORDER

Adopted: February 8, 2001

Released: February 20, 2001

By the Commission:

I. INTRODUCTION

1. In this Forfeiture Order, we find that Matrix Telecom, Inc. ("Matrix") has violated Section 254(d) of the Communications Act of 1934, as amended (the "Communications Act" or the "Act"), 47 U.S.C. § 254(d), and Section 54.706 of the Commission's rules, 47 C.F.R. § 54.706, by willfully and repeatedly failing to make required contributions to universal service support programs. Based on our review of the facts and circumstances in this case and after considering Matrix's response to our Notice of Apparent Liability ("NAL") in this matter,¹ we conclude that Matrix is liable for a forfeiture in the amount of one hundred thirteen thousand dollars (\$113,000).

II. BACKGROUND

2. In the NAL, we briefly described the universal service program, including the mechanisms established by the Commission in response to Congress' 1996 amendments to the Communications Act creating the universal service program. In particular, Section 254 of the Act requires that:

Every telecommunications carrier that provides interstate telecommunications services shall contribute, on an equitable and nondiscriminatory basis, to the specific, predictable, and sufficient mechanisms established by the Commission to preserve and advance universal service.²

In implementing Section 254, the Commission authorized the Universal Service Administrative Company ("USAC") to administer universal service support mechanisms and to perform billing and collection functions.³ The Commission gave USAC the authority to bill carriers monthly, starting in February 1998, for their contributions.⁴

¹ *Matrix Telecom, Inc., Notice of Apparent Liability for Forfeiture*, FCC 00-262, (released July 27, 2000).

² 47 U.S.C. § 254(d).

³ *See Amendment of Parts 54 and 69 – Changes to Board of NECA, Inc.*, 12 FCC Rcd 18400, 18415 (1997); 47 C.F.R. § 54.702(b).

⁴ *See Amendment of Part 54 – Universal Service*, 12 FCC Rcd 22423, 22425 (1997); 47 C.F.R. §§ 54.709(a)(4), 54.709(d).

3. Matrix, an interstate telecommunications carrier, does not dispute its liability for universal service contributions. Since it began receiving invoices, Matrix has paid more than \$1 million dollars towards universal service. Matrix, however, has missed payments, underpaid its monthly invoices and failed to cure its arrearages. As a result, Matrix owed over \$1 million in universal service payments as of April 2000.

4. In February 2000, the Enforcement Bureau sent a letter to Matrix explaining that it was the subject of a potential enforcement action.⁵ In its response, Matrix stated that it "wishes to ensure full compliance with the Commission's Rules and seeks to retire its outstanding universal service obligation as soon as practicable."⁶ In a follow-up letter, Matrix reported that it had presented USAC with a payment plan designed to cure its arrearage in thirty-six months.⁷ Matrix represented that each month it will pay an amount equal to its current monthly obligation and an additional \$21,500 toward the amount it is in arrears. Matrix began making payments pursuant to this plan in May 2000, prior to the issuance of the NAL in this matter.

III. DISCUSSION

5. In the NAL, we found Matrix apparently liable for a forfeiture of \$113,000 based on its failure to make required universal service contributions in November and December 1999. In its response, Matrix asserts that the Commission should reduce or rescind the proposed forfeiture. Matrix contends that the amount of the forfeiture is too high in light of its efforts to pay its universal service contributions. Matrix also argues that its current financial condition will not permit it to pay a forfeiture of this size.

6. We disagree with Matrix's contention that the amount of the forfeiture is too high in light of its efforts to pay its universal service contributions. Matrix and other carriers that fail to pay required universal service contributions and accrue arrearages of the amounts present in this case are appropriately subject to commensurate forfeitures. In calculating the forfeiture amount in the NAL, we took into account Matrix's significant efforts to satisfy its universal service obligations. In recognition of those efforts, we applied a downward adjustment of \$76,614 to the proposed forfeiture, a reduction of over 40 percent. Consequently, we decline to reduce or rescind the proposed forfeiture amount.

7. We also disagree with Matrix's assertion that it is unable to pay a forfeiture of \$113,000. We have reviewed the financial information submitted by Matrix and find that Matrix has ample current assets to pay a forfeiture of this amount. The Commission previously has held that a licensee's gross revenues are generally the best indicator of its ability to pay a forfeiture. *See, e.g., Independent Communications, Inc.*, FCC 00-284 (released August 25, 2000) (a proposed forfeiture equal to one percent of the corporate licensee's gross revenues was not excessive and elimination or reduction of the forfeiture was not warranted even though the company operated at a loss); *PJB Communications of Virginia, Inc.*, 7 FCC Rcd 2088, 2089

⁵ Letter from David H. Solomon, Chief, Enforcement Bureau, to Matrix Telecom, Inc. dated February 16, 2000.

⁶ Letter from Thomas K. Crowe, Esq., counsel for Matrix to David H. Solomon, Chief, Enforcement Bureau, dated March 10, 2000.

⁷ Letter from Todd Murcer, Manager of Business Development, Matrix Telecom, Inc. to Suzanne M. Tetreault, Assistant Chief, Enforcement Bureau, dated May 30, 2000.

(1992) (forfeiture not deemed excessive where it represented approximately 2.02 percent of the violator's gross revenues). The financial information provided by Matrix indicates that the proposed forfeiture amount is substantially less than one percent of Matrix's annual gross revenues. As we stated in the *Forfeiture Policy Statement*, forfeitures should not be simply an affordable cost of doing business.⁸ We continue to believe that a forfeiture in the amount of \$113,000 is appropriate based on all the facts and circumstances of this case.

IV. ORDERING CLAUSES

8. Accordingly, IT IS ORDERED THAT, pursuant to Section 503(b) of the Act,⁹ and Section 1.80(f)(4) of the Commission's rules,¹⁰ Matrix IS LIABLE FOR A FORFEITURE in the amount of one hundred thirteen thousand dollars (\$113,000) for willfully and repeatedly violating Section 254 of the Act, 47 U.S.C. § 254, and Section 54.706 of the Commission's rules, 47 C.F.R. § 54.706.

9. Payment of the forfeiture shall be made in the manner provided for in Section 1.80 of the Commission's rules within 30 days of the release of this Forfeiture Order. If the forfeiture is not paid within the period specified, the Commission may refer the case to the Department of Justice for collection pursuant to Section 504(a) of the Act, 47 U.S.C. § 504(a). Matrix may pay the forfeiture by mailing a check or similar instrument, payable to the order of the Federal Communications Commission, to the Federal Communications Commission, P.O. Box 73482, Chicago, Illinois 60673-7482. The payment should note the NAL/Acct. No. referenced above. Requests for full payment under an installment plan should be sent to: Chief, Credit and Debt Management Center, 445 12th Street, S.W., Washington, D.C. 20554. See 47 C.F.R. § 1.1914.

10. IT IS FURTHER ORDERED THAT a copy of the Forfeiture Order shall be sent by Certified Mail Return Receipt Requested to Matrix's counsel, Thomas Crowe, Esq., 2300 M Street, N.W., Suite 800, Washington, D.C. 20037.

FEDERAL COMMUNICATIONS COMMISSION

Magalie Roman Salas
Secretary

⁸ *The Commission's Forfeiture Policy Statement and Amendment of Section 1.80 of the Rules to Incorporate the Forfeiture Guidelines*, 12 FCC Rcd 17087, 17100-01 (1997), recon. denied, 15 FCC Rcd 303 (1999).

47 U.S.C. § 503(b).

¹⁰ 47 C.F.R. § 1.80(f)(4).

STAFF'S FIRST SET OF DATA REQUESTS TO
MATRIX TELECOM, INC. D/B/A MATRIX BUSINESS TECHNOLOGIES
DOCKET NO. T-03228A-06-0800

ATTACHMENT C

Consent Decree

Westlaw.

1996 WL 721159 (F.C.C.), 11 F.C.C.R. 21,539, 11 FCC Rcd 21,539
(Cite as: 11 FCC Rcd. 21539)

H

Federal Communications Commission (F.C.C)

Order

IN THE MATTER OF MATRIX TELECOM, INC
File No. ENF-96-02
NAL/Acct. No. 616EF002

DA 96-2108

Adopted: December 12, 1996

Released: December 17, 1996

*21539 By the Chief, Common Carrier Bureau

1. Prior to December 1995, the Enforcement Division of the Common Carrier Bureau ("The Bureau") began an investigation of Matrix Telecom, Inc. ("Matrix"), regarding possible violations of the Commission's policies and rules concerning primary inter-exchange carrier ("PIC") conversions. [FN1]

2. On December 6, 1995, the Bureau issued to Matrix a Notice of Apparent Liability for Forfeiture ("NAL") in the amount of forty thousand dollars (\$40,000) based on the Bureau's preliminary determination that Matrix had apparently willfully violated the Commission's PIC rules and orders. [FN2]

3. The Bureau and Matrix, by and through their respective counsel, entered into consent negotiations concerning Matrix's alleged violation and have reach an agreement that terminates the investigation. The terms and conditions of the agreement are set forth in the attached Consent Decree and such terms and conditions are incorporated herein by reference.

4. We have evaluated the circumstances of this matter and find that approval of the attached Consent Decree is in the public interest.

5. Accordingly, IT IS ORDERED, pursuant to Section 4(i) of the Communications Act, 47 U.S.C. § 154(i), and the authority delegated in Section 0.291 of the Commission's rules, *21540 47 C.F.R. § 0.291, that the attached Consent Decree is hereby ADOPTED and that the above-captioned proceeding is thereby terminated.

FEDERAL COMMUNICATIONS COMMISSION

Regina M Keeney

Chief

Common Carrier Bureau

FN1. See 47 C.F.R. §§ 64.1100, 64.1150; Policies and Rules Concerning Unauthorized

Changes of Consumers' Long Distance Carriers, 10 FCC Rcd 9560 (1995), recon. pending; Policies and Rules Concerning Long Distance Carriers, 7 FCC Rcd 1038 (1992), recon. denied, 8 FCC Rcd 3215 (1993); Investigation of Access and Divestiture Related Tariffs, 101 FCC 2d 911 (1985), recon. denied, 102 FCC 2d 503 (1985); Investigation of Access and Divestiture Related Tariffs, Phase I, 101 FCC 2d 935 (1985).

FN2. Matrix Telecom, Inc., Notice of Apparent Liability, 11 FCC Rcd. 1258 (Com. Car. Bur. 1996).

CONSENT DECREE

1. The Common Carrier Bureau ("Bureau") of the Federal Communications Commission ("FCC" or "Commission") and Matrix Telecom, Inc. ("Matrix"), by their attorneys or authorized representatives, hereby enter into a Consent Decree terminating an FCC investigation concerning Matrix's alleged violation of the Commission's policies and rules regarding primary interexchange carrier ("PIC") conversions. [FN1] Matrix is a common carrier that provides interstate interexchange telecommunications services pursuant to tariffs on file with the Commission.

2. On December 6, 1995, the Bureau issued to Matrix a Notice of Apparent Liability for Forfeiture ("NAL"). [FN2] The Bureau preliminarily determined that Matrix had apparently violated Commission rules and orders by changing the PIC designated by Justo Benitez ("Benitez") of Houston, Texas, without Benitez's authorization. After reviewing the facts and circumstances surrounding the alleged violation, the Bureau found Matrix apparently liable for a forfeiture in the amount of forty thousand dollars (\$40,000). The Bureau and Matrix thereafter entered into consent negotiations and have agreed to terminate this proceeding pursuant to the terms and conditions set forth herein.

3. For the purposes of this Consent Decree the following definitions shall apply:

- a. "Commission" or "FCC" means the Federal Communications Commission;
- b. "Bureau" means the Common Carrier Bureau of the Federal Communications Commission;
- c. "Matrix" means Matrix Telecom, Inc., its successors and assigns;
- d. "Parties" means Matrix and the Bureau;
- e. "Adopting Order" means an Order of the Bureau adopting the terms and conditions of this Consent Decree;
- f. "PIC Change" is an order or request transmitted by an interexchange carrier to a local exchange carrier ("LEC") requesting a change of a customer's primary interexchange carrier ("PIC");
- g. "Letter of Agency" or "LOA" means a written authorization signed by the customer authorizing a PIC change;
- h. "Informal Complaint" or "Consumer Complaint" means a complaint filed with the Consumer Protection Branch of the Common Carrier Bureau's Enforcement Division under 47 C.F.R. § 1.716.

4. The Parties agree that the provisions of this Consent Decree shall be subject

to final approval by the Bureau by incorporation of such provisions by reference in an Adopting Order of the Bureau, and that adoption of such Order by the Bureau shall terminate the captioned proceeding.

5. The Parties agree that this Consent Decree shall become effective the date on which the Adopting Order is released by the Common Carrier Bureau. Upon release, the Adopting Order and this Consent Decree shall have the same force and effect as any other order of the Commission and any violation of the terms of this Consent Decree shall constitute a violation of a Commission Order entitling the Commission to exercise any and all rights and to seek any and all remedies authorized by law for the enforcement of a Commission Order.

6. Matrix admits that the Commission has jurisdiction over it and the subject matter of this action.

7. Matrix agrees to waive any further procedural steps and any rights it may have to seek judicial review or otherwise challenge or contest the validity of the Adopting Order or this Consent Decree.

8. Matrix agrees to waive any rights it may have under any provision of the Equal Access to Justice Act, 5 U.S.C. § 504.

9. The Parties agree and acknowledge that this Consent Decree shall constitute a final settlement between Matrix and the Commission of the above-captioned NAL proceeding but agree that this Consent Decree is not dispositive of the rights of any complainant who has filed an informal complaint against Matrix and does not resolve those complaints or any matter(s) within the jurisdiction of any other federal agency.

10. The Parties agree that this Consent Decree is for settlement purposes and that Matrix does not admit any alleged violation or liability for the specific acts described in the NAL or in any informal complaints received by the Commission on or before the effective date of this Consent Decree. Indeed, Matrix expressly denies any such violation or liability.

11. Matrix shall make a voluntary contribution to the United States Treasury in the total amount of \$30,000 (thirty thousand dollars) for the investigation of the alleged unauthorized conversion within 30 days of the effective date of this Consent Decree. Such contribution shall be made, without further protest or recourse, by certified check, cashier's check, or money order drawn to the order of the Federal Communications Commission, shall reflect "FCC File No. ENF-96-02, NAL/Acct. No. 616EF002," and shall be mailed to the Forfeiture Collection Section, Finance Branch, Federal Communications Commission, P.O. Box 73482, Chicago, Illinois 60673-7482.

12. Matrix agrees that it shall not submit to any LEC any PIC-change request unless Matrix has complied with all Commission rules and orders, in effect, or as they may be hereafter modified or amended, concerning PIC changes.

13 Matrix agrees that it will continue to conduct sight inspections of each LOA

All LOAs received later than thirty (30) days after execution will be automatically rejected. All incomplete LOAs (e.g. missing signature, date, or other required information) will either be returned to the sales distributor or Matrix personnel will call the party directly. Upon identifying any LOAs with similar signatures submitted by the same agent, one hundred percent (100%) of the LOAs submitted by that agent will be rejected and that agent will be barred from soliciting LOAs for Matrix until a determination is made as to the authenticity of the LOAs.

14. Matrix agrees that within thirty (30) days of the effective date of this Consent Decree, Matrix will verify a random twenty percent (20%) of all LOAs it receives from its marketing organizations. Matrix will arrange for verifications to be made by telephone, and several attempts will be made to reach all of the end users on the random list. All conversations will be recorded and archived. Upon identifying any forged or unauthorized LOAs, one hundred percent (100%) of LOAs submitted by the offending agent will be rejected and that agent will be barred from soliciting LOAs for Matrix. Six (6) months after the effective date of this Consent Decree, and every six (6) months thereafter for two (2) years, Matrix agrees to submit a report to the Bureau on the effectiveness of its mandatory verification program in reducing incidents of unauthorized conversion of consumers' primary interexchange carriers. The report will include, but is not limited to, the number of PIC changes submitted by Matrix based on LOAs and what percentage of these PIC changes were disputed by the consumer, classification of the basis for the disputes, and classification of the dispute resolution, as well as a comparison of the number of PIC-change disputes under the twenty percent (20%) verification program with the number of PIC-change disputes generated before the verification program was initiated. Matrix reserves the right to claim that such reports are non-releasable proprietary information under the Freedom of Information Act, 5 U.S.C. § 552(b) and the Trade Secrets Act, 18 U.S.C. § 1905. The Bureau agrees to allow Matrix an opportunity to establish such claims in accordance with the Commission's rules at 47 C.F.R. §§ 0.457, 0.459.

15. Matrix agrees that it will continue to send a "Welcome Letter" to each new customer within 24 hours of processing the LOA. The "Welcome Letter" will include Matrix's customer service toll free "800" number and will contain a statement informing the customer that his or her long distance service has been changed to Matrix.

16. Matrix agrees that within thirty (30) days of the effective date of this Consent Decree, Matrix will send an amended distributor agreement to all companies currently under contract to act as sales distributors of Matrix services. The new agreement will provide for Matrix to have complete control over the form of the LOA and all marketing materials and will include a copy of the Commission's Letter of Agency Form and Content provisions, 47 C.F.R. § 64.1150. A copy of the amended agreement will be submitted to the Bureau's Enforcement Division within ten (10) days of its distribution. Matrix will further require each sales distributor to obtain a signed certification from each of its agents acknowledging their receipt and understanding of the agreement and the FCC provisions and that violation of either the agreement or the rules therein are grounds for immediate termination.

17. For two (2) years beginning on the effective date of this Consent Decree, Matrix agrees to maintain and make available to the Bureau, within fourteen (14) days of the receipt of a written request from the Bureau, business records demonstrating compliance with the terms and provisions of this Consent Decree, including, but not limited to, advertisements, sales scripts, manuals or presentations, written advisories to sales distributors and agents and required responses to those advisories, Letters of Agency, PIC-change records, billing records, and all consumer complaints including those filed directly with Matrix and those filed against Matrix in any local, state, or federal jurisdiction served or otherwise submitted to Matrix. The record of consumer complaints shall include the name, address and telephone number of each complainant. Matrix's response, and the final disposition of each complaint. The Bureau will entertain any request made by Matrix for an extension of time in which to comply with the Bureau's written request described herein.

18. Matrix represents that it has satisfied the complaint filed with the Commission by Justo Benitez that gave rise to the Bureau's NAL. See Matrix Telecom, Inc. Response to Notice of Apparent Liability for Forfeiture, File No. ENF-96-02, NAL/ Acct. No. 616EF002, dated January 26, 1996.

19. In light of the covenants and representations contained in this Consent Decree, and in express reliance thereon, the Bureau agrees that adoption of this Consent Decree shall serve to resolve all allegations that are the subject of the NAL issued in the above-captioned proceeding without any finding of liability on the part of Matrix. The Bureau further agrees that in the absence of substantial additional and material facts, the Bureau shall not on its own motion institute against Matrix new proceedings of any kind arising out of the PIC change submitted on behalf of Justo Benitez.

20. The Bureau further agrees that in the absence of substantial additional and material facts, it shall not on its own motion institute forfeiture proceedings against Matrix based on residential and small business customers' informal complaints of unauthorized LOA-generated PIC changes occurring before September 1, 1996. Consumer complaints generated during this time period will be served on Matrix under the procedures and rules governing such complaints and Matrix agrees to resolve these complaints to the extent required by the Communications Act and the Commission's rules and regulations. Except to the extent agreed herein, nothing in this Consent Decree shall prevent the Commission from adjudicating future complaints filed against Matrix, or from instituting a new investigation or enforcement proceedings against Matrix in the event of future misconduct, including the revocation of Matrix's blanket authority to function as a resale carrier.

21. The Parties agree that any provision of the Consent Decree, affected by or inconsistent with any subsequent rule or order adopted by the Commission, will be superseded by such Commission rule or order.

FOR THE COMMON CARRIER BUREAU OF THE FEDERAL COMMUNICATIONS COMMISSION

John B Muleta

1996 WL 721159 (F.C.C.), 11 F.C.C.R. 21,539, 11 FCC Rcd. 21,539
(Cite as: 11 FCC Rcd. 21539)

Chief, Enforcement Division

Date 11/26/96

FOR MATRIX TELECOM, INC

Virginia Baker

Chief Financial Officer

Date 11/25/96

FN1. 47 C.F.R. §§ 64.1100, 64.1150; Policies and Rules Concerning Unauthorized Changes of Consumers' Long Distance Carriers, 10 FCC Rcd 9560 (1995), recon. pending; Policies and Rules Concerning Changing Long Distance Carriers, 7 FCC Rcd 1038 (1992), recon. denied, 8 FCC Rcd 3215 (1993); Investigation of Access and Divestiture Related Tariffs, 101 FCC 2d 911 (1985), recon. denied 102 FCC 2d 503 (1985); Investigation of Access and Divestiture Related Tariffs, 101 FCC 2d 935 (1985).

FN2. Matrix Telecom, Inc., Notice of Apparent Liability for Forfeiture, 11 FCC Rcd 1258 (Com. Car. Bur. 1996) ("NAL").

1996 WL 721159 (F.C.C. , 11 F.C.C.R. 21,539, 11 FCC Rcd. 21,539

END OF DOCUMENT

STAFF'S FIRST SET OF DATA REQUESTS TO
MATRIX TELECOM, INC. D/B/A MATRIX BUSINESS TECHNOLOGIES
DOCKET NO. T-03228A-06-0800

ATTACHMENT D

Letter to Dennis Miga

Westlaw

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1993 WL 764381 (F.C.C.), 73 Rad. Reg. 2d (P & F) 1248, 8 F.C.C.R. 5512, 8 FCC Rcd. 5512

(Cite as: 8 FCC Rcd. 5512)

C

Federal Communications Commission (F.C.C.)

Letter

MR. DENNIS MIGA

MANAGING PARTNER

DA 93-886

August 9, 1993

Released: August 16, 1993

*5512 Mr. Dennis Miga
Managing Partner
Matrix Telecom
9003 Airport Freeway, Suite 340
Fort Worth, Texas 76180

Dear Mr Miga

This constitutes a letter of admonition issued to Matrix Telecom (Matrix) pursuant to authority contained in Section 4(i) of the Communications Act of 1934, as amended, 47 U.S.C. § 154(i), because of a letter of agency (LOA) that Matrix used to convert consumers' long distance telephone service to its network.

The Commission received a complaint alleging that the complainant's long distance telephone service was switched from Sprint Communications Company L.P. to Matrix without his authorization. On December 28, 1992, the Informal Complaints Branch of the Common Carrier Bureau (Bureau) served a Notice of Informal Complaint (NOIC) on Matrix and Pacific Bell, the complainant's local exchange carrier, pursuant to Section 208 of the Communications Act, 47 U.S.C. § 208, and Section 1.711 of the Commission's Rules, 47 C.F.R. § 1.711. Under Section 1.717 of the Commission's Rules, 47 C.F.R. § 1.717, Matrix and Pacific Bell were directed to investigate the complaint and to advise the Commission in writing, with a copy to the complainant, of their satisfaction of the complaint or their refusal or inability to do so.

On January 30, 1993, Matrix responded to the NOIC. The Matrix response states that the complainant signed an LOA requesting Matrix's service and that the complainant is responsible for all charges billed while he was subscribed to Matrix's service. Matrix provided the Branch with a document ("the Matrix document") that it describes as an LOA, allegedly signed by the complainant.

The Matrix document is formatted primarily as an entry form to help community "kids" through the entrant's participating in a drawing for a cellular phone and airline tickets, rather than as a request to change long distance carriers. [FN1] The signature block on the Matrix document appears right after the information about

(Cite as: 8 FCC Rcd. 5512)

the drawing. The Matrix document also has a large drawing of a football helmet and the phrases "SACRAMENTO SURGE" and "KIDS AT RISK FOUNDATION" in very large, bold print. The information that is in bold print has nothing to do with conversion of an entrant's service to Matrix's long distance service. Consequently, some consumers may have been misled by the Matrix document and may have been persuaded to sign this document because of its primary focus on winning a prize and helping children.

The end of the Matrix document does contain a statement in small print that the signor of the document would be a participant in Care Network's Matrix long distance service. [FN2] The language contained in this portion of the document, however, does not appear to meet the Commission's minimal LOA conditions set forth in the Investigation of Access and Divestiture Related Tariffs, CC Docket No. 83-1145, 101 FCC 2d 911 (1985) (Allocation Order). [FN3]

Based upon its review of the Matrix response and documents, the Bureau is concerned about Matrix's compliance with the Commission's LOA procedures. [FN4] In particular, it appears that the Matrix document does not contain language specifying: (1) that the customer designates Matrix to act as the customer's agent for the pre-subscription process; (2) that the consumer understands that only one Interexchange Carrier (IXC) may be designated as the customer's primary IXC for any one telephone number and that selection of multiple carriers will invalidate all such selections; (3) that the customer understands that any primary IXC selection after the initial one will involve a charge to the customer; and (4) the telephone number(s) for which the primary IXC is being designated.

*5513 The Matrix document falls short of the Commission's expectation of an LOA. Therefore, we strongly admonish Matrix regarding the use of this document, and others like it, to convert consumers' telephone service to its network. We expect Matrix to take immediate remedial steps to destroy all blank LOAs to convert consumers' long distance service to Matrix service that contain offers or inducements that are unrelated to a change in a customer's long distance service. This remedial action extends to Matrix and its officers, agents, affiliates and other persons acting for or employed by Matrix. Also, we expect Matrix to take the necessary actions to ensure that the dissemination and use of LOAs not in compliance with the Commission's procedures are not repeated. Further, we direct Matrix to submit to the Bureau an LOA that is in compliance with the Commission's LOA procedures. We will review the submitted LOA to ensure that the LOA is in compliance with the Commission's LOA procedures set forth in the Allocation Order.

The Matrix document states that the signor's rates will not go up as a result of the program described in the document. [FN5] Matrix is directed to explain in detail how it can guarantee that customers' rates will not increase over the rates of their existing carrier. If the rates of Matrix are higher, Matrix is directed to explain: (1) whether or not it re-rates each call to the rate of the carrier providing service to the customer before being switched to Matrix; (2) whether the rates for such calls are re-rated before a bill is issued to consumers; or (3) whether it re-rates the calls only upon receipt of a complaint.

(Cite as: 8 FCC Rcd. 5512)

Matrix has thirty (30) days from the release date of this letter to submit to the Bureau in writing the following: (1) a statement of the corrective action that it has taken regarding the matters addressed in this letter; (2) the information specified above regarding its rates; and (3) an LOA that is in compliance with the Commission's LOA procedures set forth in the Allocation Order. The written response should reference IC-93-08366.

We caution Matrix that further actions of the nature described herein may result in a finding that Section 201(b) of the Communications Act, 47 U.S.C. § 201(b), has been violated and may lead to show cause and/or forfeiture proceedings.

FEDERAL COMMUNICATIONS COMMISSION

Kathleen B Levitz

Acting Chief

Common Carrier Bureau

FN1 The Matrix document states, in pertinent part:

YES, I would like to participate in the drawing for a cellular phone and airline tickets. I understand that I am also signing up to help kids in the community through a special program that will not cost me anything. I understand that I must be 18 years or older to participate.

FN2 The Matrix document states, in pertinent part:

I will be billed through my local phone company and my rate will not go up as a result of this program. Please sign me up. I want The Care Network to arrange for my residential long-distance service.

FN3 The Allocation Order established the following procedures for changing primary interexchange carriers (IXCs):

10. All IXCs may seek customer commitments to use their services and designate them as their primary IXC. All such commitments must be supported by a statement signed by the customer, which at a minimum recognizes these conditions.

10.1 The customer designates the IXC to act as the customer's agent for the pre-subscription process.

10.2 The customer understands that only one IXC may be designated as the customer's primary IXC for any one telephone number and that selection of multiple carriers will invalidate all such selections.

10.3 The customer understands that any primary IXC selection after the initial one will involve a charge to the customer.

10.4 The specific telephone number(s) for which the primary IXC is being designated must be listed.

Allocation Order, 101 FCC 2d at 929.

FN4 Id

FN5 See note 2 Supra

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(Cite as: 8 FCC Rcd. 5512)

1993 WL 764381 (F.C.C.), 73 Rad Reg. 2d (P & F) 1248, 8 F.C.C.R. 5512, 8 FCC Rcd 5512

END OF DOCUMENT

STAFF'S FIRST SET OF DATA REQUESTS TO
MATRIX TELECOM, INC. D/B/A MATRIX BUSINESS TECHNOLOGIES
DOCKET NO. T-03228A-06-0800

ATTACHMENT E

State Complaint List

Agency	State	Complaint Type/ Details	Complaint Resolution
1 PSC	AL	Billing	Customer was charged a monthly recurring charge in error. All charges were reversed at LEC level.
2 FCC	AZ	provisioning/billing	PIC for intrastate but not interstate worked when switching providers, credit issued for all services rendered in error.
3 PUC	CA	Contractual	Complaint contractual in nature regarding auto-renewal clause.
4 PUC	CA	Billing	Customer was charged a \$4 fee for 3-way calling by GC; Matrix acquired the account inaccurately configured. Credit was issued for full amount in question. All issues were resolved in the customer's favor.
5 PUC	CA	Service	CSR indicated customer did not belong to us; attempts to change lsp or ixc could not be handled. Issue resolved; CSR corrected.
6 PUC	CA	Billing	Customer billed after disconnect for MRC for 800#;
7 PUC	CA	Billing	Disco notice not received; Billing after services disco'd
8 FCC	CA	Billing	See Response to #5 above; CSR indicated customer did not belong to us; attempts to change lsp or ixc could not be handled. Issue resolved; CSR corrected.

9	FCC	Unknown	Billing	Customer was never ours; only past due amount (for 7/2005) was transferred to us; customer states she overpaid GC \$1740.88, we cannot address this, but will cease collections of the \$120.25
10	FCC	Unknown	Billing	transferred as active when account was cancelled in Nov as a Global customer and should never have transferred to Matrix; All charges were credited
11	CC	IL	Billing	No call detail for multi-point \$40#; missing call detail was provided and billing was corrected
12	CC	KS	Billing	Customer's BXX number was pointed to our CS for a period of time. Calls disputed May, June and July. Customer received full credit; billing was corrected
13	PUC	ME	Billing	Customer was never ours; have requested copies of bills; alleged IECComm customer; USBI confirmed
14	PSC	MI	Slamming	Was never our customer; alleged slam unfounded.
15	PSC	MI	Billing	Customer left in May and never sent request to disconnect. Was billed past disco. Full credit given.
16	PUC	MN	Billing	Customer was billed after leaving for failure to send request to disconnect. All charges for services not rendered were removed from account

	17 PUC	NV	Billing	Customer was billed after leaving for failure to send request to disconnect. All charges for services not rendered were removed from account.
	18 PSC	NY	Service	Customer called us to report his voice line was down; we only provided data services to the customer. The complaint was moot.
	19 PUC	NY	Service	Complaint about service being down; service intermittent. Global Crossing was actual recipient.
	20 PUC	OH	Billing/Service/Contractual	Misinformation regarding the existence of a contract. None exists. Service outage on 3/8/06. Customer was advised total outage in area code 614. 4/20, the customer called in and stated that voicemail was out as of 3/6 and did not become operational until 3/20/06. Credit was issued for service outage.
	21 PUC	OH	Service	SAME COMPLAINT ISSUED TWICE - Provisioner disconnected all 4 lines instead of the two requested due to human error; reconnection was expedited and credit was issued.

22	PUC	OH	Service	SAME COMPLAINT ISSUED TWICE - Provisioner disconnected all 4 lines instead of the two requested due to human error; reconnection was expedited and credit was issued.
23	PUC	OH	Billing	Customer was billed after leaving for failure to send request to disconnect. All charges for services not rendered were removed from account.
24	PUC	OR	Billing	Customer was charged a monthly recurring charge in error. All charges were reversed at LEC level.
25	CC	VA	Tax & Billing	This customer was inaccurately charged taxes; services were coded as local when digital; Taxes were in excess of \$200 when they should have been under \$5.00; full credit issued and taxing corrected
26	DPS	VT	Billing	Customer was billed after leaving for failure to send request to disconnect. All charges for services not rendered were removed from account.
27	DPS	VT	Billing	Customer was billed after leaving for failure to send request to disconnect. All charges for services not rendered were removed from account.

STAFF'S FIRST SET OF DATA REQUESTS TO
MATRIX TELECOM, INC. D/B/A MATRIX BUSINESS TECHNOLOGIES
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ATTACHMENT F

State Approvals

MATRIX
LDIXG AND CLEC/LEC
CERTIFICATE STATUS

No.	State	Cert	Effective Date	CLEC/LEC Docket #	Agency #	Local / Expansion approved on	Effective Date	EDIXG Docket #	Substantiation	Docket	Comments
1	Alabama	Yes	9/16/2005	21793		Local / Expansion approved on 3/28/07 in same docket	5/10/1991	21793	Reseller of Interexchange LD	(334) 242-5993	
2	Alabama	No					9/15/2005	FX05027	LD Reseller	(907) 276-8222	
3	Alaska	Yes	12/9/2005	T-0322BA-05-0244		Expansion currently pending	5/16/2003	T-03336A-04-0392	Competitive Resold Interexchange	(602) 364-0255	
4	Arkansas	Yes	6/24/2005	05-028-U		Competing Local Exchange	10/25/1990	97-037-U	Reseller of Telecommunications		
5	California	Yes	11/18/2005	05-03-023	U-5227-C	CPCN / Expansion currently pending Application A0612033, expect to be heard in June	12/19/1990	90-10-062	Reseller of Telecommunication	(415) 703-1861	
6	Colorado	Yes	6/1/2005	05A-1361		Local Exchange	2/25/1999	N/A	Toff Reseller Registration	(303) 884-2000	
7	Connecticut	Yes	5/11/2005	42127		Resell Local Exchange/ Expansion approved Docket 07-01-15 3/30/07	11/14/1999	95-08-30	Reseller of Intrastate		
8	Delaware	Yes	2/27/2007	07-5		Local Exchange	3/4/1997	96-319	Reseller of interexchange LD		
9	District of Columbia	Yes	9/30/2005	TA-05-5-10		Local/Expansion completed Docket TA07-2 on 2/5/07	Yes		De-Regulated		
10	Florida	Yes	5/20/2005	050200-TX		CLEC	10/13/1994	940999-TI	Interexchange Telecommunications		
11	Georgia	Yes	5/2/2005	20457-U		Interim CLEC/Expansion approved same docket on 2/23/07	10/8/1992	Cert # R-087	Resell Interexchange		
12	Illinois	Yes	6/20/2005	05-0063	21902	Certificate of Authority/ Expansion still pending in Docket no 2007-0307	6/20/2005	05-0063	Intrastate Telecom	(608) 585-2800	
13	Illinois	Yes	4/5/2007	MAT-T-07-01		Local	Yes		De-Regulated	(208) 394-0300	
14	Illinois	Yes	7/13/2005	25-0213		Local reseller/ Expansion approved in Docket 07-0288 on 3/6/07	11/21/1990	90-0034	Reseller of LD		
15	Illinois	Yes	7/28/2005	42813		Resell Local Exchange/ Expansion approved in Docket No 42718 on 2/5/07	5/15/1990	40091	Territorial reseller of interexchange	(317) 232-2705	
16	Iowa	Yes	3/5/2007	TCU 07-1		Local	Yes		De-Regulated	(715) 291-5565	
17	Kansas	Yes	7/8/2005	05-MATC-467-COC		Local Exchange & Exchange Ace	6/28/1996	181-869-U	Reseller of Telecommunications		
18	Kentucky	Yes	5/17/2005	TF3205-03388		Local Exchange Reseller	9/23/1991	90-270	Reseller of Telecommunications	(783) 271-3100	
19	Kentucky	No	Currently pending			Big Local	10/27/1990	N/A	Reseller Long Distance (Switchless)	(502) 564-3840	
20	Maine	Yes	1/6/2006	2005-755		CLEC Expansion approved in Docket 2007-34 on 3/30/07	4/28/1997	95-695	Long Distance Reseller (Switchless)	(207) 287-3831	
21	Maryland	Yes	10/19/2005	99945		Resold Local Exchange Expansion is currently pending	10/15/1990		Resell Intrastate	(800) 201-7160	
22	Massachusetts	Yes	8/12/2005			Tarif for local effective 6/1/2005	5/12/1991	90-247	Reseller	(617) 545-5600	
23	Michigan	Yes	9/20/2005	U-14476		Local Authority	Yes		De-Regulated	(517) 241-8300	
24	Minnesota	Yes	5/21/2005	NA-05-490		Resold Local Exchange	6/27/1991	93036/NA 90-792	Resell Long Distance	(651) 298-2905	
25	Mississippi	Yes	8/22/2005	05-11A-0769		Reseller Intra, Intra,ATA, Interex	11/28/1990	903-IA-0289	Reseller of Telecommunications		
26	Missouri	Yes	10/31/2005	YC-2005-0917 (I)		Basic Local Telecommunication	1/18/2004	XA-2004-0738	Interchange		
27	Missouri	Yes	6/25/2005	C-3907		Resold	N/A		Registered		
28	Missouri	Yes	6/25/2005	C-3907		Reseller of Local Exchange	2/19/1991	C-985	Reseller of Telecommunications	(602) 473-3101	
29	Missouri	Yes	6/10/2005	05-4008		Resold Interchange/Resold Basic Expansion completed in Docket 05-12039 on 3/2/07	11/19/1994	94-2918	Reseller of interexchange LD		
30	New Hampshire	Yes	5/16/2005	05-011-05		Local Exchange	11/4/1993	22-473	Intrastate Tariff		
31	New Jersey	Yes	6/1/2005	Reseller		De-Regulated/ Expansion approved in Docket TE-06-12-0888 on 4/13/07	9/12/1991	91-75-TC	De-Regulated	(609) 777-9300	
32	New Mexico	Yes	5/20/2005	N/A		CLEC	Yes		Non-Facilities Interchange		
33	New York	Yes	4/19/2005	05-C-0376		Ltr notifying of Approval/ Expansion completed by 3/23/07 in same docket	10/21/1990	90-C-9637	CPCN		
34	North Carolina	Yes	8/12/2005	F-204-9		Local Exchange	12/19/1990	P-224	Reseller of interexchange LD	(919) 733-7225	
35	North Dakota	Yes	4/20/2005	PL-05-289		Local Exchange	6/10/1994	95-1281-94-458	Intrastate Long Distance Reseller		
36	Ohio	Yes	8/5/2005	05-443-TP ACE		Local Exchange	5/5/2005	05-443-TP ACE	Interexchange		
37	Ohio	Yes	1/29/2005	200500161		Local Exchange	5/19/1997	413003	CPCN		
38	Original	Yes	5/15/2005	CP-1351JM 376		CLEC	3/19/1991	81-4303	Competitive Provider	(800) 375-0676	
39	Pennsylvania	Yes	12/1/2005	A-310392F-0004		Resold Comp	9/11/1992	Certificate	Interchange reseller	(717) 787-6480	

MATRIX
LDIXC AND CLECLIC
CERTIFICATE STATUS

40	Missouri	Yes	1/12/1987	2252L5	Competitive Switchless Reseller Expansion completed Doover No. 2807 on 2/8/07	Yes	1/12/1987	2252L5	Competitive Switchless Reseller	4071 841 4500
41	South Carolina	Yes	8/25/2005	2005-95-C	Local Exchange Expansion completed on 4/5/07 in the same local	Yes	12/18/1993	80-517-C	Reseller Telecommunications Interexchange Reseller	(803) 896-5100 (803) 773-3200
42	South Dakota	Yes	4/24/2007	TC07-026	Local	Yes	7/31/1991	TC01-017	Resell Interchange Long Distance	(615) 741-2904
43	Tennessee	Yes/EC	5/15/2005	05-00383	Resell local Expansion expected complete by mid May Hearing held 4/25/07 in October 07.3 SPCCAT Expansion approved in December 07/15 on 2/14/07	Yes	10/13/1995	85-03215	Resell Interchange Long Distance	(815) 741-2904
44	Texas	Yes	6/28/1987	12745	Local Exchange Expansion approved in December 07/15 on 2/14/07	Yes	4/19/1980	07010828	ICC	(512) 926-7000
45	Utah	Yes	11/18/2005	05-243-01	Local Exchange Services	Yes	8/01/1987	107	De-Regulated CPE	(802) 328-2256
46	Vermont	Yes	7/8/2005	CPE 107 CR	Local Exchange Services Certified as Matrix Telecom of Virginia Inc.	Yes			De-Regulated Reseller of Interstate	(804) 371-8427
47	Virginia	Yes	12/22/2005	PLP-2005-00398	Local Exchange Telecomm Services Certified as Matrix Telecom of Virginia Inc.	Yes			De-Regulated Reseller of Interstate	(804) 371-8427
48	Washington	Yes	5/27/2005	UT-036375 Tar UT-910020 Carl	Tariff for local effective 5/27/05	Yes	8/6/1991	UT-910020	Reseller of Interstate	
49	West Virginia	Yes	9/15/2005	05-0415-T-CN	Resell Local Exchange Expansion was completed in December 07. 0054-T-CN on 3/22/07	Yes	5-5-1992	92-0001-T-CN	Interexchange Long Distance	(304) 340-0300 (800) 267-8768
50	Wisconsin	Yes	8/31/2001	7115-T-101 S-8000 58 Carl-01	Resell Local Exchange Tariff # 31028 Expansion approved in December 7/15/07 12/14/07	Yes	8/31/2001	7115-T-101 S-8000 58 Carl-01	Reseller of Interstate via Attribution	
51	Wyoming	Yes	5/11/2005	70200-TA-05-1	Local Exchange Expansion completed on 2/28/07 in the same doover 70200-TA-05-1	Yes	4/2/1995	74140-TV-05-1	Interchange Carrier	



July 23, 2007

Mr. John Bostwick
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007-2927

Re: Staff's Letter of Insufficiency and Second Set of Data Requests to Matrix Telecom, Inc. d/b/a Matrix Business Technologies, Docket No. T -O322SA-O6-0S00

Dear Mr. Bostwick:

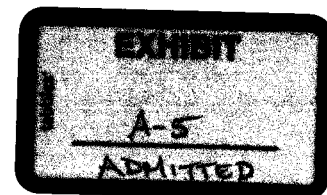
In accordance with your second set of data requests in the above referenced docket, Matrix Business Technologies ("Matrix") provides the following:

JFB 2-1 Please be advised that a new internal process has been put in place to handle confidentially agreements concerning the submission of financial information by the Applicant. Please prepare and file a letter describing in detail the reasons that your financial information should be kept confidential or have a protective agreement. This letter will be presented at the Policy/Recommendation Meeting. At the meeting the Director of the Utilities Division and Staff will the specific need for confidentially treatment of the Applicant's financial information. Also, please be advised that Staff cannot issue a Staff Report without disclosing the Applicant's net income/loss, total assets, and equity for the most recent calendar year.

Acknowledged. Please see Attachment "A", a request for confidential treatment that is being filed concurrently with this response.

JFB 2-2 You have indicated that you want to provide facilities-based local exchange telecommunications services in Arizona. Please answer the set of questions JFB2-3 through JFB2-6. Also, please be advised that Staff cannot issue a Staff Report without an evaluation of the Applicant's proposed tariffs for facilities-based local exchange telecommunications services in Arizona.

Please see responses to JFB2-3 through JFB2-6 below.



JFB 2-3 Please explain how your company calculated the actual maximum and actual minimum rates that will be contained in your tariff for facilities-based local exchange telecommunications services.

Matrix Telecom, Inc. d/b/a Matrix Business Technologies ("Matrix") acquired the customer base of Global Crossing in late 2005 and Trinsic Communications, Inc. in 2007. Matrix calculated its actual maximum and actual minimum rates by adopting the rates in the tariffs of those service providers that are on file with and have been previously approved by the Arizona Corporation Commission (the "Commission"). Matrix has made no changes to these rates that have been previously approved by the Commission.

JFB 2-4 Please indicate why you believe that your range of rates is just and reasonable using a competitive market analysis. Your analysis should contain publicly available examples of tariff rates and charges charged by the incumbent and other carriers for similar services. Include supporting material and any other information that you believe demonstrates that your actual or proposed tariff rates and charges are just and reasonable.

Use a matrix format to list MTT's proposed services, rates and/or charges. Based on the MTT tariff, list all the facilities-based local exchange services MTT will provide in Arizona. For each of the facilities-based local exchange services listed, list the rate and/or charge of each service and reference each service, rate and/or charge to MTT's tariff. Provide MTT's tariff pages that support each MTT's services, rates and/or charges.

Use a matrix format to capture MTT's list of facilities-based local exchange services that will be provided in Arizona, show each competitor's tariff rates and/or charges for the same or comparable services and reference each service, rate and/or charge to each competitor's tariff. Provide tariff pages of each competitor that support each competitor's services, rates and/or charges offering the same or similar telecommunications services in Arizona.

Please see Attachment "B", a spreadsheet that details Matrix rates versus rates of Qwest Corporation ("Qwest"), Cox Arizona Telecom, LLC ("Cox"), Time Warner Telecom of Arizona, LLC ("Time Warner"), and Sprint Communications Company LLC ("Sprint").

JFB 2-5 Please indicate why you believe that your range of rates is just and reasonable using a fair value or cost basis. Please include economic justification or cost support data. Please include any supporting materials.

Matrix believes its range of rates is just and reasonable based on the comparison of rates between tariffed services and charges conducted for this data request. An analysis of the services offered and fees charged by Matrix compared to Qwest, Cox, Time Warner and Sprint appears to support Matrix's contention that its fees are comparable to other telephone service providers in Arizona.

It should be noted that Matrix inherited its rates when it acquired the customers of other providers of service. As such, we believe that all rates offered by Matrix for the provision of local services in Arizona have already been approved by this Commission. As a result, Matrix strongly believes that its range of rates is just and reasonable.

Again, please refer to Attachment "B".

JFB 2-6 Use a matrix format to capture MTT's list of facilities-based local exchange services that will be provided in Arizona. Identify other states/jurisdictions in which your company or an affiliate company is providing or applying to provide facilities-based local exchange telecommunication services.

For each facilities-based local exchange services that will be provided in Arizona, list MTT's or affiliates' rates and/or charges that are or will be charged in other states or jurisdictions. Show for each state or jurisdiction the tariff rates and/or charges for the same or comparable services and reference each service, rate and/or charge to MTT's or each affiliate's tariff. Provide MTT's or affiliate's tariff pages that support MTT's or each affiliate's services, rates and/or charges that are or will be charged in other states or jurisdiction offering the same or similar telecommunications services in Arizona.

If there is a difference between the tariff rates and charges that MTT or an affiliate charges or will charge in Arizona and the tariff rates and charges that MTT or affiliate charges or will charge in other states or jurisdictions for facilities-based local exchange services: please identify the service, indicate the amount of the difference and explain why you are charging different tariff rates and charges in Arizona.

Matrix is currently approved to provide, or is currently providing, facilities-based local exchange services in forty-nine (49) states and the District of Columbia.

Attached as Attachment "C", please find a spreadsheet that shows a comparison between the proposed Matrix rates in Arizona and the rates in the adjacent states, New Mexico, Nevada and California. This reveals that Matrix's proposed rates in Arizona appear to be in line or slightly lower in Arizona than in states adjacent to Arizona.

JFB 2-7 Please submit a complete tariff setting forth your rates and charges. Do you intend to offer switched or special access services to other wholesale providers. If so, have you or do you intend to file an access tariff for these services?

A complete tariff setting forth Matrix's proposed rates and charges has previously been submitted to Commission staff. A copy of that filing is attached herewith as Attachment "D".

An Access Tariff is being concurrently filed by the Company for approval by the Commission. This Tariff is the same Access Tariff that has been filed by Trinsic Communications, Inc. and approved by the Commission. Only the names in the tariff have been changed to reflect Trinsic's acquisition by Matrix. A copy of this tariff is attached hereto as Attachment "E".

JFB 2-8 Please confirm/deny that your company intends to provide service to both retail end-users and other carriers.

At this time, Matrix intends to provide service to retail end-users only. Should it decide to expand its services to include services to other carriers, Matrix will make the appropriate tariff filings and will seek the appropriate approvals from the Commission.

JFB 2-9 Please provide a copy of the APPLICATION FOR REGISTRATION OF TRADE NAME document stamped and dated from the Arizona Secretary of State office.

Please see Attachment "F", a copy of the Company's Application for Registration of Trade name that has been stamped and dated from the Arizona Secretary of State office.

JFB 2-10 For the type of telecommunications services that you want to provide in Arizona, indicate the Tariff and Section number(s) in the tariff for facilities-based local exchange telecommunication services.

Matrix filed a tariff on November 20, 2006 in Docket No. T-03228A-06-0706. for this tariff, Matrix requested an effective date of December 10, 2006. This tariff was filed to introduce Matrix's use of its assumed name, Matrix Business Technologies. A copy of this tariff is filed in response to Matrix's response to JFB-2-7 above.

A description of Matrix's products and services can be located in Section 2, found on 1st Revised Page 32. The associated rates for these services and products can be located in Sections 3 & 4 beginning on 1st Revised Page 46.

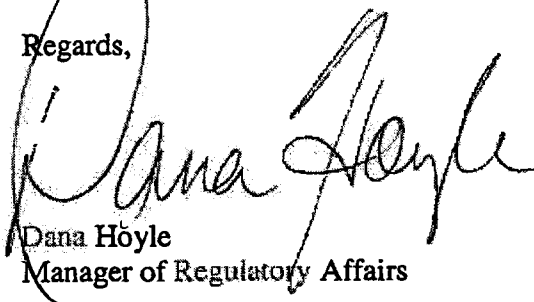
Mr. John Bostwick
Arizona Corporation Commission
Docket No. T-0333228A-06-0800
July 23, 2007
Page 5 of 5

JFB 2-11 Please submit a PDF file of your responses to this data request to jbostwick@cc.state.az.us.

A hardcopy of this response was filed via overnight delivery and a softcopy of this response was submitted electronically on July 23, 2007 to jbostwick@cc.state.az.us.

Should you have any additional questions or concerns, please feel free to contact me directly at (214) 432-1453.

Regards,



Dana Hoyle
Manager of Regulatory Affairs

Attachments

ATTACHMENT "A"
REQUEST FOR CONFIDENTIAL TREATMENT



July 23, 2007

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

Re: Docket No. T -O322SA-O6-0S00

Dear Sir or Madam:

In accordance with staff's request, Matrix Business Technologies ("Matrix") provides this letter to describe in detail the reasons that Matrix's financial information should be kept confidential or filed in accordance with a protective agreement.

We understand that the Arizona Corporation Commission (the "Commission") Staff cannot issue a Staff Report without the disclosure of certain Matrix financial information, such as Matrix's net income/loss, total assets, and equity for the most recent calendar year. It is Matrix's position that these data constitute competitively sensitive trade secret information that is proprietary to Matrix and is not routinely disclosed in any public forum. Matrix has used its best efforts to keep and maintain all such information secret. Given the competitive nature of the telecommunications market, public disclosure of these financial results would cause Matrix substantial irreparable competitive harm by providing competitors with information that could be used against Matrix in the market.

Therefore, Matrix respectfully requests that it be granted permission to file the Confidential Materials under seal so that its financial data can be accorded confidential treatment and not be made a part of the public record in this proceeding or otherwise disclosed to the public.

Regards,

A handwritten signature in black ink, appearing to read "Charles G. Taylor, Jr.", written over a vertical line.

Charles G. Taylor, Jr.
Chief Financial Officer

ATTACHMENT "B"
RATE COMPARISON SPREADSHEET

	Matrix Telecom, Inc.	Quest	Cox Arizona Telecom, LLC	Time Warner Telecom of Arizona, LLC	Sprint Communications Company LP
Business Service Monthly Recurring Charge					
Business Line Local Only	\$ 17.50	\$41.50 (p. 8)	\$45.00 (p. 60)	\$33.75 (p. 8)	\$59.95 (p. 63.5)
Business Line Local plus Long Distance	\$ 30.50	**	**	\$9.61	\$39.95 (p. 63.6)
Analogue PBX Trunk Local Only per trunk	\$ 68.00	\$65.00 (p. 23)	\$90.00 (p. 64)	\$34.65 (p. 190)	**
Analogue PBX Trunk plus Long Distance per trunk	\$ 61.00	**	**	**	**
DID CO Termination per trunk	\$ 50.25	\$45.00 (p. 47)	\$45.00 (p. 66)	**	**
Initial Service Conversion Charge					
Per business line on trunk converted, non-recurring	\$ 26.00	\$39.00 (p. 23)	\$45.00 (p. 60)	\$45.00 (p. 189)	\$69.99 (p. 69)
Per DID CO termination per trunk, non-recurring	\$ 57.00	\$57.00 (p. 47)	\$50.00 (p. 66)	**	**
Installation Charge					
Per business line installed, non-recurring	\$ 52.50	\$65.00 (p. 23)	\$45.00 (p. 60)	\$45.00 (p. 189)	**
Per trunk installed, non-recurring	\$ 59.00	\$65.00 (p. 23)	\$50.00 (p. 64)	**	**

Matrix Telecom, Inc.	Qwest	Cox Arizona Telecom, LLC	Time Warner Telecom of Arizona, LLC	Sprint Communications Company LP	Matrix Telecom, Inc. Researching Charges	Qwest	Cox Arizona Telecom, LLC	Time Warner Telecom of Arizona, LLC	Sprint Communications Company LP	Matrix Telecom, Inc. Per Usage Charges	Qwest	Cox Arizona Telecom, LLC	Time Warner Telecom of Arizona, LLC	Sprint Communications Company LP	Time Warner Telecom of Arizona, LLC
Monthly Researching Charges	\$0.00				\$0.00					\$0.75					
Call Return		\$4.50 (p. 62)	\$4.00 (p. 62)	\$4.00 (p. 62)	\$0.00		\$4.00 (p. 62)	\$4.00 (p. 62)	\$4.00 (p. 62)	\$0.75				\$0.75 (p. 64.3)	
Continuous Redial		\$3.50 (p. 73)	\$3.50 (p. 73)	\$3.50 (p. 73)	\$0.00		\$3.50 (p. 73)	\$3.50 (p. 73)	\$3.50 (p. 73)	\$0.75				\$0.75 (p. 64.3)	
Call Trace					\$0.00					\$2.00				\$2.00 (p. 64.3)	
Three-way Conference Calling					\$12.25					\$3.00				\$3.00 (p. 64.3)	
Handing, per business line	\$ 3.75	\$4.35 (p. 79)	\$3.50 (p. 63)	\$3.50 (p. 63)	\$12.25					\$0.00				\$0.00 (p. 64.3)	
Handing, per analog trunk	\$ 6.00	\$5.00 (p. 103)	\$3.50 (p. 63)	\$3.50 (p. 63)	\$12.25					\$0.00				\$0.00 (p. 64.3)	
3 rd # Billed/Collect Blocking	\$7.50				\$12.25					\$0.00				\$0.00 (p. 64.3)	
Call Forward Variable	7.00				\$12.25					\$0.00				\$0.00 (p. 64.3)	
Call Forward Busy Line	4.50	\$5.00 (p. 75)			\$12.25					\$0.00				\$0.00 (p. 64.3)	
Call Forward Don't Answer	6.00	\$7.50 (p. 75)	\$3.50 (p. 63)	\$3.50 (p. 63)	\$12.25					\$0.00				\$0.00 (p. 64.3)	
Call Forward Busy Line/Don't Answer	3.75	\$4.00 (p. 75)	\$3.50 (p. 63)	\$3.50 (p. 63)	\$12.25					\$0.00				\$0.00 (p. 64.3)	
Call Forward Busy Line/Don't Answer	9.00	\$5.00 (p. 75)	\$3.50 (p. 63)	\$3.50 (p. 63)	\$12.25					\$0.00				\$0.00 (p. 64.3)	
Call Waiting	3.00	\$7.50 (p. 76)	\$7.00 (p. 61)	\$7.00 (p. 61)	\$12.25					\$0.00				\$0.00 (p. 64.3)	
Speed Dial	2.75	\$3.00 (p. 77)	\$3.50 (p. 63)	\$3.50 (p. 63)	\$12.25					\$0.00				\$0.00 (p. 64.3)	
Speed Dial, Expanded	4.25	\$5.00 (p. 77)	\$4.25 (p. 63)	\$4.25 (p. 63)	\$12.25					\$0.00				\$0.00 (p. 64.3)	
Caller ID (Name and Number)	7.50	\$7.50 (p. 76)	\$7.00 (p. 63)	\$7.00 (p. 63)	\$12.25					\$0.00				\$0.00 (p. 64.3)	
Vanity Number	8.00				\$20.00	\$250.00	\$250.00	\$250.00	\$250.00	\$0.00				\$0.00 (p. 64.3)	
Ground Start	8.00				\$12.25					\$0.00				\$0.00 (p. 64.3)	
Toll Restrict Blocking	4.75	\$5.00 (p. 105)			\$25.00					\$0.00				\$0.00 (p. 64.3)	
Call Forward w/ Remote Access	7.75				\$12.25					\$0.00				\$0.00 (p. 64.3)	
Per Use Blocking	\$0.00				\$12.25					\$0.00				\$0.00 (p. 64.3)	

	Matrix Telecom, Inc.	Quest	Cox Arizona Telecom, LLC	Time Warner Telecom of Arizona, LLC	Sprint Communications Company LP	Matrix Telecom, Inc. Quest	Cox Arizona Telecom, LLC	Time Warner Telecom of Arizona, LLC	Sprint Communications Company LP
20 numbers per group	\$2.75	**	\$3.00 (p. 66)	**	**	\$18.35	\$20.00 (p. 66)	**	**
Primary Listing	\$0.00	**	**	**	\$0.00 (p. 73)	\$0.00	\$20.00 (p. 66)	**	**
Additional Listing	\$2.75	\$3.00 (p. 116)	\$5.00 (p. 99)	**	\$2.00 (p. 73)	\$0.75	\$20.00 (p. 66)	**	\$2.50 (p. 73)
Cross Reference Listing	\$2.75	**	**	**	**	\$20.75	**	**	**
Extra Line Listing	\$2.75	\$3.00 (p. 116)	**	**	\$10.00 (p. 73)	\$20.75	\$20.00 (p. 66)	**	\$10.00 (p. 73)
Foreign Listing	\$2.75	\$3.00 (p. 116)	\$3.00 (p. 99)	**	**	\$20.75	\$20.00 (p. 66)	**	**
Non-Published Listing	\$1.75	**	**	**	**	\$20.75	\$33.00	**	**
Non-United Number	\$1.35	\$1.50 (p. 116)	\$5.00 (p. 99)	\$2.70 (p. 112.21)	\$3.50 (p. 73)	\$20.75	\$20.00 (p. 66)	\$33.00	\$3.50 (p. 73)
Directory Assistance - per call	\$0.50	**	\$5.00 (p. 99)	\$0.50 (p. 112.21)	**	\$20.75	\$20.00 (p. 66)	**	**
Directory Assistance Call Complete - per call	\$0.35	\$1.15 (p. 20)	**	\$0.55 (p. 112.21)	**	**	**	**	**

	Per Minute	Per Minute	Per Minute	Per Minute
Third Party Billing	\$ 0.27	**	**	**
Collected	\$ 0.27	**	**	**
Person to person	\$ 0.27	**	**	**
Busy Line Verification	\$ -	**	**	**
Busy Line Verification 3 rd # Billed	\$ -	**	**	**
Busy Line Verification w/interrupt	\$ -	**	**	**
Prescription Change in Preferred Carrier per incident	\$ -	**	**	**
Service Restoration	\$ -	**	**	**

	Matrix Telecom, Inc.	Quest	Cox Arizona Telecom, LLC	Time Warner Telecom of Arizona, LLC	Sprint Communications Company LP	Matrix Telecom, Inc. Quest	Cox Arizona Telecom, LLC	Time Warner Telecom of Arizona, LLC	Sprint Communications Company LP
Miscellaneous Charge									
Foreign Exchange Service (Per T)	\$ 100.00	**	**	**	**	\$ 15.00	**	**	**
Service Charge	\$ -	**	**	**	**	\$ -	**	**	**
Time and Material Charges	\$ -	**	**	**	**	\$ -	**	**	**
Trip Charges	\$ 61.00	\$60.00 (p. 10)	**	**	**	\$ -	**	**	**
Each 15 min increment	\$ 16.00	\$10.00 (p. 10)	**	**	**	\$ -	**	**	**

Please note that each cell marked by ** indicates that a similar element was not located in this provider's tariff.

✓
COX ARIZONA TELCOM, L.L.C.
d/b/a/ Cox Communications
d/b/a/ Cox Business Services

ARIZONA CC TARIFF NO. 1
SECOND REVISED TITLE PAGE

LOCAL EXCHANGE SERVICE

ORIGINAL

COX ARIZONA TELCOM, L.L.C.
d/b/a/ Cox Communications
d/b/a/ Cox Business Services

(T)

**REGULATIONS AND SCHEDULE OF INTRASTATE CHARGES
APPLYING TO LOCAL EXCHANGE SERVICE
WITHIN THE STATE OF ARIZONA**

**ADMINISTRATIVELY
APPROVED FOR FILING**

Issue Date: January 21, 2004

Effective Date: February 20, 2004

Issued By: Martin Corcoran
Director, Tariff Development
Cox Communications, Inc.
1400 Lake Hearn Drive,
Atlanta, GA 30319

LOCAL EXCHANGE SERVICE

SECTION 3 - Service Descriptions, cont'd.

3.1.2 Local Exchange Service, cont'd.

2. Local Line, Rates and Charges

A Local Line Customer will be charged applicable Non-Recurring Charges (NRCs), monthly Recurring Charges as specified in Sections 3.1.2.2.(a) and 3.1.2.2.(b) respectively. (T)

(a) Non-Recurring Charge	Residential		Business		Home Office		
	Current	Max	current ^P	Max	Current	Max	
Line Connection charge ¹ per line			\$45.00	\$50.00	\$45.00	\$50.00	(N) (R)
Lines 1-4 ³	\$24.95	\$40.00					
Lines 5-8	\$75.00	\$80.00					
FastConnect ⁴	\$ 9.95	\$40.00					
Transfer of service ^A	\$19.95	\$40.00					
Premium Service Connect ⁵	\$00.00	\$40.00					
Seasonal Service	\$10.00	\$15.00	\$25.00	\$25.00			(M)
Account Changes (per number after initial per billing record change	\$10.00	\$10.00	\$20.00	\$20.00	\$20.00	\$20.00	(T)
PIC-2 Change (per line - initial set-up) after initial set-up*	\$5.00	N/C \$5.00	\$5.00	N/C \$5.00	\$5.00	\$5.00	(T) (D)
Line Restoral Charge (per line)	\$ 0.00	\$0.00	\$25.00	\$25.00	\$25.00	\$25.00	(T)

* Waive PIC change charge if Cox Long Distance is selected.
(M) Material relocated from page 107.

¹ A reduced charge of one-half the non-recurring rate is available for the initial connection of service for those eligible under Link Up America Assistance Plan. (See Section 6.1)

² New Business Customers, who sign a three or five year contract and change their business line service to Cox from another carrier by porting their numbers to Cox will pay only \$90 for up to 10 lines. After 10 lines, normal non-recurring rates apply. (N)
(N)
(N)

³ Line connection charge for the initial establishment of service includes connection of up to four lines per account. Each line thereafter will be charged the current rate as set forth above.

⁴ FastConnect is an optional Line Connection service offered in situations where the customer need not be at home to complete the service installation.

^A Transfer of Service is a relocation of service within the Cox service area.

⁵ Premium Service install is offered to customers that subscribe to an access line, the Solutions Package and an optional LD call plan with an associated monthly recurring charge.

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LOCAL EXCHANGE SERVICE

SECTION 3 - Service Descriptions, cont'd.

3.1 Local Exchange Service, cont'd.

3.1.2.2 Local Line, Rates and Charges, cont'd.

(b) Monthly Recurring Charges

Residential Rates:

Local Access Line Flat-Rate Service	Current Rate	Maximum Rate	
Standard Service	\$13.00	\$13.00	
Additional lines	\$13.00	\$13.00	(M)
Combination Service	\$11.75	\$11.75	(M)
Second line	\$8.50	\$13.00	(M)
Additional lines	\$11.75	\$11.75	(M)
Seasonal service^P	\$8.50	\$10.00	(M)

Business Rates:

Local Access Line Flat-Rate Service	Business	Max Rate	Home Office	Max Rate
Per Business Line				
Month to-Month	\$30.00	\$30.00	\$30.00	\$30.00
1 Year ^W	\$28.00	\$30.00	\$28.00	\$30.00
	\$28.00	\$30.00	\$28.00	\$30.00
	\$28.00	\$30.00	\$28.00	\$30.00
	\$26.00	\$30.00	\$26.00	\$30.00
Local Access Line Measured-Rate				
Measured Service	\$15.00	\$15.00	N/A	N/A
Per Minute	\$0.10	\$0.10	N/A	N/A
Seasonal Service	\$20.00	\$20.00	N/A	N/A

(M) Material moved from page 107.

^P For description of Seasonal Service, see Section 7.2, page 106.

^W All term contracts will include, at no additional charge for the duration of the contract, three standard features: Call Forwarding, Call Waiting, and Caller ID, or a choice of the following features: Call Forwarding, Call Waiting, Caller ID, Call Forward-Busy, Call Forward-No Answer, 3-Way Calling, Call Transfer, Speed Call 30, Hunting*. Offer not available on month-to-month service.

*Hunting is not offered with Call Waiting, Call Forward-Busy or Call Forward-No Answer.

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LOCAL EXCHANGE SERVICE
SECTION 3 - Service Descriptions, cont'd.

3.1 Local Exchange Service, cont'd.

3.1.2.2 Local Line, Rates and Charges, cont'd.

(d) Business Optional Features	MRC ^A	MRC MAX	NRC ^B	NRC Max	(T)
(per line equipped)	(\$)	(\$)	(\$)	(\$)	
Anonymous Call Rejection	N/C		N/C		
Auto Ring-Down Service	3.59	3.59	13.00	13.00	(N)
Busy Line Redial	3.50	3.50	13.00	13.00	
Call Forwarding	3.50	3.50	13.00	13.00	
Call Forwarding - Busy	3.50	3.50	13.00	13.00	
Call Forwarding - Don't Answer	3.50	3.50	13.00	13.00	
Call Forwarding - Busy/Don't Answer	5.50	7.00	13.00	13.00	
Call Forwarding - Remote Access	3.50	3.50	13.00	13.00	
Call Return	3.50	3.50	13.00	13.00	(D)
Call Transfer	3.50	3.50	13.00	13.00	
Call Waiting	7.00	7.00	13.00	13.00	
Call Waiting ID	12.00	12.00	13.00	13.00	
Caller ID	7.00	7.00	13.00	13.00	
Distinctive Ringing	3.50	3.50	13.00	13.00	
Long Distance Alert	3.50	3.50	13.00	13.00	
Priority Ring	3.50	3.50	13.00	13.00	
Remote Call Forwarding (RCF)	17.00	17.00	30.00	30.00	
RCF Additional Paths	17.00	17.00	30.00	30.00	
Selective Call Acceptance	3.50	3.50	13.00	13.00	
Selective Call Forwarding	3.50	3.50	13.00	13.00	
Selective Call Rejection	3.50	3.50	13.00	13.00	
Speed Calling - 8	3.50	3.50	13.00	13.00	
Speed Calling - 30	4.25	4.25	13.00	13.00	
Six-Way Calling	4.25	4.25	13.00	13.00	
Three-Way Calling	3.50	3.50	13.00	13.00	
Business Value Package	62.95	12.95	13.00	13.00	
Business ID Package	17.95	17.95	13.00	13.00	
Business Solution Package	21.95	21.95	13.00	13.00	(T)

^A Rates apply to Home Office Service offering as well as Business Service.

^B For Custom Calling Features ordered with initial service order, the Non-Recurring Charge will be waived.

(T)

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ADMINISTRATIVELY
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LOCAL EXCHANGE SERVICE

SECTION 3 - Service Descriptions, cont'd.

3.1 Local Exchange Service, cont'd.

3.1.3 Cox Connect Trunks

(T)

Cox Connect Trunk(s) provide Business Customer with voice-grade communication channel(s) to the Customer's Private Branch Exchange (PBX) or Hybrid Key System. Local Trunks can be provisioned as either analog or digital and will be provided in the following manner:

(T)

1. Cox Connect Trunk

(T)

Local Trunk-Basic can be used to carry one-way outbound traffic, one-way inbound or two-way traffic.

(a) One-way Outbound

Provides the Customer with a single analog connection which is restricted to carry outbound traffic only.

(b) One-way Inbound or Two-way

Provides the Customer with a single analog connection which can carry one-way inbound or two-way traffic.

1. Hunting Service

Where facilities and operating conditions permit, hunting services are available to both residential and business Customers with two or more lines of service at the same location. Lines are arranged to accommodate busy line overflows to other lines in the hunt group.

Rates and Charges
Hunting, per line

NRC
\$13.00

Monthly
\$3.50

(c) Cox Connect Trunk - Rates and Charges:

(T)

A Cox Connect Trunk Customer will be charged applicable Non-Recurring Charges and monthly Recurring Charges as specified in Sections 3.1.3.1.(c).1 and 3.1.3.1.(c).2 respectively. Local Line charges are only offered on a flat rate service basis.

(T)

1. Non-Recurring Charges

Line Connection (per Trunk)

\$50.00

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LOCAL EXCHANGE SERVICE

SECTION 3 - Service Descriptions, cont'd.

3.1 Local Exchange Service, cont'd.

3.1.3 Cox Connect Trunk, cont'd. (T)

(c) Cox Connect Trunk - Rates and Charges, cont'd. (T)

1. Non-Recurring Charges, cont'd.

Account/Number Changes
(Per Billing Record Change) \$20.00

Initial PIC-2 Change
(per line) N/C
after initial set-up* 5.00

Line Restoral charge³
(per trunk) \$25.00

Suspension of Service
Restoral Charge
(per trunk) \$25.00
(Applies for trunk restoral after Customer-initiated suspenslon.)

2. Monthly Recurring Charges

Cox Connect Trunk (T/D)
(per trunk)
Flat Rate \$35.00

* Waive PIC change charge if Cox Long Distance is selected.

³ If service is temporarily interrupted and payment is not received within 10 days following the interruption, the Company reserves the right to discontinue service. If service is discontinued and subsequently re-established, charges apply as for a new installation of service.

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LOCAL EXCHANGE SERVICE

SECTION 3 - Service Descriptions, cont'd.

3.1 Local Exchange Service, cont'd.

3.1.3 Cox Connect Trunk, cont'd.

(T)

2. Direct Inward Dialing (DID)

Provides the Business Customer with Direct Inward Dialing over a single analog connection which can carry one-way, inbound traffic.

A Customer who orders DID will be charged applicable Non-Recurring Charges and monthly Recurring Charges as specified following. Rates for a volume of Numbers greater than 100 will be provided on an individual case basis.

(a) Rates and charges⁴

	<u>NRC</u>	<u>Monthly Recurring</u>
DID Service Lines (each)	\$50.00	\$45.00
Each 20 DID Line Numbers (per block)	\$20.00	\$3.00
Block Compromise charge ⁵	\$450.00	N/A

⁴ In addition to the rates and charges identified above, the charges as specified for PBX Trunks in Section 3.1.3.1.(c) 1 & 2 would apply.

⁵ Permanent removal of a telephone number from a sequential number group per sequential number block.

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LOCAL EXCHANGE SERVICE

SECTION 3 - Service Descriptions, cont'd.

3.4 Directory Listings, cont'd.

3.4.5 (cont'd)

4. **Non-Directory Listed:** A non-directory listed number will be furnished at the Customer's request, providing for the omission or deletion of the Customer's listing from the telephone directory. Such Listings will be carried in the Company's directory assistance and other records and will be given to any calling party. Rates for Nonlisted Listings are specified in Section 3.4.6.

3.4.6 Directory Listings Rates

	<u>Residential</u>			<u>Business</u>			
	<u>Monthly</u>			<u>Monthly</u>	<u>NRC</u>		
	<u>Current</u>	<u>Max</u>	<u>NRC</u>	<u>Current</u>	<u>Max</u>	<u>NRC</u>	
Primary Listing	N/C	N/C	N/C	N/C	N/A	N/A	
Additional/Foreign Listing	\$2.00	3.00	\$5.00	\$2.00	\$5.00(C)	\$20.00	(C)
Non-Published	\$2.00	3.00	\$5.00	\$2.00	\$5.00(C)	\$20.00	(C)
Non-Directory Listed	\$2.00	3.00	\$5.00	\$2.00	\$5.00(C)	\$20.00	(C)
Change Listing	N/A	N/A	\$5.00	N/A	N/A	\$20.00	

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LOCAL EXCHANGE SERVICE

SECTION 3 - Service Descriptions, cont'd.

3.1 Local Exchange Service, cont'd.

3.1.5 ISDN-PRI SERVICE

5. Rates and Charges, cont'd.

(T)

2. Rates

	<u>NRC</u> <u>(\$)</u>	<u>Monthly</u> <u>(\$)</u>
a. Primary Rate Access Facility, each	800	250
b. ISDN-PRI Configuration Options:		
23B+D	700	300
24B	700	300
23B+Back-up D	700	350
Caller ID, per PRI Interface	N/C	N/C
c. Trunk Connection Types:		
Call-By-Call Service selection	100	75
Dedicated Services	50	45
d. PRI Reconfiguration Charge		
Trunk Change Charge, per PRI		
Change in D-channel configuration (23B+D; 24B; 23B+Back-up D)	300	N/A
e. Individual Additional Telephone Numbers, each number	25	3

f. The following rates apply for Bulk-rated PRI services for terms of 1 month to 5 years. The rate includes the access facility, configuration option (23B+D, 24B, or 23+D Backup), trunk connection type (DOD, DID, 2-way, Call-by-Call Selection), and 100 DID numbers.

(T)

	<u>NRC</u> <u>(\$)</u>	<u>Max NRC</u> <u>(\$)</u>	<u>MRC</u> <u>(\$)</u>	<u>Max MRC</u> <u>(\$)</u>
Month-to-Month	waived	\$1000	\$975	\$1200
1-Year Contract	waived	\$1000	\$950	\$1200
2-Year Contract	waived	\$1000	\$800	\$1200
3-Year Contract	waived	\$1000	\$775	\$1200
5-Year Contract	waived	\$1000	\$750	\$1200

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LOCAL EXCHANGE SERVICE

SECTION 3 - Service Descriptions, cont'd.

3.3 Operator Assistance, cont'd.

3.3.1 Operator Assisted Surcharges: The following surcharges will be applied on a per call basis.

Third Number Billing (Operator Dialed)	\$2.00
Third Number Billing (Customer Dialed)	\$2.00
Calling Card (Operator Dialed)	\$2.00
Collect Calling (Operator Dialed)	\$2.00
Collect Calling (Customer Dialed)	\$2.00
Person to Person (Operator Dialed)	\$4.00
Person to Person (Customer Dialed)	\$4.00
Station to Station (Operator Dialed)	\$2.00
General Assistance	N/C

3.3.2 Busy Line Verification and Interrupt Service: Busy Line Verification and Interrupt Service, which is furnished where and to the extent that facilities permit, provides the Customer with the following options:

- 1. Busy Line Verification:** Upon request of the calling party, the Company will determine if the line is clear or in use and report to the calling party.
- 2. Busy Line Verification with Interrupt:** The operator will interrupt the call on the called line only if the calling party indicates an emergency and requests interruption.

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ORIGINAL

LOCAL EXCHANGE SERVICE

SECTION 3 - Service Descriptions, cont'd.

3.3 Operator Assistance, cont'd.

3.3.2 Busy Line Verification and Interrupt Service:

3. Rates: Rates for Busy Line Verification and Interrupt Service, as specified below, will apply under the following circumstances:

- (a) The operator verifies that the line is busy with a call in process.
- (b) The operator verifies that the line is available for incoming calls.
- (c) The operator verifies that the called number is busy with a call in progress and the Customer requests interruption. The operator will then interrupt the call advising the called party the name of the calling party. One charge will apply for both verification and interruption.

Per Request

Busy Line Verification	\$5.00
Busy Line Verification with Interrupt	\$5.00

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LOCAL EXCHANGE SERVICE

SECTION 3 - Service Descriptions, cont'd.

3.5 Emergency Services (Enhanced 911)

Allows Customers to reach appropriate emergency services including police, fire and medical services. Enhanced 911 has the ability to selectively route an emergency call to the primary E911 provider so that it reaches the correct emergency service located closest to the caller. In addition, the Customer's address and telephone information will be provided to the primary E911 provider for display at the Public Service Answering Point (PSAP).

3.6 Custom Telephone Numbers

When establishing service where a new telephone number is assigned, the Company may attempt to match the last four digits of the Customer's previous telephone number at no additional charge. Custom Telephone Number will charges apply for all other specifically requested telephone numbers. At the Customer request, the Company may assign a telephone number with the last four digits selected by the Customer. The assignment is subject to availability of a particular number and subject to the terms and conditions set forth herein and in Section 2.1.3.

(T)
(T)

The following charges will apply for Custom Telephone Numbers:

	Non-Recurring (per number)		Monthly Recurring (per number)	
	Current	Max	Current	Max
Residential	\$50.00	\$75.00	\$0.00	\$0.00
Business	\$100.00	\$250.00	\$3.50	\$10.00

3.7 Residential Customer Referral Discount Coupon.

A one-time discount coupon will, at the companies discretion, be distributed from Cox Communication employees and referring Cox Digital Telephone subscribers, entitling new Customers to a discount on Cox Digital Telephone (CDT) Service. To redeem the coupon, it must be presented as described on the coupon and within 90 days of CDT installation. A new Customer is defined as one who has never subscribed to Cox Digital Telephone Service prior to submitting the referral coupon.

(N)
|
(N)

3.8 Telecommunications Relay Service (TRS)

Enables deaf, hard-of-hearing or speech-impaired persons who use a Text Telephone (TT) or similar devices to communicate freely with the hearing population not using TT and visa versa. A Customer will be able to access the state provider to complete such calls.

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LOCAL EXCHANGE SERVICE

SECTION 7 - Miscellaneous Service Offerings

7.1 Toll Restriction

Toll Restriction allows the Customer the flexibility to restrict both business and residential access lines and trunks from billable toll calls, but allows completion of local directory assistance calls. If a Customer attempts to dial a restricted toll call, the Customer's call will be intercepted and an announcement will advise the caller of the toll restriction.

7.1.1 Terms and Conditions

- Where facilities and operating conditions permit, this service will be offered to both business access lines and trunks and residential access lines.
- Toll Restriction may prevent the completion of 1+ local calls.
- Toll Restriction is available to Lifeline Customers at no charge.

7.1.2 Rates and Charges

	<u>NRC</u>	<u>Monthly</u>
Business, per line or trunk	\$25.00	\$3.50
Residence, per line*		

(T)

7.2 Temporary Suspension of Service - Customer Initiated (Seasonal Service)

(T)

Service may be temporarily suspended at the Customer behest. Prior to the service suspension, the Customer shall have paid for at least the first full month of service.

7.2.1 Terms and Conditions

The suspension rate will not be applicable until after the service has been in effect for at least one full month.

* For rates and charges, see section 3.1.2.2 (c.1), page 62.

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LOCAL EXCHANGE SERVICE

SECTION 7 - Miscellaneous Service Offerings

7.4 Number Referral Service

The following charges are for Number Referral Service only and are in addition to any applicable service charges, monthly rates and nonrecurring charges with which they are associated,

7.4.1 Rates and Charges

1. Residence Service

Basic Referral Service

Charge

Primary Number

- first 3 month period
- one additional 3 month period

N/C
\$10.00

Additional Numbers

- first 3 month period
- one additional 3 month period

N/C
\$10.00

2. Business Service

Basic Referral Service

Primary Number

- first month
- each month up to 12 months or new directory issue date, whichever is longer
- each month beyond 12 months or new directory issue date, whichever is longer

N/C
N/C
\$15.00

Additional Numbers

- first and additional months, each

\$15.00

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ORIGINAL

LOCAL EXCHANGE SERVICE

SECTION 7 - Miscellaneous Service Offerings**7.4 Number Referral Service, cont'd****7.4.1 Rates and Charges**Direct Inward Dial Service

(D)

Sequential Referral ServiceChargePrimary Number

- first month N/C
- each month up to 12 months or new directory issue date, whichever is longer N/C
- each month beyond 12 months or new directory issue date, whichever is longer \$7.00

Additional Numbers

- first and additional month, each sequential number referred \$7.00

Non-Sequential Referral ServicePrimary Number

- first month N/C
- each month up to 12 months or new directory issue date, whichever is longer N/C
- each month beyond 12 months or new directory issue date, whichever is longer \$7.50

Additional Numbers

- first and each additional month each non-sequential number referred \$7.50

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**COMPETITIVE
EXCHANGE AND
NETWORK SERVICES**

**Qwest Corporation
Price Cap Tariff No. 2
Arizona**

**TITLE PAGE
Release 1**

Issued: 4-24-06

Effective: 5-1-06
Per Decision No. 68604

TERMS, CONDITIONS, RATES AND CHARGES

Applying to the provision of competitive and flexibly priced intrastate

EXCHANGE AND NETWORK SERVICES

within the operating territory of

Qwest Corporation

in the State of

ARIZONA

as provided herein

Effective May 1, 2006, this Tariff No. 2 cancels and replaces the Qwest Corporation Competitive Exchange and Network Services Price Cap Tariff that became effective August 29, 2001, and all the subsequent revisions.

Issued: 7-30-01

Effective: 8-29-01

2. GENERAL REGULATIONS - CONDITIONS OF OFFERING

2.2 ESTABLISHING AND FURNISHING SERVICE

2.2.9 TERMINATION OF SERVICE - COMPANY INITIATED (CONT'D)

B. Nonrecurring Charge for Restoral of Service

- 1 A nonrecurring charge will be applied to reestablish service if service is interrupted due to nonpayment of exchange service, toll service or other regulated charges, but an order providing for complete disconnection has not been completed. The following charge will be applied unless a charge for restoral of service is included in a specific service's section of the Tariff. Additionally, all charges up to the date of the suspension are due prior to restoral of service.
2. Once a disconnection order has been completed, service will be reestablished only upon the basis of a new application for service in addition to any charges for regulated services due up to the date of suspension.

**NONRECURRING
CHARGE**

- Each line restored
 - Residence
 - Business

\$25.00
55.00

3. Where Full Toll Denial (see 2.2.9.A.9., preceding) has been applied to a customer's account, and the customer's primary exchange access line service remains connected, MTS will be reestablished only upon the payment of all outstanding MTS charges. The following MTS Restoration Charge will apply:

**USOC
NONRECURRING
CHARGE**

Per line

NPAPL

\$16.00

**COMPETITIVE
EXCHANGE AND
NETWORK SERVICES**

**Qwest Corporation
Price Cap Tariff No. 2
Arizona**

**SECTION 5
Page 8
Release 1**

Issued: 4-24-06

Effective: 5-1-06
Per Decision No. 68604

5. EXCHANGE SERVICES

5.2 LOCAL EXCHANGE SERVICE

5.2.8 HOME BUSINESS LINE (HBL) SERVICE (CONT'D)

C. Rates and Charges

	USOC	NONRECURRING CHARGE	
		MAXIMUM	CURRENT
<i>HOME BUSINESS LINE, each</i>	BHS	\$85.00	\$42.50
		MAXIMUM MONTHLY RATE	CURRENT MONTHLY RATE
<i>HOME BUSINESS LINE, each</i>	BHS	\$108.09	\$36.03

Issued: 3-1-07

Effective: 4-1-07

5. EXCHANGE SERVICES

5.3 PRIVATE BRANCH EXCHANGE (PBX) TRUNKS (CONT'D)

5.3.3 FLAT RATE TRUNKS[1]

- A. Two-way, four-wire trunk with E&M signaling, *DID* Service and hunting is not available to Joint User Service customers.
- B. The Business Trunk rates do not apply when a customer subscribes to a Rate Stabilized Plan as specified in E., following. This Rate Stabilized Plan will not include Flat Rate Resale Access trunks as found in 5.10, following or two-way, four-wire trunks with E&M signaling, *DID* Service and hunting.
- C. The following nonrecurring charge applies per trunk to install and to connect a trunk when changing a grade of service to PBX Service.

Business	USOC	NONRECURRING CHARGE	
		MAXIMUM	CURRENT
• 2-Way	TFB	\$112.00	\$ 65.00 (I)
• 2-Way, 4-wire with E&M signaling, <i>DID</i> and hunting[2]	THHCX	132.00	75.00
• 1-Way out	TFU	112.00	65.00
• 1-Way in	TFN	112.00	65.00
• 1-Way in, with hunting for <i>DID</i> [2]	TDD	132.00	75.00
• TTT-LD terminal	TTT	254.00	150.00 (I)
		MAXIMUM MONTHLY RATE	CURRENT MONTHLY RATE
• 2-Way	TFB	\$115.53	\$39.00 (I)
• 2-Way, 4-wire with E&M signaling, <i>DID</i> and hunting[2]	THHCX	220.53	74.00
• 1-Way out	TFU	115.53	39.00
• 1-Way in	TFN	115.53	39.00
• 1-Way in, with hunting for <i>DID</i> [2]	TDD	127.53	44.00
• TTT-LD terminal	TTT	51.48	20.00 (I)

[1] A Basket 2 Service. See Preface Page 1, preceding.

[2] Requires a *DID* trunk circuit termination. See 5.3.4, following, for terms, conditions, rates and charges.

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5. EXCHANGE SERVICES

5.3 PRIVATE BRANCH EXCHANGE (PBX) TRUNKS
5.3.4 DIRECT-INWARD-DIALING (DID) SERVICE[1]
C.1. (Cont'd)

	USOC	MAXIMUM MONTHLY RATE	CURRENT MONTHLY RATE
Each in-only analog trunk circuit termination[2]	NDT	\$135.00	\$45.00
• Each in-only digital trunk circuit termination[3]	ND1	135.00	45.00
Each 2-way digital trunk circuit termination with answer supervision[3]	ND2	135.00	45.00
Each 2-way, 4-wire analog trunk circuit termination[4]	NAY	135.00	45.00
2. DID Telephone Numbers			
• Nonsequential telephone number, each	NHN	0.45	0.15
DID block of twenty sequential telephone numbers, per block	NGS	9.00	3.00

[1] A Basket 2 Service. See Preface Page 1, preceding.

[2] In addition, a PBX trunk is required.

[3] In addition, a digital trunk or B-channel is required.

[4] In addition, a THHCX PBX trunk, specified in 5.3.3, preceding, is required.

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5. EXCHANGE SERVICES

5.3 PRIVATE BRANCH EXCHANGE (PBX) TRUNKS

A. General

1. PBX Service is not provided on a one-way basis. Therefore, in-only or out-only trunks must be used in combinations which provide for two-way service for the PBX system.
2. Where PBX trunks are provided outside of the base rate area, a zone or locality rate area increment equal to the increment for individual line business service will apply.
3. Nonrecurring Change Charge

The following nonrecurring change charge applies, at the customer's request, unless otherwise specified, for all miscellaneous changes or rearrangements of PBX trunks:

	NONRECURRING CHARGE	
	MAXIMUM	CURRENT
Per PBX trunk	\$65.00	\$32.50

4. Because calls cannot be received on out-only trunks, the Company will arrange with customers using these trunks to redirect incoming calls to a trunk which can receive calls or to make necessary custom local area signaling data base changes.
5. Loop Diversity and/or Avoidance defined in the Competitive Private Line Transport Services Price Cap Tariff are available with business trunks.
 - a. Customers subscribing to Loop Diversity must also have additional facilities for the diverse route.
 - b. Customers subscribing to Avoidance may be required to pay Foreign Central Office charges, as defined in Section 5 of the Competitive Private Line Transport Services Price Cap Tariff.

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5. EXCHANGE SERVICES

5.4 PREMIUM EXCHANGE SERVICES
5.4.3 CUSTOM CALLING SERVICES[1]
C.1. (Cont'd)

a. Custom Calling Services, each line

BUSINESS	USOC	MAXIMUM MONTHLY RATE	CURRENT MONTHLY RATE
Abbreviated Access, one-digit			
- Each shared speed call list	EV5	\$58.50	\$19.50
- Each line arranged	EV4	0.75	0.25
• Abbreviated Access, two-digit			
- Each shared speed call list	EV9	88.50	29.50
- Each line arranged	EV8	0.75	0.25
Call Forwarding			
- Busy Line (expanded)	FBJ	7.50	2.50
- Busy Line (external)	EVB	7.50	2.50
- Busy Line (overflow)	EVO	12.00	5.00 (I)
- Busy Line/Don't Answer (expanded)	FVJ	15.00	5.00
- Busy Line (external)/Don't Answer	EVF	15.00	5.00
- Busy Line (overflow)/Don't Answer	EVK	22.50	7.50
- Busy Line (programmable)	ERB	22.50	7.50
- Don't Answer	EVD	10.50	3.50
- Don't Answer (expanded)	FDJ	10.50	3.50
- Don't Answer (programmable)	ERD	12.00	4.00
- Variable	ESM	12.90	5.00 (I)
- No call completion option	FOQ	-	-

[1] A Basket 2 Service. See Preface Page 1, preceding.

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5. EXCHANGE SERVICES

5.4 PREMIUM EXCHANGE SERVICES
5.4.3 CUSTOM CALLING SERVICES[1]
C.1.a. (Cont'd)

BUSINESS	USOC	MAXIMUM MONTHLY RATE	CURRENT MONTHLY RATE
Call Manager Connection	NLUBQ	\$58.35	\$19.45
- with Call Waiting	NLUBR	58.35	19.45
- with Call Waiting ID	NLUBT	58.35	19.45
- with U S WEST Receptionist	NLUBS	58.35	19.45
Call Rejection	NSY	12.00	4.50 (I)
Call Transfer	EO3	16.50	6.00
• Call Waiting	ESX	21.00	7.50
• CALLER ID WITH PRIVACY +	N6S	31.35	10.95
• Caller Identification - Name and Number	NNK	22.35	7.95
Caller Identification - Number	NSD	22.35	7.95
• Continuous Redial	NSS	9.00	3.50 (I)
• Dial Call Waiting	WDD	5.70	1.90
Dial Lock	OC4	10.35	3.95 (I)
Directed Call Pick Up	PUN	2.25	0.75
• Directed Call Pick Up with Barge-In	PUQ	2.25	0.75
• Distinctive Alert	DHA	2.25	0.75
Do Not Disturb	D7T	10.35	3.95 (I)
Easy Access	SQAVX	2.19	0.73
• SECURITY SCREEN	RV1	8.10	2.70

[1] A Basket 2 Service. See Preface Page 1, preceding.

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5. EXCHANGE SERVICES

5.4 PREMIUM EXCHANGE SERVICES
5.4.3 CUSTOM CALLING SERVICES[1]
C.1.a. (Cont'd)

BUSINESS	USOC	MAXIMUM MONTHLY RATE	CURRENT MONTHLY RATE
Hot Line	HLA	\$ 5.25	
Last Call Return	NSQ	7.50	3.10 (I)
• NO SOLICITATION	SB5	19.35	
• Priority Call	NSK	9.00	
Remote Access Forwarding	AFD	21.75	7.95 (I)
• Scheduled Forwarding	ATF	24.75	8.95
• Selective Call Forwarding	NCE	9.00	3.50 (I)
Selective Call Waiting	S7W, S7Y	22.50	
Speed Calling, 8-number capacity	E8C	7.50	3.10 (I)
Speed Calling, 30-number capacity	E3D	12.00	5.00 (I)

[1] A Basket 2 Service. See Preface Page 1, preceding.

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5. EXCHANGE SERVICES

5.4 PREMIUM EXCHANGE SERVICES
5.4.3 CUSTOM CALLING SERVICES[1]
C.1.a. (Cont'd)

BUSINESS	USOC	MAXIMUM MONTHLY RATE	CURRENT MONTHLY RATE
Talking Call Waiting[2]	TW1	\$ 10.35	\$ 3.45
Three-Way Calling	ESC	10.50	4.35 (I)
• <i>US WEST</i> Receptionist			
- with Name & Number	EWY2X	43.65	14.45
- with Number only	EWY2O	43.65	14.45
- with CALLER ID WITH PRIVACY +	EWY29	52.35	17.45
Warm Line	WLS	6.75	2.25
• Wireless Extension	HME	13.35	4.45

[1] A Basket 2 Service. See Preface Page 1, preceding.

[2] The rate for Talking Call Waiting is in addition to the rate for Call Waiting.

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5. EXCHANGE SERVICES

5.4 PREMIUM EXCHANGE SERVICES
5.4.3 CUSTOM CALLING SERVICES[1]
C.1. (Cont'd)

b. Custom Calling Services, per occurrence

	CHARGE		
	MAXIMUM	CURRENT	
• Call Trace, Pay per use basis per activation[2]			(T)
- Business	\$6.00	\$2.00	(T)
- Residence	6.00	2.00	
Continuous Redial, Pay per use basis per activation[3]			
- Business	2.25	0.75	
- Residence	2.25	0.75	
Last Call Return, Pay per use basis per activation[4]			(T)
- Business	2.25	0.75	(T)
- Residence	2.25	0.75	
Three-Way Calling, Pay per use basis per activation[5]			(T)
- Business	2.25	0.75	(T)
- Residence	2.25	0.75	
I-CALLED, Pay per use basis per activation			
- Business	2.85	0.95	
- Residence	2.85	0.95	

[1] A Basket 2 Service. See Preface Page 1, preceding.

[2] Pay per use charge will not apply if the trace is not successful.

[3] Pay per use charge applies per activation regardless of whether the call is completed.

[4] Pay per use charge applies per activation regardless if the telephone number is correct or whether a return can be placed.

[5] Pay per use charge applies per activation regardless if the third party is added to the existing conversation.

(C)

(N)

(N)

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5. EXCHANGE SERVICES

5.4 PREMIUM EXCHANGE SERVICES (CONT'D)

5.4.11 HUNTING SERVICE[1]

A. Description

Hunting Service is an optional arrangement available to customers with two or more individual line services. Where facilities permit, such lines will be arranged so that incoming calls to a busy line will overflow to other of the customer's lines not busy. The following types of hunting arrangements are available: series and multiline (basic hunting), circular, and preferential.

B. Rates and Charges

1. The rate for each individual line arranged for Hunting Service is in addition to the regular individual line rate.
2. The following monthly increment is for business or residence Hunting Service.

	USOC	MAXIMUM MONTHLY RATE	CURRENT MONTHLY RATE
Business/Residence - Basic hunting, per access line	HTG	\$12.00	\$5.00 (1)

[1] A Basket 2 Service. See Preface Page 1, preceding.

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5. EXCHANGE SERVICES

5.7 DIRECTORY SERVICES

5.7.1 LISTING SERVICES[1]

L. Rates and Charges (Cont'd)

	USOC	MAXIMUM MONTHLY RATE	CURRENT MONTHLY RATE
Additional Listings, each			
- Business[2]	CLT	\$7.50	\$3.10 (1)
- Residence[2]	RLT	3.75	1.50
• Alpha Listing, each			
- Business	RNCAF	7.50	3.10
- Residence	RNCAF	3.75	1.50
Client Main Listing, each			
- Business	LBS	7.50	3.10
- Residence	LRS	3.75	1.50
• E-Mail Address Listing, each			
- Residence	EM6	3.75	1.50
• URL Address Listing, each			
- Residence	NL1	3.75	1.50 (1)
• Listing Packages			
E-Mail/URL Address Listing, each			
- Residence	L9GEU	6.75	2.25
• Foreign Listings, each			
- Business[2]	FAL	-	[3]
- Residence[2]	FAL	-	[3]
• Informational Listings, each			
- Residence	XLL	\$3.75	\$1.50 (1)

[1] A Basket 2 Service. See Preface Page 1, preceding.

[2] For customers located in Area Code 520 who are experiencing problems with incoming call completion due to the Area Code 602/520 split, the monthly rate and nonrecurring charge for a Foreign Listing (USOCs: FAL, CLT, RLT) will be waived for customers in Area Code 520 who subscribe to *MARKET EXPANSION LINE* Service, as specified in 5.4.4.B.7.c., preceding.

[3] The Foreign Listing (FAL) in this State takes the appropriate Additional Listing (CLT or RLT) rate as shown above. Should the FAL be in another State, then that State's CLT or RLT rate apply.

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5. EXCHANGE SERVICES

5.7 DIRECTORY SERVICES
5.7.7 CUSTOM NUMBER SERVICE[1]
B.2. (Cont'd)

- b. To reject any request for personalized numbers for any reason, including, but not limited to, numbers that may, in the Company's opinion, be offensive to good taste, limited by central office capacity or by relocation of a central office.
 - c. Of ownership of all telephone numbers and prohibits the reassignment or resale of a telephone number by any customer.
3. The Company shall in no event be liable to any customer for direct, indirect or consequential damages caused by a failure of service, or inadvertent assignment of a requested number to another customer whether prior to or after establishment of service. In no event shall the Company be liable to any person, firm or corporation for any amount greater than such person, firm or corporation has actually paid to the Company for the Custom Number Service.
4. Telephone number requests for a specific telephone number are granted providing the requested telephone number is available, e.g., not assigned to a current customer, ready to be assigned and no equipment limitations exist. Requests for a specific telephone number will be honored on a first-come, first-served basis.

C. Charges

	USOC	NONRECURRING CHARGE	
		MAXIMUM	CURRENT
• Each number requested and provided			
- Residence	RNCSP	\$150.00	\$ 75.00
- Business	RNCSP	500.00	250.00

[1] A Basket 2 Service. See Preface Page 1, preceding.

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6. MESSAGE TELECOMMUNICATION SERVICE

6.2 STANDARD SERVICE OFFERINGS

6.2.4 DIRECTORY ASSISTANCE SERVICE

A. Directory Assistance (Cont'd)

2. Allowances

- a. A customer is allowed one directly dialed Directory Assistance call per month at no charge for each central office line or trunk, excluding PALs.
- b. Centrex customers receive one directly dialed Directory Assistance call per month at no charge for each eight Centrex main station lines or fraction thereof if the total number of stations is not divisible by eight.
- c. For School Centrex service, the Centrex allowance applies for administrative main station lines. The regular central office line allowance applies to each dormitory station line or special student billing number.
- d. The call allowance is not transferable between separate accounts of the same customer.

3. Charges

- a. In locations, including Public Access Lines, where the customer has the capability to direct dial Directory Assistance but chooses to place the call as a mechanized or operator-assisted customer-dialed calling card call or operator-assisted station-to-station call, the appropriate charge, specified in 6.2.1, preceding, applies in addition to the Directory Assistance charge.

	CHARGE	
	MAXIMUM	CURRENT
Each call dialed directly by customer[1]	\$1.15	\$1.15
• Each call placed from Public Access Lines[2]		
- Direct Dial	0.60	0.60
- Alternately Billed	1.15	1.15

[1] Effective 04-01-2001, the maximum charge of each call dialed directly by the customer into Directory Assistance will be \$1.15.

[2] See 6.2.1, preceding, for additional charge applications.

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6. MESSAGE TELECOMMUNICATION SERVICE

6.2 STANDARD SERVICE OFFERINGS

6.2.1 TWO-POINT MESSAGE TELECOMMUNICATION SERVICE (CONT'D)

E. Hearing or Speech Impaired Persons Discount

A 50% rate reduction will apply to all direct dialed long distance calls, within the same LATA in the state of Arizona, that originate from a teletypewriter or similar device from a residential line of a certified hearing or speech impaired customer or his or her immediate family.

F. Charge Determination

The charge for residence, business or miscellaneous MTS is determined by the:

- Time of day and day of week
- Duration of call
- Class of call

2. MTS charges apply to calls placed to ScoopLine (SLS) on an MTS basis, in addition to the SLS call charges. The schedule is as follows:

- RESIDENCE - Applies to customer-dialed station-to-station calls

DAY RATE PER MINUTE		EVENING/NIGHT/WEEKEND RATE PER MINUTE	
MAXIMUM	CURRENT	MAXIMUM	CURRENT
\$0.72	\$0.35 (I)	\$0.45	\$0.35 (I)

BUSINESS - Applies to customer-dialed station-to-station calls

DAY RATE PER MINUTE		EVENING/NIGHT/WEEKEND RATE PER MINUTE	
MAXIMUM	CURRENT	MAXIMUM	CURRENT
\$0.78	\$0.37 (I)	\$0.78	\$0.37 (I)

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6. MESSAGE TELECOMMUNICATION SERVICE

6.2 STANDARD SERVICE OFFERINGS

6.2.8 OPERATOR VERIFICATION/INTERRUPT SERVICE

B. Terms and Conditions (Cont'd)

12. No charge will apply when the operator encounters a trouble condition or has reason to believe a trouble condition exists.
13. Requests which originate from stations equipped with *CUSTOMNET* Service will be completed and billed subject to applicable screening restrictions in addition to the regulations specified herein.
14. Verification and Interrupt Service is available only on an alternately billed basis (e.g. billed to a credit card) for Basic PALs, and alternately billed or coin deposit for Smart PALs.
15. Person-to-person service is not offered.

C. Charges

	CHARGE	
	MAXIMUM	CURRENT
Verification, per request	\$ 9.00	
Interrupt, per request		18.00

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3. SERVICE CHARGES

3.1 MISCELLANEOUS NONRECURRING CHARGES (CONT'D)

3.1.10 EXPEDITED ORDER CHARGE

Individual Case ISDN Service and Uniform Access Solution (UAS) Service customers may request a service date that is prior to the standard interval service date as set forth in the Qwest Corporation Service Interval Guide (SIG). If the Company agrees to provide the service on an expedited basis, an Expedite Charge will apply as set forth in the Competitive Private Line Transport Services Price Cap Tariff. The customer will be notified of the Expedite Charge prior to the order being issued.

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13. CUSTOMER PREMISES WIRE AND MAINTENANCE PLANS

13.2 PREMISES WORK CHARGES (CONT'D)

D. Charges

1 Residence

a. Time and Material Charges
(Maintenance/Repair and
complex wire installation)

	USOC	NONRECURRING CHARGE MAXIMUM	CURRENT
Schedule I			
Applicable to work performed during regularly scheduled business hours.			
Initial 30 minute increment or fraction thereof	HRD11	\$120.00	\$60.00
Additional 15 minute increment or fraction thereof	HRDA1	60.00	
Schedule II			
Applicable to work performed at hours other than Schedule I, excluding Sundays and holidays.			
- Initial 30 minute increment or fraction thereof	HRD12	140.00	
- Additional 15 minute increment or fraction thereof	HRDA2	70.00	

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6. OPERATOR SERVICES**6.2 OPERATOR SERVICES OFFERINGS(Cont'd)****6.2.6 OPTION D****A. Terms and Conditions**

Refer to 6.2.6 of the Arizona Tariff No. 2 for terms, conditions, and application of rates and charges.

B. Rates and Charges**Operator Services Surcharges – InterLATA/IntraLATA**

	CHARGE	
	INTERLATA	INTRALATA
Calling Card – Automated (0++)	\$0.95	\$0.95
Calling Card – Partially Assisted (0+-)	0.95	0.95
Calling Card – Fully Assisted (0--)	2.30	2.30
Credit Card – Automated (0++)	0.95	0.95
Credit Card – Partially Assisted (0+-)	0.95	0.95
Credit Card – Fully Assisted (0--)	2.30	2.30
Bill to Third Party – Automated (0++)	2.30	2.30
Bill to Third Party – Partially Assisted (0+-)	2.30	2.30
Bill to Third Party – Fully Assisted (0--)	3.80	3.80
Collect – Automated (0++)	2.30	2.30
Collect – Partially Assisted (0+-)	2.30	2.30
Collect – Fully Assisted (0--)	3.80	3.80
Person to Person – Partially Assisted (0+-)	4.50	4.50
Person to Person – Fully Assisted (0--)	6.50	6.50
Station to Station – Partially Assisted (0+-)	1.50	1.50
Station to Station – Fully Assisted (0--)	1.50	1.50

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REGULATIONS AND SCHEDULE OF CHARGES FOR
THE PROVISION OF COMPETITIVE
TELECOMMUNICATIONS SERVICES WITHIN
THE STATE OF ARIZONA

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Time Warner Telecom of Arizona, L.L.C.

Arizona C.C. Tariff No. 1
Third Revised Sheet No. 59.6
Cancels Second Revised Sheet No. 59.6

SECTION 3 - BASIC BUSINESS LINE SERVICE *continued*

3.3 Basic Business Line Service *continued*

3.3.5 Maximum Rates and Charges

A. Maximum Rates and Charges for Non-IBL/VersiPak Customers (N)

<u>Term</u>	<u>Maximum</u>			
	<u>Monthly Charge</u>	<u>Move Charge</u>	<u>Change Charge</u>	<u>Restore Charge</u>
Monthly	ICB	ICB	ICB	ICB
12 Months	\$33.75	\$67.50	\$67.50	\$67.50
24 Months	\$32.70	\$67.50	\$67.50	\$67.50
36 Months	\$31.73	\$67.50	\$67.50	\$67.50
60 Months	\$31.05	\$67.50	\$67.50	\$67.50

B. Maximum Rates and Charges for Qualified IBL/VersiPak Customers (T)

	12	24	36	60	(C)
	<u>Months</u>	<u>Months</u>	<u>Months</u>	<u>Months</u>	
Monthly Recurring Charge	\$55.50	\$50.25	\$45.00	\$40.50	 (C)
Nonrecurring Charge	\$30.00	\$30.00	\$30.00	\$30.00	
Move Charge	\$30.00	\$30.00	\$30.00	\$30.00	
Change Charge	\$30.00	\$30.00	\$30.00	\$30.00	
Restore Charge	\$30.00	\$30.00	\$30.00	\$30.00	

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ORIGINALSECTION 6 - SUPPLEMENTAL SERVICES *continued*6.9 Operator Services

Description

Local and long distance calls may be completed or billed with live or mechanical assistance by the Company's operator center. Calls may be billed collect to the called party, to an authorized 3rd party number, to the originating line, or to a valid authorized calling card. Local and long distance calls may be placed on a station to station basis or to a specified party (see Person-to-Person), or designated alternate. Usage charges for operator assisted calls are those usage charges that would normally apply to the calling party's service. In addition to the usage charges, an operator assistance charge applies to each call.

Rates

(T)

	<u>Maximum Charge Per Call</u>
Customer Dialed Calling Card	\$0.75
Operator Dialed Calling Card	\$1.28
Person-to-Person	\$5.25
Collect	\$1.95
Third Number Billed	\$1.95
All Other Operator Assistance	\$1.95

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Arizona C.C. Tariff No. 1
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SECTION 6 - SUPPLEMENTAL SERVICES *continued*

6.15 Busy Verification and Interrupt Service

(N)

6.15.1 Description of Service

Upon request of a calling party, the Company will verify a busy condition on a called line. An operator will determine if the line is clear or in use and report to the calling party. In addition, the operator will intercept an existing call on the called line if the calling party indicates an emergency and requests interruption.

A Verification Charge will apply when the operator verifies that the line is busy with a call in progress, or the operator verifies that the line is available for incoming calls.

Both a Verification Charge and an Interrupt Charge will apply when the operator verifies that a called number is busy with a call in progress and the Customer requests interruption. The operator will interrupt the call advising the called party of the name of the calling party and the called party will determine whether to accept the interrupt call. Charges will apply whether or not the called party accepts the interruption.

No charge will apply when the calling party advises that the call is from an official public emergency agency.

6.15.2 Maximum Rates and Charges

Verification Charge, each request	\$4.50
Interrupt Charge, each request	\$9.50

(N)

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Arizona C.C. Tariff No. 1
Second Revised Sheet No. 112.4
Cancels First Revised Sheet No. 112.4

SECTION 6 - SUPPLEMENTAL SERVICES *continued*

6. Business Features *continued*

6.13 Maximum Rates and Charges

Feature	Maximum Monthly Recurring Charges	Maximum Nonrecurring Charge
Three-Way Calling	\$5.40	\$10.00
Call Forwarding	\$7.05	\$10.00
- Busy		
- Don't Answer		
- Variable		
Call Waiting	\$10.05	\$10.00
Speed Calling		
- 8 Number List	\$4.05	\$10.00
- 30 Number List	\$6.75	\$10.00
Call Transfer	\$8.10	\$10.00
Caller ID with Number Delivery	\$10.05	\$10.00
Caller ID Blocking (T)	\$0.00	\$10.00
Last Call Return	\$4.05	\$10.00
Calling Number Delivery	\$10.00	\$50.00
Calling Number Transmission	\$10.00	\$50.00
Calling Name Transmission	\$10.00	\$50.00
E911 CPN Management	ICB	ICB
CARE CPN Management	ICB	ICB
Call by Call	\$10.00	\$50.00

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(D)

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AZI.0206

ORIGINAL

Time Warner Telecom of Arizona, L.L.C.

Arizona C.C. Tariff No. 1
Original Sheet No. 112.8

SUPPLEMENTAL SERVICES. (cont'd)

6.2 Blocking Service, (cont'd)

(N)

6.2.3 Maximum Rates and Charges

- A. Pricing for Blocking Service for a business Customer with more than 200 lines will be based on the costs incurred by the Company to provide the service on an individual case basis.
- B. Recurring and Nonrecurring Charges

Type of Blocking	Maximum Monthly Recurring Charges	Maximum Nonrecurring Charges
Call blocking Business (up to 200 Lines)	\$3.50	\$7.50
Toll Restriction; Business (up to 200 Lines)	\$3.50	\$7.50
Billing Restriction; Business (up to 200 Lines)	\$3.50	\$7.50

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Cancels Original Sheet No. 112.18

SECTION 6 - SUPPLEMENTAL SERVICES *continued*

6.3 Listings *continued*

Free Listing

These listings are free:

One listing for each individual line service, auxiliary line or PBX system will be provided at no charge

Rates and Charges

There is a monthly recurring and a onetime nonrecurring charge for premium listings. This charge takes effect as soon as the listing is shown in Directory Assistance Records. The maximum monthly rate for each individual listing is as follows:

<u>Type of Listing</u>	<u>Maximum Rate</u>	
	<u>Recurring</u>	<u>Nonrecurring</u>
Main Standard Listing	\$0.00	\$33.00
Additional Main Listing	\$0.00	\$ 7.50
Additional Listing	\$5.00	\$33.00
Secondary Listing	\$5.00	\$33.00
Extra Listing Lines	\$5.00	\$33.00
Alternate Call Listing	\$5.00	\$33.00
Alternate User Listing	\$5.00	\$33.00
Cross Reference Listing	\$5.00	\$33.00
Suite Listing	\$5.00	\$33.00

(N)

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Arizona C.C. Tariff No. 1
Original Sheet No. 112.21

SUPPLEMENTAL SERVICES. (cont'd)

Non-Published Service, (cont'd)

6.4.4 Maximum Rates and Charges, (cont'd)

Monthly Recurring Charge	\$ 2.70
Nonrecurring Charge	\$33.00

Non-Listed Service

6.5.1 Description

Non-listed service means that the Customer's telephone number is not listed in the directory, but does it appear in the Company's Directory Assistance Records.

6.5.2 Regulations

This service is subject to the rules and regulations for E911 service, where applicable.

The Company will complete calls to a non-listed number.

When the Company agrees to keep a number unlisted, it does so without any obligation. Except for cases of gross negligence or willful misconduct, the Company is not liable for any damages that might arise from publishing a non-listed number in the directory or disclosing it to some. If, in error, the telephone number is listed in the directory, the Company's only obligation is to credit or refund any monthly charges the Customer paid for non-listed service.

The Customer indemnifies (i.e., promises to reimburse the company for any amount the Company must pay as a result of) and save the Company harmless against any and all claims for damages caused or claimed to have been caused, directly or indirectly, by the publication of a non-listed service or the disclosing of said number to any person.

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SECTION 6 - SUPPLEMENTAL SERVICES *continued*

6.7 Hunting

Description

There are three types of Multi-Line Hunting (MLHG) available: Regular, Circular and Universal Call Distribution (UCD).

- A. Regular: Hunting starts with the dialed directory number and ends with last member of the hunt group.
- B. Circular: Hunting starts with the dialed directory number and ends with the terminal prior to the called directory number.
- C. Universal Call Distribution: When the main MLHG is called, the calls are distributed to the most idle member of the hunt group. If a terminal directory number is dialed, circular hunting is used.

Maximum Rates and Charges

(T)

Monthly Recurring Charge, Per Line:	\$ 2.00
Nonrecurring Connection Charge, Per Line:	\$20.00

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SECTION 6 - SUPPLEMENTAL SERVICES *continued*

6.8 Directory Assistance Service

6.8.3 Maximum Rates

(M)

Maximum Rate per Request

Maximum Charge

per Request

Directory Assistance

\$0.90

National Directory Assistance

\$0.90

Directory Assistance Call Completion

\$0.52

(M)

Material now found on this sheet was previously located on Sheet 112.25.

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Arizona C.C. Tariff No. 1
Original Sheet No. 189

CURRENT PRICE LIST

Basic Business Line Service Charges (Section 3.3)

	<u>Nonrecurring</u>
Connection Charges Per Line	\$45.00
Restoral Charge Per Line	\$45.00
Moves, Adds and Changes	\$45.00
	\$45.00
Change	\$ 0.00
Charges Associated with Premises Visit	
Per Visit	ICB
Monthly Recurring Charge	
Term	ICB
Monthly	
12 Months	\$22.50
24 Months	\$21.80
36 Months	\$21.15
60 Months	\$20.70

(N)

(N)

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Third Revised Sheet No. 190
Cancels Second Revised Sheet No. 190

CURRENT PRICE LIST *continued*

PBX Analog Trunk Service (Section 4.1)

A. Rates and Charges for Non-IBL/VersiPak Customers (Two-Way Service)

	<u>Monthly</u>	<u>12</u> <u>Months</u>	<u>24</u> <u>Months</u>	<u>36</u> <u>Months</u>	<u>60</u> <u>Months</u>
Monthly Recurring Charge	ICB	\$34.65	\$32.95	\$31.25	ICB
Nonrecurring Charge	ICB	\$40.00	\$40.00	\$40.00	ICB
Move Charge	ICB	\$0.00	\$0.00	\$0.00	ICB
Change Charge	ICB	\$40.00	\$40.00	\$40.00	ICB
Restore Charge	ICB	\$0.00	\$0.00	\$0.00	ICB

(N)

B. Rates and Charges for Qualified IBL/VersiPak Customers

	<u>12</u> <u>Months</u>	<u>24</u> <u>Months</u>	<u>36</u> <u>Months</u>	<u>60</u> <u>Months</u>
Monthly Recurring Charge	\$37.00	\$33.50	\$30.00	\$27.00
Nonrecurring Charge	\$0.00	\$0.00	\$0.00	\$0.00
Move Charge	\$0.00	\$0.00	\$0.00	\$0.00
Change Charge	\$20.00	\$20.00	\$20.00	\$20.00
Restore Charge	\$0.00	\$0.00	\$0.00	\$0.00

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Arizona C.C. Tariff No. 1
Second Revised Sheet No. 191
Cancels First Revised Sheet No. 191

CURRENT PRICE LIST *continued*

PBX Digital Trunk Service (Section 4.2)

Digital Facility

	<u>Per Facility</u>	
	<u>Month to Month</u>	<u>12, 24, 36 or 60 Month Term</u>
1. Phoenix		
Monthly Recurring Charge	\$ 200.00	\$200.00
Nonrecurring Charge	\$1,040.00	\$520.00
Move Charge	\$1,040.00	\$520.00
Change Charge	\$ 50.00	\$ 50.00
Restore Charge	\$1,040.00	\$520.00
2. Tucson		
Monthly Recurring Charge	\$ 240.00	\$240.00
Nonrecurring Charge	\$1,040.00	\$520.00
Move Charge	\$1,040.00	\$520.00
Change Charge	\$ 50.00	\$ 50.00
Restore Charge	\$1,040.00	\$520.00

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CURRENT PRICE LIST *continued*

Direct Inward Dial Services (Section 4.3)

B. DID Service, Per Trunk

Month-to-Month	ICB
12 Month Term	\$0.00
24 Month Term	\$0.00
36 Month Term	\$0.00
60 Month Term	\$0.00

C. DID Numbers

(T)

	Monthly Recurring Charge	Nonrecurring Charge*	(T)
Initial Block of 10	\$1.50	\$10.00	
Additional Block of 10	\$1.50	\$10.00	
Initial Block of 100	\$15.00	\$100.00	
Additional Block of 100	\$15.00	\$100.00	

* Charge applies to each connection, move, change or restoral.

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Cancels First Revised Sheet No. 193

CURRENT PRICE LIST continued

Primary Rate ISDN (PRI) Service (Section 5.1)

A. Flat Primary Rate ISDN (PRI) Service

Phoenix

<u>Nonrecurring Charges – Initial</u>	<u>Month to Month</u>	<u>12, 24, 36 or 60 Months</u>
ISDN PRI Group 1	\$2,000.00	\$1,000.00
ISDN PRI Group 2	\$2,000.00	\$1,000.00
ISDN PRI Group 3	\$2,000.00	\$1,000.00

<u>Nonrecurring Charges – Each Additional</u>	<u>Month to Month</u>	<u>12, 24, 36 or 60 Months</u>
ISDN PRI Group 1	\$2,000.00	\$1,000.00
ISDN PRI Group 2	\$2,000.00	\$1,000.00
ISDN PRI Group 3	\$2,000.00	\$1,000.00

<u>Recurring Charges</u>	<u>Monthly</u>	<u>12 Months</u>	<u>24 Months</u>	<u>36 Months</u>	<u>60 Months</u>
ISDN PRI Group 1	\$1,250.00	\$875.00 (R)	\$740.00 (R)	\$720.00 (R)	\$648.00
ISDN PRI Group 2	\$1,250.00	\$875.00 (R)	\$740.00 (R)	\$720.00 (R)	\$648.00
ISDN PRI Group 3	\$1,250.00	\$875.00 (R)	\$740.00 (R)	\$720.00 (R)	\$648.00

<u>PRI Move and Change Charges</u>	<u>Month to Month</u>	<u>12, 24, 36 or 60 Months</u>
- Per Move	\$2,000.00	\$1,000.00
- Per Change	\$ 50.00	\$ 50.00
- Per Restoration	\$2,000.00	\$1,000.00

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First Revised Sheet No. 193.1
Cancels Original Sheet No. 193.1

CURRENT PRICE LIST continued

Primary Rate ISDN (PRI) Service (Section 5.1) continued

A Flat Primary Rate ISDN (PRI) Service continued

2. Tucson

<u>Nonrecurring Charges – Initial</u>	<u>Month to Month</u>	<u>12, 24, 36 or 60 Months</u>
ISDN PRI Group 1	\$2,000.00	\$1,000.00
ISDN PRI Group 2	\$2,000.00	\$1,000.00
ISDN PRI Group 3	\$2,000.00	\$1,000.00

<u>Nonrecurring Charges – Each Additional</u>	<u>Month to Month</u>	<u>12, 24, 36 or 60 Months</u>
ISDN PRI Group 1	\$2,000.00	\$1,000.00
ISDN PRI Group 2	\$2,000.00	\$1,000.00
ISDN PRI Group 3	\$2,000.00	\$1,000.00

<u>Recurring Charges</u>	<u>Monthly</u>	<u>12 Months</u>	<u>24 Months</u>	<u>36 Months</u>	<u>60 Months</u>
ISDN PRI Group 1	\$1,250.00	\$875.00 (R)	\$740.00 (R)	\$720.00 (R)	\$648.00 (R)
ISDN PRI Group 2	\$1,250.00	\$875.00 (R)	\$740.00 (R)	\$720.00 (R)	\$648.00 (R)
ISDN PRI Group 3	\$1,250.00	\$875.00 (R)	\$740.00 (R)	\$720.00 (R)	\$648.00 (R)

<u>PRI Move and Change Charges</u>	<u>Month to Month</u>	<u>12, 24, 36 or 60 Months</u>
- Per Move	\$2,000.00	\$1,000.00
- Per Change	\$ 50.00	\$ 50.00
- Per Restoration	\$2,000.00	\$1,000.00

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CURRENT PRICE LIST continuedBusiness Features (Section 6.1)

<u>Feature</u>	<u>Monthly Recurring Charges</u>	<u>Nonrecurring Charges</u>	
Three-Way Calling	\$3.50	\$0.00	
Call Forwarding	\$4.70	\$0.00	
- Busy			
- Don't Answer			
- Variable			
Call Waiting	\$6.70	\$0.00	
Speed Calling			
- 8 Number List	\$2.70	\$0.00	
- 30 Number List	\$4.00	\$0.00	
Call Transfer	\$5.40	\$0.00	
Caller ID with Number Delivery	\$6.70	\$0.00	
Caller ID Blocking	\$0.00	\$0.00	
Last Call Return	\$2.70	\$0.00	
Calling Number Delivery	\$0.00	\$0.00	
Calling Number Transmission	\$0.00	\$0.00	
Calling Name Transmission	\$0.00	\$0.00	(N)
E911 CPN Management	\$0.00	ICB	
Care CPN Management	ICB	ICB	(N)
Call By Call	\$0.00	\$0.00	
Additional Trunk Groups			
- Up to 3	\$0.00	\$0.00	
- 4 or more	ICB	ICB	
Customer Originated Trace			
Per Successful Trace	N/A	\$2.00	(N) (N)

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Arizona C.C. Tariff No. 1
Original Sheet No. 196

CURRENT PRICE LIST

(N)

Blocking Service (Section 6.2)

Recurring and Nonrecurring Charges

<u>Type of Blocking</u>	<u>Monthly Recurring Charges</u>	<u>Nonrecurring Charges</u>
Call blocking	\$0.00	\$0.00
Business (up to 200 Lines)		
Toll Restriction; Business (up to 200 Lines)	\$0.00	\$0.00
Billing Restriction: Business (up to 200 Lines)	\$0.00	\$0.00

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Arizona C.C. Tariff No. 1
First Revised Sheet No. 198
Cancels Original Sheet No. 198

CURRENT PRICE LIST continued

Non-Listed Service (Section 6.6)

Monthly Recurring Charge	\$ 1.45
Nonrecurring Charge	\$22.00

Hunting (Section 6.8)

Monthly Recurring Charge, Per Line:	\$ 0.00
Nonrecurring Connection Charge, Per Line.	\$ 0.00

Directory Assistance (Section 6.8)

Directory Assistance	\$0.60	(T)
National Directory Assistance	\$0.60	(N)
Directory Assistance Call Completion	\$0.35	(N)

Operator Services (Section 6.9)

Customer Dialed Calling Card	\$0.50
Operator Dialed Calling Card	\$0.85
Person-to-Person	\$3.50
Collect	\$1.30
Third Number Billed	\$1.30
All Other Operator Assistance	\$1.30

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Arizona C.C. Tariff No. 1
Original Sheet No. 198.5

CURRENT PRICE LIST *continued*

Busy Verification and Interrupt Service (Section 6.15)

Verification Charge, each request	\$3.00
Interrupt Charge, each request	\$6.00

(N)

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ORIGINAL

Sprint Communications Company L.P.

Arizona C.C. Local Exchange Tariff No. 4

Original Title Page

LOCAL EXCHANGE SERVICES

**TARIFF SCHEDULE
APPLICABLE TO
LOCAL EXCHANGE SERVICES
WITHIN
THE STATE OF ARIZONA
ISSUED BY
SPRINT COMMUNICATIONS COMPANY L.P.**

Arizona Corporation Commission
Arizona C.C. Local Exchange Tariff No. 4

This Tariff Sprint Communications Company L.P. Arizona C.C. Local Exchange Tariff No. 4 replaces Arizona C.C. Local Exchange Tariff No. 1 in its entirety, effective February 1, 2003.

This Tariff contains the regulations and rates applicable for the furnishing of Local Exchange telecommunications services provided by Sprint Communications Company, L.P. ("Sprint") within the State of Arizona. This Tariff is on file with the Arizona Corporation Commission.

ISSUED:
December 27, 2002

State Tariffs
6450 Sprint Parkway
Overland Park, Kansas 66251

EFFECTIVE:
February 1, 2003
**ADMINISTRATIVELY
APPROVED FOR FILING**

ORIGIN**LOCAL EXCHANGE SERVICES**5. Business Local Exchange Service (Continued)5.1 Sprint Local BusinessSM

Sprint Local BusinessSM includes business Local Exchange Service with unlimited local calling. Long Distance calling is not included in this offering. The Customer may presubscribe to the long distance provider of their choice as specified in Section 6.8 of this Tariff.

<u>Rates and Charges</u>	<u>Maximum Rate</u>	<u>Current Rate</u>
Per Line, per month	\$240.00	\$59.95*

5.2 Sprint Complete Sense for BusinessSM

Sprint Complete Sense for BusinessSM includes unlimited business Local Exchange Service access lines, the Company's long distance (IntraLATA, Intrastate and Interstate) Dial-1 service, Touch Tone Calling Service, and certain custom calling features. Dial-1 service does not include usage from multi-party conference calls, calls to Directory Assistance, FÖNCARD service or operator service. Voice mail is included in certain bundled services and is available for an additional charge with other services.

The optional calling features included in Sprint Complete Sense for Business are described in Section 6.1 of this Tariff. Additional features as described in Section 6.1 may be subscribed to separately.

Service Connection Charges are waived for those customers who retain their existing telephone number when switching their service to the Company. This charge may apply if additional lines are transferred to the Company after the initial order.

* Charges such as (but not limited to) service connection and other nonrecurring charges, operator assistance, directory assistance, directory listings, data surcharge, blocking options, taxes, surcharges, and per use charges may be applicable in addition to ADMINISTRATIVE charge.

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Overland Park, Kansas 66251

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ORIGIN**LOCAL EXCHANGE SERVICES**5. Business Local Exchange Service (Continued)5.2 Sprint Complete Sense for BusinessSM (Continued)5.2. Sprint Complete Sense for BusinessSM BasicA. Description

Sprint Complete Sense for BusinessSM Basic includes the following:

1. Local Exchange Service with unlimited local calling;
2. Custom Calling Features: Call Forwarding-Variable and Line Hunting;
3. Discounted Long Distance calling.

B. Rates and Charges

	<u>Maximum Rate</u>	<u>Current Rate</u>
Sprint Complete Sense for Business Basic, per bundle, per month	\$160.00	\$39.95*

Dial-1 minutes will be charged at the Sprint Business FlexSM With All Call All DaySM VI rates and other long distance services will be charged as specified in the Company's Arizona Tariff C.C. No. 2 and interstate Business located at <http://www.sprint.com/ratesandconditions>.

This charge is identical to, and shall not be in addition to, any monthly recurring charge applicable to companion federal service and companion state service. Charges such as (but not limited to) service connection and other nonrecurring charges, operator assistance, directory assistance, directory listings, data surcharge, blocking options, taxes, surcharges, and per use charges may be applicable in addition to this monthly recurring charge.

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ORIGINAL**LOCAL EXCHANGE SERVICES**5. Business Local Exchange Service (Continued)5.2 Sprint Complete Sense for BusinessSM (Continued)5.2.2 Sprint Complete Sense for BusinessSM Basic with InternationalA. Description

Sprint Complete Sense for BusinessSM Basic with International includes the following:

1. Local Exchange Service with unlimited local calling;
2. Custom Calling Features: Call Forwarding-Variable and Line Hunting;
3. Discounted Long Distance calling;
4. Discounted international calling.

B. Rates and Charges

	<u>Maximum Rate</u>	<u>Current Rate</u>
Sprint Complete Sense for Business Basic with International bundle, per month	\$180.00	\$45.90*

Dial-1 minutes will be charged at the Sprint Business FlexSM With All Call All DaySM VI rates and other long distance services will be charged as specified in the Company's Arizona Tariff C.C. No. 2 and interstate Business Schedule located at <http://www.sprint.com/ratesandconditions>.

International rates for all calls are charged as specified in the Company's interstate Business Schedule located at <http://www.sprint.com/ratesandconditions>.

This charge is identical to, and shall not be in addition to, any monthly recurring charge applicable to companion federal service and companion state service. Charges such as (but not limited to) service connection and other nonrecurring charges, operator assistance, directory assistance, directory listings, data surcharge, blocking options, taxes, surcharges, and per use charges may be applicable in addition to this monthly recurring charge.

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ORIGINAL
LOCAL EXCHANGE SERVICES

Business Local Exchange Service (Continued)5.2 Sprint Complete Sense for BusinessSM (Continued)5.2.3 Sprint Complete Sense for BusinessSM UnlimitedA. Description

Sprint Complete Sense for BusinessSM Unlimited includes the following:

1. Local Exchange Service with unlimited local calling;
2. Custom Calling Features: Call Forwarding-Variable and Line Hunting;
3. Unlimited any time Dial-1 minutes for IntraLATA toll, intrastate and interstate long distance calling.

B. Rates and Charges

	<u>Maximum Rate</u>	<u>Current Rate</u>
Sprint Complete Sense for Business Unlimited, per bundle, per month	\$300.00	\$74.95*

Unlimited IntraLATA toll, intrastate, and interstate Dial-1 calls as specified in the Company's Arizona Tariff C.C. No. 2 and interstate Business Schedule located at <http://www.sprint.com/ratesandconditions>.

This charge is identical to, and shall not be in addition to, any monthly recurring charge applicable to companion federal service and companion state service. Charges such as (but not limited to) service connection and other nonrecurring charges, operator assistance, directory assistance, directory listings, data surcharge, blocking options, taxes, surcharges, and per use charges may be applicable in addition to this monthly recurring charge.

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ORIGINAL**LOCAL EXCHANGE SERVICES**Business Local Exchange Service (Continued)5.2 Sprint Complete Sense for BusinessSM (Continued)5.2.4 Sprint Complete Sense for BusinessSM Unlimited with InternationalA. Description

Sprint Complete Sense for BusinessSM Unlimited with International includes the following:

1. Local Exchange Service with unlimited local calling;
2. Custom Calling Features: Call Forwarding-Variable and Line Hunting;
3. Unlimited any time Dial-1 minutes for IntraLATA toll, intrastate and interstate long distance calling;
4. Discounted international calling.

B. Rates and Charges

Sprint Complete Sense for Business Unlimited with International, per bundle, per month	Maximum <u>Rate</u> \$320.00	Current <u>Rate</u> \$80.90*
--	------------------------------------	------------------------------------

Unlimited IntraLATA toll, intrastate, and interstate Dial-1 calls as specified in the Company's Arizona Tariff C.C. No. 2 and interstate Business Schedule located at <http://www.sprint.com/ratesandconditions>.

International rates for all calls are charged as specified in the Company's interstate Business Schedule located at <http://www.sprint.com/ratesandconditions>.

- * This charge is identical to, and shall not be in addition to, any monthly recurring charge applicable to companion federal service and companion state service. Charges such as (but not limited to) service connection and other nonrecurring charges, operator assistance, directory assistance, directory listings, data surcharge, blocking options, taxes, surcharges, and per use charges may be applicable in addition to this monthly recurring charge.

ADMINISTRATIVELY
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State Tariffs
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August 1, 2003

ORIGI**LOCAL EXCHANGE SERVICES****5 Business Local Exchange Service (Continued)****5.2 Sprint Complete Sense for BusinessSM (Continued)****5.2.5 Sprint Complete Sense for BusinessSM Premium****A. Description**

Sprint Complete Sense for BusinessSM Premium includes the following:

1. Local Exchange Service with unlimited local calling;
2. Custom Calling Features: Call Forwarding-Variable, Line Hunting, Caller ID with Name and Number, Call Waiting with Caller ID, Three-Way Calling; and Speed Dial 8;
3. Unlimited any time Dial-1 minutes for IntraLATA toll, intrastate and interstate long distance calling;
4. Voicemail⁽¹⁾.

B. Rates and Charges

	<u>Maximum</u> <u>Rate</u>	<u>Current</u> <u>Rate</u>
Sprint Complete Sense for Business Premium, per bundle, per month	\$360.00	\$89.95*

Unlimited IntraLATA toll, intrastate, and interstate Dial-1 calls as specified in the Company's Arizona Tariff C.C. No. 2 and interstate Business Schedule located at <http://www.sprint.com/ratesandconditions>.

This charge is identical to, and shall not be in addition to, any monthly recurring charge applicable to companion federal service and companion state service. Charges such as (but not limited to) service connection and other nonrecurring charges, operator assistance, directory assistance, directory listings, data surcharge, blocking options, taxes, surcharges, and per use charges may be applicable in addition to this monthly recurring charge.

⁽¹⁾ Voicemail is not regulated by the Commission.

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ORIGINAL

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LOCAL EXCHANGE SERVICES5. Business Local Exchange Service (Continued)5.2 Sprint Complete Sense for BusinessSM (Continued)5.2.6 Sprint Complete Sense for BusinessSM Premium with InternationalA. Description

Sprint Complete Sense for BusinessSM Premium with International includes the following:

1. Local Exchange Service with unlimited local calling;
2. Custom Calling Features: Call Forwarding - Variable, Line Hunting, Caller ID with Name and Number, Call Waiting with Caller ID, Three-Way Calling; and Speed Dial 8;
3. Unlimited any time Dial-1 minutes for IntraLATA toll, intrastate and interstate long distance calling;
4. Discounted international calling;
5. Voicemail⁽¹⁾.

B. Rates and Charges

Sprint Complete Sense for Business Premium with International, per bundle, per month	<u>Maximum Rate</u>	<u>Current Rate</u>
	\$380.00	\$95.90*

Unlimited IntraLATA toll, intrastate, and interstate Dial-1 calls as specified in the Company's Arizona Tariff C.C. No. 2 and the interstate Business Schedule located at <http://www.sprint.com/ratesandconditions>.

International rates for all calls are charged as specified in the Company's interstate Business Schedule located at <http://www.sprint.com/ratesandconditions>.

* This charge is identical to, and shall not be in addition to, any monthly recurring charge applicable to companion federal service and companion state service. Charges such as (but not limited to) service connection and other nonrecurring charges, operator assistance, directory assistance, directory listings, data surcharge, blocking options, taxes, surcharges, and per use charges may be applicable in addition to this monthly recurring charge.

⁽¹⁾ Voicemail is not regulated by the Commission.

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LOCAL EXCHANGE SERVICES

6. Miscellaneous Services and Rates (Continued)

6.1 Optional Calling Features (Continued)

6.1.2 Rates

A. The following features are available to all local exchange Customers where facilities and services permit. Customers may utilize each feature by dialing the appropriate access code. The Customer will be billed the Per Feature Activation Charge shown in the following table each time a feature is used by the Customer.

	<u>Per Feature Activation Charge</u>
Call Return (*69)	\$0.75
Repeat Dialing (*66)	0.75

(M)

(M)

B. The following features are available to local exchange Customers who are subscribed to Sprint Complete Sense for BusinessSM bundles where facilities and services permit.

(N)

	<u>Monthly Rate</u>	
	<u>Residence</u>	<u>Business</u>
<i>Caller ID with Name and Number</i>	*	\$4.00
<i>Call Waiting with Caller ID</i>	*	4.00
<i>Three Way Calling</i>	*	4.00
<i>Speed Dial 8</i>	*	4.00
<i>Call Forwarding-Variable</i>	N/A	*
<i>Line Hunting</i>	N/A	*
<i>Business Feature Pack</i>	N/A	12.00

(N)

* This feature is only available with Sprint Complete SenseSM bundles as specified in Sections 4.2 and 5.2 of this Tariff.

(M) Material now appearing on this page previously appeared on Original Page 56.

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LOCAL EXCHANGE SERVICES

6. Miscellaneous Services and Rates (Continued)6.2 Service Connection Charges (Continued)6.2.6 Rates

	<u>Maximum Residence Rates</u>	<u>Current Residence Rates</u>	<u>Current Business Rates</u>	<u>Maximum Business Rates</u>
<u>Service Order Charges</u>				
Primary Service Connection Charge			\$69.99**	\$280.00
Secondary Service Connection Charge			55.00**	210.00
Transfer of Service Charge, Primary Line	\$300.00	89.99	89.99	300.00
Transfer of Service Charge, Secondary Line	250.00	75.00	75.00	250.00
<u>Change Order Charges</u>				
Toll Restriction	40.00	9.99	9.99	40.00
Change Order – Subsequent Charge	40.00	9.99	9.99	40.00
Telephone Number Change Order	40.00	9.99	9.99	40.00
Listing Change Charge	40.00	9.99	9.99	40.00
Sprint Complete Sense Change Charge	40.00	9.99	9.99	40.00
Feature Pack Change Charge	40.00	9.99	9.99	40.00
<u>Record Change Charge</u>	20.00	0.00	0.00	20.00
<u>Miscellaneous Charges</u>				
Duplicate Invoice, per invoice	20.00	5.00	5.00	20.00
<u>Restoration of Service Charge</u>				
Per Occasion	120.00	29.99	29.99	120.00

Service Connection charges are listed with the rates for each specific service tariffed.

** *The Service Connection Charge is waived for those customers who retain their existing telephone number when switching their service to the Company. This charge may apply if additional lines are transferred to the Company after the initial order.*

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6450 Sprint Parkway
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September 22, 2003

(N)
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(N)

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LOCAL EXCHANGE SERVICES

6. Miscellaneous Services and Rates (Continued) (T)

6.5 Listing Services (Continued) (T)

6.5.8 Rates and Charges (T)

	<u>Monthly Rate*</u>				(N)
	<u>Maximum Residence</u>	<u>Residence</u>	<u>Business#</u>	<u>Maximum Business</u>	
Initial Listing	\$8.00	\$0.00	\$0.00	\$8.00	(N)
Non-Published Service	10.00	2.00	3.50	10.00	
Non-Listed Service	10.00	2.00	3.50	10.00	
<i>Additional Listing</i>	N/A	N/A	2.50	10.00	
<i>Toll Free Directory Listing</i>	N/A	N/A	30.00	120.00	
<i>Straight Line Under Listings</i>	N/A	N/A	10.00	40.00	
<i>Additional Primary Caption</i>	N/A	N/A	10.00	40.00	
<i>Alternate Listings</i>	N/A	N/A	6.00	25.00	

For nonrecurring charges associated with a customer-initiated change in or addition to a directory listing, see Section 6.2.6 of this Tariff.

Available with Sprint Complete Sense for BusinessSM bundles.

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(N)

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6450 Sprint Parkway
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LOCAL EXCHANGE SERVICES**6. Miscellaneous Services and Rates (Continued)**

(T)

6.7 Caller ID Blocking

(T)

Prevents the delivery, display and announcement of the end-user's Directory Number and Directory Name on all calls dialed from an exchange service equipped with this option. When active, the end-user's telephone name and number will not appear on the called party's Caller ID CPE or be disclosed in another way. The feature is available on a per call or per line basis. With per call Caller ID Blocking, it is necessary for the end-user to dial an activation code prior to placing the call.

6.7.1 Rates and Charges

(T)

	<u>Maximum Monthly Rate</u>	<u>Monthly Rate</u>	
Caller ID Blocking – Per Call	\$10.00	\$0.00	(T)

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LOCAL EXCHANGE SERVICES

6. Miscellaneous Services and Rates (Continued)

6.8 Presubscribed Interexchange Carrier Change Charge

Customers may presubscribe *non-bundled Local Exchange Service* lines to their long distance provider of choice. Following the Customer's initial presubscription of each line, any subsequent change will incur a per line charge. Customers who request a change in intraLATA and interLATA carriers on the same order will be assessed a single charge per line.

	<u>Maximum Rate</u>	<u>Nonrecurring Charge</u>
Per line	\$20.00	\$5.00

6.9 Local Number Portability

Local Number Portability (LNP) provides local exchange service customers the ability to (1) retain the same telephone number when changing from one local telephone service provider to another while remaining at the same service location and (2) complete calls to ported telephone numbers regardless of where the call originates.

The LNP End User Charge is designed to recover the charges incurred by the Company related to the provision of long-term number portability. The LNP End User Charge is assessed *per local* exchange service line.

	<u>Maximum Monthly Rate</u>	<u>Monthly Rate</u>	(N)
LNP End User Charge, Per Line	\$1.80	\$0.43	(N)

6.10 Network Access Surcharge

The Network Access Surcharge compensates for the Company's cost of installation and maintenance of the components that link the End User location to the telephone network. The Network Access Surcharge is assessed *per local* exchange service line.

		<u>Monthly Rate</u>			(N)
	<u>Maximum Residence</u>	<u>Residence</u>	<u>Business</u>	<u>Maximum Business</u>	
<i>Network Access Surcharge</i>					
<i>Initial Line</i>	\$10.00	\$6.50	\$6.50	\$15.00	
<i>Each Additional Line</i>	\$10.00	\$6.60	\$6.60	\$15.00	(N)

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Overland Park, Kansas 66251

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LOCAL EXCHANGE SERVICES

100. Obsolete Service Offerings

(T) (M)

100.1 Sprint Complete Sense UnlimitedSM

(T)

A. Description

Sprint Complete Sense UnlimitedSM includes the following:

- 1 Local Exchange Service with unlimited local calling;
2. Custom Calling Features: Caller ID with Name and Number, Call Waiting with Caller ID, Three-Way Calling, and Speed Dial 8;
3. Voice Mail¹;
4. Unlimited any time Dial-1 minutes for IntraLATA toll, intrastate and interstate long distance calling.

B. Rates and Charges

	<u>Maximum Rate</u>	<u>Current Rate</u>
Sprint Complete Sense Unlimited, Per bundle, per month	\$219.00	\$54.99*
Primary Service Connection Charge, per line	279.00	69.99**
Secondary Service Connection Charge, per line	220.00	55.00**

Unlimited IntraLATA toll, in-state, and interstate Dial-1 calls as specified in the Company's Arizona Tariff C.C. No. 2 and interstate Consumer Rates and Conditions located at <http://www.sprint.com/ratesandconditions>.

* This charge is identical to, and shall not be in addition to, any monthly recurring charge applicable to companion federal service and companion state service. Charges such as (but not limited to) service connection and other nonrecurring charges, operator assistance, directory assistance, directory listings, data surcharge, blocking options, taxes, surcharges, and per use charges may be applicable in addition to this monthly recurring charge.

** The Service Connection Charge is waived for those Customers who retain their existing telephone number when switching their service to the Company. This charge may apply if additional lines are transferred to the Company after the initial order.

¹Voice mail is not regulated by the Commission.

(M)

Effective October 1, 2003, Sprint Complete Sense Unlimited will no longer be available to new customers.

(N)
(N)

ADMINISTRATIVELY

(M) Material appearing on this page previously appeared on 2nd Revised Page 59.

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ATTACHMENT "C"
PROPOSED RATE COMPARISON SPREADSHEET

MONTHLY RECURRING CHARGES				
<u>Service</u>	<u>Arizona</u>	<u>New Mexico</u>	<u>Nevada</u>	<u>California</u>
Business Line Local only	\$37.50	\$38.23	\$28.25	\$26.22
Business Line Local plus Long Distance	\$30.50	\$31.23	\$21.25	\$19.22
Analog PBX Trunk Local only	\$68.00	\$54.04	N/A**	\$24.25*
Analog PBX Trunk plus Long Distance per trunk	\$61.00	\$54.04	N/A**	\$17.25*
DID CO Termination per trunk	\$50.25	\$50.25	N/A**	\$7.50
Call Forward Busy	\$6.00	\$7.50	\$1.40	\$3.00
Call Forward Don't Answer	\$3.75	\$3.75	\$1.40	\$3.75
Call Forward Busy/Don't Answer	\$9.00	\$6.50	\$4.60	\$5.25
Call Waiting	\$7.00	\$7.00	\$6.30	\$3.75
Speed Dial	\$2.75	\$2.75	\$3.70	\$3.75
Caller ID	\$7.50	\$7.50	\$9.90	\$7.25
Vanity Number	\$9.25	\$9.25	NC	NC

* This rate is in addition to local usage charges.

** Matrix does not offer Analog PBX in Nevada.

ATTACHMENT "D"
COPY OF MATRIX TARIFF FILING

RATES, TERMS AND CONDITIONS
RELATING TO THE PROVISION OF
LOCAL EXCHANGE SERVICES
IN THE STATE OF ARIZONA

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopach,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
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APPLICATION OF TARIFF

This tariff sets forth the service offerings, rates, terms and conditions applicable to the furnishing of local exchange service by Matrix Telecom, Inc d/b/a Matrix Business ("the Company") in the serving areas defined herein.

(T)

The provision of local exchange services is subject to existing regulations and terms and conditions specified in this tariff and may be revised, added to or supplemented by superseding issues.

This tariff is on file with the Arizona Corporation Commission. In addition, this tariff is available for review at the main office of Matrix Telecom, Inc d/b/a Matrix Business Technologies at 7171 Forest Lane, Suite 700, Dallas, Texas 75230.

(N)

(N)

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EXPLANATION OF SYMBOLS

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

- C To indicate changed regulation.
- D To indicate discontinued rate or regulation.
- I To indicate increased rate.
- M To indicate a move in the location of text.
- N To indicate new rate or regulation.
- R To indicate reduced rate.
- S To signify reissued matter (N)
- T To indicate a change in text but no change in rate or regulation.

EXPLANATION OF TERMS

ADVANCE PAYMENT

Part or all of a payment required before the start of service.

AGENCY

For 911 or E911 service, the government agency(s) designated as having responsibility for the control and staffing of the emergency report center.

AUTHORIZED USER

A person, corporation or other entity who is authorized by the Company's customer to utilize service provided by the Company to the customer. The customer is responsible for all charges incurred by an Authorized User.

ATTENDANT

An operator of a PBX console or telephone switchboard.

BUILDING

A structure enclosed within exterior walls or fire walls, built, erected and framed of component structural parts and designed for permanent occupancy.

CALL INITIATION

The point in time when the exchange network facility is initially allocated for the establishment of a specific call.

CALL TERMINATION

The point in time when the exchange network facility allocated to a specific call is released for reuse by the network.

CENTRAL OFFICE

An operating office of the incumbent local exchange company where connections are made between telephone exchange lines.

(T)

(T)

EXPLANATION OF TERMS (cont'd)

CUSTOMER

A person, firm, partnership, limited liability company, corporation, municipality, cooperative association or organization, governmental agency, or other entity receiving telecommunications services.

(T)

EMERGENCY

A situation that appears to present immediate danger to person or property.

EMERGENCY SERVICE (ENHANCED 911)

Allows customers to reach appropriate emergency services, including police, fire and medical services. Enhanced 911 has the ability to selectively route an emergency call to the primary E911 provider so that it reaches the correct emergency service located closest to the caller. In addition, the Customer's address and telephone information will be provided to the primary E911 provider for display at the Public Safety Answering Point (PSAP).

E911 SERVICE AREA

The geographic area in which the government agency will respond to all E911 calls and dispatch appropriate emergency assistance.

E911 CUSTOMER

A governmental agency that is the customer of record and is responsible for all negotiations, operations and payment of bills in connection with the provision of E911 service.

ERROR

A discrepancy or unintentional deviation by the Company from what is correct or true. An "error" can also be an omission in records.

EXCHANGE

An area, consisting of one or more central office districts, within which a call between any two points is a local call.

(T)

EXPLANATION OF TERMS (cont'd)

(T)

EXCHANGE ACCESS LINE

A central office line furnished for direct or indirect access to the exchange system.

FINAL ACCOUNT

A customer's outstanding charges still owed to the Company.

INVESTIGATIVE OR LAW ENFORCEMENT OFFICER

An officer of the United States, a state or a political subdivision of the United States which is empowered by law to investigate or make arrests for crimes related to communications, or an attorney authorized by law to prosecute those crimes.

LAST NUMBER REDIAL

Enables a station line user to redial the last called number by use of an access code rather than dialing the entire number.

LATA

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

LOCAL CALL

A call which is not rated as a long distance call.

LOCAL CALLING AREA

The area, consisting of one or more central office districts, within which a subscriber for exchange service may make telephone calls without a long distance charge.

LOCAL EXCHANGE CARRIER

A company that furnishes exchange telephone service.

(T)

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EXPLANATION OF TERMS (cont'd)

LOCAL SERVICE

Telephone exchange service within a local calling area.

MOVE

The disconnection of existing service at one location and reconnection of the same service at a new location in the same building or in a different building on the same premises.

PBX

A private branch exchange.

PRESUBSCRIPTION

An arrangement whereby a Customer may select and designate to the Company an Exchange Carrier it wishes to access, without an access code, for completing intraLATA and interLATA toll calls. The selected Exchange Carrier is referred to as the End User's Primary Interexchange Carrier (PIC).

PRIVATE BRANCH EXCHANGE SERVICE

Service providing facilities for connecting central office trunks and tie lines to PBX stations, and for interconnecting PBX station lines by means of a switchboard or dial apparatus.

RATE CENTER

Company-designated service locations from which service is rendered or rated.

RECURRING CHARGES

The monthly charges to the Customer for services, facilities and equipment, which continue for the agreed upon duration of the service.

SERVICE COMMENCEMENT DATE

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

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(T)

(T)

EXPLANATION OF TERMS (cont'd)

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

SERVING CENTRAL OFFICE

The central office from which local service is furnished.

SPEED CALLING

Permits a station line user to dial selected numbers by using fewer digits than normally required. This is accomplished through the assignment of abbreviated codes to frequently called numbers. The speed calling list is customer-changeable.

TELECOMMUNICATIONS RELAY SERVICE (TRS)

Enables deaf, hard-of-hearing or speech-impaired persons who use a Text Telephone (TT) or similar devices to communicate freely with the hearing population not using TT or vice versa. A customer will be able to access the state provider to complete such calls.

TELEPHONE CALL

A voice connection between two or more telephone stations through the public switched exchange system.

TERMINATION OF SERVICE

Discontinuance of both incoming and outgoing service.

TOLL BLOCKING

Allows end users to block direct-dialed long distance calls from their telephones.

TOLL CALL

Any call extending beyond the local exchange of the originating caller which is rated on a toll schedule by the Company.

USER

A customer or any other person authorized by a Customer to use service provided under this Tariff.

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(T)

(T)

SECTION 1- REGULATIONS

- 1.1 Undertaking of the Company (T)
- 1.1.1 The Company undertakes to provide the services in this tariff on the terms and conditions and at the rates and charges set forth herein. (T)
- 1.1.2 The Company is responsible under this tariff only for the services and facilities provided herein, and it assumes no responsibility for any service provided by any other entity. Customers may use services and facilities provided under this tariff to obtain access to services offered by other service providers. (T)
- 1.1.3 The Company will provide a toll-free number giving Customers access to service personnel during regular business hours. (T)
- 1.1.4 The Company will comply with any applicable quality of service requirements according to Arizona laws and rules. (T)

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SECTION 1- REGULATIONS (cont'd)**1.2 Terms and Conditions**

- 1.2.1 Customers may be required to enter into written service orders which shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this tariff. The Customer will be required to execute any other documents as may be reasonably requested by the Company. (T)
- 1.2.2 Service is provided for a minimum period of at least one month, 24 hours a day. A month is considered to have thirty days unless otherwise specified. At the expiration of the initial terms specified in each service order, or in any extension thereof, service shall continue on a month to month basis at the then current tariffed, month to month rates, unless terminated by the Customer. Any termination shall not relieve the Customer of its obligation to pay any charges incurred under the service order and this tariff prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the service order shall survive such termination. (T)
- 1.2.3 This tariff shall be interpreted and governed by the laws of the State of Arizona without regard for the State's choice of laws provisions. (T)
- 1.2.4 Another telephone company must not interfere with the right of any person or entity to obtain service directly from the Company. (T)
- 1.2.5 The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits. (T)
- 1.2.6 In response to a subpoena or investigation or other demand issued or authorized by a court or government agency, the Company shall provide customer records and related information without further notice. (T)
- 1.2.7 Customer shall not connect any equipment to the Company's network, except with at least ten (10) days prior written notice to the Company. (T)

SECTION 1- REGULATIONS (cont'd)**1.3 Notification of Service Affecting Activities**

The Company will provide the Customer reasonable notification of service-affecting activities that may occur in the 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-affecting activities. The Company will work cooperatively with the Customer to determine reasonable notification requirements. With some emergency or unplanned service affecting conditions, such as an outage resulting from cable damage, notification to the Customer may not be possible.

1.4 Provision of Equipment and Facilities

1.4.1 The Company will make reasonable efforts to make services available to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with the regulations contained in this tariff. The Company does not guarantee availability by any such date and any liability of the Company will be limited by Section 1.5 of this tariff. (T)

1.4.2 The Company shall use reasonable efforts to maintain the services that it furnishes to the Customer. The Customer may not rearrange, disconnect, remove, attempt to repair or otherwise interfere with any of the services provided by the Company, except upon the written consent of the Company. The Customer may not permit others to rearrange, disconnect, remove, attempt to repair or otherwise interfere with any of the services provided by the Company, except upon the written consent of the Company. (T)

1.4.3 The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's facilities, as well as the facilities the Company may obtain from other carriers, from time to time, to furnish service as required at the sole discretion of the Company. (T)

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SECTION 1- REGULATIONS (cont'd)**1.4 Provision of Equipment and Facilities (cont'd)**

- 1.4.4 Customer bears all responsibility in the event they utilize equipment not approved or authorized by the Company. Customer shall supply all electrical power and other utilities necessary to operate or use the services provided.
- 1.4.5 The Company shall not be responsible for the installation, operation, or maintenance of any Customer provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of services offered under this tariff and to the maintenance and operation of such facilities. Beyond this responsibility, the Company shall not be responsible for:
- A the transmission of signals by Customer provided equipment or for the quality of, or defects in such transmission; or
 - B the reception of signals by Customer provided equipment; or
 - C network control signaling where such signaling is performed by Customer provided network control signaling equipment.
- 1.4.6 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. If installation is started during regular business hours but at the Customer's request extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

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SECTION 1- REGULATIONS (cont'd)**1.5 Liability of the Company**

1.5.1 The liability of the Company for damages arising out of the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays or errors, other defects, or representations by the Company, or use of these services or damages arising out of the failure to furnish the service whether caused by acts or omission, shall be limited to the extension of allowances for interruption as set forth below. The extension of such allowances for interruption shall be the sole remedy of the Customer 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 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. (T)

1.5.2 The Company's liability for willful misconduct, if established as a result of liability, if any, with regard to delayed installation of the Company facilities or commencement of service, shall not exceed \$1,000. With respect to any other claim or suit, by a Customer or by any others, for damages associated with the ordering (including the reservation of any specific number for use with a service), installation (including delays thereof), provision, termination, maintenance, repair, interruption or restoration of any service or facilities offered under this tariff, and subject to the provisions of this tariff, the Company's liability, if any, shall be limited as provided herein. (T)

1.5.3 The Company shall be indemnified, defended and held harmless against any claim, loss or damage arising from the use of service offered under this tariff, involving: (T)

A claims for libel, slander, invasions of privacy or infringement of copyright arising from any communication; (T)

B claims for patent infringement arising from combining or using the service furnished by the Company in connection with facilities or equipment furnished by others; or (T)

C claims for loss of profit; or (T)

D all other claims arising out of any act or omission of others in the course of using services provided pursuant to this tariff. (T)

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SECTION 1- REGULATIONS (cont'd)

1.5 Liability of the Company (cont'd)

- 1.5.4 The Company's failure to provide or maintain services under this tariff shall be excused by labor difficulties, governmental orders, civil commissions, preemption of existing services to restore services in compliance with Part 64, Subpart D, Appendix A, of the F.C.C.'s Rules and Regulations, acts of God and other circumstances beyond the Company's control. (T)
- 1.5.5 The Company shall not be liable for the Customer's failure to fulfill its obligations to take all necessary steps including, without limitation, obtaining, installing and maintaining all necessary equipment, materials and supplies for interconnecting the terminal equipment or communications system of the Customer, or any third party acting as its agent, to the Company's exchange access lines. If the Customer or its agent fails to maintain and operate its equipment and/or system or that of its agent properly, with resulting imminent harm to Company personnel, or the quality of service to other Customers, the Company may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, the Company may, upon written notice, terminate the Customer's service without liability. (T)
- 1.5.6 With Respect to Emergency Number 911 Service (T)
- A This service is offered solely as an aid in handling assistance calls in connection with fire, police and other emergencies. The Company is not responsible for any losses, claims, demands, suits or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or person for any personal injury to or death of any person or persons and for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused by: (1) mistakes, omissions, interruptions, delays, errors or defects in the provision of this service, or (2) installation, operation, failure to operate, maintenance, removal, presence, condition, location, or use of any equipment and facilities furnishing this service.

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SECTION 1- REGULATIONS (cont'd)

(M)(T)

1.5 Liability of the Company (cont'd)**1.5.7 With Respect to Directory Listings**

- A In the absence of gross negligence or willful misconduct, and except for any allowances stated below, no liability for damages arising from errors or mistakes in or omissions of any directory listings, or errors or mistakes in or omissions of listings obtainable from the directory assistance operator, including errors in the reporting thereof, shall attach to the Company.
- B An allowance for errors or mistakes in or omissions of any published directory listings or for errors or mistakes in or omissions of listings obtainable from the directory assistance operator shall be given as follows:
- (i) **Free Listings:** For free or non-charged published directory listings credit shall be given at the rate of one times the monthly tariff rate for an additional or charge listing affected for the life of the directory or the charge period during which the error, mistake or omission occurs.
 - (ii) **Charge Listings:** For each additional or charge published directory listings, credit shall be given at the monthly tariff rate for each such listing for the life of the directory or the charge period during which the error, mistake or omission occurs
 - (iii) **Operator Records:** For free or charge listings obtainable from records used by the directory assistance operator, upon notification to the Company of the error, mistake or omission in such records by the subscriber, the Company shall be allowed a period of three business days to make a correction. If the correction is not made in that time, credit shall be given at the rate of 2/20ths of the basic monthly rate for the line or lines in question for each day thereafter that the records remain uncorrected.

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SECTION 1- REGULATIONS (cont'd)

(M)(T)

1.5 Liability of the Company (cont'd)**1.5.7 With Respect to Directory Listings (cont'd)**

- (iv) **Credit limitation:** The total amount of the credit provided for the preceding paragraphs (i) and (ii) shall not exceed, on a monthly basis the total of the charges for each charge listing as specified in paragraph (ii), for the line or lines in question.
- (v) **Definitions:** As used in paragraphs (i), (ii) and (iii) above, the terms "error," "mistake," or "omission" shall refer to a discrepancy in the directory listing or directory assistance records which the Company has failed to correct and where the error affects the ability to locate a particular subscriber's correct telephone number. The terms shall refer to addresses only to the extent that an error, mistake or omission of an address places the subscriber on a street or a community different from the one provided to the Company.
- (vi) **Notice:** Such allowances or credits as specified in paragraphs (i) and (ii) above, shall be given upon notice to the Company by the subscriber that such error, mistake or omission has occurred; provided, however, that when it is administratively feasible for the Company to have knowledge of such error, mistake or omission, the Company shall give credit without the requirement of notification by the subscribers.

1.5.8 With Respect to Caller ID Blocking

- A The Company shall have no liability for monetary damages (including without limitation claims for direct, indirect, special, incidental or consequential damages, whether or not the Company has been advised of the possibility of such damages), arising from any failures, errors, malfunctions or omissions of Caller ID Blocking, whether or not arising from or relating to any ordinary negligence by the Company.

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SECTION 1- REGULATIONS (cont'd)**1.6 Directory Listings**

The Company will, as a service to the Customer, arrange for listing of Customer's phone number in the local white pages telephone directories, such listing to consist of one line of standard type. The Company's liability with respect to directory listings is set forth in Section 1.5 preceding. Customer must contact its yellow pages representative concerning its advertising in yellow pages directories. (T)

When a Customer with a non-published telephone number, as defined herein, places a call to Emergency 911 Service, the Company will release the name and address of the calling party, where such information can be determined, to the appropriate local governmental authority responsible for the Emergency 911 Service upon request of such governmental authority. By subscribing to service under this tariff, Customer acknowledges and agrees with the release of information as described above. (T)

In conjunction with a non-published telephone number, the Company will not be liable for failure or refusal to complete any call to such telephone when the call is not placed by number. The Company will try to prevent the disclosure of such telephone number, but will not be liable should such number be divulged. (T)

The Company shall not be liable for any act or omission concerning the implementation of presubscription as defined herein. (T)

SECTION 1- REGULATIONS (cont'd)**1.7 Interruptions in Service**

An interruption is deemed to have occurred when the phone lines of the underlying carrier are inoperative. If a Customer reports a facility, service or circuit to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.

1.7.1 Temporary Suspension for Repairs

The Company's underlying provider shall have the right to make necessary repairs or changes in its facilities at any time and will have the right to suspend or interrupt service temporarily for the purpose of making the necessary repairs or changes in its system. When such suspension or interruption of service for any appreciable period is necessary, the Company will give the Customers who may be affected as reasonable notice thereof as circumstances will permit, and will perform the work with reasonable diligence, and if practicable at times that will cause the Customer the least inconvenience. When the Company's services are being repaired or changed, it shall take appropriate precautions to avoid unnecessary interruptions of Customer's service.

1.7.2 Credit Allowance for Interruptions

- A Interruptions of more than 24 hour periods which are reported to or detected by the Company, and which are not due to the negligence or willful act of the Customer are credited to the Customer at the pro rata monthly charge involved for each twenty-four hours or fraction thereof of interruption. Credit is not allowed for interruptions to service of less than 24 hours.
- B For calculating credit allowances, every month is considered to have 30 days. A credit allowance is applied on a pro rata basis against the monthly recurring charges specified there under for local line or local trunk service and is dependent upon the length of interruption. Only those facilities on the interrupted portion of circuit will receive a credit.

SECTION 1- REGULATIONS (cont'd)

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1.7 Interruptions in Service (cont'd)**1.7.3 Limitations on Credit Allowances**

No credit allowances will be made for:

- (i) interruptions due to the negligence of, or non-compliance with the provisions of this Tariff by the Customer;
- (ii) interruptions which are restored on or before the day after the interruption is reported or discovered by the Company.

1.8 Obligations of the Customer**1.8.1 Customer Responsibility**

The Customer shall be responsible for:

- (i) the payment of all applicable charges pursuant to this Tariff;
- (ii) providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents shall be installing or maintaining the Company's services.

1.8.2 Claims

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

- (i) Any loss, destruction or damage to property of the Company or any third party, or the death or injury to persons, including, but not limited to employees or invitees of either party, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees; or
- (ii) 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 Customer, including, without limitation, use of the Company's services and facilities in a manner not contemplated by the agreement between the Customer and the Company.

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SECTION 1- REGULATIONS (cont'd)

(M)

1.8 Obligations of the Customer (cont'd)**1.8.3 Station Equipment**

The Customer is responsible for providing and maintaining any terminal equipment on the Customer premises. The electric power consumed by such equipment shall be provided by, and maintained at the expense of, the Customer. All such terminal equipment must be registered with the FCC under 47 C.F.R., Part 68 and all wiring must be installed and maintained in compliance with those regulations. The Company will, where practicable, notify the Customer that temporary discontinuance of the use of a service be required; however, where prior notice is not practicable, nothing contained herein shall be deemed to impair the Company's right to discontinue forthwith the use of a service temporarily if such action is reasonable under the circumstances. In case of such temporary discontinuance, the Customer will be promptly notified and afforded the opportunity to correct the condition which gave rise to the discontinuance, credit allowance for service interruptions as set forth in Section 1.7.2 is not applicable.

1.8.4 Interconnection of Facilities

- A Any special interface equipment necessary to achieve compatibility between the facilities used by the Company for furnishing local exchange service and the channels, facilities, or the equipment of others may be provided at the Customer's expense. Customer shall be liable for damages resulting from Customer's use of non-compatible equipment.
- B Local services may be connected to the services or facilities of other communication carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other communication carriers which are applicable to such connections.
- C Services furnished under this tariff may be connected to Customer provided terminal equipment in accordance with the provisions of this tariff.

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SECTION 1- REGULATIONS (cont'd)

1.8 Obligations of the Customer (cont'd)

1.8.5 Inspections

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

- B If the protective requirements for the Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten 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. The Company will, upon request 24 hours in advance, provide the Customer with a statement of technical parameters that the Customer's equipment must meet.

SECTION 1- REGULATIONS (cont'd)**1.9 Payment Arrangements**

The Customer is responsible for payment of all charges for services furnished by the Company to the Customer or its Authorized Users. Objections must be received by the Company within a reasonable period of time after receipt of bill, or all the charges shall be deemed correct and binding upon the Customer. If an entity other than the Company imposes charges of the Company, in addition to its own internal costs, in connection with a service for which a Company non-recurring charge is specified, those charges may be passed on to the customer.

1.9.1 Taxes and Surcharges

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

(D)

SECTION 1- REGULATIONS (cont'd)**1.9 Payment Arrangements (cont'd)****1.9.2 Bills and Collection of Charges**

- (T)
- A Bills will be rendered monthly to Customer. Fixed monthly recurring charges are billed in advance. Usage charges and minimum charges for service are billed in arrears. Customer shall be liable for all accrued local charges, directory charges, long distance charges and other charges arising prior to the service commencement date, as defined herein, and shall pay the Company for any such charges which may be assessed against the Company in any manner.
- B All service, installation, monthly recurring charges and non-recurring charges are due and payable upon receipt.
- C For new customers or existing customers whose service is disconnected, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have 30 days.
- D Amounts not paid within 30 days after the date of invoice are considered past due. A late payment charge of 1.5%, or lower if required by law, per month shall apply to amounts shown on a monthly bill which remain after the due date. The late payment charge does not apply to any taxes the Company is required by law to levy on a customer. In the event the Company incurs fees or expenses, including attorney's fees, in collecting or attempting to collect any charges owed the Company, the Customer will be liable to the Company for payment of all such fees and expenses reasonably incurred.
- E A \$15.00 charge will be assessed for checks with insufficient funds or non-existing accounts. (R)
- F If Customer chooses to place calls or receives calls via a non-Matrix Telecom affiliated carrier, the Company will not be liable for any charges related to such calls (T)

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SECTION 1- REGULATIONS (cont'd)

1.9 Bills and Collection of Charges (cont'd)

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1.9.3 Disputed Bills

- A The Customer shall notify the Company of any disputed items on a bill within a reasonable period of time after receipt of the bill. The existence of a disputed amount does not relieve the customer of their obligation to pay current charges. If the Customer and the Company are unable to resolve the dispute to their mutual satisfaction, the Customer may file a complaint with the Commission in accordance with the Commission's rules of procedure.
- B The date of the dispute shall be the date the Company receives sufficient documentation to enable it to investigate the dispute.
- C The date of the resolution is the date the Company completes its investigation and notifies the Customer of the disposition of the dispute.

1.10 Discontinuance of Service

- A The discontinuance of service by the Company pursuant to this section does not relieve the Customer of any obligation to pay the Company for charges due and owing for service(s) furnished during the time of or up to discontinuance of service.
- B Upon the Company's discontinuance of service to Customer pursuant to this section, all applicable charges, including termination charges, shall become due. This is in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this tariff.

1.10.1 Discontinuance of Service by the Company

(S)

- A The Company may discontinue or suspend service to Customer without prior written notice without incurring liability for the following reasons:
 - (i) The existence of an obvious hazard to the safety or health of the consumer or the general population or the Company's personnel; or
 - (ii) The Company has evidence of tampering or evidence of fraud.

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SECTION 1- REGULATIONS (cont'd)

1.10 Discontinuance of Service

1.10.1 Discontinuance of Service by the Company

- B The Company may discontinue or suspend service to Customer upon no less than 5 days written notice without incurring liability for the following reasons:
- (i) Customer violation of any of the provisions of this tariff, and/or violation of the Commission's rules and regulations;
 - (ii) Failure to pay a bill for service;
 - (iii) Failure to meet or maintain the Company's credit and deposit requirements;
 - (iv) Failure of the Customer to provide the Company reasonable access to its equipment and property;
 - (v) Customer breach of contract for service between the Company and the customer;
 - (vi) When necessary for the utility to comply with an order of any governmental agency having such jurisdiction;
 - (vii) Unauthorized resale of service.

1.10.2 Discontinuance of Service by Customer

- A If Customer cancels a service order or terminates service before the completion of the term for any reason whatsoever other than a service interruption (as defined in 1.7), Customer agrees to pay to Company the following sums which shall become due and owing as of the effective date of the cancellation or termination and be payable within the period set forth in this tariff, all costs, fees, and expenses incurred in connection with:
- (i) all non-recurring charges reasonably expended by Company to establish service to Customer, plus
 - (ii) any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by Company on behalf of Customer, plus
 - (iii) all recurring charges specified in the applicable service order tariff for the balance of the then current term.

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SECTION 1- REGULATIONS (cont'd)

1.10 Discontinuance of Service (cont'd)

1.10.3 Cancellation of Application for Service

- A Where, prior to cancellation by Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred, less net salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of services ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service begun.
- B Applications for service may be cancelled prior to the start of service or prior to any special construction. No charges will be imposed except for those specified above.
- C The special charges described above will be calculated and applied on a case-by-case basis.

1.11 Restoration of Service

When Customer's service has been disconnected in accordance with this tariff and the service has been terminated through the completion of a Company service order, service will be re-established only upon the basis of an application for new service.

1.12 Transfers and Assignments

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

SECTION 1- REGULATIONS (cont'd)**1.13 Notices and Communications**

- A The Customer shall designate on the Service Order an address to which the Company shall mail or deliver all notices and other communications, except that Customer may also designate a separate address to which the Company's bills for service shall be mailed.
- B The Company shall designate on the Service Order an address to which the Customer shall mail or deliver all notices and other communications, except that Company may designate an address on the bill for service to which the Customer shall mail payment for that bill.
- C All notices or other communications required to given pursuant to this tariff will be in writing. Notices and other communications of either party, and all bills mailed by the Company, shall have been presumed to have been delivered to the party on the third business day following the deposit of the notice, communication or bill with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.
- D The Company or Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

1.14 Promotional Offers

The Company may, from time to time, make promotional offerings of its services. The promotional offerings may be limited as to the duration, the date and times of the offering and the locations where the offerings are made.

1.15 Individual Case Basis (ICB) Arrangements

Arrangements will be developed on a case-by-case basis in response to a bona fide request or prospective Customer to develop a competitive bid for a service not generally offered under this tariff. ICB rates will be offered to the Customers in writing and on a non-discriminatory basis.

1.16 Customer Service

Customer service personnel are available twenty-four (24) hours a day, seven days a week and may be reached toll-free at 888-411-0111.

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SECTION 2 – SERVICE DESCRIPTIONS

2.1 Local Service

2.1.1 General

A Matrix Telecom, Inc. d/b/a Matrix Business Technologies' local service enables the Customer to:

(T)

- (1) receive calls from other stations on the public switched telephone network;
- (2) place calls to other stations on the public switched telephone network;
- (3) access the Company for service related assistance; access directory assistance for the local calling area; access toll free telecommunications services; access enhanced 911 services for emergency calling; access Telephone Relay Service; and
- (4) access the interexchange network. A Customer may presubscribe to the carrier of their choice for interLATA and intraLATA calling, or Customer may access a provider on an *ad hoc* basis by dialing the provider's Carrier Identification Code (10XXX).

B The local calling area will be the same as that used by the incumbent local exchange company, a description of which can be found in the telephone directory published by the incumbent local exchange company.

C Service will be offered in the service areas in which the Company has been certified by the Arizona Public Utilities Commission.

(D)

(D)

SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

(S)

2.2 Features**2.2.1** General

The following features will be available on all lines. Not all features are compatible with certain key sets and PBX systems.

A **Call Forward**

This optional feature allows all calls directed to a telephone number to be routed to a user defined telephone number. The user is charged any applicable usage charges for the re-routed call. The user can activate/deactivate Call Forward and define a telephone number where all calls will be forwarded. Calls cannot be forwarded to an International Direct Distance Dialing (IDDD) number.

B **Call Forward Busy Line**

This optional feature forwards calls to a busy station to a predetermined number. Calls cannot be forwarded to an International Direct Distance Dialing (IDDD) number. The user is charged any applicable usage charges for the forwarded call.

C **Call Forward Don't Answer**

This optional feature allows users to re-route a call to a predetermined station in the event that the call is not answered within a customer-specified number of rings. Users are charged for any applicable usage charges on the forwarded call.

(S)

SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

(S)

2.2 Features (cont'd)2.2.1 General (cont)**D Call Return**

Allows a customer to automatically redial the telephone number of the last incoming call to that line, regardless of whether the call was answered, unanswered, or busy. After the recall is activated, and unless the number is blocked as described below, an announcement of the number is provided to the customer, who then has the choice of either continuing the recall by entering a code, or terminating the recall by hanging up. If the redialed number is busy, a distinctive ring alerts the customer when the number becomes available. If the telephone number of the last incoming call has been blocked through the use of a service such as Caller ID Blocking, the number cannot be redialed.

E Call Trace

Call Tracing allows for the identification and recording of the telephone numbers of some or all of the incoming calls to the telephone line of a customer.

F Call Transfer

Allows Customer to transfer an incoming call to a third party or to add a third party to an existing call, forming a three-party connection. The original party can then leave the call without disconnecting the other parties. Calls can be transferred to any number in the North American Dialing Plan (1-NPA-NXX-XXXX type numbers).

(S)

**SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)**

(S)

2.2 Features (cont'd)

2.2.1 General (cont)

G Call Waiting

Provides a tone to notify customer on an existing call that a second call is waiting.

H Caller ID

Allows for the automatic delivery of a calling party's number to the called customer. The telephone number is displayed on customer-provided equipment.

I Continuous Redial

Allows a customer to automatically redial the last telephone number dialed. If the called number is busy, the number is redialed for a limited period of time.

J Direct Connect Line

Allows a customer to automatically dial a pre-designated number whenever the originating telephone goes off-hook. This feature is assigned to a phone which is used only for this purpose.

(S)

SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

(S)

2.2 Features (cont'd)2.2.1 General (cont)**K Hunting**

This optional feature routes a call to an idle line in a prearranged group when the called telephone number is busy. Typically this feature is used with the customer's main telephone number and several subtending lines so that the customer can receive calls on several lines, although all calls are placed to the same number. Hunting will not work with Call Forward Busy and Don't Answer

L Remote Call Forward

Allows the Customer to automatically forward calls from one telephone number to another. The Customer is charged any applicable usage charges on the forwarded call.

M Third Number/Collect Blocking

Allows a Customer to block calls from being billed to individual stations, either on a third-number basis, or on a collect basis.

N Three Way Calling

Allows a user to add a third party to an existing conversation without expensive conferencing equipment. This feature also allows a user to place a call on hold in order to make a consultation call on the same line. When the consultation call is completed the user hangs-up or depresses the flash key on the telephone and is reconnected to the original conversation.

O Toll Blocking

Allows the user to restrict long distance outgoing calls on each line equipped.

(S)

SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

2.2 Features (cont'd)

2.2.2 Terms and Conditions

- A Per call blocking and unblocking shall be offered at no charge. Per line blocking shall be offered at no charge for the first request of each Customer. Domestic violence programs and law enforcement agencies shall always be offered per line blocking at no charge.
- B The results of a call trace will be furnished only to law enforcement agencies or authorities upon proper request by them.
- C Disclosure of telephone number may occur when caller subscribes to Caller Identification or Automatic Call Back. Call blocking, on either a per call or per line basis, prevents the delivery of this information.

(D)

(D)

(D)

(D)

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SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

2.3 Directory Listings

2.3.1 Description

Directory listings will be provided in accordance with Section 1.6 of this tariff. The following types of listings are available:

- A **Primary Listing.** A primary listing contains the name of the Customer, or the name under which business is regularly conducted, as well as the address and telephone number of the Customer. Primary listings are provided at no charge;
- B **Additional Listings.** Additional listings are available only in the names of Authorized Users of the Customer's service, as defined herein;
- C **Non-Published Listings.** Non-published listings are not printed in directories nor are they available from directory assistance. Non-published listings are subject to the provisions set forth in Sections 1.2 and 1.6;
- D **Non-Listed Numbers.** Non-listed numbers are those which provide for the omission or deletion of the Customer's listing from the telephone directory. Such listings are available from directory assistance;
- E **Foreign Listings.** A foreign listing is one which is published in a directory not in the Customer's immediate calling area.
- F **Extra Line Listings.** Provides additional information after main or additional listings.
- G **Cross Reference Listing.** This provides a reference to another listing in the same directory.

(D)

(D)

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SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

2.4 Directory Assistance

2.4.1 Description

The Customer may access Directory Assistance for the purpose of determining phone numbers within its local calling area by calling the Directory Assistance Operator. A maximum of two number requests per call will be allowed.

(D)

2.4.2 Directory Assistance Credits

A Credit will be given for calls to Directory Assistance as follows:

- 1 The Customer experiences poor transmission or is cut-off during the call; or
- 2 The Customer is given the incorrect telephone number.

B To obtain credit, the Customer must contact their Customer Service representative at 888-411-0111.

(T)

SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

(T)

2.5 Operator Services2.5.1 General

The Customer has the option of contacting the incumbent local exchange company operator for general information, such as dialing instructions, country or city codes, area code information and Customer Service 800 numbers. The Customer may obtain the assistance of an incumbent local exchange operator to complete local exchange telephone calls in the following manner:

- A **Third Party Billing.** Provides the Customer with the ability to charge a local call to a third number which is different from the called or calling party. The party answering at the third number has the option to refuse acceptance of the charges in advance or when queried by the operator.
- B **Collect Calls.** Provides the Customer with the capability to charge a call to the called party. On the operator announcement of a collect call, the called party has the option to refuse acceptance of charges in advance or when queried by the operator.
- C **Person to Person.** Calls completed with the assistance of an operator to a particular Station and person specified by the caller. The call may be billed to the called party.
- D **Station to Station.** Calls completed with the assistance of an operator to a particular Station. The call may be billed to the called party.
- E **Busy Line Verification.** Provides the customer with the verification that a line is busy and not otherwise disrupted.
- F **Busy Line Interrupt.** Provides the customer with the option of interrupting a line that has been verified to be busy.

(T)

SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

2.6 Presubscription

A Customer may presubscribe to the intraLATA and/or interLATA carrier of their choice for long distance calling.

(D)

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**SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)****2.7 Service Restoration Charge**

When service has been discontinued in accordance with the provisions of this tariff, and Customer wishes to restore service, a Service Restoration Charge will apply.

(D)

2.8 Vanity Number

When a customer requests a specific number (e.g. 555-TOYS), and the number is available, a charge will apply when the Company provides the service of retrieving and providing said number.

2.9 Private Branch Exchange (PBX) Service

(T)

2.9.1 Description

The Company's PBX Service uses PBX Trunks to connect to a customer PBX system or other similar equipment. This service provides customers with unrestricted local calling and carrier access. The Company treats these trunks similar to individual exchange lines and supports multi-line hunting over a group of trunks.

(D)

2.9.2 Rearrangement of PBX Service

A non-recurring per account charge will apply to effect changes to a PBX trunking arrangement. Such changes may include, but are not limited to, trunk hunting sequence, a change in signaling arrangement, etc. These Rates can be found in Sections 3 & 4, herein.

(D)

SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)**2.10 Direct Inward Dial (DID) Service¹**

2.10.1 DID Service is an optional feature which can be purchased in conjunction with Company-provided PBX trunks. 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 central Office termination and DID number blocks apply in addition to charges specified for PBX Trunks. One additional termination charge applies for each DID-equipped PBX Trunk. Telephone numbers are furnished in blocks of 20. Blocks of number groups will be determined at the sole discretion of the Company's resources. Whenever possible, the Company will attempt to provide telephone numbers arranged consecutively in a group, but will not guarantee nor accept responsibility for provision of such an arrangement within or between a block of numbers. In addition, the Company reserves the right to review vacant DID stations or stations not in use to determine efficient telephone number utilization. Should the Company determine, based on its own discretion, that there is inefficient number utilization, the Company may reassign the DID numbers.

(M)

¹ Where all numbers in a group have not been connected for service, the Customer is responsible for providing interception of calls to vacant or non-working assigned station lines or telephone numbers by means of attendant intercept or recorded announcement service. The Company will not terminate these numbers to an intercept message on the Customer's behalf.

(M)

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SECTION 2 – SERVICE DESCRIPTIONS
(CONT'D)

2.11 Moves, Adds and Changes

2.11.1 Non-recurring Installation Charges as described in Sections 3 & 4 of this tariff will be applied per line when a Customer moves to a new address within the same local exchange.

2.11.2 Non-recurring charges as described in Sections 3 & 4 of this tariff will be applied per line when a Customer requests any changes or additions to an existing account.

(T)

(T)

(D)

(D)

SECTION 3 - RATES – BUSINESS SERVICES

(N)

3.1 Business Service Monthly Recurring Charge

Business Line Local Only	\$37.50 per line
Business Line Local plus Long Distance ¹	\$30.50 per line
Analog PBX Trunk Local Only	\$68.00 per trunk
Analog PBX Trunk plus Long Distance ¹	\$61.00 per trunk
DID CO Termination	\$50.25 per trunk

3.2 Initial Service Conversion Charge

\$26.00 per business line or trunk converted, non-recurring
\$57.00 per DID CO termination per trunk, non-recurring

3.3 Installation Charge

\$52.50 per business line installed, non-recurring
\$53.00 per trunk installed, non-recurring

(N)

¹ When a Customer chooses to use the Company's Long Distance in addition to its local service, the Customer receives a \$7.00 subsidy on local service.

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SECTION 3 - RATES – BUSINESS SERVICES (cont)

(M)

3.4 Features

	Monthly Recurring Charge	Non Recurring Charge	Per Usage Charge
Call Return	\$0.00	\$0.00	\$0.75
Continuous Redial	\$0.00	\$0.00	\$0.75
Call Trace	\$0.00	\$0.00	\$2.00
Three-way Conference Calling	\$3.75	\$12.25	\$2.00
Hunting-per Business Line	\$6.00	\$12.25	\$0.00
Hunting-per Analog Trunk	\$7.50	\$12.25	\$0.00
3 rd # Billed/Collect Blocking	\$7.00	\$12.25	\$0.00
Call Forward Variable	\$4.50	\$12.25	\$0.00
Call Forward Busy Line	\$6.00	\$12.25	\$0.00
Call Forward Don't Answer	\$3.75	\$12.25	\$0.00
Call Forward Busy Line/Don't Answer	\$9.00	\$12.25	\$0.00
Call Waiting	\$7.00	\$12.25	\$0.00
Speed Dial	\$2.75	\$12.25	\$0.00
Speed Dial, Expanded	\$4.25	\$12.25	\$0.00
Caller ID (Name and Number)	\$7.50	\$12.25	\$0.00
Vanity Number	\$9.25	\$230.00	\$0.00
Ground Start	\$0.00	\$12.25	\$0.00
Toll Restrict Blocking	\$4.75	\$26.00	\$0.00
Third # and Collect Blocking	\$7.00	\$12.25	\$0.00
Change Call Blocking	\$0.00	\$0.00	\$0.00
Change Class Blocking	\$0.00	\$12.25	\$0.00
Call Forward w/ Remote Access	\$7.75	\$12.25	\$0.00
Per Use Blocking	\$0.00	\$12.25	\$0.00

3.5 DID Number Groups

	Monthly Recurring Charge	Non-recurring Charge
20 numbers per group	\$2.75	\$18.75

(M)

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SECTION 3 - RATES – BUSINESS SERVICES (cont)

(M)

3.6 Directory Listings

	Monthly Recurring Charge	Non - Recurring Charge
Primary Listing	\$0.00	\$0.00
Additional Listing	\$2.75	\$20.75
Cross Reference Listing	\$2.75	\$20.75
Extra Line Listing	\$2.75	\$20.75
Foreign Listing	\$2.75	\$20.75
Non-Published Listing	\$1.70	\$20.75
Non-Listed Number	\$1.35	\$20.75

3.7 Local Directory Assistance

\$0.59 per call

3.8 Directory Assistance Call Completion\$0.35 per call¹3.9 Operator Services

	surcharge	per minute charge
Third Party Billing	\$1.30	\$.2700
Collect	\$1.30	\$.2700
Person to Person	\$3.50	\$.2700
Busy Line Verification	\$1.40	\$.0000
Busy Line Verification 3 rd # Billed	\$2.75	\$.0000
Busy Line Verification w/Interrupt	\$2.75	\$.0000

3.10 Presubscription

A Customer may change their intra and/or interLATA long distance carrier. The Customer will incur a \$10.00 per line, per occurrence charge. A single occurrence can include a change of both the intraLATA and interLATA carriers.

(M)

¹ Provided where facilities permit, charge in addition to charge in 3.8

SECTION 3 - RATES – BUSINESS SERVICES (cont)

(M)

3.11 Service Restoration Charge

\$55.00 per occurrence

3.12 Service Change Charge

\$27.50 per occurrence

3.13 Intercept Service

When a switching arrangement for an individual customer (a single line or entire hunt group) is discontinued at an end office, an intercept announcement is provided. This arrangement provides, for ninety (90) days, an announcement that the service associated with the number dialed has been disconnected. There is no charge for this service.

3.14 Time and Material Charges

Trip Charge	\$61.00
Each 15 min increment	\$16.00

(M)

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SECTION 4 - RATES – LOCAL DIGITAL SERVICE

(N)

4.1 Local Digital Service Monthly Recurring Charge

ISDN-PRI – Per D Channel \$100.00

4.2 Local Digital Service Non-Recurring Charge

ISDN-PRI – Per D Channel \$2500.00

4.3 Optional Features

The optional features, hunting and vanity numbers, are provided at no additional charge to subscribers of Local Digital Service.

4.4 Presubscription

A Customer may change their intra and/or interLATA long distance carrier. The Customer will incur a \$5.00 per line, per occurrence charge. A single occurrence can include a change of both the intraLATA and interLATA carriers.

4.5 Miscellaneous Charges

	Monthly Recurring Charge	Non-Recurring Charge
Foreign Exchange Service (Per T)	\$100.00	\$0.00
Service Change Charge	\$0.00	\$15.00

4.6 Directory Listings

	Monthly Recurring Charge	Non-Recurring Charge
Additional Listing	\$2.75	\$20.75
Foreign Listing	\$2.75	\$20.75
Cross Reference Listing	\$2.75	\$20.75
Non-Listed Number	\$1.40	\$20.75
Non-Published Number	\$1.40	\$20.75

(N)

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SECTION 4 - RATES – LOCAL DIGITAL SERVICE (cont)

(N)

4.7 Operator Services

	Surcharge	Per Minute
Third Party Billing	\$1.30	\$.2700
Collect	\$1.30	\$.2700
Person to Person	\$3.50	\$.2700
Busy Line Verification	\$1.40	\$.0000
Busy Line Verification w/Interrupt	\$2.75	\$.0000

4.8 Local Directory Assistance

\$0.59 per call

4.9 Directory Assistance Local Call Completion\$0.39 per call⁴

(N)

⁴ Provided where facilities permit; charge in addition to charge in 4.8

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SECTION 4 - RATES – LOCAL DIGITAL SERVICE (cont)**4.10 Time and Material Charges**

Customer shall be responsible for payment of costs associated with installation of new local digital services or other time and material charges imposed on the Company by a Local Exchange Carrier as a prerequisite for installing or maintaining the Customers service, and not already recovered via the Company's existing recurring or nonrecurring charges as outlined herein. The customer will be advised of said charge prior to completion of service and will be given the option to contract an independent technician to complete the work. Hourly Rates are as follows:

	Per Visit
Trouble Isolation	\$75.00
Flat Inside Wire Maintenance	\$100.00
Flat Jack Installation -	
First Jack	\$75.00
Additional Wired	\$25.00
Additional Unwired	\$75.00

(N)

(N)

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ATTACHMENT "E"
MATRIX ACCESS TARIFF FILING

Matrix Telecom, Inc. d/b/a Matrix Business Technologies
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Arizona Tariff No. 3

COMPETITIVE ACCESS PROVIDER SERVICES TARIFF

Arizona

TELECOMMUNICATIONS ACCESS SERVICES TARIFF

OF

Matrix Telecom, Inc. d/b/a Matrix Business Technologies

This rate sheet contains the descriptions, regulations and rates applicable to the furnishing of competitive access service and facilities for telecommunications services provided by Matrix Telecom, Inc. d/b/a Matrix Business Technologies ("Matrix") within the State of Arizona. This rate sheet is on file with the Arizona Corporation Commission. Copies may be inspected during normal business hours at the Company's principal place of business at 7171 Forest Lane, Suite 700, Dallas, TX 75232.

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Vice President of Regulatory Affairs and General Counsel
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COMPETITIVE ACCESS PROVIDER SERVICES TARIFF

CHECK SHEET

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

SHEET	REVISIO	SHEET	REVISIO	SHEET	REVISION
1	Original	* 26	Original	* 52	Original *
2	Original	* 27	Original	* 53	Original *
3	Original	* 28	Original	* 54	Original *
4	Original	* 29	Original	* 55	Original *
5	Original	* 30	Original	* 56	Original *
6	Original	* 31	Original	* 57	Original *
7	Original	* 32	Original	*	
8	Original	* 33	Original	*	
9	Original	* 34	Original	*	
10	Original	* 35	Original	*	
11	Original	* 36	Original	*	
12	Original	* 37	Original	*	
13	Original	* 38	Original	*	
14	Original	* 39	Original	*	
15	Original	* 40	Original	*	
16	Original	* 41	Original	*	
17	Original	* 42	Original	*	
18	Original	* 43	Original	*	
19	Original	* 44	Original	*	
20	Original	* 45	Original	*	
21	Original	* 46	Original	*	
22	Original	* 47	Original	*	
23	Original	* 48	Original	*	
24	Original	* 49	Original	*	
25	Original	* 50	Original	*	
		51	Original	*	

*- indicates pages included in this filing

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COMPETITIVE ACCESS PROVIDER SERVICES TARIFF

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COMPETITIVE ACCESS PROVIDER SERVICES TARIFF

SYMBOLS

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

- D** Delete or discontinue.
- I** Change resulting in an increase to a customer's bill.
- M** Moved from another rate sheet location.
- N** New.
- R** Change resulting in a reduction to a customer's bill.
- T** Change in text or regulation but no change in rate or charge.

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COMPETITIVE ACCESS PROVIDER SERVICES TARIFF

RATE SHEET FORMAT

A. Sheet Numbering - Sheet numbers appear in the upper right corner of the sheet. Sheets are numbered sequentially. However, new sheets are occasionally added to the rate sheet. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.

B. Sheet Revision Numbers - Revision numbers also appear in the upper right corner of each sheet. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc. the Commission follows in its rate sheet approval process, the most current sheet number on file with the Commission is not always the sheet in effect. Consult the Check Sheet for the sheet currently in effect.

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

- 2.
- 2.1
- 2.1.1
- 2.1.1.A.
- 2.1.1.A.1.
- 2.1.1.A.1.(a)
- 2.1.1.A.1.(a).I.
- 2.1.1.A.1.(a).I.(i).
- 2.1.1.A.1.(a).I.(i).(1).

D. Check Sheets - When a rate sheet filing is made with the FCC, an updated Check Sheet accompanies the rate sheet filing. The Check Sheet lists the sheets contained in the rate sheet, with a cross-reference to the current revision number. When new sheets are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc. remain the same, just revised revision levels on some sheets.) The rate sheet user should refer to the latest Check Sheet to find out if a particular sheet is the most current on file with the FCC.

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COMPETITIVE ACCESS PROVIDER SERVICES TARIFF

SECTION 1 - DEFINITIONS

Certain terms used generally throughout this rate sheet for the Access Services of this Company are defined below.

Access Code: A uniform seven digit code assigned by the Company to an individual Customer. The seven digit code has the form 950-XXXX or 101XXXX.

Access Service: Switched Access to the network of an Interexchange Carrier for the purpose of originating or terminating communications.

Access Service Request (ASR): The industry service order format used by Access Service Customers and access providers as agreed to by the Ordering and Billing Forum.

Access Tandem: An Exchange Carrier's switching system that provides a concentration and distribution function for originating or terminating traffic between local switching centers and Customers' premises.

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

Carrier or Common Carrier: See Interexchange Carrier or Exchange Carrier.

Co-Carrier: Any other Telecommunications provider authorized by the Commission to provide local exchange service in the state.

Commission: The Arizona Corporaiton Commission.

Common Channel Signaling (CCS): A high-speed packet switched communications network which is separate (out of band) from the public packet switched and message networks. It is used to carry addressed signaling messages for individual trunk circuits and/or database related services between signaling points in the CCS network.

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COMPETITIVE ACCESS PROVIDER SERVICES TARIFF

SECTION 1 - DEFINITIONS, (Cont'd.)

Company: Matrix Telecom, Inc. d/b/a Matrix Business Technologies, issuer of this rate sheet

Constructive Order: Delivery of calls to or acceptance of calls from the Company's End User locations over Company-switched local exchange services constitutes a Constructive Order by the Customer to purchase switched access services as described herein. Similarly the selection by a Company's End User of the Customer as the presubscribed IXC constitutes a Constructive Order of switched access by the Customer.

Customer: The person, firm, corporation or other entity which orders Service and is responsible for the payment of charges and for compliance with the Company's rate sheet regulations. The Customer could be an interexchange carrier, a wireless provider, or any other carrier authorized to operate in the state.

8XX Data Base Access Service: The term "8XX Data Base Access Service" denotes a toll-free originating Trunkside Access Service when the 8XX Service Access Code (i.e., 800, 822, 833, 844, 855, 866, 877, or 888 as available) is used.

End User: Any individual, association, corporation, governmental agency or any other entity other than an Interexchange Carrier which subscribes to intrastate service provided by an Exchange Carrier.

Entrance Facility: A trunk facility connecting the Customer's point of presence with the local switching center.

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

Firm Order Confirmation (FOC): Acknowledgment by the Company of receipt of an Access Service Request from the Customer and commitment by the Company of a Service Date.

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

Inter-MTA Traffic - Wireless traffic originating on the network of a CMRS provider within one MTA and terminating to the Company's end-user subscribers in another MTA.

Intra-MTA Traffic - Wireless traffic originating on the network of a CMRS provider within a MTA and terminating to the Company's end-user subscribers in the same MTA.

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SECTION 1 - DEFINITIONS, (Cont'd.)

Interexchange Carrier (IXC) or Interexchange Common Carrier: Any individual, partnership, association, joint-stock company, trust, governmental entity or corporation engaged in state or foreign communication for hire by wire or radio, between two or more exchanges.

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

Line Information Data Base (LIDB): The data base which contains base information such as telephone numbers, calling card numbers and associated billed number restriction data used in connection with the validation and billing of calls.

Local Access: The connection between a Customer's premises and a point of presence of the Exchange Carrier.

Local Switching Center: The switching center where telephone exchange service Customer station Channels are terminated for purposes of interconnection to each other and to interoffice Trunks.

Local Traffic: Traffic is ALocal Traffic@ under this rate sheet is: (i) the call originates and terminates in the same exchange area; or (ii) the call originates and terminates within different Matrix Exchanges that share a common mandatory local calling area, e.g., a mandatory Extended Local Calling Service (ELCS) or Extended Area Service areas (EAS) or other like types of mandatory local calling scopes.

Meet Point: A point of interconnection that is not an end office or tandem.

Meet Point Billing: The arrangement through which multiple Exchange Carriers involved in providing Access Services, divide the ordering, rating, and billing of such services on a proportional basis, so that each Exchange Carrier involved in providing a portion of the Access Service agrees to bill under its respective rate sheet.

Mobile Telephone Switching Office: Location where the wireless Customer maintains a facility for purposes of interconnecting to the Company's Network.

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SECTION 1 - DEFINITIONS, (Cont'd.)

Mutual Traffic Exchange: A compensation arrangement between certified local exchange service providers where local exchange service providers pay each other "in kind" for terminating local exchange traffic on the other's network.

Network Services: The Company's telecommunications Access Services offered on the Company's Network.

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

Off-Hook: The active condition of Switched Access or a telephone exchange service line.

Optional Expanded Area Service Traffic (OEAS): Optional service found in large urban areas financed by separate charge on end users that elect service as defined by a tariffed approved by the Commission.

On-Hook: The idle condition of switched access or a telephone exchange service line.

Out of Band Signaling: An exchange access signaling feature which allows customers to exchange call control and signaling information over a communications path which is separate from the message path.

Point of Presence: Location where the Customer maintains a facility for purposes of interconnecting to the Company's Network.

Premises: The space occupied by a Customer or Authorized User in a building or buildings or on contiguous property (except railroad rights-of-way, etc.).

Presubscription: An arrangement whereby an End User may select and designate to the Company an Interexchange Carrier (IXC) or Carriers it wishes to access, without an Access Code, for completing both intraLATA toll calls and/or interLATA calls. The selected IXC(s) are referred to as the End User's Primary Interexchange Carrier (PIC).

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SECTION 1 - DEFINITIONS, (Cont'd.)

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

Service Order: The written request for Network Services executed by the Customer and the Company in a format devised by the Company; or, in the alternative, the submission of an Access Service Request by the Customer in the manner specified in this rate sheet.

Service(s): The Company's telecommunications Access Services offered on the Company's Network.

Signaling Point of Interface: The Customer designated location where the SS7 signaling information is exchanged between the Company and the Customer.

Signaling System 7 (SS7): The common Channel Out of Band Signaling protocol developed by the Consultative Committee for International Telephone and Telegraph (CCITT) and the American National Standards Institute (ANSI).

Switched Access Service: Access to the switched network of an Exchange Carrier for the purpose of originating or terminating communications. Switched Access is available to carriers, as defined in this rate sheet.

Matrix: Matrix Telecom, Inc. d/b/a Matrix Business Technologies, issuer of this rate sheet.

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

Wireless Provider: Any carrier authorized to operate as a provider of cellular, personal communications, paging or any other form of wireless transmission.

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COMPETITIVE ACCESS PROVIDER SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of Matrix Telecom, Inc. d/b/a Matrix Business Technologies

2.1.1 Scope

Matrix's services offered pursuant to this Rate Sheet are furnished for Switched Access Service. Matrix may offer these services over its own or resold facilities.

Matrix installs, operates, and maintains the communications services provided herein in accordance with the terms and conditions set forth under this Rate Sheet. Matrix may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities as required in the Commission's rules and orders, when authorized by the Customer, to allow connection of a Customer's location to the Matrix network. The Customer shall be responsible for all charges due for such service agreement.

The Company's services and facilities are provided on a monthly basis unless otherwise indicated, and are available twenty-four hours per day, seven days per week.

2.1.2 Shortage of Equipment or Facilities

- A. The Company reserves the right to limit or to allocate the use of existing facilities, or of additional facilities offered by the Company when necessary because of lack of facilities or due to some other cause beyond the Company's control.
- B. The furnishing of service under this rate sheet is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's facilities as well as facilities the company may obtain from other Carriers from time to time, to furnish service as required at the sole discretion of the Company.
- C. The provisioning and restoration of service in emergencies shall be in accordance with Part 64, Subpart D, Appendix A of the Federal Communications Commission's Rules and Regulations, which specifies the priority system for such activities.

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COMPETITIVE ACCESS PROVIDER SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.1 Undertaking of Matrix Telecom, Inc. d/b/a Matrix Business Technologies, (Cont'd.)

2.1.3 Terms and Conditions

- A. Except as otherwise provided herein, service is provided and billed on the basis of a minimum period of at least one month, and shall continue to be provided until canceled by the Customer, in writing, on not less than 30 days notice. Unless otherwise specified herein, for the purpose of computing charges in this rate sheet, a month is considered to have 30 days.
- B. Customers seeking to cancel service have an affirmative obligation to block traffic originating from or terminating to the Company's network. By originating traffic from or originating traffic to the Company's network, the Customer will have constructively ordered the Company's switched access service.
- C. The Customer agrees to operate Company-provided equipment in accordance with instructions of the Company or the Company's agent. Failure to do so will void Company liability for interruption of service and may make the Customer responsible for damage to equipment pursuant to section 2.1.3.D below.
- D. The Customer agrees to return to the Company all Company-provided equipment delivered to Customer within five (5) days of termination of the service in connection with which the equipment was used. Said equipment shall be in the same condition as when delivered to Customer, normal wear and tear only excepted. Customer shall reimburse the Company, upon demand, for any costs incurred by the Company due to Customer's failure to comply with this provision.

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SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.1 Undertaking of Matrix Telecom, Inc. d/b/a Matrix Business Technologies, (Cont'd.)

2.1.4 Liability of the Company

- A. The liability of the Company for damages arising out of the furnishing of its Services, including but not limited to mistakes, omissions, interruptions, delays, errors, other defects, or representations by the Company, or use of these services or damages arising out of the failure to furnish the service whether caused by act or omission, shall be limited to the extension of allowances for interruption as set forth in 2.6 below. The extension of such allowances for interruption shall be the sole remedy of the Customer 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 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.
- B. With respect to any other claim or suit, by a Customer or by any others, for damages associated with the ordering (including the reservation of any specific number for use with a service), installation (including delays thereof), provision, termination, maintenance, repair interruption or restoration of any service or facilities offered under this rate sheet, and subject to the provisions of the Company's liability, if any, shall be limited as provided herein.

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SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.1 Undertaking of Matrix Telecom, Inc. d/b/a Matrix Business Technologies, (Cont'd.)

2.1.4 Liability of the Company, (Cont'd.)

- C. The Company shall not be liable for any delay or failure of performance or 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 governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state, or local governments, or of any military authority; preemption of existing service in compliance with national emergencies; insurrections; riots; wars; unavailability of rights-of-way or materials; or strikes, lockouts work stoppages, or other labor difficulties.

- D. The Company shall not be liable for (a) any act or omission of any entity furnishing the Company or the Company's Customers facilities or equipment used for the interconnection with Access Services; or (b) for the acts or omissions of other Common Carriers.

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SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.1 Undertaking of Matrix Telecom, Inc. d/b/a Matrix Business Technologies, (Cont'd.)

2.1.4 Liability of the Company, (Cont'd.)

- E. The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of Customer-provided equipment or facilities.
- F. The Customer shall indemnify and hold the Company harmless from any and all loss, claims, demands, suits, or other actions, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, condition, location, or use of any installation or equipment provided by the Company. The Company reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this Section 2.1.4.F as a condition precedent to such installations.
- G. The Company shall not be liable for any defacement of or damage to Customers Premises resulting from the furnishing of services or equipment on such Premises or the installation or removal thereof, unless such defacement or damage is caused by the gross negligence or willful misconduct of the Company's agents or employees. No agents or employees of other participating Carriers shall be deemed to be agents or employees' of the Company.

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SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.1 Undertaking of Matrix Telecom, Inc. d/b/a Matrix Business Technologies, (Cont'd.)

2.1.4 Liability of the Company, (Cont'd.)

- H. Notwithstanding the Customer's obligations as set forth in Section 2.3 below, the Company shall be indemnified, defended and held harmless by the Customer, or by others authorized by it to use the service, against any claim, loss or damage arising from Customer's use of services furnished under this rate sheet, including: claims for libel, slander, invasion of privacy or infringement of copyright arising from the material, data, information, or other content transmitted via the Company's service; and patent infringement claims arising from combining or connecting the service offered by the Company with apparatus and systems of the Customer or others; all other claims arising out of any act or omission of the Customer or others, in connection with any service provided by the Company pursuant to this rate sheet.

- I. The Company shall be indemnified and held harmless by the End User against any claim, loss or damage arising from the End User's use of services offered under this rate sheet including: claims for libel, slander, invasion of privacy or infringement of copyright arising from the End User's own communications; patent infringement claims arising from the End User's combining or connecting the service offered by the Company with facilities or equipment furnished by the End User of another Interexchange Carrier; or all other claims arising out of any act or omission of the End User in connection with any service provided pursuant to this rate sheet.

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SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.1 Undertaking of Matrix Telecom, Inc. d/b/a Matrix Business Technologies, (Cont'd.)

2.1.4 Liability of the Company, (Cont'd.)

- J. The entire liability of the Company for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid to the Company by the Customer for the specific services giving rise to the claim, and no action or proceeding against the Company shall be commenced more than one year after the service is rendered.
- K. The Company makes no warranties or representation, express or implied, including warranties or merchant's ability or fitness for a particular use, except those expressly set forth herein.
- L. The Company shall not be liable for any act or omission of any other company or companies furnishing a portion of the service, or for damages associated with service, Channels, or equipment which result from the operation of Customer-provided systems, equipment, facilities or service which are interconnected with Company services.

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SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.1 Undertaking of Matrix Telecom, Inc. d/b/a Matrix Business Technologies, (Cont'd.)

2.1.4 Liability of the Company, (Cont'd.)

- M. The Company does not guarantee nor make any warranty with respect to service installations at locations at which there is present an atmosphere that is explosive, prone to fire, dangerous or otherwise unsuitable for such installations. The Customer and End User shall indemnify and hold the Company harmless from any and all loss, claims, demands, suits or other actions, or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party, for any personal injury to, or death of, any person or persons, or for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, locations or use of service furnished by the Company at such locations.
- N. The Company shall not be liable for the Customer's failure to fulfill its obligations to take all necessary steps including, without limitation, obtaining, installing and maintaining all necessary equipment, materials and supplies, for interconnecting the terminal equipment or communications system of the Customer, or any third party acting as its agent, to the Company's Network. The Customer shall secure all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection. In addition, the Customer shall ensure that its equipment and/or system or that of its agent is properly interfaced with the Company's service, that the signals emitted into the Company's Network are of the proper mode, band-width, power, data speed, and signal level for the intended use of the Customer and in compliance with the criteria set forth in Section 2.1.6 following, and that the signals do not damage Company equipment, injure its personnel or degrade service to other Customers. If the Customer or its agent fails to maintain and operate its equipment and/or system or that of its agent properly, with resulting imminent harm to Company equipment, personnel, or the quality of service to other Customers, the Company, may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, the Company may, upon written notice, terminate the Customer's service without liability.

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SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.1 Undertaking of Matrix Telecom, Inc. d/b/a Matrix Business Technologies, (Cont'd.)

2.1.5 Notification of Service-Affecting Activities

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

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SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.1 Undertaking of Matrix Telecom, Inc. d/b/a Matrix Business Technologies, (Cont'd.)

2.1.6 Provisions of Equipment and Facilities

- A. 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 rate sheet. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.
- B. The Company shall use reasonable efforts to maintain facilities and equipment 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 or equipment installed by the Company, except upon the written consent of the Company.
- C. The Company may substitute, change or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided the Customer.
- D. Equipment the Company provides or installs at the Customer Premises for use in connection with the services the Company offers shall not be used for any purpose other than that for which the Company provided it.
- E. The Customer shall be responsible for the payment of service charges imposed on the Company by another entity, for visits to the Customer Premises when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.

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SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.1 Undertaking of Matrix Telecom, Inc. d/b/a Matrix Business Technologies, (Cont'd.)

2.1.6 Provisions of Equipment and Facilities, (Cont'd.)

- F. The Company shall not be responsible for the installation, operation, or maintenance of any Customer provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this rate sheet, the responsibility of the Company shall be limited to the furnishing of facilities offered under this rate sheet and to the maintenance and operation of such facilities. Notwithstanding the above, the Company shall not be responsible for:
1. the transmission of signals by Customer-provided equipment or for the quality of, or defects in, such transmission;
 2. the reception of signals by Customer-provided equipment; or
 3. network control signaling where such signaling is performed by Customer-provided network control signaling equipment.
- G. The Company intends to work cooperatively with the Customer to develop network contingency plans in order to maintain maximum network capability following natural or man-made disasters which affect telecommunications services.
- H. The Company reserves the reasonable right to assign, designate or change telephone numbers, any other call number designations associated with Access Services, or the Company serving central office prefixes associated with such numbers, when necessary in the conduct of its business.

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SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.1 Undertaking of Matrix Telecom, Inc. d/b/a Matrix Business Technologies, (Cont'd.)

2.1.7 Non-routine Installation

At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours or in unusual 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. If installation is started during regular business hours but, at the Customer's request, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

2.1.8 Special Construction

Subject to the arrangement of the Company and to all of the regulations contained in this rate sheet, special construction of facilities may be undertaken on a reasonable efforts basis at the request of the Customer. Special construction is that construction undertaken and characterized by one or more of the following:

- A. where facilities are not presently available and there is no other requirement for the facilities so constructed;
- B. of a type other than that which the Company would normally utilize in the furnishing of its services;
- C. where facilities are to be installed over a route other than that which the Company would normally utilize in the furnishing of its services;
- D. where facilities are requested in a quantity greater than that which the Company would normally construct;
- E. where installation is on an expedited basis;

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SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.1 Undertaking of Matrix Telecom, Inc. d/b/a Matrix Business Technologies, (Cont'd.)

2.1.8 Special Construction, (Cont'd.)

- F. on a temporary basis until permanent facilities are available;
- G. installation involving abnormal costs; or
- H. in advance of its normal construction schedules.

Special construction charges for Switched Access Service will be determined on an individual use basis.

2.1.9 Ownership of Facilities

Title to all facilities provided in accordance with this rate sheet remains in the Company, its agents, contractors or suppliers.

2.2 Prohibited Uses

- 2.2.1 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.
- 2.2.2 The Company may require applicants for service who intend to use the Company's offerings for resale and/or for shared use to file a letter with the Company confirming their use of the Company's offerings complies with relevant laws and applicable state regulations, policies, orders, and decisions; and if the Reseller intends to provide intrastate services, is certified with the appropriate state entity.
- 2.2.3 The Company may require a Customer to immediately shut down its transmission of signals if said transmission is causing interference to others.

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COMPETITIVE ACCESS PROVIDER SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.3 Obligations of the Customer

2.3.1 The Customer shall be responsible for:

- A. the payment of all applicable charges pursuant to this rate sheet;
- B. reimbursing the Company for damage to, or loss of, the Company's facilities or equipment caused by the acts or omissions of the Customer; or the noncompliance by the Customer with these regulations; or by fire or theft or other casualty on the Customer Premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company. The Company will, upon reimbursement for damages to its facilities or equipment, cooperate with the Customer in prosecuting a claim against the person causing such damage and the Customer shall be subjugated in the Company's right of recovery of damages to the extent of such payment;
- C. providing at no charge, as specified from time to time by the Company, any needed personnel, equipment, space, and power to operate Company facilities and equipment installed on the Customer Premises, and the level of heating and air conditioning necessary to maintain the proper operating environment on such Premises;
- D. obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduit necessary for installation of fiber optic cable and associated equipment used to provide Access Services to the Customer from the cable building entrance or property line to the location of the equipment space described in 2.3.1.C above. Any costs associated with obtaining and maintaining the rights-of-way described herein, including the costs of altering the structure to permit installation of the Company-provided facilities, shall be owned entirely by, or may be charged by the Company to, the Customer. The Company may require the Customer to demonstrate its compliance with this subsection prior to accepting an order for service;

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SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.3 Obligations of the Customer, (Cont'd.)

2.3.1 The Customer shall be responsible for, (Cont'd.):

- E. providing a safe place to work and complying with all laws and regulations regarding the working conditions on the Premises at which Company employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing, and disposing of any hazardous material (e.g. friable asbestos) prior to any construction or installation work;
- F. complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses, and permits as may be required with respect to, the location of Company facilities and equipment in any Customer Premises or the rights-of-way for which Customer is responsible obtaining under Section 2.3.1.D above; and granting or obtaining permission for Company agents or employees to enter the Customer Premises at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company; and
- G. not creating or allowing to be placed or maintained any liens or other encumbrances on the Company's equipment or facilities.

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COMPETITIVE ACCESS PROVIDER SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.3 Obligations of the Customer, (Cont'd.)

2.3.2 Claims

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

- A. any loss, destruction or damage to property of the Company or any third party, or the death of or injury to persons, including, but not limited to employees or invitees of either the Company or the Customer, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees;
- B. any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the Customer, including, without limitation, use of the Company's services and facilities in a manner not contemplated by the agreement between the Customer and the Company.

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COMPETITIVE ACCESS PROVIDER SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.3 Obligations of the Customer, (Cont'd.)

2.3.3 Jurisdictional Reporting

The jurisdictional reporting requirements will be as specified below. When a Customer orders Access Service, its projected Percent Interstate Usage (PIU) must be provided in whole numbers to the Company. These whole number percentages will be used by the Company to apportion the use and/or charges between interstate and intrastate until a revised report is received as set forth herein. Reported or default PIU factors are used only where the call detail is insufficient to determine the appropriate jurisdiction of the traffic.

- A. Originating Access: Originating access minutes is only traffic originating from the Company Local Switching Center(s). The Customer should provide the Company with a projected PIU factor on a quarterly basis.

If no PIU for originating minutes is submitted as specified herein, then the projected PIU will be set on a default basis of 50 percent interstate traffic and 50 percent intrastate traffic.

- B. Terminating Access: For Feature Group D Switched Access Service(s), the Customer should provide the Company with a projected PIU factor by supplying the Company with an interstate percentage of terminating access minutes on a quarterly basis, as described in Sections 2.3.3.D below.

If no projected PIU factor is submitted by the Customer, then the projected PIU will be set on a default basis of 50 percent interstate traffic and 50 percent intrastate traffic.

- C. Except where the Company measured access minutes are used as set forth above, the Customer reported Projected PIU factor as set forth above will be used until the Customer reports a different projected PIU factor, as set forth below.

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SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.3 Obligations of the Customer, (Cont'd.)

2.3.3 Jurisdictional Reporting, (Cont'd.)

- D. Effective on the first of January, April, July and October of each year the Customer should update its interstate and intrastate jurisdictional report. The Customer should forward to the Company, to be received no later than 15 days after the first of each such month, a revised report showing the interstate and intrastate percentage of use for the past three months ending the last day of December, March, June, and September, respectively, for each service arranged for interstate use, based solely on the traffic originating from or terminating to the Company Local Switching Center. The revised report will serve as the basis for the next three months' billing and will be effective on the bill date for that service. If the Customer does not supply the reports for those services where reports are needed, the Company will assume the percentage to be the same as that provided previously. For those cases in which a quarterly report has never been received from the Customer, the Company will assume the percentages to be the same as those provided in 2.3.3A and 2.3.3B above.
- E. Jurisdictional Reports Verification: For Switched Access Service, if a billing dispute arises or a regulatory commission questions the projected PIU factor, the Customer will provide the data issued to determine the projected PIU factor. The Customer will supply the data within 30 days of the Company request.

COMPETITIVE ACCESS PROVIDER SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.3 Obligations of the Customer, (Cont'd.)

2.3.3 Jurisdictional Reporting, (Cont'd.)

(Cont'd.)

The Customer shall keep records of call detail from which the percentage of interstate and intrastate use can be ascertained and, upon request of the Company, shall make the records available for inspection as reasonably necessary for purposes of verification of the percentages. The Company reserves the right to conduct an audit at any time during the year. The Customer, as its own expense, has the right to retain an independent auditing firm.

2.4 Customer Equipment and Channels

2.4.1 General

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

2.4.2 Station Equipment

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

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SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.4 Customer Equipment and Channels, (Cont'd.)

2.4.2 Station Equipment, (Cont'd.)

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

2.4.3 Interconnection of Facilities

- A. Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing Access Services and the Channels, facilities, or equipment of others shall be provided at the Customer's expense.
- B. Access 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 of the other communications carriers which are applicable to such connections.

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SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.4 Customer Equipment and Channels, (Cont'd.)

2.4.4 Inspections

- A. Upon reasonable notification of the Customer, and at reasonable times, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in Section 2.4.2.B for the installation, operation, and wiring in the connection of Customer-provided facilities and equipment to Company-owned facilities and equipment. No credit will be allowed for any interruptions occurring during such inspections.

- B. If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten 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. The Company will, upon request 24 hours in advance, provide the Customer with a statement of technical parameters that the Customer's equipment must meet.

2.5 Payment Arrangements

2.5.1 Payment for Service

The Customer is responsible for payment of all charges for services and facilities furnished by the Company to the Customer or its Joint or Authorized Users.

A. Taxes

The Customer is responsible for the payment of any sales, use, gross receipts, excise, access or other local, state and federal taxes, charges or surcharges (however designated) excluding taxes on the Company's net income imposed on or based upon the provision, sale or use of Access Services. All such taxes shall be separately designated on the Company's invoices.

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SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.5 Payment Arrangements, (Cont'd.)

2.5.2 Billing and Collection of Charges

Unless otherwise specified herein, bills are due and payable upon receipt.

The Company shall bill on a current basis all charges incurred by, and credits due to, the Customer under this Tariff attributable to services established, provided, or discontinued during the preceding billing period. Any known unbilled charges for prior periods and any known adjustments also will be applied to the current bill.

Non-Recurring Charges are due and payable within 30 days after the invoice date.

The Company shall present invoices for all Charges monthly to the Customer.

Amounts not paid within 30 days after the date of invoice will be considered past due. Matrix will assess a late payment charge equal to 1.5% per month for any past due balance that exceeds 30 days. If the Company becomes concerned at any time about the ability of a Customer to pay its bills, the Company may require that the Customer pay its bills within a specified number of days and make such payments in cash or the equivalent of cash.

If a service is disconnected by the Company in accordance with Section 2.5.3 following and later restored, restoration of service will be subject to all applicable installation charges.

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SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.5 Payment Arrangements, (Cont'd.)

2.5.2 Billing and Collection of Charges, (Cont'd.)

The Customer shall notify the Company of any disputed items on an invoice within 90 days of receipt of the invoice. If the Customer and the Company are unable to resolve the dispute to their mutual satisfaction, the Customer may file a complaint with the Commission in accordance with the Commission's rules of procedures.

Any disputed charges must be paid when due. After the dispute is settled, the Customer will be credited with any payments in excess of those actually due the Company. The Company will also remit interest for all such credited amounts. Interest will be paid at rate required by the Commission for customer deposits.

2.5.3 Refusal and Discontinuance of Service

- A. Upon nonpayment of any amounts owing to the Company, the Company may, by giving requisite prior written notice to the Customer discontinue or suspend service without incurring any liability.
- B. Upon violation of any of the other material terms or conditions for furnishing service the Company may, by giving 30 days' prior notice in writing to the Customer, discontinue or suspend service without incurring any liability if such violation continues during that period.
- C. Upon condemnation of any material portion of the facilities used by the Company to provide service to a Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend service without incurring any liability.
- D. Upon any governmental prohibition, or required alteration of the services to be provided or any violation of an applicable law or regulation, the Company may immediately discontinue service without incurring any Liability.

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SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.5 Payment Arrangements, (Cont'd.)

2.5.3 Refusal and Discontinuance of Service, (Cont'd.)

- E. Upon the Company's discontinuance of service to the Customer under Section 2.5.3.A or 2.5.3.B above, the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this rate sheet, may declare all future monthly and other charges which would have been payable by the Customer during the remainder of the term for which such services would have otherwise been provided to the Customer to be immediately due and payable.
- F. The Company may discontinue the furnishings of any and/or all service(s) to Customer, without incurring any liability:
 - 1. Immediately and without notice if the Company deems that such action is necessary to prevent or to protect against fraud or to otherwise protect its personnel, agents, facilities or services. The Company may discontinue service pursuant to this sub-section 2.5.3.F.1.(a-e), if
 - (a) The Customer refuses to furnish information to the Company regarding the Customer's credit-worthiness, its past or current use of Common Carrier communications services or its planned use of service(s); or
 - (b) The Customer provides false information to the Company regarding the Customer's identity, address, credit-worthiness, past or current use of Common Carrier communications services, or its planned use of the Company's service(s); or

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SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.5 Payment Arrangements, (Cont'd.)

2.5.3 Refusal and Discontinuance of Service, (Cont'd.)

F. (Cont'd)

1. (Cont'd)

(c) The Customer states that it will not comply with a request of the Company for security for the payment for service(s) in accordance with Section 2.5.3.A above; or

(d) The Customer has been given written notice by the Company of any past due amount (which remains unpaid in whole or in part) for any of the Company's other Common Carrier communications services to which the Customer either subscribes or had subscribed or used; or

(e) The Customer uses, or attempts or use, service with the intent to void the payment, either in whole or in part, of the rate sheet charges for the service by:

I. Using or attempting to use service by rearranging, tampering with, or making connections to the Company's service not authorized by this rate sheet, or

II. Using tricks, schemes, false or invalid numbers, false credit devices, electronic devices; or

III. By delivering calls to or accepting calls from the Company's End User locations over Company switched local exchange services; or

IV. Continuing to have Company End Users presubscribed to the Customer; or

V. Any other Fraudulent means or devices; or

2. Upon ten (10) days' written notice to the Customer of any sum thirty (30) days past due;

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SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.5 Payment Arrangements, (Cont'd.)

2.5.3 Refusal and Discontinuance of Service, (Cont'd.)

F. (Cont'd)

3. Upon ten (10) days' written notice to the Customer, after failure of the Customer to comply with a request made by the Company for security for the payment of service in accordance with Section 2.5.3.A, above; or
4. Seven (7) days after sending the Customer written notice of noncompliance with any provision of this rate sheet if the noncompliance is not corrected within that seven (7) day period. The discontinuance of service(s) by the Company pursuant to this Section does not relieve the Customer of any obligation to pay the Company for charges due and owing for service(s) furnished up to the time of discontinuance.

- G. In the event the Company incurs fees or expenses, including attorney's fees, in collecting, or attempting to collect, any charges owed the Company, the Customer will be liable to the Company for the payment of all such fees and expenses reasonably incurred.

2.5.4 Cancellation of Application for Service

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

The special charges described will be calculated and applied on a case-by-case basis.

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SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.6 Allowances for Interruptions in Service

Interruptions in service which are not due to the negligence of or noncompliance with the provisions of this rate sheet by, the Customer or the operation or malfunction of the facilities, power, or equipment provided by the Customer, will be credited to the Customer as set forth in 2.6.1 for the part of the service that the interruption affects.

The credit allowance will be calculated by the Company after the Customer notifies the Company of service interruption. The amount of the allowance will depend on the length of the outage and the service impacted. Service Outage conditions are defined as complete loss of call origination and/or receipt capability. Credit Allowances, if any, will be deducted from the charges payable by the IXC and will be expressly indicated on the next invoice. A Service Outage begins when the IXC reports the outage to Matrix. A Service Outage ends when the affected circuit and/or associated Matrix equipment is fully operational in accordance with the technical specifications.

Credit allowances do not apply to outages (i) caused by the IXC; (ii) due to failure of equipment provided by the IXC; (iii) during any period in which Matrix is not given access to the service premises; (iv) failures of LEC facilities or equipment which are carrying the failures resulting from the activities or negligence of LEC employees; (v) inability to gain access to the IXC's equipment; and (vii) due to mutually agreed upon maintenance and repair.

Credit Allowances received by Matrix from the LEC for Off-Net facility outages which affects the IXC's Switched Services will be passed through to the IXC in the form of a credit on the next invoice.

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SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.6 Allowances for Interruptions in Service, (Cont'd.)

2.6.1 Limitations on Allowances

No credit allowance will be made for:

- A. interruptions due to the negligence of, or noncompliance with the provisions of this rate sheet by, the Customer, Authorized User, Joint-User, or other Common Carrier providing service connected to the service of Company;
- B. interruptions due to the negligence of any person other than the Company, including, but not limited to, the Customer or other Common Carriers connected to the Company's facilities;
- C. interruptions due to the failure or malfunction of non-Company equipment;
- D. interruptions of service during any period in which the Company is not given full and free access to its facilities and equipment for the purpose of investigating and correcting interruptions;
- E. interruptions of service during a period in which the Customer continues to use the service on an impaired basis;
- F. interruptions of service during any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
- G. interruption of service due to circumstances or causes beyond the control of the Company.

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SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.7 Transfers and Assignments

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

2.8 Notices and Communications

2.8.1 Delivery of calls to or acceptance of calls from the Company's End User locations over Company-switched local exchange services constitutes an order by the Customer to purchase switched access services as described herein. Similarly the selection by a Company's End User of the Customer as the presubscribed IXC constitutes an order of switched access by the Customer. In these cases, an invoice will be the first communication from the Company to the Customer. In other instances a Service Order may be used.

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

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

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

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

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SECTION 2 - RULES AND REGULATIONS, (Cont'd.)

2.9 Meet Point Billing

Meet Point Billing applies when more than one Exchange Telephone Company is involved in the provision of Access Service. All recurring and nonrecurring charges for services provided by each Exchange Telephone Company are billed under each company's applicable rates as set forth below.

The Company accepts and adheres to the Ordering and Billing Forum guidelines, Multiple Exchange Carrier Access Billing (MECAB) and Multiple Exchange Carrier Ordering and Design (MECOD).

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SECTION 3 - ORDERING OPTIONS FOR ACCESS SERVICE

3.1 General

This section sets forth the regulations and order related charges for Access Service Requests (ASR) for Switched Access Service, as defined in this rate sheet. These charges are in addition to other applicable charges set forth in other sections of this rate sheet.

3.1.1 Ordering Conditions

Customer may order switched access through a Constructive Order, as defined herein, or through an ASR. The format and terms of the ASR will be as specified in the Industry Access Service Order Guidelines, unless otherwise specified herein.

3.1.2 Minimum Period of Service

The minimum period for which Access Service is provided and for which charges are applicable is one month.

A. The following changes will be treated as a discontinuance of the existing service and a request for installation of a new service. All associated Non-Recurring Charges will apply for the new service, and a new minimum period will be established:

1. A change in the identity of the Customer of record; or
2. A move by the Customer to a different building.

B. When Access Service is disconnected prior to the expiration of the minimum period, charges are applicable for the balance of the minimum period. The Minimum Period Charge for monthly billed services will be determined as follows:

For Switched Access Service, the charge for a month or fraction thereof is equivalent to 50,000 billed minutes of use for the applicable service.

All applicable Non-Recurring Charges for the service will be billed in addition to the Minimum Period Charge.

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SECTION 3 - ORDERING OPTIONS FOR ACCESS SERVICE, (Cont'd.)

3.2 Miscellaneous Charges

Customer Requested Due Date Change ^{1,2}	\$50, per order
Customer Requested Expedite ²	\$250, per location, per order
Cancellation (after 3 business days from order placement) ²	Full NRCs + \$250, per order
Design Change, DS0/DS1 ²	\$150, per circuit
Design Change, DS3 and higher ²	\$300, per circuit
Administrative Processing ²	\$25, per order

¹ Company Due Date Change Policy - No due date change accepted at or after four (4) days prior to the current due date. If a Customer request is received during that time period, the supplemental charge will apply and, in addition, the billing will start on the current due date without exception.

² For services involving facilities leased from other telecommunications providers, Supplementary Charges will be priced on an Individual Case Basis, and will be based upon a pass-through of all charges assessed by other providers, and the Company's administrative costs.

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SECTION 4 - SWITCHED ACCESS SERVICE

4.1 General

Switched Access Service, which is available to Customers for their use in furnishing their services to end users, provides a two-point communications path between a Customer's Premises and an End User's Premises. It provides for the use of common terminating, switching and transport facilities. Switched Access Service provides the ability to originate calls from an End User's Premises to a Customer's Premises, and to terminate calls from a Customer's Premises to an End User's Premises.

Switched Access Service is available when originating or terminating calls from or to an end user which subscribes to the Company's Local Exchange Services.

Rates and charges are set forth in Section 5. The application of rates for Switched Access Service is described in Section 5.

4.2 Provision and Description of Switched Access Service Arrangements

4.2.1 Feature Group Access

FG Access is provisioned at the DS-1 level and provides trunk-side access to Local Switching Center switches, for the Customer's use in originating and terminating communications. Basic FG Access service will be provided with Multi-Frequency In Band Signaling (SS7 is also available, where capabilities exist).

All traffic is routed to and from the Company's local switching center via the Customer's tandem provider or via end office trucking, where available. Delivery of calls to, or acceptance of calls from, the Company's End User locations over Company-switched local exchange services shall constitute an agreement by the Customer to purchase switched access services as described herein. The Company reserves the right to require the Customer to submit an ASR for switched access.

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SECTION 4 - SWITCHED ACCESS SERVICE, (Cont'd.)

4.2 Provision and Description of Switched Access Service Arrangements, (Cont'd.)

4.2.2 Manner of Provision

Trunks used for Switched Access Service may be configured for one-way (either originating only or terminating only) or for two-way directionality.

4.2.3 Call Types

The following Switched Access Service call types are available:

- A. Originating FG Access
- B. Originating 800 FG Access
- C. Terminating FG Access

4.2.4 Originating FG Access

The access code for FG Access switching is a uniform access code of the form 1+ or 011+ or 101XXXX. For 101XXXX dialing a single access code will be the assigned number of all FG Access provided to the Customer by the Company. When the access code is used, FG Access switching also provides for dialing the digit 0 for access to the Customer's operator service, 911 for access to emergency service, and/or the end of dialing digit (#) for cut-through access to the Customer's premises. The Company will provide originating FG access consistent with dialing parity obligations.

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SECTION 4 - SWITCHED ACCESS SERVICE, (Cont'd.)

4.2 Provision and Description of Switched Access Service Arrangements, (Cont'd.)

4.2.5 Originating 800 FG Access

800 Data Base Access Service is a service offering utilizing originating Trunk side Switched Access Service. When an 8XX + NXX + XXXX call is originated by an End User, the Company will perform Customer identification based on screening of the full ten-digits of the 8XX number to determine the Customer location to which the call is to be routed.

4.2.6 Terminating FG Access

FG Access, when used in the terminating direction, may only be used to access end users who are subscribing to the Company's Local Exchange Services. Calls in the terminating direction will not be completed to 950-0XXX or 950-1XXX access codes, local operator assistance (0- and 0+), Directory Assistance, (411 or 555-1212) service codes 611 and 911 and 101XXXX access codes.

4.3 Reports and Testing

4.3.1 Design Layout Report: At the request of the Customer, the Company will provide to the Customer the makeup of the facilities and services provided from the Customer's Premises to the first point of switching. This information will be provided in the form of a Design Layout Report. The Design Layout Report will be provided to the Customer at no charge.

4.3.2 Acceptance Testing: At no additional charge, the Company will, at the Customer's request, cooperatively test, at the time of installation, the following parameters: loss, C-notched noise, C-message noise, 3-tone slope, d.c. continuity and operational signaling.

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SECTION 5 - SWITCHED ACCESS RATES

5.1 General

This section contains the specific regulations governing the rates and charges that apply for Switched Access Services:

There are three types of rates and charges that apply to Switched Access Service:

- Non-Recurring Charges: One-time charges that apply for a specific work activity.
- Recurring Charges: Fixed charges apply each month and depend on the number and type of facilities in place.
- Usage Charges: Charges that are applied on a per access minute basis. Usage rates are accumulated over a monthly period.

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SECTION 5 - SWITCHED ACCESS RATES, (Cont'd.)

5.2 Rate Categories

5.2.1 There are several rate categories which apply to Switched Access Service:

- Blended Carrier Switched Access Originating
- Blended Carrier Switched Access Terminating
- Toll-Free 8XX Data Base Access Service

The Company provides originating and terminating switched access service through a single blended rate based on aggregate traffic volumes from the following cost categories:

Common Line

The Common Line cost category establishes the charges related to the use of Company-provided end user common lines by customers and end users for interstate access.

Switched Transport

The Switched Transport cost category establishes the charges related to the transmission and tandem switching facilities between the customer designated premises and the end office switch(es) where the customer's traffic is switched to originate or terminate the customer's communications.

End Office Switching

The End Office Switching cost category establishes the charges related to the use of end office switching equipment, the terminations in the end office of end user lines, the terminations of calls at Company Intercept Operators or recordings, the Signaling Transfer Point (STP) costs, and the SS7 signaling function between the end office and the STP.

Issued: July 16, 2007

Effective:

Issued by: Scott Klopach
Vice President of Regulatory Affairs and General Counsel
7171 Forest Lane, Suite 700
Dallas, Texas 75230

COMPETITIVE ACCESS PROVIDER SERVICES TARIFF

SECTION 5 - SWITCHED ACCESS RATES, (Cont'd.)

5.2 Rate Categories, (Cont'd.)

5.2.2 Toll-Free 8XX Data Base Query

The Toll-Free 8XX Data Base Query Charge, will apply for each Toll-Free 8XX call query received at the Company's (or its provider' s) Toll-Free 8XX data base.

5.2.3 Optional Features

Other optional features may be available on an Individual Case Basis (ICB).

Issued: July 16, 2007

Issued by: Scott Klopak
Vice President of Regulatory Affairs and General Counsel
7171 Forest Lane, Suite 700
Dallas, Texas 75230

Effective:

COMPETITIVE ACCESS PROVIDER SERVICES TARIFF

SECTION 5 - SWITCHED ACCESS RATES, (Cont'd.)

5.3 Billing of Access Minutes

When recording originating calls over FG Access with multi-frequency address signaling, usage measurement begins when the first wink supervisory signal is forwarded from the Customer's facilities. The measurement of originating call usage over FG Access ends when the originating FG Access entry switch receives disconnect supervision from either the originating End User's Local Switching Center - (indicating that the originating End User has disconnected), or the Customer's facilities, whichever is recognized first by the entry switch.

For terminating calls over FG Access with multi-frequency address signaling, the measurement of access minutes begins when a seizure signal is received from the Carrier's trunk group at the Point of Presence within the LATA. The measurement of terminating call usage over FG Access ends when a disconnect signal is received, indicating that either the originating or terminating user has disconnected.

When recording originating calls over FG Access with SS7 signaling, usage measurement begins with the transmission of the initial address message by the switch for direct trunk groups and with the receipt of an exit message by the switch for tandem trunk groups. The measurement of originating FG Access usage ends when the entry switch receives or sends a release message, whichever occurs first.

For terminating calls over FG Access with SS7 signaling, the measurement of access minutes begins when the terminating recording switch receives the initial address message from the terminating End User. On directly routed trunk groups or on tandem routed trunk groups, the Company switch receives the initial address message and sends the indication to the Customer in the form of an answer message. The measurement of terminating FG Access call usage ends when the entry switch receives or sends a release message, whichever occurs first.

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Issued by: Scott Klopach
Vice President of Regulatory Affairs and General Counsel
7171 Forest Lane, Suite 700
Dallas, Texas 75230

COMPETITIVE ACCESS PROVIDER SERVICES TARIFF

SECTION 5 - SWITCHED ACCESS RATES, (Cont'd.)

5.4 Rates and Charges

5.4.1 Blended Carrier Switched Access

	Maximum Rate
Originating	\$0.050
Terminating	\$0.050

Issued: July 16, 2007

Issued by: Scott Klopach
Vice President of Regulatory Affairs and General Counsel
7171 Forest Lane, Suite 700
Dallas, Texas 75230

Effective:

COMPETITIVE ACCESS PROVIDER SERVICES TARIFF

SECTION 5 - SWITCHED ACCESS RATES, (Cont'd.)

5.4 Rates and Charges, (Cont'd.)

5.4.2 Toll-Free 8XX Data Base Query

Maximum Rate Per Query \$0.003

5.4.3 Switched Access Optional Features

All Optional Features are offered on an Individual Case Basis (ICB).

Issued: July 16, 2007

Issued by: Scott Klopach
Vice President of Regulatory Affairs and General Counsel
7171 Forest Lane, Suite 700
Dallas, Texas 75230

Effective:

COMPETITIVE ACCESS PROVIDER SERVICES TARIFF

SECTION 6 - LOCAL TRAFFIC EXCHANGE AND TERMINATION

6.1 General

This section establishes the methodology for the exchange and termination of local traffic for carriers that do not have an interconnection agreement with the Company.

6.2 Ordering Conditions

The Customer may order switched access through a Constructive Order, as defined herein, or through an ASR. The format and terms of the ASR will be as specified in the Industry Access Service Order Guidelines, unless otherwise specified herein.

6.3 Local Traffic Compensation

Local traffic exchange will be conducted under a Bill and Keep arrangement. All local traffic will be exchanged under a Meet Point Billing Arrangement unless and until either the Commission or FCC requires an alternative approach for the exchange of usage information for such traffic for use by all industry participants, pursuant to which the Company and the Terminating Carriers shall recover the costs of transporting and terminating such traffic on their networks from other parties in accordance with the then applicable regulations, including to the extent practicable, any Internet Service Provider access charge exemption. This provision does not apply to access traffic, transit traffic, or wireless traffic.

Issued: July 16, 2007

Issued by: Scott Klopach
Vice President of Regulatory Affairs and General Counsel
7171 Forest Lane, Suite 700
Dallas, Texas 75230

Effective:

COMPETITIVE ACCESS PROVIDER SERVICES TARIFF

SECTION 7 - CONTRACTS AND INDIVIDUAL CASE BASIS ARRANGEMENTS

7.1 Contracts

The Company may provide any of the services offered under this rate sheet, or combinations of services, to Customers on a contractual basis. The terms and conditions of each contract offering are subject to the agreement of both the Customer and Company. Such contract offerings will be made available to similarly situated Customers in substantially similar circumstances. Rates in other sections of this rate sheet do not apply to Customers who agree to contract arrangements, with respect to services within the scope of the contract.

Services provided under contract are not eligible for any promotional offerings which may be offered by the Company from time to time.

7.2 Individual Case Basis Arrangements

Arrangements will be developed on an individual case basis (ICB) in response to a bona fide special request from a Customer or prospective Customer to develop a competitive bid for a service. ICB rates will be offered to the Customer in writing and on a non-discriminatory basis.

Issued: July 16, 2007

Effective:

Issued by: Scott Klopak
Vice President of Regulatory Affairs and General Counsel
7171 Forest Lane, Suite 700
Dallas, Texas 75230

COMPETITIVE ACCESS PROVIDER SERVICES TARIFF

SECTION 8 - MISCELLANEOUS SERVICES

8.1 Wireless Termination Service

This tariff applies to intraMTA traffic originated by a Commercial Mobile Radio Service (CMRS) provider and terminated to end-user subscribers of the Company (i.e., wireless to wireline traffic) without the direct interconnection of the CMRS provider's and the Company's networks and where the CMRS provider is physically connected with and delivers traffic to a third party ILEC(s) which in turn delivers the traffic to the Company.

- 8.1.1 This service is provided to Commercial Mobile Radio Service (CMRS) providers licensed by the Federal Communications Commission (FCC).
- 8.1.2 Wireless Termination Service is limited to wireless-to-wireline traffic that originates and terminates within the same Major Trading Area (MTA) (i.e., intraMTA traffic). The Major Trading Area as defined in 47 C.F.R. paragraph 24-102 of the FCC Rules and Regulations.
- 8.1.3 Wireless Termination Service is not available to wireless-to-wireline traffic that originates and terminates in two different MTAs (i.e., interMTA traffic). In those situations where a CMRS provider terminates interMTA traffic to the end-user subscribers of the Company then the rates, terms and conditions of the appropriate access tariff of the Company (either intrastate or interstate) will apply.
- 8.1.4 These Regulations and Rates are in addition to the Regulations, Rate and Charges in other Company tariffs.

Issued: July 16, 2007

Effective:

Issued by: Scott Klopack
Vice President of Regulatory Affairs and General Counsel
7171 Forest Lane, Suite 700
Dallas, Texas 75230

COMPETITIVE ACCESS PROVIDER SERVICES TARIFF

SECTION 8 - MISCELLANEOUS SERVICES, (CONT'D.)

8.1 Wireless Termination Service, (cont'd.)

- 8.1.5 This tariff applies except as otherwise provided in 1) an interconnection agreement between the CMRS provider and the Company approved by the Commission pursuant to the Act; or 2) a terminating traffic agreement between the CMRS provider and the Company approved by the Commission.
- 8.1.6 The Company shall issue a bill to the CMRS provider based on the best information available to the Company including, but not limited to, records of terminating traffic created by the Company at its end office or tandem switch. If possible, the CMRS provider will provide to the Company billing records in standard industry formats regarding calls it originates that terminate on the Company's network. Records will be provided at an individual call detail record, if possible, with sufficient information to identify the specific date and time of the call, the call duration, and the originating and terminating numbers. If a CMRS provider is unable to provide billing records of the calls that it originates to the Company, the Company may use usage reports and/or records generated by a third party ILEC whose network is used to transit the traffic as the basis for billing the CMRS provider. If the CMRS provider is unable to provide billing records, the CMRS provider will have the responsibility of providing, on a quarterly basis (or as otherwise agreed to by the Company), a report to the Company providing the percentage of the CMRS provider's traffic terminated to the Company that is intraMTA or interMTA traffic. The report will also detail what percentage of the interMTA traffic is intrastate and what percentage is interstate. Such reports shall be based on studies of actual traffic originated by the CMRS provider and terminated to the Company.

Issued: July 16, 2007

Effective:

Issued by: Scott Klopak
Vice President of Regulatory Affairs and General Counsel
7171 Forest Lane, Suite 700
Dallas, Texas 75230

COMPETITIVE ACCESS PROVIDER SERVICES TARIFF

SECTION 8 - MISCELLANEOUS SERVICES, (CONT'D.)

8.1 Wireless Termination Service, (cont'd.)

8.1.7 Reports regarding the percentages of intraMTA or interMTA traffic (and the intrastate or interstate jurisdiction of interMTA traffic) shall be based on a reasonable traffic study conducted by the CMRS providers and available to the Company upon request. Such studies shall be conducted no less frequently than once each quarter to ensure that the CMRS provider is using an accurate intraMTA/interMTA percentage. The CMRS provider shall pay the Company for all charges in accordance with the rates set forth in this tariff. Such payments are to be received within thirty (30) days from the effective date of the billing statement. The CMRS provider shall pay a late charge on any undisputed charges which are not paid within the thirty (30) day period. The rate of the late charge shall be the lesser of 1.5% per month or the maximum amount allowed by law. The CMRS provider shall pay the Company the reasonable amount of the Company's expenses related to collection of overdue bills, such amounts to include reasonable attorney fees. The CMRS provider will be responsible for the accuracy and quality of its data as submitted to the Company. Upon reasonable written notice, the Company or its authorized representative shall have the right to conduct a review and verification of the CMRS provider to give assurances of compliance with the provisions of this tariff. This includes on-site verification reviews at the CMRS provider's or vendor locations. The review may consist of an examination and verification of data involving records, systems, procedures and other information related to the traffic originated by the CMRS provider and terminated to the Company. The CMRS provider will provide the Company with reasonable access to such information as is necessary to determine amounts payable under this tariff.

8.1.8 If the CMRS provider fails to comply with any of the terms and conditions of this tariff, including any payments to be made by it on the dates and times herein specified, the Company, may on five (5) day's written notice by Certified U .S. Mail to the CMRS provider, refuse additional applications for service and/or refuse to complete any pending orders for service by the non-complying CMRS provider at any time thereafter, or may discontinue the provision of the services to the non-complying CMRS provider at any time thereafter. In the case of such discontinuance, all applicable tariff charges shall become due. If the Company is unable to effectuate discontinuance of service at its own office it may request the assistance of other LECs with whom the Company's network is connected.

Issued: July 16, 2007

Effective:

Issued by: Scott Klopach
Vice President of Regulatory Affairs and General Counsel
7171 Forest Lane, Suite 700
Dallas, Texas 75230

COMPETITIVE ACCESS PROVIDER SERVICES TARIFF

SECTION 8 - MISCELLANEOUS SERVICES, (CONT'D.)

8.1 Wireless Termination Service, (cont'd.)

8.1.9 Rates and Charges

Rates for termination of IntraMTA Traffic (per MOU):

Maximum Rate

\$0.050

Issued: July 16, 2007

Issued by: Scott Klopach
Vice President of Regulatory Affairs and General Counsel
7171 Forest Lane, Suite 700
Dallas, Texas 75230

Effective:

COMPETITIVE ACCESS PROVIDER SERVICES TARIFF

SECTION 9 - CURRENT PRICE LIST

9.1 Blended Carrier Switched Access

Originating	\$0.0460700
Terminating	\$0.0460700

9.2 Toll-Free 8XX Data Base Query

Per Query	\$0.003
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9.3 Switched Access Optional Features

All Optional Features are offered on an Individual Case Basis (ICB).

9.4 Wireless Termination

Rates for termination of IntraMTA Traffic (per MOU):

\$0.0460700

Issued: July 16, 2007

Effective:

Issued by: Scott Klopach
Vice President of Regulatory Affairs and General Counsel
7171 Forest Lane, Suite 700
Dallas, Texas 75230

ATTACHMENT "F"

COPY OF COMPANY'S APPLICATION FOR REGISTRATION OF TRADE NAME



CT
a Wolters Kluwer business

CT
2394 East Camelback Road
Phoenix, AZ 85016

602 277 4792 tel
602 277 3116 fax
www.ctlegalsolutions.com

July 6, 2006

Heather Russell
Telecom Professionals, Inc.
2912 Lakeside Drive
Suite 200
Oklahoma City OK 73120-

Re: Order #: 6655572 SO
Customer Reference 1: none given
Customer Reference 2:

Dear Heather Russell:

In response to your request regarding the above referenced order, your filing(s) has been completed as indicated below:

MATRIX TELECOM, INC. (TX)
Assumed Name - Filing - Matrix Business Technologies
Maricopa County, Arizona
Filing Date: July 6, 2006
Filing Number: 2006-0904974

Certified Copy is attached. Original evidence will be returned by the Maricopa County Recorder in about 30-45 days.

If you have any questions concerning this order, please contact:

Naomi Green
Clayton Corporate Team 1
Phone: (314) 863-1119
Email: Naomi.Green@wolterskluwer.com

Thank you for this opportunity to be of service.



CT
a Wolters Kluwer business

CT
2394 East Camelback Road
Phoenix, AZ 85016

602 277 4792 tel
602 277 3116 fax
www.ctlegalsolutions.com

Sincerely,

Virginia G. Flock

Virginia G Flock
Phoenix Fulfillment Team 1
Gail.Flock@wolterskluwer.com

When recorded mail to:

Name: C T Corporation System

Address: 3225 N. Central Avenue

Suite 1601

City/State/Zip: Phoenix, AZ 85012

Hold at FRONT COUNTER for C T Corporation

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
2006-0904974 07/06/06 03:30 PM
1 OF 2

DELROSSA

this area reserved for county recorder

CAPTION HEADING:

DO NOT REMOVE

This is part of the official document.

CERTIFICATE OF DOING BUSINESS UNDER FICTITIOUS NAME
PURSUANT TO PROVISIONS OF A.R.S. SEC. 44-1236

KNOW ALL MEN BY THESE PRESENTS:

That Matrix Telecom, Inc. whose business address is 2207 Commerce Street, Dallas TX, 75201 is conducting a business in Arizona under the name of Matrix Business Technologies.

Dated: June 16, 2006

Matrix Telecom, Inc.

By: [Signature]
Russ Lambert, President

Statutory Agent

C T CORPORATION SYSTEM

By [Signature]
STATE OF Missouri)
 : SS
County of St Louis)

This instrument was acknowledged before me this 30th day of June, 2006, by [Signature] a duly authorized representative of C T Corporation System, the statutory agent in Arizona for Matrix Telecom, Inc.

My commission expires: Oct 22, 2007

[Signature]
Notary Public



SECTION 1- REGULATIONS (cont'd)**1.2 Terms and Conditions**

- 1.2.1 Customers may be required to enter into written service orders which shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this tariff. The Customer will be required to execute any other documents as may be reasonably requested by the Company. (T)
- 1.2.2 Service is provided for a minimum period of at least one month, 24 hours a day. A month is considered to have thirty days unless otherwise specified. At the expiration of the initial terms specified in each service order, or in any extension thereof, service shall continue on a month to month basis at the then current tariffed, month to month rates, unless terminated by the Customer. Any termination shall not relieve the Customer of its obligation to pay any charges incurred under the service order and this tariff prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the service order shall survive such termination. (T)
- 1.2.3 This tariff shall be interpreted and governed by the laws of the State of Arizona without regard for the State's choice of laws provisions. (T)
- 1.2.4 Another telephone company must not interfere with the right of any person or entity to obtain service directly from the Company. (T)
- 1.2.5 The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits. (T)
- 1.2.6 In response to a subpoena or investigation or other demand issued or authorized by a court or government agency, the Company shall provide customer records and related information without further notice. (T)
- 1.2.7 Customer shall not connect any equipment to the Company's network, except with at least ten (10) days prior written notice to the Company. (T)

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopach,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

SECTION 1- REGULATIONS (cont'd)**1.3 Notification of Service Affecting Activities**

The Company will provide the Customer reasonable notification of service-affecting activities that may occur in the 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-affecting activities. The Company will work cooperatively with the Customer to determine reasonable notification requirements. With some emergency or unplanned service affecting conditions, such as an outage resulting from cable damage, notification to the Customer may not be possible.

1.4 Provision of Equipment and Facilities

1.4.1 The Company will make reasonable efforts to make services available to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with the regulations contained in this tariff. The Company does not guarantee availability by any such date and any liability of the Company will be limited by Section 1.5 of this tariff. (T)

1.4.2 The Company shall use reasonable efforts to maintain the services that it furnishes to the Customer. The Customer may not rearrange, disconnect, remove, attempt to repair or otherwise interfere with any of the services provided by the Company, except upon the written consent of the Company. The Customer may not permit others to rearrange, disconnect, remove, attempt to repair or otherwise interfere with any of the services provided by the Company, except upon the written consent of the Company. (T)

1.4.3 The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's facilities, as well as the facilities the Company may obtain from other carriers, from time to time, to furnish service as required at the sole discretion of the Company. (T)

Issued: November 6, 2006

Effective: December 10, 2006

Scott Klopach,
Vice President of Regulatory Affairs and General Counsel
Matrix Telecom, Inc. d/b/a Matrix Business Technologies
7171 Forest Lane, Suite 700
Dallas, TX 75230
800-406-0705
www.matrixbt.com

(M)

(T)



August 10, 2007

VIA OVERNIGHT DELIVERY

Mr. Wilfred Shand, Jr.
Public Utility Analyst Manager
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2927

RE: Third Set of Data Requests to Matrix Telecom, Inc. d/b/a Matrix Business Technologies
Docket No. T-03228A-06-0800

Dear Mr. Shand:

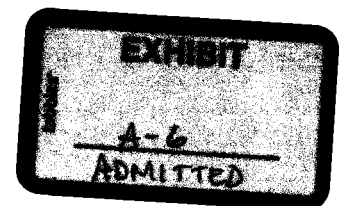
Enclosed please find an original and thirteen (13) copies of Matrix Telecom, Inc. d/b/a Matrix Business Technologies' ("Matrix") responses to the Commission's Third Set of Data Requests relating to Matrix's December 26, 2006 application for a Certificate of Convenience and Necessity. It is hoped that these responses will fully address the Commission's concerns regarding the relationship between Matrix's parent company, Platinum Equity, and Nextiera One LLC.

Please do not hesitate to contact me if you require any clarification of the information presented. I can be reached at (214) 432-1453 or via email at dhoyle@matrixbt.com.

Sincerely,


Dana Hoyle
Manager of Regulatory Affairs

Enclosures as stated



WMS3-1 During what period of time did Platinum Equity own NextiraOne LLC?

Platinum Equity, LLC ("Platinum Equity") owned NextiraOne LLC from March 31, 2001 through April 30, 2006.

WMS3-2 Did Platinum Equity simultaneously own both Matrix and NextiraOne LLC? If so, identify the period of time over which this was the case.

Yes. March 31, 2001 through April 30, 2006.

WMS3-3 Over what period of time did the activities that resulted in the imposition of the fine and restitution take place?

The activity in question began before Platinum Equity acquired NextiraOne, when the company operated under its former name and ownership as Williams Communications Solutions ("WCS"), and involved WCS's provision of equipment and services supported by the federal school and libraries universal service ("E-Rate") mechanism to schools within the Oglala Nation Education Coalition ("ONEC"). WCS and the ONEC schools made the required filings requesting E-Rate support for this equipment and services before Platinum Equity purchased WCS. After the sale to Platinum Equity, WCS became NextiraOne. Later in 2001, and during 2002, NextiraOne received E-Rate support payments covering a portion of the cost of the equipment and services provided to the ONEC schools. In light of the limited financial resources of the ONEC schools, NextiraOne did not require the ONEC schools to pay the remaining portion of the cost, although this was later determined to be a violation of federal E-Rate rules.

In 2003, Platinum Equity became aware of this problem. Under new management, NextiraOne opened an internal investigation, adopted a Code of Business Ethics and Conduct, and dismantled its E-Rate consulting services business unit. As the internal investigation was concluding, and Platinum Equity and NextiraOne were preparing to make a voluntary disclosure of the results, the Department of Justice opened its own investigation. Platinum Equity and NextiraOne cooperated fully, ultimately surrendering all claims to E-Rate support for the equipment and services it provided to the ONEC schools and paying a fine of more than \$1.8 million.

Platinum Equity closed its sale of NextiraOne on April 30, 2006, and no longer has any involvement with the company.

WMS3-4 Did Platinum Equity simultaneously own both Matrix and NextiraOne LLC own during the period of time over which the activities that resulted in the imposition of the fine and restitution took place?

As stated in response to WMS3-2, yes.

WMS3-5 Is anyone who was officer or employee of NextiraOne LLC during the period of time over which the activities that resulted in the imposition of the fine and restitution being ordered took place currently employed by:

- a. Platinum Equity? Yes.
- b. Matrix? Yes.
- c. any current subsidiary of Platinum Equity? Yes.

WMS3-6 If your response to any part of WMS 2-5 is yes, please identify the person, their position with NextiraOne LLC and their role, if any, in the activities related to the E-Rate Program that resulted in NextiraOne LLC being fined and ordered to pay restitution.

The individuals identified below are former officers or employees of NextiraOne, and currently hold positions as officers or employees of Platinum Equity, one or more of its portfolio companies, or both. None of these individuals had any personal involvement in NextiraOne's relationship with the ONEC schools described above. Furthermore, Matrix is not materially involved in the E-Rate program, having received only \$128,000 in E-Rate support for funding year 2006-2007.

<u>Name</u>	<u>Position at NextiraOne</u>	<u>Dates of service</u>
Robert J. Wentworth	President	April 2001 – May 2003
Paul Bridwell	President	October 6-20, 2004
Robert J. Joubran	Vice President and Treasurer	April 2004 – April 2006
Eva M. Kalawski	Vice President and Secretary	April 2002 – April 2006
Ross Young	Executive Vice President	April 2001 – June 2003
Stephanie Barter	Executive Vice President	Sept. 2002 – April 2004
Charles Kuehne	Senior Vice President	April 2001 – June 2003
Philip E. Norment	Senior Vice President	April 2001 – June 2003
Barry Weinraub	Senior Vice President	April 2001 – January 2002
Johnny O. Lopez	Vice President	April 2001 – June 2003
Stephen T. Zollo	Vice President	Sept. 2004 – April 2006
Sally A. Ward	Assistant Secretary	April 2005 – April 2006
Dawn Walloch	Assistant Treasurer	August 2004 – April 2006
Joe Valdes	National Vice President, Human Resources	May 2003 – February 2005

WMS3- 7 Please submit a PDF file of your responses to this data request to WShand@cc.state.az.us.

August 21, 2007

Wilfred Shand, Jr.
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

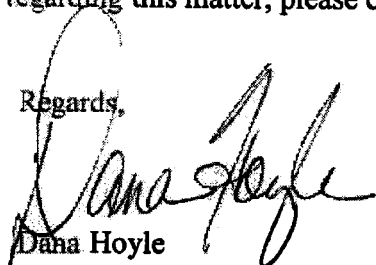
Re: Staff's Fourth Set of Data Requests to Matrix Telecom, Inc. d/b/a Matrix Business Technologies, Docket No. T-03228A-06-0800

Dear Mr. Shand:

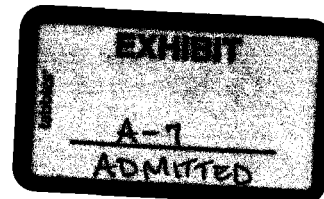
Enclosed are an original and thirteen (13) copies of the response of Matrix Telecom, Inc. to Staff's Fourth Set of Data Requests, dated August 14, 2007, in the above referenced proceeding.

Should you have any questions or concerns regarding this matter, please contact me at (214) 432-1453 or at dhoyle@matrixbt.com.

Regards,


Dana Hoyle
Manager of Regulatory Affairs

Enclosure



Response of Matrix Telecom, Inc. d/b/a Matrix Business Technologies

In response to WMS3-5, Matrix provided a list of people who were officers of NextiraOne LLC during the period of time over which the activities that resulted in the imposition of the fine and restitution being ordered took place.

WMS4-1 For each person included in the list, please identify their current position and the company by whom they are employed.

Attached are Positions Held Reports ("PHRs") for twelve of the fourteen individuals identified in response to Question WMS3-6. In addition, Stephanie Barter is currently a non-officer-level employee of Peak Technologies, Inc., and Paul Bridwell is currently a non-officer-level employee of Acument Global Technologies, Inc.

Positions Held Report

As of 8/4/2007

Robert J. Joubran

Company/Title	Effective Date
Acument Fastening Systems LLC Vice President and Treasurer	8/11/2006
Acument Global Technologies, Inc. Vice President and Treasurer	4/13/2006
Acument Intellectual Properties, LLC Vice President and Treasurer	7/21/2006
Advogent Group, Inc. Vice President and Treasurer	9/27/2006
Altura Communication Solutions, LLC Vice President	4/30/2004
Treasurer	11/13/2001
Altura CS, Inc. Vice President	4/30/2004
Treasurer	1/2/2004
American Racing Equipment, Inc. Vice President and Treasurer	7/18/2005
AmericaTel Corporation Vice President and Treasurer	8/3/2006
APD Holdings, LLC Vice President	4/30/2004
Treasurer	7/26/2001
Avdel USA LLC Vice President and Treasurer	8/11/2006
Aztec Holding Corporation Vice President and Treasurer	2/24/2005
BC Holding III Corporation Vice President	1/26/2004
Treasurer	9/14/2000
BC Holdings, LLC Vice President	1/26/2004
Treasurer	9/14/2000
Boehme North American, Ltd. Vice President and Treasurer	8/9/2006
Boehme-Filatex, Inc. Vice President and Treasurer	11/7/2006
Burgundy Acquisition Corporation Vice President and Treasurer	6/28/2007
Burgundy Holding Corporation Vice President and Treasurer	6/28/2007
Burkland Inc. Vice President and Treasurer	8/11/2006
Camcar LLC Vice President and Treasurer	8/11/2006
Centricity, LLC Vice President and Treasurer	1/18/2007

Positions Held Report

As of 8/4/2007

Robert J. Joubran

Company/Title	Effective Date
CHR Funding Corporation Vice President and Treasurer	9/9/2004
CHR Holding Corporation Vice President and Treasurer	5/6/2004
CHR Intermediate Holding Corporation Vice President and Treasurer	5/14/2007
Clinton & Lockwood, Ltd. Vice President and Treasurer	5/31/2006
Color Solutions International, Inc. Vice President and Treasurer	8/5/2004
CompuCom Holdings, Inc. Vice President and Treasurer	8/25/2004
CompuCom IT Solutions, Inc. Vice President and Treasurer	11/30/2004
CompuCom Puerto Rico, LLC Vice President and Treasurer	12/6/2005
CompuCom Systems, Inc. Vice President and Treasurer	10/1/2004
CompuCom VMS, LLC Vice President and Treasurer	6/29/2007
CSI Funding, Inc. Vice President and Treasurer	12/16/2004
Data2Logistics, LLC Vice President Treasurer	3/8/2004 3/18/2002
DCA Services, Inc Vice President Treasurer	4/30/2004 12/17/1997
Delnor Corporation Vice President and Treasurer	5/9/2006
Delnor Property, LLC Vice President and Treasurer	7/24/2006
Delta GP, L.L.C. Vice President and Treasurer	5/9/2006
Delta LP, L.L.C. Vice President and Treasurer	5/9/2006
Delta Steel Property, LLC Vice President and Treasurer	7/24/2006
Delta Steel, L.P. Vice President and Treasurer	5/9/2006
Dover Communications, LLC Vice President and Treasurer	1/18/2007
DyStar Acquisition Corporation Vice President and Treasurer	7/8/2004
DyStar Americas Holding Corporation Vice President and Treasurer	8/5/2004

Positions Held Report

As of 8/4/2007

Robert J. Joubran

Company/Title	Effective Date
DyStar Corporation	
Vice President and Treasurer	8/5/2004
DyStar L.P.	
Vice President and Treasurer	8/5/2004
Elco Fastening Systems LLC	
Vice President and Treasurer	8/11/2006
Energy Tracs, Inc.	
Vice President	4/30/2004
Treasurer	5/10/1997
EnergyTRACS Acquisition Corp.	
Vice President	4/30/2004
Treasurer	5/1/1997
ESM Group Inc.	
Vice President and Treasurer	12/19/2005
Eysler Holding Corporation	
Vice President and Treasurer	9/30/2005
Feralloy Corporation	
Vice President and Treasurer	5/9/2006
Feralloy Indiana Corporation	
Vice President and Treasurer	5/9/2006
Feralloy Midwest Corporation	
Vice President and Treasurer	5/9/2006
Feralloy Ohio Corporation	
Vice President and Treasurer	5/9/2006
Feralloy Oregon Corporation	
Vice President and Treasurer	5/9/2006
Feralloy Property II, LLC	
Vice President and Treasurer	7/31/2006
Feralloy Property, LLC	
Vice President and Treasurer	4/13/2006
Flexalloy Inc.	
Vice President and Treasurer	8/11/2006
GeoLogic Solutions, Inc.	
Vice President and Treasurer	6/3/2004
Gupta Holdings, LLC	
Vice President	1/26/2004
Treasurer	12/27/2000
Horizon Holding Corporation	
Vice President and Treasurer	2/27/2006
iET Canada Holdings, Inc.	
Vice President	1/19/2004
Treasurer	1/21/2003

Positions Held Report

As of 8/4/2007

Robert J. Joubran

Company/Title	Effective Date
iET Solutions, LLC	
Vice President	1/19/2004
Treasurer	1/21/2003
Infra-Metals Co.	
Vice President and Treasurer	5/9/2006
Infra-Metals Property, LLC	
Vice President and Treasurer	4/13/2006
Insurance Solutions, Inc.	
Vice President	4/30/2004
Treasurer	5/8/1998
King Holding Corporation	
Vice President and Treasurer	6/29/2006
King Holding US Corporation	
Vice President and Treasurer	7/17/2006
Liberty Communications Network, LLC	
Vice President and Treasurer	1/18/2007
Lion US Holding Corporation	
Vice President	4/30/2004
Treasurer	5/27/2003
Lockwood Acquisition, LLC	
Vice President and Treasurer	4/13/2006
Logo Acquisition Corporation	
Vice President and Treasurer	4/13/2006
Matrix Telecom of Virginia, Inc.	
Vice President and Treasurer	4/13/2006
Matrix Telecom, Inc.	
Treasurer	10/20/1999
Vice President	4/30/2004
Medesta Associates, LLC	
Vice President and Treasurer	1/18/2007
Medical Education Systems, LLC	
Vice President and Treasurer	1/18/2007
Medical Media Communications, LLC	
Vice President and Treasurer	1/18/2007
Metals Supply Property, LLC	
Vice President and Treasurer	7/24/2006
Milgo Holdings II, LLC	
Vice President	1/30/2004
Treasurer	8/21/2000
Milgo Holdings, LLC	
Vice President	1/30/2004
Treasurer	6/16/2000
MND Canada Holdings, Inc.	
Vice President	4/30/2004
Treasurer	8/1/2001
MSC Management, Inc.	
Vice President and Treasurer	5/31/2006

Positions Held Report

As of 8/4/2007

Robert J. Joubran

Company/Title

Effective Date

MTAC Holding Corporation

Vice President and Treasurer

5/19/2006

Neco Acquisition, LLC

Vice President

4/30/2004

Treasurer

12/20/2001

Onpointe Medical Communications, LLC

Vice President and Treasurer

1/18/2007

Oviso Holding Corporation

Vice President and Treasurer

2/28/2007

Oviso Manufacturing Concord, Inc.

Vice President and Treasurer

12/4/2006

Oviso Manufacturing Tempe, Inc.

Vice President and Treasurer

12/4/2006

PC Investments, LLC

Vice President

4/30/2004

Treasurer

5/30/2001

PE Healthcare Holdings, LLC

Vice President

4/30/2004

Treasurer

5/1/2001

Peak Technologies ULC

Vice President and Treasurer

11/22/2005

Peak Technologies, Inc.

Vice President and Treasurer

12/22/2005

PEH Canada Holdings, Inc.

Vice President

4/30/2004

Treasurer

9/11/1998

PEH US Holdings, Inc.

Vice President

3/1/2004

Treasurer

9/11/1998

PEH US Holdings, LLC

Vice President

4/30/2004

Treasurer

6/20/2000

PEH Worldwide Holdings, LLC

Treasurer

9/11/1998

Vice President

4/30/2004

PFrank, LLC

Vice President

4/30/2004

Treasurer

10/28/2002

PG Holding II Corporation

Vice President and Treasurer

11/21/2006

Platinum Aztec Principals, LLC

Vice President and Treasurer

2/24/2005

Platinum Burgundy Principals, LLC

Vice President and Treasurer

6/28/2007

Platinum Chromium Principals, LLC

Vice President and Treasurer

9/28/2004

Positions Held Report

As of 8/4/2007

Robert J. Joubran

Company/Title

Effective Date

Platinum Debt Group, LLC President	10/23/2006
Platinum Diana Principals, LLC Vice President and Treasurer	7/29/2004
Platinum Eagle Principals, LLC Vice President and Treasurer	3/23/2007
Platinum Equity Advisors International, LLC Chief Operating Officer	4/14/2006
Treasurer	10/15/2004
Platinum Equity Advisors, LLC Chief Operating Officer	4/14/2006
Treasurer	3/27/2003
Platinum Equity International, LLC Chief Operating Officer	4/14/2006
Treasurer	4/9/2003
Platinum Equity Investment Holdings II, LLC Vice President and Treasurer	3/2/2007
Platinum Equity Investment Holdings, LLC Vice President	3/29/2004
Treasurer	3/26/2003
Platinum Equity Partners II, LLC Vice President and Treasurer	3/2/2007
Platinum Equity Partners, LLC Vice President	3/29/2004
Treasurer	3/27/2003
Platinum Equity, LLC Chief Operating Officer	unknown
Treasurer	unknown
Platinum Eysler Principals, LLC Vice President and Treasurer	10/18/2005
Platinum Garden Principals, LLC Vice President and Treasurer	10/26/2005
Platinum Horizon Principals, LLC Vice President and Treasurer	10/26/2005
Platinum King Principals, LLC Vice President and Treasurer	4/13/2006
Platinum Lion Principals, LLC Vice President and Treasurer	1/21/2004
Platinum Rhombus Principals, LLC Vice President and Treasurer	7/16/2007
Platinum Rockstar Principals, LLC Vice President and Treasurer	9/14/2005
Platinum Spring Principals, LLC Vice President and Treasurer	7/2/2007
Platinum Steam Principals, LLC Vice President and Treasurer	9/27/2005

Positions Held Report

As of 8/4/2007

Robert J. Joubran

Company/Title	Effective Date
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Platinum Summit Principals, LLC Vice President and Treasurer	12/21/2005
Platinum Transportation Principals, LLC Vice President and Treasurer	9/14/2004
Platinum Travel Principals, LLC Vice President and Treasurer	4/13/2006
Platinum-Paradigm Management, LLC Vice President	2/6/2004
Treasurer	2/4/2003
PNA Group Holding Corporation Vice President and Treasurer	2/7/2006
PNA Group, Inc. Vice President and Treasurer	5/9/2006
PNA Intermediate Holding Corporation Vice President and Treasurer	1/25/2007
Practicome Solutions, LLC Vice President and Treasurer	1/18/2007
Project Eagle Holding Corporation Vice President and Treasurer	1/2/2007
Rhombus Holding Corporation Vice President and Treasurer	7/16/2007
Rhombus Merger Corporation Vice President and Treasurer	7/16/2007
Ring Screw LLC Vice President and Treasurer	8/11/2006
Rockstar Holding Corporation Vice President and Treasurer	7/19/2005
SDI, Inc. Vice President and Treasurer	3/28/2007
Smith Pipe & Steel Company Vice President and Treasurer	5/9/2006
Smith Pipe & Steel Property, LLC Vice President and Treasurer	7/24/2006
Spring Holding Corporation Vice President and Treasurer	7/2/2007
Spring Holding II, LLC Vice President and Treasurer	7/2/2007
Spring Merger Corporation Vice President and Treasurer	7/2/2007
Startec Global Canadian Holding Company Vice President and Treasurer	7/12/2007
Startec Global Communications Corporation Vice President and Treasurer	7/12/2007
Startec Global Operating Company Vice President and Treasurer	7/12/2007

Positions Held Report

As of 8/4/2007

Robert J. Joubran

Company/Title

Effective Date

Strategic Distribution (Canada) Holdings, Inc.

Vice President and Treasurer

3/28/2007

Strategic Distribution, Inc.

Vice President and Treasurer

3/28/2007

Strategic Implications International, LLC

Vice President and Treasurer

1/18/2007

Summit Holding One Corporation

Vice President and Treasurer

8/18/2005

Synertech Holdings, Inc.

Vice President

1/30/2004

Treasurer

1/8/2001

T-Line Platinum Ventures, Inc.

Vice President

4/30/2004

Treasurer

1/30/2000

Tanning Technology Corporation

Vice President

4/30/2004

Treasurer

6/12/2003

Tide Acquisition Corporation

Vice President and Treasurer

3/6/2007

Tiger Holding Corporation

Vice President

4/30/2004

Treasurer

4/15/2003

Timeplex Holdings, LLC

Vice President and Treasurer

4/19/2006

Timeplex, LLC

Vice President

4/30/2004

Treasurer

5/25/2000

Travel Main Corporation

Vice President and Treasurer

4/13/2006

Travel Main Member, LLC

Vice President and Treasurer

4/13/2006

Trinsic Communications of Virginia, Inc.

Vice President and Treasurer

3/26/2007

Troika Media Holdings, LLC

Vice President

4/30/2004

Treasurer

4/23/2003

Turf Care Holding Corporation

Vice President and Treasurer

9/27/2005

Turf Care Supply Corp.

Vice President and Treasurer

7/22/2005

U.S. Robotics Americas LLC

Vice President and Treasurer

9/15/2005

U.S. Robotics Corporation

Vice President and Treasurer

9/15/2005

U.S.R. (Delaware) II, Inc.

Vice President and Treasurer

9/15/2005

Positions Held Report

As of 8/4/2007

Robert J. Joubran

Company/Title

Effective Date

U.S.R. (Delaware) III, Inc.

Vice President and Treasurer

9/15/2005

U.S.R. (Delaware), Inc.

Vice President and Treasurer

9/15/2005

Vanguard Holdings, LLC

Vice President

4/30/2004

Treasurer

8/14/2001

Vanguard Leasing Solutions, LLC

Vice President

4/30/2004

Treasurer

8/15/2001

Vanguard Managed Solutions, LLC

Vice President

4/30/2004

Treasurer

8/14/2001

WCS Acquisition Corporation

Vice President

1/26/2004

Treasurer

1/26/2001

Wolverine Metal Specialties, Inc.

Vice President and Treasurer

8/11/2006

Positions Held Report

As of 8/4/2007

Eva M. Kalawski

Company/Title

Effective Date

Acument Fastening Systems LLC

Vice President and Secretary 8/11/2006

Acument Global Technologies, Inc.

Director 4/13/2006

Vice President and Secretary 4/13/2006

Acument Intellectual Properties, LLC

Manager 7/21/2006

Vice President and Secretary 7/21/2006

Advogent Group, Inc.

Director 9/27/2006

Vice President and Secretary 9/27/2006

Altura Communication Solutions, LLC

Manager 11/13/2001

Vice President 11/29/2002

Secretary 11/13/2001

Altura CS, Inc.

Director 1/2/2004

Vice President and Secretary 1/2/2004

American Racing Equipment, Inc.

Director 7/18/2005

Vice President and Secretary 7/18/2005

AmericaTel Corporation

Director 8/3/2006

Vice President and Secretary 8/3/2006

APD Holdings, LLC

Manager 7/26/2001

Vice President and Secretary 7/26/2001

Avdel USA LLC

Vice President and Secretary 8/11/2006

Aztec Holding Corporation

Director 2/24/2005

Vice President and Secretary 2/24/2005

BC Holding III Corporation

Director 1/28/2002

Vice President 1/27/2003

Secretary 9/14/2000

BC Holdings, LLC

Vice President 1/27/2003

Secretary 9/14/2000

Boehme North American, Ltd.

Director 8/9/2006

Vice President and Secretary 8/9/2006

Boehme-Filatex, Inc.

Chairperson 11/7/2006

Director 11/7/2006

Vice President and Secretary 11/7/2006

Positions Held Report

As of 8/4/2007

Eva M. Kalawski

Company/Title	Effective Date
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Burgundy Acquisition Corporation

Director 6/28/2007
Vice President and Secretary 6/28/2007

Burgundy Holding Corporation

Director 6/28/2007
Vice President and Secretary 6/28/2007

Burkland Inc.

Director 8/11/2006
Vice President and Secretary 8/11/2006

Camcar LLC

Vice President and Secretary 8/11/2006

Centricity, LLC

Vice President and Secretary 1/18/2007

CHR Funding Corporation

Director 9/9/2004
Vice President and Secretary 9/9/2004

CHR Holding Corporation

Director 5/6/2004
Vice President and Secretary 5/6/2004

CHR Intermediate Holding Corporation

Director 5/14/2007
Vice President and Secretary 5/14/2007

Clinton & Lockwood, Ltd.

Vice President and Secretary 5/31/2006

Color Solutions International, Inc.

Director 8/5/2004
Vice President and Secretary 8/5/2004

CompuCom Holdings, Inc.

Director 10/23/2006
Vice President and Secretary 8/25/2004

CompuCom IT Solutions, Inc.

Vice President and Secretary 11/30/2004

CompuCom Puerto Rico, LLC

Manager 12/6/2005
Vice President and Secretary 12/6/2005

CompuCom Systems, Inc.

Director 7/31/2006
Vice President and Secretary 10/1/2004

CompuCom VMS, LLC

Manager 6/29/2007
Vice President and Secretary 6/29/2007

CSI Funding, Inc.

Director 6/1/2006
Vice President and Secretary 12/16/2004

Positions Held Report

As of 8/4/2007

Eva M. Kalawski

Company/Title	Effective Date
Data2Logistics, LLC	
Manager	3/18/2002
Vice President	3/29/2003
Secretary	3/18/2002
DCA Services, Inc	
Vice President	12/15/2004
Secretary	12/16/1998
Delnor Corporation	
Director	5/9/2006
Vice President and Secretary	5/9/2006
Delnor Property, LLC	
Vice President and Secretary	7/24/2006
Delta GP, L.L.C.	
Manager	5/9/2006
Vice President and Secretary	5/9/2006
Delta LP, L.L.C.	
Manager	5/9/2006
Vice President and Secretary	5/9/2006
Delta Steel Property, LLC	
Vice President and Secretary	7/24/2006
Delta Steel, L.P.	
Vice President and Secretary	5/9/2006
Dover Communications, LLC	
Vice President and Secretary	1/18/2007
DyStar Acquisition Corporation	
Director	7/8/2004
Vice President and Secretary	7/8/2004
DyStar Americas Holding Corporation	
Director	8/5/2004
Vice President and Secretary	8/5/2004
DyStar Corporation	
Director	8/5/2004
Vice President and Secretary	8/5/2004
DyStar L.P.	
Vice President and Secretary	8/5/2004
Elco Fastening Systems LLC	
Vice President and Secretary	8/11/2006
Energy Tracs, Inc.	
Director	6/12/2001
Vice President	6/10/2003
Secretary	6/9/1998
EnergyTRACS Acquisition Corp.	
Vice President	5/6/2003
Secretary	5/7/1998
ESM Group Inc.	
Director	12/19/2005
Vice President and Secretary	12/19/2005

Positions Held Report

As of 8/4/2007

Eva M. Kalawski

Company/Title	Effective Date
Eysler Holding Corporation	
Director	9/30/2005
Vice President and Secretary	9/30/2005
Feralloy Corporation	
Director	5/9/2006
Vice President and Secretary	5/9/2006
Feralloy Indiana Corporation	
Director	5/9/2006
Vice President and Secretary	5/9/2006
Feralloy Midwest Corporation	
Director	5/9/2006
Vice President and Secretary	5/9/2006
Feralloy Ohio Corporation	
Director	5/9/2006
Vice President and Secretary	5/9/2006
Feralloy Oregon Corporation	
Director	5/9/2006
Vice President and Secretary	5/9/2006
Feralloy Property II, LLC	
Manager	7/31/2006
Vice President and Secretary	7/31/2006
Feralloy Property, LLC	
Vice President and Secretary	4/13/2006
Flexalloy Inc.	
Director	8/11/2006
Vice President and Secretary	8/11/2006
GeoLogic Solutions, Inc.	
Vice President and Secretary	6/3/2004
Gupta Holdings, LLC	
Manager	12/27/2000
Vice President	1/31/2003
Secretary	12/27/2000
Horizon Holding Corporation	
Director	2/27/2006
Vice President and Secretary	2/27/2006
iET Canada Holdings, Inc.	
Director	1/21/2003
Vice President and Secretary	1/21/2003
iET Solutions, LLC	
Manager	1/21/2003
Vice President and Secretary	1/21/2003
Infra-Metals Co.	
Director	5/9/2006
Vice President and Secretary	5/9/2006
Infra-Metals Property, LLC	
Vice President and Secretary	4/13/2006

Positions Held Report

As of 8/4/2007

Eva M. Kalawski

Company/Title

Effective Date

Insurance Solutions, Inc.

Director 6/4/2001
Vice President 6/3/2002
Secretary 5/8/1998

King Holding Corporation

Director 6/29/2006
Vice President and Secretary 6/29/2006

King Holding US Corporation

Director 7/17/2006
Vice President and Secretary 7/17/2006

Liberty Communications Network, LLC

Vice President and Secretary 1/18/2007

Lion US Holding Corporation

Director 5/7/2003
Vice President and Secretary 5/27/2003

Lockwood Acquisition, LLC

Manager 4/13/2006
Vice President and Secretary 4/13/2006

Logo Acquisition Corporation

Director 4/13/2006
Vice President and Secretary 4/13/2006

Matrix Telecom of Virginia, Inc.

Director 7/8/2005
Vice President and Secretary 4/13/2006

Matrix Telecom, Inc.

Director 6/16/2004
Vice President 6/3/2002
Secretary 10/20/1999

Medesta Associates, LLC

Vice President and Secretary 1/18/2007

Medical Education Systems, LLC

Vice President and Secretary 1/18/2007

Medical Media Communications, LLC

Vice President and Secretary 1/18/2007

Metals Supply Property, LLC

Vice President and Secretary 7/24/2006

Milgo Holdings II, LLC

Manager 8/21/2000
Vice President 1/31/2003
Secretary 8/21/2000

Milgo Holdings, LLC

Manager 6/16/2000
Vice President 1/31/2003
Secretary 6/16/2000

MND Canada Holdings, Inc.

Director 8/1/2001
Vice President and Secretary 8/1/2001

Positions Held Report

As of 8/4/2007

Eva M. Kalawski

Company/Title	Effective Date
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MSC Management, Inc.

Director	5/31/2006
Vice President and Secretary	5/31/2006

MTAC Holding Corporation

Director	9/19/2006
Vice President and Secretary	9/19/2006

Neco Acquisition, LLC

Manager	12/20/2001
Vice President and Secretary	12/20/2001

Onpointe Medical Communications, LLC

Vice President and Secretary	1/18/2007
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Oviso Holding Corporation

Director	2/28/2007
Vice President and Secretary	2/28/2007

Oviso Manufacturing Concord, Inc.

Director	12/4/2006
Vice President and Secretary	12/4/2006

Oviso Manufacturing Tempe, Inc.

Director	12/4/2006
Vice President and Secretary	12/4/2006

PC Investments, LLC

Manager	5/30/2001
Vice President	5/30/2003
Secretary	5/30/2001

PE Healthcare Holdings, LLC

Manager	5/1/2001
Vice President	5/31/2002
Secretary	5/1/2001

Peak Technologies, Inc.

Director	12/22/2005
Vice President and Secretary	12/22/2005

PEH Canada Holdings, Inc.

Director	9/2/1998
Vice President	9/12/2003
Secretary	9/2/1998

PEH US Holdings, Inc.

Director	9/1/1998
Vice President	9/13/2002
Secretary	9/10/1998

PEH US Holdings, LLC

Manager	6/2/2000
Vice President	9/13/2002
Secretary	6/2/2000

PEH Worldwide Holdings, LLC

Manager	9/11/1998
Secretary	9/11/1998
Vice President	9/13/2002

Positions Held Report

As of 8/4/2007

Eva M. Kalawski

Company/Title

Effective Date

PFrank, LLC

Manager 10/28/2002
Vice President 10/28/2002
Vice President and Secretary 10/28/2002

PG Holding II Corporation

Director 11/21/2006
Vice President and Secretary 11/21/2006

Platinum Aztec Principals, LLC

Vice President and Secretary 2/24/2005

Platinum Burgundy Principals, LLC

Vice President and Secretary 6/28/2007

Platinum Chromium Principals, LLC

Vice President and Secretary 9/28/2004

Platinum Debt Group, LLC

Manager 10/23/2006
Vice President and Secretary 10/23/2006

Platinum Diana Principals, LLC

Vice President and Secretary 7/29/2004

Platinum Eagle Principals, LLC

Vice President and Secretary 3/23/2007

Platinum Equity Advisors International, LLC

Manager 10/15/2004
Executive Vice President 4/14/2006
General Counsel 4/14/2006
Secretary 10/15/2004

Platinum Equity Advisors, LLC

Executive Vice President 4/14/2006
General Counsel 4/14/2006
Secretary 3/27/2003

Platinum Equity International, LLC

Manager 4/9/2003
Executive Vice President 4/14/2006
General Counsel 4/14/2006
Secretary 4/9/2003

Platinum Equity Investment Holdings II, LLC

Vice President and Secretary 3/2/2007

Platinum Equity Investment Holdings, LLC

Vice President and Secretary 3/26/2003

Platinum Equity Partners II, LLC

Manager 3/2/2007
Vice President and Secretary 3/2/2007

Platinum Equity Partners, LLC

Vice President and Secretary 3/27/2003

Platinum Equity, LLC

Executive Vice President and General Counsel Unknown
Secretary Unknown

Positions Held Report

As of 8/4/2007

Eva M. Kalawski

Company/Title	Effective Date
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Platinum Eysler Principals, LLC Vice President and Secretary	10/18/2005
Platinum Garden Principals, LLC Vice President and Secretary	10/26/2005
Platinum Horizon Principals, LLC Vice President and Secretary	10/26/2005
Platinum King Principals, LLC Vice President and Secretary	4/13/2006
Platinum Lion Principals, LLC Vice President and Secretary	1/21/2004
Platinum Rhombus Principals, LLC Manager	7/16/2007
Vice President and Secretary	7/16/2007
Platinum Rockstar Principals, LLC Vice President and Secretary	9/14/2005
Platinum Spring Principals, LLC Manager	7/2/2007
Vice President and Secretary	7/2/2007
Platinum Steam Principals, LLC Vice President and Secretary	9/27/2005
Platinum Summit Principals, LLC Vice President and Secretary	12/21/2005
Platinum Transportation Principals, LLC Vice President and Secretary	9/14/2004
Platinum Travel Principals, LLC Vice President and Secretary	4/13/2006
Platinum-Paradigm Management, LLC Vice President	2/4/2003
Secretary	11/10/2003
PNA Group Holding Corporation Director	2/7/2006
Vice President and Secretary	2/7/2006
PNA Group, Inc. Director	5/9/2006
Vice President and Secretary	5/9/2006
PNA Intermediate Holding Corporation Director	1/25/2007
Vice President and Secretary	1/25/2007
Practicome Solutions, LLC Vice President and Secretary	1/18/2007
Project Eagle Holding Corporation Director	1/2/2007
Vice President and Secretary	1/2/2007
Rhombus Holding Corporation Director	7/16/2007
Vice President and Secretary	7/16/2007

Positions Held Report

As of 8/4/2007

Eva M. Kalawski

Company/Title	Effective Date
Rhombus Merger Corporation	
Director	7/16/2007
Vice President and Secretary	7/16/2007
Ring Screw LLC	
Vice President and Secretary	8/11/2006
Rockstar Holding Corporation	
Director	7/19/2005
Vice President and Secretary	7/19/2005
SDI, Inc.	
Director	3/28/2007
Vice President and Secretary	3/28/2007
Smith Pipe & Steel Company	
Director	5/9/2006
Vice President and Secretary	5/9/2006
Smith Pipe & Steel Property, LLC	
Vice President and Secretary	7/24/2006
Spring Holding Corporation	
Director	7/2/2007
Vice President and Secretary	7/2/2007
Spring Holding II, LLC	
Manager	7/2/2007
Vice President and Secretary	7/2/2007
Spring Merger Corporation	
Director	7/2/2007
Vice President and Secretary	7/2/2007
Startec Global Canadian Holding Company	
Director	7/12/2007
Vice President and Secretary	7/12/2007
Startec Global Communications Corporation	
Director	7/12/2007
Vice President and Secretary	7/12/2007
Startec Global Operating Company	
Director	7/12/2007
Vice President and Secretary	7/12/2007
Strategic Distribution (Canada) Holdings, Inc.	
Director	3/28/2007
Vice President and Secretary	3/28/2007
Strategic Distribution, Inc.	
Director	3/28/2007
Vice President and Secretary	3/28/2007
Strategic Implications International, LLC	
Vice President and Secretary	1/18/2007
Summit Holding One Corporation	
Director	8/18/2005
Vice President and Secretary	8/18/2005

Positions Held Report

As of 8/4/2007

Eva M. Kalawski

Company/Title	Effective Date
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Synertech Holdings, Inc.

Director	1/8/2001
Vice President	1/31/2003
Secretary	1/8/2001

T-Line Platinum Ventures, Inc.

Vice President	4/15/2003
Secretary	1/3/2000

Tanning Technology Corporation

Director	6/12/2003
Vice President and Secretary	6/12/2003

Tide Acquisition Corporation

Director	3/6/2007
Vice President and Secretary	3/6/2007

Tiger Holding Corporation

Director	4/15/2003
Vice President and Secretary	4/15/2003

Timeplex Holdings, LLC

Manager	4/19/2006
Vice President and Secretary	4/19/2006

Timeplex, LLC

Manager	5/25/2000
Vice President	9/16/2002
Secretary	5/25/2000

Travel Main Corporation

Director	4/13/2006
Vice President and Secretary	4/13/2006

Travel Main Member, LLC

Director	9/25/2006
Vice President and Secretary	4/13/2006

Trinsic Communications of Virginia, Inc.

Director	3/26/2007
Vice President and Secretary	3/26/2007

Troika Media Holdings, LLC

Manager	4/23/2003
Vice President and Secretary	4/23/2003

Turf Care Holding Corporation

Director	9/27/2005
Vice President and Secretary	9/27/2005

Turf Care Supply Corp.

Director	7/22/2005
Vice President and Secretary	7/22/2005

U.S. Robotics (UK) Limited

Secretary	10/18/2006
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U.S. Robotics Americas LLC

Manager	9/15/2005
Vice President and Secretary	9/15/2005

Positions Held Report

As of 8/4/2007

Eva M. Kalawski

Company/Title	Effective Date
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U.S. Robotics Corporation

Director	9/15/2005
Vice President and Secretary	9/15/2005

U.S.R. (Delaware) II, Inc.

Director	9/15/2005
Vice President and Secretary	9/15/2005

U.S.R. (Delaware) III, Inc.

Director	9/15/2005
Vice President and Secretary	9/15/2005

U.S.R. (Delaware), Inc.

Director	9/15/2005
Vice President and Secretary	9/15/2005

Vanguard Holdings, LLC

Manager	8/14/2001
Vice President	8/16/2002
Secretary	8/14/2001

Vanguard Leasing Solutions, LLC

Manager	8/15/2001
Vice President	8/16/2002
Secretary	8/15/2001

Vanguard Managed Solutions, LLC

Manager	8/14/2001
Vice President	6/28/2002
Secretary	8/14/2001

WCS Acquisition Corporation

Director	1/26/2001
Vice President	1/31/2003
Secretary	1/26/2001

Wolverine Metal Specialties, Inc.

Director	8/11/2006
Vice President and Secretary	8/11/2006

Positions Held Report

As of 8/4/2007

Charles Kuehne

Company/Title	Effective Date	End Date
Data2Logistics, LLC		
President	10/28/2005	
Chief Financial Officer	6/27/2003	

Positions Held Report

As of 8/4/2007

Johnny O. Lopez

Company/Title	Effective Date	End Date
Platinum Equity Advisors International, LLC Executive Vice President	4/14/2006	
Platinum Equity Advisors, LLC Executive Vice President	4/14/2006	
Platinum Equity International, LLC Executive Vice President	4/14/2006	
Platinum Equity, LLC Executive Vice President	unknown	

Positions Held Report

As of 8/4/2007

Philip E. Norment

Company/Title	Effective Date	End Date
Platinum Equity Advisors International, LLC President - Portfolio Operations	4/14/2006	
Platinum Equity Advisors, LLC President - Portfolio Operations	4/14/2006	
Platinum Equity International, LLC President - Portfolio Operations	4/14/2006	
Platinum Equity, LLC President - Portfolio Operations	unknown	
Rockstar Holding Corporation Vice President	7/19/2005	

Positions Held Report

As of 8/4/2007

Jose Valdes

Company/Title	Effective Date	End Date
CHR Intermediate Holding Corporation Senior Vice President	5/18/2007	
CompuCom Systems, Inc. Senior Vice President	2/28/2005	

Positions Held Report

As of 8/4/2007

Dawn Walloch

Company/Title	Effective Date	End Date
Acument Fastening Systems LLC Assistant Treasurer	8/11/2006	
Acument Global Technologies, Inc. Assistant Treasurer	4/13/2006	
Acument Intellectual Properties, LLC Assistant Treasurer	7/21/2006	
Advogent Group, Inc. Assistant Treasurer	9/27/2006	
Altura Communication Solutions, LLC Assistant Treasurer	8/12/2004	
Altura CS, Inc. Assistant Treasurer	8/12/2004	
American Racing Equipment, Inc. Assistant Treasurer	7/18/2005	
AmericaTel Corporation Assistant Treasurer	8/3/2006	
APD Holdings, LLC Assistant Treasurer	8/12/2004	
Avdel USA LLC Assistant Treasurer	8/11/2006	
Aztec Holding Corporation Assistant Treasurer	2/24/2005	
BC Holding III Corporation Assistant Treasurer	8/12/2004	
BC Holdings, LLC Assistant Treasurer	8/12/2004	
Boehme North American, Ltd. Assistant Treasurer	8/9/2006	
Boehme-Filatex, Inc. Assistant Treasurer	11/7/2006	
Burgundy Acquisition Corporation Assistant Treasurer	6/28/2007	
Burgundy Holding Corporation Assistant Treasurer	6/28/2007	
Burkland Inc. Assistant Treasurer	8/11/2006	
Camcar LLC Assistant Treasurer	8/11/2006	
Centricity, LLC Assistant Treasurer	1/18/2007	
CHR Funding Corporation Assistant Treasurer	9/9/2004	
CHR Holding Corporation Assistant Treasurer	8/12/2004	

Positions Held Report

As of 8/4/2007

Dawn Walloch

Company/Title	Effective Date	End Date
CHR Intermediate Holding Corporation		
Assistant Treasurer	5/14/2007	
Clinton & Lockwood, Ltd.		
Assistant Treasurer	5/31/2006	
Color Solutions International, Inc.		
Assistant Treasurer	8/12/2004	
CompuCom Holdings, Inc.		
Assistant Treasurer	8/25/2004	
CompuCom IT Solutions, Inc.		
Assistant Treasurer	11/30/2004	
CompuCom Puerto Rico, LLC		
Assistant Treasurer	12/6/2005	
CompuCom Systems, Inc.		
Assistant Treasurer	10/4/2004	
CompuCom VMS, LLC		
Assistant Treasurer	6/29/2007	
CSI Funding, Inc.		
Assistant Treasurer	12/16/2004	
Data2Logistics, LLC		
Assistant Treasurer	8/12/2004	
DCA Services, Inc		
Assistant Treasurer	8/12/2004	
Delnor Corporation		
Assistant Treasurer	5/9/2006	
Delnor Property, LLC		
Assistant Treasurer	7/24/2006	
Delta GP, L.L.C.		
Assistant Treasurer	5/9/2006	
Delta LP, L.L.C.		
Assistant Treasurer	5/9/2006	
Delta Steel Property, LLC		
Assistant Treasurer	7/24/2006	
Delta Steel, L.P.		
Assistant Treasurer	5/9/2006	
Dover Communications, LLC		
Assistant Treasurer	1/18/2007	
DyStar Acquisition Corporation		
Assistant Treasurer	8/12/2004	
DyStar Americas Holding Corporation		
Assistant Treasurer	8/12/2004	
DyStar Corporation		
Assistant Treasurer	8/12/2004	
Elco Fastening Systems LLC		
Assistant Treasurer	8/11/2006	

Positions Held Report

As of 8/4/2007

Dawn Walloch

Company/Title	Effective Date	End Date
Energy Tracs, Inc. Assistant Treasurer	8/12/2004	
EnergyTRACS Acquisition Corp. Assistant Treasurer	8/12/2004	
ESM Group Inc. Assistant Treasurer	12/19/2005	
Eysler Holding Corporation Assistant Treasurer	9/30/2005	
Feralloy Corporation Assistant Treasurer	5/9/2006	
Feralloy Indiana Corporation Assistant Treasurer	5/9/2006	
Feralloy Midwest Corporation Assistant Treasurer	5/9/2006	
Feralloy Ohio Corporation Assistant Treasurer	5/9/2006	
Feralloy Oregon Corporation Assistant Treasurer	5/9/2006	
Feralloy Property II, LLC Assistant Treasurer	7/31/2006	
Feralloy Property, LLC Assistant Treasurer	4/13/2006	
Flexalloy Inc. Assistant Treasurer	8/11/2006	
GeoLogic Solutions, Inc. Assistant Treasurer	8/12/2004	
Gupta Holdings, LLC Assistant Treasurer	8/12/2004	
Horizon Holding Corporation Assistant Treasurer	2/27/2006	
iET Canada Holdings, Inc. Assistant Treasurer	8/12/2004	
iET Solutions, LLC Assistant Treasurer	8/12/2004	
Infra-Metals Co. Assistant Treasurer	5/9/2006	
Infra-Metals Property, LLC Assistant Treasurer	4/13/2006	
Insurance Solutions, Inc. Assistant Treasurer	8/12/2004	
King Holding Corporation Treasurer	6/29/2006	
King Holding US Corporation Assistant Treasurer	7/17/2006	

Positions Held Report

As of 8/4/2007

Dawn Walloch

Company/Title	Effective Date	End Date
Liberty Communications Network, LLC Assistant Treasurer	1/18/2007	
Lion US Holding Corporation Assistant Treasurer	8/12/2004	
Lockwood Acquisition, LLC Assistant Treasurer	4/13/2006	
Logo Acquisition Corporation Assistant Treasurer	4/13/2006	
Matrix Telecom of Virginia, Inc. Assistant Treasurer	7/8/2005	
Matrix Telecom, Inc. Assistant Treasurer	8/12/2004	
Medesta Associates, LLC Assistant Treasurer	1/18/2007	
Medical Education Systems, LLC Assistant Treasurer	1/18/2007	
Medical Media Communications, LLC Assistant Treasurer	1/18/2007	
Metals Supply Property, LLC Assistant Treasurer	7/24/2006	
Milgo Holdings II, LLC Assistant Treasurer	8/12/2004	
Milgo Holdings, LLC Assistant Treasurer	8/12/2004	
MND Canada Holdings, Inc. Assistant Treasurer	8/12/2004	
MSC Management, Inc. Assistant Treasurer	5/31/2006	
MTAC Holding Corporation Assistant Treasurer	9/19/2006	
Neco Acquisition, LLC Assistant Treasurer	8/12/2004	
Onpointe Medical Communications, LLC Assistant Treasurer	1/18/2007	
Oviso Holding Corporation Assistant Treasurer	2/28/2007	
Oviso Manufacturing Concord, Inc. Assistant Treasurer	12/4/2006	
Oviso Manufacturing Tempe, Inc. Assistant Treasurer	12/4/2006	
PC Investments, LLC Assistant Treasurer	8/12/2004	
PE Healthcare Holdings, LLC Assistant Treasurer	8/12/2004	

Positions Held Report

As of 8/4/2007

Dawn Walloch

Company/Title	Effective Date	End Date
Peak Technologies, Inc. Assistant Treasurer	12/22/2005	
PEH Canada Holdings, Inc. Assistant Treasurer	8/12/2004	
PEH US Holdings, Inc. Assistant Treasurer	8/12/2004	
PEH US Holdings, LLC Assistant Treasurer	8/12/2004	
PEH Worldwide Holdings, LLC Assistant Treasurer	8/12/2004	
PFrank, LLC Assistant Treasurer	8/12/2004	
PG Holding II Corporation Assistant Treasurer	11/21/2006	
Platinum Burgundy Principals, LLC Assistant Treasurer	6/28/2007	
Platinum Debt Group, LLC Assistant Treasurer	10/23/2006	
Platinum Equity Advisors International, LLC Assistant Treasurer	8/12/2004	
Platinum Equity Advisors, LLC Assistant Treasurer	8/12/2004	
Platinum Equity International, LLC Assistant Treasurer	8/12/2004	
Platinum Equity Investment Holdings II, LLC Assistant Treasurer	3/2/2007	
Platinum Equity Investment Holdings, LLC Assistant Treasurer	3/21/2005	
Platinum Equity Partners II, LLC Assistant Treasurer	3/2/2007	
Platinum Equity Partners, LLC Assistant Treasurer	3/21/2005	
Platinum Equity, LLC Assistant Treasurer	unknown	
Platinum Rhombus Principals, LLC Assistant Treasurer	7/16/2007	
Platinum Spring Principals, LLC Assistant Treasurer	7/2/2007	
Platinum Transportation Principals, LLC Assistant Treasurer	9/19/2005	
PNA Group Holding Corporation Assistant Treasurer	2/7/2006	
PNA Group, Inc. Assistant Treasurer	5/9/2006	
PNA Intermediate Holding Corporation Assistant Treasurer	1/25/2007	

Positions Held Report

As of 8/4/2007

Dawn Walloch

Company/Title	Effective Date	End Date
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Practicome Solutions, LLC Assistant Treasurer	1/18/2007	
Project Eagle Holding Corporation Assistant Treasurer	1/2/2007	
Rhombus Holding Corporation Assistant Treasurer	7/16/2007	
Rhombus Merger Corporation Assistant Treasurer	7/16/2007	
Ring Screw LLC Assistant Treasurer	8/11/2006	
Rockstar Holding Corporation Assistant Treasurer	7/19/2005	
SDI, Inc. Assistant Treasurer	3/28/2007	
Smith Pipe & Steel Company Assistant Treasurer	5/9/2006	
Smith Pipe & Steel Property, LLC Assistant Treasurer	7/24/2006	
Spring Holding Corporation Assistant Treasurer	7/2/2007	
Spring Holding II, LLC Assistant Treasurer	7/2/2007	
Spring Merger Corporation Assistant Treasurer	7/2/2007	
Startec Global Canadian Holding Company Assistant Treasurer	7/12/2007	
Startec Global Communications Corporation Assistant Treasurer	7/12/2007	
Startec Global Operating Company Assistant Treasurer	7/12/2007	
Strategic Distribution (Canada) Holdings, Inc. Assistant Treasurer	3/28/2007	
Strategic Distribution, Inc. Assistant Treasurer	3/28/2007	
Strategic Implications International, LLC Assistant Treasurer	1/18/2007	
Summit Holding One Corporation Assistant Treasurer	8/18/2005	
Synertech Holdings, Inc. Assistant Treasurer	8/12/2004	
T-Line Platinum Ventures, Inc. Assistant Treasurer	8/12/2004	

Positions Held Report

As of 8/4/2007

Dawn Walloch

Company/Title	Effective Date	End Date
Tanning Technology Corporation Assistant Treasurer	8/12/2004	
Tide Acquisition Corporation Assistant Treasurer	3/6/2007	
Tiger Holding Corporation Assistant Treasurer	8/12/2004	
Timeplex Holdings, LLC Assistant Treasurer	4/19/2006	
Timeplex, LLC Assistant Treasurer	8/12/2004	
Travel Main Corporation Assistant Treasurer	4/13/2006	
Travel Main Member, LLC Assistant Treasurer	4/13/2006	
Trinsic Communications of Virginia, Inc. Assistant Treasurer	3/26/2007	
Turf Care Holding Corporation Assistant Treasurer	9/27/2005	
Turf Care Supply Corp. Assistant Treasurer	7/22/2005	
U.S. Robotics Americas LLC Assistant Treasurer	9/15/2005	
U.S. Robotics Corporation Assistant Treasurer	9/15/2005	
U.S.R. (Delaware) II, Inc. Assistant Treasurer	9/15/2005	
U.S.R. (Delaware) III, Inc. Assistant Treasurer	9/15/2005	
U.S.R. (Delaware), Inc. Assistant Treasurer	9/15/2005	
Vanguard Holdings, LLC Assistant Treasurer	8/12/2004	
Vanguard Leasing Solutions, LLC Assistant Treasurer	8/12/2004	
Vanguard Managed Solutions, LLC Assistant Treasurer	8/12/2004	
WCS Acquisition Corporation Assistant Treasurer	8/12/2004	
Wolverine Metal Specialties, Inc. Assistant Treasurer	8/11/2006	

Positions Held Report

As of 8/4/2007

Sally A. Ward

Company/Title	Effective Date	End Date
Acument Fastening Systems LLC Assistant Secretary	8/11/2006	
Acument Global Technologies, Inc. Assistant Secretary	4/13/2006	
Acument Intellectual Properties, LLC Assistant Secretary	7/21/2006	
Advogent Group, Inc. Assistant Secretary	9/27/2006	
Altura Communication Solutions, LLC Assistant Secretary	11/7/2005	
Altura CS, Inc. Assistant Secretary	1/3/2005	
American Racing Equipment, Inc. Assistant Secretary	7/18/2005	
AmericaTel Corporation Assistant Secretary	8/3/2006	
APD Holdings, LLC Assistant Secretary	7/25/2005	
Avdel USA LLC Assistant Secretary	8/11/2006	
Aztec Holding Corporation Assistant Secretary	2/24/2005	
BC Holding III Corporation Assistant Secretary	1/25/2005	
BC Holdings, LLC Assistant Secretary	1/25/2005	
Boehme North American, Ltd. Assistant Secretary	8/9/2006	
Boehme-Filatex, Inc. Assistant Secretary	11/7/2006	
Burgundy Acquisition Corporation Assistant Secretary	6/28/2007	
Burgundy Holding Corporation Assistant Secretary	6/28/2007	
Burkland Inc. Assistant Secretary	8/11/2006	
Camcar LLC Assistant Secretary	8/11/2006	
Centricity, LLC Assistant Secretary	1/18/2007	
CHR Funding Corporation Assistant Secretary	9/12/2005	
CHR Holding Corporation Assistant Secretary	5/2/2005	
CHR Intermediate Holding Corporation Assistant Secretary	5/14/2007	

Positions Held Report

As of 8/4/2007

Sally A. Ward

Company/Title	Effective Date	End Date
Clinton & Lockwood, Ltd. Assistant Secretary	5/31/2006	
Color Solutions International, Inc. Assistant Secretary	8/1/2005	
CompuCom Holdings, Inc. Assistant Secretary	8/29/2005	
CompuCom IT Solutions, Inc. Assistant Secretary	5/2/2005	
CompuCom Puerto Rico, LLC Assistant Secretary	12/6/2005	
CompuCom Systems, Inc. Assistant Secretary	12/31/2004	
CompuCom VMS, LLC Assistant Secretary	6/29/2007	
CSI Funding, Inc. Assistant Secretary	5/26/2006	
Data2Logistics, LLC Assistant Secretary	3/11/2005	
DCA Services, Inc Assistant Secretary	12/15/2005	
Delnor Corporation Assistant Secretary	5/9/2006	
Delnor Property, LLC Assistant Secretary	7/24/2006	
Delta GP, L.L.C. Assistant Secretary	5/9/2006	
Delta LP, L.L.C. Assistant Secretary	5/9/2006	
Delta Steel Property, LLC Assistant Secretary	7/24/2006	
Delta Steel, L.P. Assistant Secretary	5/9/2006	
Dover Communications, LLC Assistant Secretary	1/18/2007	
DyStar Acquisition Corporation Assistant Secretary	7/5/2005	
DyStar Americas Holding Corporation Assistant Secretary	8/1/2005	
DyStar Corporation Assistant Secretary	5/9/2005	
DyStar L.P. Assistant Secretary	8/29/2005	
Elco Fastening Systems LLC Assistant Secretary	8/11/2006	
Energy Tracs, Inc. Assistant Secretary	1/29/1999	

Positions Held Report

As of 8/4/2007

Sally A. Ward

Company/Title	Effective Date	End Date
EnergyTRACS Acquisition Corp. Assistant Secretary	5/2/2005	
ESM Group Inc. Assistant Secretary	12/19/2005	
Eysler Holding Corporation Assistant Secretary	9/30/2005	
Feralloy Corporation Assistant Secretary	5/9/2006	
Feralloy Indiana Corporation Assistant Secretary	5/9/2006	
Feralloy Midwest Corporation Assistant Secretary	5/9/2006	
Feralloy Ohio Corporation Assistant Secretary	5/9/2006	
Feralloy Oregon Corporation Assistant Secretary	5/9/2006	
Feralloy Property II, LLC Assistant Secretary	7/31/2006	
Feralloy Property, LLC Assistant Secretary	4/13/2006	
Flexalloy Inc. Assistant Secretary	8/11/2006	
GeoLogic Solutions, Inc. Assistant Secretary	6/6/2005	
Gupta Holdings, LLC Assistant Secretary	1/25/2005	
Horizon Holding Corporation Assistant Secretary	2/27/2006	
iET Canada Holdings, Inc. Assistant Secretary	1/18/2005	
iET Solutions, LLC Assistant Secretary	1/18/2005	
Infra-Metals Co. Assistant Secretary	5/9/2006	
Infra-Metals Property, LLC Assistant Secretary	4/13/2006	
Insurance Solutions, Inc. Assistant Secretary	6/6/2005	
King Holding Corporation Assistant Secretary	6/29/2006	
King Holding US Corporation Assistant Secretary	7/17/2006	
Liberty Communications Network, LLC Assistant Secretary	1/18/2007	

Positions Held Report

As of 8/4/2007

Sally A. Ward

Company/Title	Effective Date	End Date
Lion US Holding Corporation Assistant Secretary	5/24/2005	
Lockwood Acquisition, LLC Assistant Secretary	4/13/2006	
Logo Acquisition Corporation Assistant Secretary	4/13/2006	
Matrix Telecom of Virginia, Inc. Assistant Secretary	7/8/2005	
Matrix Telecom, Inc. Assistant Secretary	6/8/2005	
Medesta Associates, LLC Assistant Secretary	1/18/2007	
Medical Education Systems, LLC Assistant Secretary	1/18/2007	
Medical Media Communications, LLC Assistant Secretary	1/18/2007	
Metals Supply Property, LLC Assistant Secretary	7/24/2006	
Milgo Holdings II, LLC Assistant Secretary	1/25/2005	
Milgo Holdings, LLC Assistant Secretary	1/25/2005	
MND Canada Holdings, Inc. Assistant Secretary	8/29/2005	
MSC Management, Inc. Assistant Secretary	5/31/2006	
MTAC Holding Corporation Assistant Secretary	9/19/2006	
Neco Acquisition, LLC Assistant Secretary	12/12/2005	
Onpointe Medical Communications, LLC Assistant Secretary	1/18/2007	
Oviso Holding Corporation Assistant Secretary	2/28/2007	
Oviso Manufacturing Concord, Inc. Assistant Secretary	12/4/2006	
Oviso Manufacturing Tempe, Inc. Assistant Secretary	12/4/2006	
PC Investments, LLC Assistant Secretary	5/24/2005	
PE Healthcare Holdings, LLC Assistant Secretary	5/24/2005	
Peak Technologies ULC Assistant Secretary	11/22/2005	
Peak Technologies, Inc. Assistant Secretary	12/22/2005	

Positions Held Report

As of 8/4/2007

Sally A. Ward

Company/Title	Effective Date	End Date
PEH Canada Holdings, Inc. Assistant Secretary	9/12/2005	
PEH US Holdings, Inc. Assistant Secretary	9/12/2005	
PEH US Holdings, LLC Assistant Secretary	9/12/2005	
PEH Worldwide Holdings, LLC Assistant Secretary	9/12/2005	
PFrank, LLC Assistant Secretary	10/24/2005	
PG Holding II Corporation Assistant Secretary	11/21/2006	
Platinum Burgundy Principals, LLC Assistant Secretary	6/28/2007	
Platinum Debt Group, LLC Assistant Secretary	10/23/2006	
Platinum Equity Advisors International, LLC Assistant Secretary	12/31/2004	
Platinum Equity Advisors, LLC Assistant Secretary	3/21/2005	
Platinum Equity International, LLC Assistant Secretary	4/11/2005	
Platinum Equity Investment Holdings II, LLC Assistant Secretary	3/2/2007	
Platinum Equity Investment Holdings, LLC Assistant Secretary	3/21/2005	
Platinum Equity Partners II, LLC Assistant Secretary	3/2/2007	
Platinum Equity Partners, LLC Assistant Secretary	3/21/2005	
Platinum Equity, LLC Assistant Secretary	6/8/2005	
Platinum Rhombus Principals, LLC Assistant Secretary	7/16/2007	
Platinum Spring Principals, LLC Assistant Secretary	7/2/2007	
Platinum Transportation Principals, LLC Assistant Secretary	9/19/2005	
PNA Group Holding Corporation Assistant Secretary	2/7/2006	
PNA Group, Inc. Assistant Secretary	5/9/2006	
PNA Intermediate Holding Corporation Assistant Secretary	1/25/2007	
Practicome Solutions, LLC Assistant Secretary	1/18/2007	

Positions Held Report

As of 8/4/2007

Sally A. Ward

Company/Title	Effective Date	End Date
Project Eagle Holding Corporation Assistant Secretary	1/2/2007	
Rhombus Holding Corporation Assistant Secretary	7/16/2007	
Rhombus Merger Corporation Assistant Secretary	7/16/2007	
Ring Screw LLC Assistant Secretary	8/11/2006	
Rockstar Holding Corporation Assistant Secretary	7/19/2005	
SDI, Inc. Assistant Secretary	3/28/2007	
Smith Pipe & Steel Company Assistant Secretary	5/9/2006	
Smith Pipe & Steel Property, LLC Assistant Secretary	7/24/2006	
Spring Holding Corporation Assistant Secretary	7/2/2007	
Spring Holding II, LLC Assistant Secretary	7/2/2007	
Spring Merger Corporation Assistant Secretary	7/2/2007	
Startec Global Canadian Holding Company Assistant Secretary	7/12/2007	
Startec Global Communications Corporation Assistant Secretary	7/12/2007	
Startec Global Operating Company Assistant Secretary	7/12/2007	
Strategic Distribution (Canada) Holdings, Inc. Assistant Secretary	3/28/2007	
Strategic Distribution, Inc. Assistant Secretary	3/28/2007	
Strategic Implications International, LLC Assistant Secretary	1/18/2007	
Summit Holding One Corporation Assistant Secretary	8/18/2005	
Synertech Holdings, Inc. Assistant Secretary	1/28/2005	
T-Line Platinum Ventures, Inc. Assistant Secretary	4/19/2005	
Tanning Technology Corporation Assistant Secretary	6/13/2005	
Tide Acquisition Corporation Assistant Secretary	3/6/2007	
Tiger Holding Corporation Assistant Secretary	4/18/2005	

Positions Held Report

As of 8/4/2007

Sally A. Ward

Company/Title	Effective Date	End Date
Timeplex Holdings, LLC Assistant Secretary	4/19/2006	
Timeplex, LLC Assistant Secretary	9/19/2005	
Travel Main Corporation Assistant Secretary	4/13/2006	
Travel Main Member, LLC Assistant Secretary	4/13/2006	
Trinsic Communications of Virginia, Inc. Assistant Secretary	3/26/2007	
Turf Care Holding Corporation Assistant Secretary	9/27/2005	
Turf Care Supply Corp. Assistant Secretary	7/22/2005	
U.S. Robotics Americas LLC Assistant Secretary	9/15/2005	
U.S. Robotics Corporation Assistant Secretary	9/15/2005	
U.S.R. (Delaware) II, Inc. Assistant Secretary	9/15/2005	
U.S.R. (Delaware) III, Inc. Assistant Secretary	9/15/2005	
U.S.R. (Delaware), Inc. Assistant Secretary	9/15/2005	
Vanguard Holdings, LLC Assistant Secretary	8/15/2005	
Vanguard Leasing Solutions, LLC Assistant Secretary	8/15/2005	
Vanguard Managed Solutions, LLC Assistant Secretary	6/27/2005	
WCS Acquisition Corporation Assistant Secretary	1/28/2005	
Wolverine Metal Specialties, Inc. Assistant Secretary	8/11/2006	

Positions Held Report

As of 8/4/2007

Barry Weintraub

Company/Title	Effective Date	End Date
Timeplex, LLC Senior Vice President	9/16/2002	

Positions Held Report

As of 8/4/2007

Robert J. Wentworth

Company/Title	Effective Date	End Date
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Acument Global Technologies, Inc.

Director

7/7/2006

Boehme-Filatex, Inc.

Director

11/7/2006

CHR Intermediate Holding Corporation

Director

5/18/2007

CompuCom Systems, Inc.

Director

7/31/2006

Platinum Equity Advisors International, LLC

Executive Vice President

4/14/2006

Platinum Equity Advisors, LLC

Executive Vice President

4/14/2006

Platinum Equity International, LLC

Executive Vice President

4/14/2006

Platinum Equity, LLC

Executive Vice President

7/4/1776

PNA Group Holding Corporation

Director

3/30/2007

PNA Group, Inc.

Director

7/7/2006

PNA Intermediate Holding Corporation

Director

1/25/2007

Positions Held Report

As of 8/4/2007

Ross Young

Company/Title	Effective Date	End Date
Peak Technologies ULC President	1/1/2007	
Peak Technologies, Inc. President	1/1/2006	

Positions Held Report

As of 8/4/2007

Stephen T. Zollo

Company/Title	Effective Date	End Date
CHR Intermediate Holding Corporation		
Vice President	5/14/2007	
Clinton & Lockwood, Ltd.		
Vice President	5/31/2006	
Color Solutions International, Inc.		
Vice President	9/13/2004	
CompuCom Holdings, Inc.		
Vice President	9/13/2004	
CompuCom IT Solutions, Inc.		
Vice President	11/30/2004	
CompuCom Puerto Rico, LLC		
Vice President	12/6/2005	
CompuCom Systems, Inc.		
Vice President	10/4/2004	
CSI Funding, Inc.		
Vice President	12/16/2004	
Data2Logistics, LLC		
Vice President	9/13/2004	
DCA Services, Inc		
Vice President	9/13/2004	
Delnor Corporation		
Vice President	5/9/2006	
Delnor Property, LLC		
Vice President	7/24/2006	
Delta GP, L.L.C.		
Vice President	5/9/2006	
Delta LP, L.L.C.		
Vice President	5/9/2006	
Delta Steel Property, LLC		
Vice President	7/24/2006	
Delta Steel, L.P.		
Vice President	5/9/2006	
Dover Communications, LLC		
Vice President	1/18/2007	
DyStar Acquisition Corporation		
Vice President	9/13/2004	
DyStar Americas Holding Corporation		
Vice President	9/13/2004	
DyStar Corporation		
Vice President	9/13/2004	
Elco Fastening Systems LLC		
Vice President	8/11/2006	
Energy Tracs, Inc.		
Vice President	9/13/2004	

Positions Held Report

As of 8/4/2007

Stephen T. Zollo

Company/Title	Effective Date	End Date
EnergyTRACS Acquisition Corp. Vice President	9/13/2004	
ESM Group Inc. Vice President	12/19/2005	
Eysler Holding Corporation Vice President	9/30/2005	
Feralloy Corporation Vice President	5/9/2006	
Feralloy Indiana Corporation Vice President	5/9/2006	
Feralloy Midwest Corporation Vice President	5/9/2006	
Feralloy Ohio Corporation Vice President	5/9/2006	
Feralloy Oregon Corporation Vice President	5/9/2006	
Feralloy Property II, LLC Vice President	7/31/2006	
Feralloy Property, LLC Vice President	4/13/2006	
Flexalloy Inc. Vice President	8/11/2006	
GeoLogic Solutions, Inc. Vice President	9/13/2004	
Gupta Holdings, LLC Vice President	9/13/2004	
Horizon Holding Corporation Vice President	2/27/2006	
iET Solutions, LLC Vice President	9/13/2004	
Infra-Metals Co. Vice President	5/9/2006	
Infra-Metals Property, LLC Vice President	4/13/2006	
Insurance Solutions, Inc. Vice President	9/13/2004	
King Holding Corporation Vice President	6/29/2006	
King Holding US Corporation Vice President	7/17/2006	
Liberty Communications Network, LLC Vice President	1/18/2007	
Lion US Holding Corporation Vice President	9/13/2004	

Positions Held Report

As of 8/4/2007

Stephen T. Zollo

Company/Title	Effective Date	End Date
Lockwood Acquisition, LLC Vice President	4/13/2006	
Logo Acquisition Corporation Vice President	4/13/2006	
Matrix Telecom of Virginia, Inc. Vice President	7/8/2005	
Matrix Telecom, Inc. Vice President	9/13/2004	
Medesta Associates, LLC Vice President	1/18/2007	
Medical Education Systems, LLC Vice President	1/18/2007	
Medical Media Communications, LLC Vice President	1/18/2007	
Metals Supply Property, LLC Vice President	7/24/2006	
Milgo Holdings II, LLC Vice President	9/13/2004	
Milgo Holdings, LLC Vice President	9/13/2004	
MND Canada Holdings, Inc. Vice President	8/12/2004	
MSC Management, Inc. Vice President	5/31/2006	
MTAC Holding Corporation Vice President	9/19/2006	
Neco Acquisition, LLC Vice President	9/13/2004	
Onpointe Medical Communications, LLC Vice President	1/18/2007	
Oviso Holding Corporation Vice President	2/28/2007	
Oviso Manufacturing Concord, Inc. Vice President	12/4/2006	
Oviso Manufacturing Tempe, Inc. Vice President	12/4/2006	
PC Investments, LLC Vice President	9/13/2004	
PE Healthcare Holdings, LLC Vice President	9/13/2004	
Peak Technologies, Inc. Vice President	12/22/2005	
PEH Canada Holdings, Inc. Vice President	9/13/2004	

Positions Held Report

As of 8/4/2007

Stephen T. Zollo

Company/Title	Effective Date	End Date
PEH US Holdings, Inc. Vice President	9/13/2004	
PEH US Holdings, LLC Vice President	9/13/2004	
PEH Worldwide Holdings, LLC Vice President	9/13/2004	
PFrank, LLC Vice President	9/13/2004	
PG Holding II Corporation Vice President	11/21/2006	
Platinum Debt Group, LLC Vice President	10/23/2006	
PNA Group Holding Corporation Vice President	2/7/2006	
PNA Group, Inc. Vice President	5/9/2006	
PNA Intermediate Holding Corporation Vice President	1/25/2007	
Practicome Solutions, LLC Vice President	1/18/2007	
Project Eagle Holding Corporation Vice President	1/2/2007	
Rhombus Holding Corporation Vice President	7/16/2007	
Rhombus Merger Corporation Vice President	7/16/2007	
Ring Screw LLC Vice President	8/11/2006	
Rockstar Holding Corporation Vice President	7/19/2005	
SDI, Inc. Vice President	3/28/2007	
Smith Pipe & Steel Company Vice President	5/9/2006	
Smith Pipe & Steel Property, LLC Vice President	7/24/2006	
Spring Holding Corporation Vice President	7/2/2007	
Spring Merger Corporation Vice President	7/2/2007	
Startec Global Canadian Holding Company Vice President	7/12/2007	

Positions Held Report

As of 8/4/2007

Stephen T. Zollo

Company/Title	Effective Date	End Date
Startec Global Communications Corporation Vice President	7/12/2007	
Startec Global Operating Company Vice President	7/12/2007	
Strategic Distribution (Canada) Holdings, Inc. Vice President	3/28/2007	
Strategic Distribution, Inc. Vice President	3/28/2007	
Strategic Implications International, LLC Vice President	1/18/2007	
Summit Holding One Corporation Vice President	8/18/2005	
Synertech Holdings, Inc. Vice President	9/13/2004	
T-Line Platinum Ventures, Inc. Vice President	9/13/2004	
Tanning Technology Corporation Vice President	9/13/2004	
Tide Acquisition Corporation Vice President	3/6/2007	
Tiger Holding Corporation Vice President	9/13/2004	
Timeplex Holdings, LLC Vice President	4/19/2006	
Timeplex, LLC Vice President	9/13/2004	
Travel Main Corporation Vice President	4/13/2006	
Travel Main Member, LLC Vice President	4/13/2006	
Trinsic Communications of Virginia, Inc. Vice President	3/26/2007	
Turf Care Holding Corporation Vice President	9/27/2005	
Turf Care Supply Corp. Vice President	7/22/2005	
U.S. Robotics Americas LLC Vice President	9/15/2005	
U.S. Robotics Corporation Vice President	9/15/2005	
U.S.R. (Delaware) II, Inc. Vice President	9/15/2005	
U.S.R. (Delaware) III, Inc. Vice President	9/15/2005	

Positions Held Report

As of 8/4/2007

Stephen T. Zollo

Company/Title	Effective Date	End Date
U.S.R. (Delaware), Inc. Vice President	9/15/2005	
Vanguard Holdings, LLC Vice President	9/13/2004	
Vanguard Leasing Solutions, LLC Vice President	9/13/2004	
Vanguard Managed Solutions, LLC Vice President	9/13/2004	
WCS Acquisition Corporation Vice President	9/13/2004	
Wolverine Metal Specialties, Inc. Vice President	8/11/2006	

MATRIX TELECOM, INC. D/B/A MATRIX BUSINESS TECHNOLOGIES'
RESPONSE TO STAFF'S FIFTH SET OF DATA REQUESTS
DOCKET NO. T-03228A-06-0800

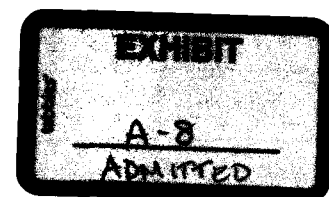
August 31, 2007

Please make sure each numbered item and each part of the item is answered completely. If it is not, Staff will resubmit the numbered item(s) and/or part(s) of the item in a following data request. Also, please make sure all information you provide in response to item(s) concerning this Application, including Staff's data requests, is updated and current. If you need to update your response to any item(s)/request(s), please reference the item(s)/request(s) and provide your current response(s). In order for Staff to continue with its review of this Application, the following information must be submitted:

In response to WMS3-6, Matrix provided a list of people who presumably were officers of NextiraOne LLC during the period of time during which the activities that resulted in the imposition of the fine and restitution being ordered took place. The list includes Eva M. Kalawski. Based on information provided in response to Staff Data Request WMS4-1, Eva M. Kalawski, Vice President and Secretary at NextiraOne from April 2002 to April 2006 appears to have been the sole officer in that list employed by NextiraOne between December 2000 and December 2002 (which is the "relevant period" in the plea agreement attached to your application as Exhibit F). In response to Staff Data Request WMS3-6, Matrix states that none of the individuals listed in the response "... had any personal involvement in NextiraOne's relationship with the ONEC schools ... "

WMS 5-1 Did Eva M. Kalawski have any knowledge of, or responsibility for, or involvement in, the events which lead to the imposition of the fine and restitution ordered by the U S District Court of South Dakota, Southern Division?

RESPONSE: Although Ms. Kalawski was not employed by NextiraOne at any time, she did hold corporate officer titles as Vice President and Secretary of that company from April 2002 through April 2006. Ms. Kalawski had no responsibility for or involvement in the conduct that led to the imposition of the fine and restitution ordered by the Court, and the majority of this conduct took place prior to the acquisition of the company by Platinum Equity, LLC ("Platinum Equity"). Ms. Kalawski became aware of the potential problem at the same time Platinum Equity learned of it in 2003. Her subsequent involvement in resolving the matter was in her capacity as General Counsel of Platinum Equity.



LEGAL

MEMORANDUM

Kevin 5-1

2007 SEP -5 P 4: 42

AZ CORP COMMISSION
DOCKET CONTROL

TO: Docket Control

FROM: Ernest G. Johnson *EA for EGJ*
Director
Utilities Division

DATE: September 5, 2007

RE: IN THE MATTER OF THE APPLICATION OF MATRIX TELECOM, INC. FOR APPROVAL OF A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE INTRASTATE TELECOMMUNICATIONS SERVICES (DOCKET NO. T-03228A-06-0800)

Attached is the Staff Report for the above referenced application. The Applicant is applying for approval to provide the following services:

- Facilities-Based Local Exchange Services

Staff is recommending approval of the application.

EGJ:WMS:lhm\KT

Originator: Wilfred Shand, Jr.

RECEIVED
SEP 06 2007
LEGAL DIV.
AZ CORPORATION COMMISSION

FILE COPY

EXHIBIT
5-1
DATED

SERVICE LIST FOR: MATRIX TELECOM, INC.
DOCKET NO.: T-03228A-06-0800

Mr. Scott Klopach
Vice President, Regulatory Affairs & General Counsel
Matrix Telecom, Inc. dba Matrix Business Technologies
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Mr. Christopher C. Kempley
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Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Mr. Ernest G. Johnson
Director, Utilities Division
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1200 West Washington Street
Phoenix, Arizona 85007

Ms. Lyn Farmer
Chief Administrative Law Judge, Hearing Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

MATRIX TELECOM, INC.
DOCKET NO.: T-03228A-06-0800

IN THE MATTER OF THE APPLICATION OF MATRIX TELECOM, INC.
FOR APPROVAL OF A CERTIFICATE OF CONVENIENCE AND NECESSITY
TO PROVIDE INTRASTATE TELECOMMUNICATIONS SERVICES

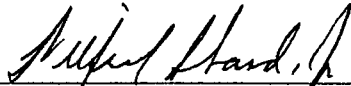
September 5, 2007

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STAFF ACKNOWLEDGEMENT

The Staff Report for the Application of Matrix Telecom, Inc. for approval of a Certificate of Convenience and Necessity to provide Intrastate Telecommunications Services (Docket No. T-03228A-06-0800) was the responsibility of the staff member listed below. Wilfred Shand, Jr. was responsible for the review and analysis of the application.



Wilfred Shand, Jr.

Public Utilities Analyst Manager

1. INTRODUCTION

On December 26, 2006, Matrix Telecom, Inc. d/b/a Matrix Business Technologies ("MTI" or "Matrix") filed an application for a Certificate of Convenience and Necessity ("CC&N") to provide facilities-based local exchange service within the State of Arizona. The Applicant petitioned the Arizona Corporation Commission ("Commission") for a determination that its proposed services should be classified as competitive.

On January 25, 2007, Staff mailed its Letter of Insufficiency and First Set of Data Requests to MTI. MTI responded to the First Set of Data Requests on May 17, 2007. Staff mailed additional Sets of Data Requests on June 6, 2007 and July 18, 2007.

Staff's review of this application addresses the overall fitness of the Applicant to receive a CC&N. Staff's analysis also considers whether the Applicant's services should be classified as competitive and if the Applicant's initial rates are just and reasonable.

2. TECHNICAL CAPABILITY TO PROVIDE THE REQUESTED SERVICES

MTI indicated that it is currently providing resold local exchange in 44 states including Arizona and resold long distance service nationwide excluding Arizona. Based on this, Staff believes MTI possesses the technical capabilities to provide the services it is requesting the authority to provide.

3. FINANCIAL CAPABILITY TO PROVIDE THE REQUESTED SERVICES

The Applicant provided unaudited financial statements for the period ending December 31, 2007. These financial statements list assets in excess of \$25 million, negative equity in excess of \$15 million and net income in excess of \$4 million. The Applicant did not provide notes related to the financial statements.

The Applicant stated in its application that it does not plan to collect deposits from its local exchange service customers. Since the Applicant is requesting a CC&N for facilities-based local exchange service, Staff recommends that Matrix increase its existing performance bond or sight draft Letter of Credit by \$100,000. Staff further recommends that the existing Matrix requirement that the bond or Letter of Credit coverage needs to increase in increments equal to 50 percent of the total minimum bond amount when the total amount of the advances, deposits, and prepayments is within 10 percent of the total minimum bond amount. Further, measures should be taken to ensure that the Applicant will not discontinue service to its customers without first complying with Arizona Administrative Code ("A.A.C.") R14-2-1107.

Staff recommends that the Applicant procure a performance bond or irrevocable sight draft Letter of Credit equal to \$125,000. The minimum bond or irrevocable sight draft Letter of Credit amount of \$125,000 should be increased if at any time it would be insufficient to cover prepayments or deposits collected from the Applicant's customers. The bond or irrevocable

sight draft Letter of Credit amount should be increased in increments of \$62,500. This increase should occur when the total amount of the advances, deposits, and prepayments is within \$12,500 of the bond or irrevocable sight draft Letter of Credit amount. If the Applicant desires to discontinue service, it must file an application with the Commission pursuant to A.A.C. R14-2-1107. Additionally, the Applicant must notify each of its customers and the Commission 60 days prior to filing an application to discontinue service. Failure to meet this requirement should result in forfeiture of the Applicant's performance bond or irrevocable sight draft Letter of Credit. Staff further recommends that proof of the above mentioned performance bond or irrevocable sight draft Letter of Credit be docketed within 365 days of the effective date of an order in this matter or 30 days prior to the provision of service, whichever comes first, and that it remain in effect until further order of the Commission.

4. ESTABLISHING RATES AND CHARGES

The Applicant would initially be providing service in areas where an incumbent local exchange carrier ("ILEC"), along with various competitive local exchange carriers ("CLECs") and interexchange carriers are providing telephone service. Therefore, the Applicant would have to compete with those providers in order to obtain subscribers to its services. The Applicant would be a new entrant and would face competition from both an incumbent provider and other competitive providers in offering service to its potential customers. Therefore, the Applicant would generally not be able to exert market power. Thus, the competitive process should result in rates that are just and reasonable.

Both an initial rate (the actual rate to be charged) and a maximum rate must be listed for each competitive service offered, provided that the rate for the service is not less than the Company's total service long-run incremental cost of providing the service pursuant to A.A.C. R14-2-1109.

The rates proposed by this filing are for competitive services. In general, rates for competitive services are not set according to rate of return regulation. Staff obtained information from the company indicating that its fair value rate base is zero. Accordingly, the company's fair value rate base is too small to be useful in a fair value analysis. Staff has reviewed these rates and believes they are comparable to the rates charged by competitive local carriers, local incumbent carriers and major long distance carriers operating in the State of Arizona. Therefore, while Staff considered the fair value rate base information submitted by the company, the fair value rate base information provided should not be given substantial weight in this analysis.

5. LOCAL EXCHANGE CARRIER SPECIFIC ISSUES

Issues related to the provision of that Local Exchange service are discussed below.

5.1 NUMBER PORTABILITY

The Commission has adopted rules to address number portability in a competitive telecommunications services market. Local exchange competition may not be vigorous if customers, especially business customers, must change their telephone numbers to take advantage of a competitive local exchange carrier's service offerings. Consistent with federal laws, federal rules and A.A.C. R14-2-1308(A), the Applicant shall make number portability available to facilitate the ability of a customer to switch between authorized local carriers within a given wire center without changing their telephone number and without impairment to quality, functionality, reliability or convenience of use.

5.2 PROVISION OF BASIC TELEPHONE SERVICE AND UNIVERSAL SERVICE

The Commission has adopted rules to address universal telephone service in Arizona. A.A.C. R14-2-1204(A) indicates that all telecommunications service providers that interconnect into the public switched network shall provide funding for the Arizona Universal Service Fund ("AUSF"). The Applicant will make the necessary monthly payments required by A.A.C. R14-2-1204(B).

5.3 QUALITY OF SERVICE

Staff believes that the Applicant should be ordered to abide by the quality of service standards that were approved by the Commission for Qwest (fka USWC) in Docket No. T 01051B-93-0183 (Decision No. 59421). Because the penalties developed in that docket were initiated because Qwest's level of service was not satisfactory and the Applicant does not have a similar history of service quality problems, Staff does not recommend that those penalties apply to the Applicant. In the competitive market that the Applicant wishes to enter, the Applicant generally will have no market power and will be forced to provide a satisfactory level of service or risk losing its customers. Therefore, Staff believes that it is unnecessary to subject the Applicant to those penalties at this time.

5.4 ACCESS TO ALTERNATIVE LOCAL EXCHANGE SERVICE PROVIDERS

Staff expects that there will be new entrant providers of local exchange service who will install the plant necessary to provide telephone service to, for example, a residential subdivision or an industrial park much like existing local exchange companies do today. There may be areas where the Applicant installs the only local exchange service facilities. In the interest of providing competitive alternatives to the Applicant's local exchange service customers, Staff recommends that the Applicant be prohibited from barring access to alternative local exchange service providers who wish to serve such areas. This way, an alternative local exchange service provider may serve a customer if the customer so desires. Access to other providers should be provided pursuant to the provisions of the 1996 Telecommunications Act, the rules promulgated there under and Commission rules on interconnection and unbundling.

5.5 911 SERVICE

The Commission has adopted rules to address 911 and E911 services in a competitive telecommunications services market. The Applicant has certified that in accordance with A.A.C. R14-2-1201(6)(d) and Federal Communications Commission 47 CFR Sections 64.3001 and 64.3002, it will provide all customers with 911 and E911 service, where available, or will coordinate with ILECs and emergency service providers to provide 911 and E911 service.

5.6 CUSTOM LOCAL AREA SIGNALING SERVICES

Consistent with past Commission decisions, the Applicant may offer Caller ID provided that per call and line blocking, with the capability to toggle between blocking and unblocking the transmission of the telephone number, are provided as options to which customers could subscribe with no charge. Also, Last Call Return service that will not return calls to telephone numbers that have the privacy indicator activated, indicating that the number has been blocked, must be offered.

6. REVIEW OF COMPLAINT INFORMATION

The Applicant stated that it has neither had an application for service denied, nor revoked in any state. In its Application, Matrix also provided the following information which stated that:

1. Since 2001, the Federal Communications Commission ("FCC") has issued 13 orders resolving informal complaints from subscribers against Matrix. Each of these complaints alleged that Matrix had switched the subscriber's primary interexchange carrier without proper authorization. The FCC denied or found to be resolved nine of these 13 complaints. Of the remaining four, three found a technical violation of the FCC's "slamming" rules which resulted from Matrix's reliance on a third party to verify the subscriber's intent to switch his or her carrier to Matrix. In these three cases, the third party failed to confirm the telephone number to be switched. Matrix no longer uses the services of this third party verification provider. The remaining case involved a customer transferred to Matrix after his chosen carrier went out of business.
2. In 2001, the FCC issued an Order of Forfeiture, finding that Matrix had violated Section 254(d) of the Communications Act of 1934, as amended, 47 U.S.C. § 254(d), and Section 54.706 of the Commission's rules, 47 C.F.R. § 54.706, by failing to make required contributions to universal service support programs. See Matrix Telecom, Inc., File No. EB -00-M-0057, Forfeiture Order, FCC 01-48, 16 FCC Rcd 10553. The events that led to this Order took place prior to Platinum Equity's acquisition of Matrix, and under prior management. In its Order, the FCC cited with approval the efforts of the new Platinum Equity ownership and management both to put in place remedial compliance measures and to pay

overdue amounts. In view of these efforts, the FCC reduced the base forfeiture amount it otherwise would have imposed by over 40 percent.

3. Matrix is periodically the subject of informal customer complaints filed before state public utility commissions. There were 22 such complaints filed in 2005 and 28 such complaints filed in 2006. These generally concern minor billing issues or service questions. All but one of these complaints has been resolved. In the remaining case, Matrix has requested additional information from the customer and is awaiting a response.

Matrix also indicated that NextiraOne, a former subsidiary of Platinum Equity, Matrix parent company, had pled guilty to charges of wire fraud for overbilling the U.S. government for the services actually provided to the tribes (a copy of the plea agreement was attached to the Application as Exhibit F).

The following information is contained in the plea agreement which was attached to the Application as Exhibit F:

(a.) For the purposes of this Plea Agreement, the "relevant period" encompasses from at least December, 2000, through at least December, 2002. Williams Communications Solutions ("WCS") was acquired by Platinum Equity, LLC ("Platinum Equity") in April 2001, and the name of the business was changed to Nextira and later NextiraOne. At the time of the acquisition, WCS was engaged in the design, sale, and maintenance of advanced voice and data networks.

(q.) The events described above occurred prior to the arrival of current senior management of NextiraOne in May 2003. Under its new management, NextiraOne reorganized its sales force and adopted a Code of Business Ethics and Conduct; it also dismantled its E-rate consulting services business unit. NextiraOne has cooperated with the United States' investigation. NextiraOne has made its current employees available for interviews by the United States and, pursuant to a subpoena, it has produced voluminous corporate records in hard copy and electronic format to the United States. Cite Factual Basis for Offense Charged (q.) of the plea agreement.

NextiraOne was required to pay a fine of \$1,818,380 and to shall release claims totaling \$2.6 million to the FCC.

Matrix further stated in its application that:

1. Paul Bird, who was at the time of the application was Matrix's Sr. Vice President of Technology, was employed with NextiraOne from 1993 to March 1, 2006 as the Director of Networks. During 2001, Mr. Bird and his team designed the telecommunications platform that would allow certain native-American tribes to

access the Internet. The U.S. government has a program for funding such telecommunications services for school and libraries.

2. On April 20, 2006, NextiraOne pled guilty to charges of wire fraud for overbilling the U.S. government for the services actually provided to the tribes (a copy of the plea agreement was attached to the Application as Exhibit F). Matrix stated that neither Mr. Bird nor his team were involved with submitting invoices to either the United States or the tribes.

In MTI's response to Staff Data Request WMS3-6, Mr. Bird was not included in the list of former officers or employees of NextiraOne that currently hold positions as officers or employees of Platinum Equity or one or more of its portfolio companies, or both.

Based on information received from Matrix in responses to Staff Data Requests WMS3-6 and WMS4-1, one current officer of a Matrix Telecom, Inc. Eva M. Kalawski, a Director, a Vice President and the Secretary of MTI, was employed (for about ten months) by NextiraOne during the December 2000 to December 2002 (the relevant period in the plea agreement). Eva M. Kalawski served as Vice President and Secretary at NextiraOne from April 2002 to April 2006 when the company was sold.

7. COMPETITIVE SERVICES ANALYSIS

The Applicant has petitioned the Commission for a determination that the local exchange services it is seeking to provide should be classified as competitive.

7.1 COMPETITIVE SERVICES ANALYSIS FOR LOCAL EXCHANGE SERVICES

7.1.1 A description of the general economic conditions that exist, which makes the relevant market for the service one that, is competitive.

The local exchange market that the Applicant seeks to enter is one in which a number of new CLECs have been authorized to provide local exchange service. Nevertheless, ILECs hold a virtual monopoly in the local exchange service market. At locations where ILECs provide local exchange service, the Applicant will be entering the market as an alternative provider of local exchange service and, as such, the Applicant will have to compete with those companies in order to obtain customers. In areas where ILECs do not serve customers, the Applicant may have to convince developers to allow it to provide service to their developments.

7.1.2 The number of alternative providers of the service.

Qwest and various independent LECs are the primary providers of local exchange service in the State. Several CLECs and local exchange resellers are also providing local exchange service.

7.1.3 The estimated market share held by each alternative provider of the service.

Since Qwest and the independent LECs are the primary providers of local exchange service in the State, they have a large share of the market. Since the CLEO and local exchange resellers have only recently been authorized to offer service they have limited market share.

7.1.4 The names and addresses of any alternative providers of the service that are also affiliates of the telecommunications Applicant, as defined in A.A.C. R14-2-801.

None.

7.1.5 The ability of alternative providers to make functionally equivalent or substitute services readily available at competitive rates, terms and conditions.

ILECs have the ability to offer the same services that the Applicant has requested in their respective service territories. Similarly many of the CLECs and local exchange resellers also offer substantially similar services.

7.1.6 Other indicators of market power, which may include growth and shifts in market share, ease of entry and exit, and any affiliation between and among alternative providers of the service(s).

The local exchange service market is:

- a. One in which ILECs own networks that reach nearly every residence and business in their service territories and which provide them with a virtual monopoly over local exchange service. New entrants are also beginning to enter this market.
- b. One in which new entrants will be dependent upon ILECs:
 1. To terminate traffic to customers.
 2. To provide essential local exchange service elements until the entrant's own network has been built.
 3. For interconnection.
- c. One in which ILECs have had an existing relationship with their customers that the new entrants will have to overcome if they want to compete in the market and one in which new entrants do not have a long history with any customers.
- d. One in which most customers have few, if any choices since there is generally only one provider of local exchange service in each service territory.

- e. One in which the Applicant will not have the capability to adversely affect prices or restrict output to the detriment of telephone service subscribers.

8. RECOMMENDATIONS

The following sections contain the Staff recommendations on the application for a CC&N and the Applicant's petition for a Commission determination that its proposed local exchange services should be classified as competitive.

8.1 RECOMMENDATIONS ON THE APPLICATION FOR A CC&N

Staff recommends that Applicant's application for a CC&N to provide local exchange services be granted. Staff further recommends:

1. That the Applicant complies with all Commission Rules, Orders and other requirements relevant to the provision of intrastate telecommunications services;
2. That the Applicant abides by the quality of service standards that were approved by the Commission for Qwest in Docket No. T-01051B-93-0183;
3. That the Applicant be prohibited from barring access to alternative local exchange service providers who wish to serve areas where the Applicant is the only provider of local exchange service facilities;
4. That the Applicant be required to notify the Commission immediately upon changes to the Applicant's name, address or telephone number;
5. That the Applicant cooperate with Commission investigations including, but not limited to customer complaints;
6. The rates proposed by this filing are for competitive services. In general, rates for competitive services are not set according to rate of return regulation. Staff obtained information from the company and has determined that its fair value rate base is zero. Staff has reviewed the rates to be charged by the Applicant and believes they are just and reasonable as they are comparable to other competitive local carriers offering service in Arizona and comparable to the rates the Applicant charges in other jurisdictions. The rate to be ultimately charged by the company will be heavily influenced by the market. Therefore, while Staff considered the fair value rate base information submitted by the company, the fair value information provided was not given substantial weight in this analysis;
7. That the Applicant offer Caller ID with the capability to toggle between blocking and unblocking the transmission of the telephone number at no charge;

8. That the Applicant offer Last Call Return service that will not return calls to telephone numbers that have the privacy indicator activated;
9. Staff further recommends that the Commission authorize the Applicant to discount its rates and service charges to the marginal cost of providing the services;

Staff further recommends that the Applicant be ordered to comply with the following. If it does not do so, the Applicant's CC&N shall be null and void, after due process.

1. The Applicant shall docket conforming tariffs for local exchange service within 365 days from the date of an Order in this matter or 30 days prior to providing service, whichever comes first. The tariffs submitted shall coincide with the application.
2. The Applicant shall:
 - a. Procure, at its discretion, either a performance bond or an irrevocable sight draft Letter of Credit equal to \$125,000. The minimum bond or irrevocable sight draft Letter of Credit amount of \$125,000 should be increased if at any time it would be insufficient to cover advances, deposits, and/or prepayments collected from the Applicant's customers. The bond or irrevocable sight draft Letter of Credit amount should be increased in increments of \$62,500. This increase should occur when the total amount of the advances, deposits, and prepayments is within \$12,500 of the bond or irrevocable sight draft Letter of Credit amount.
 - b. Docket proof of the performance bond or irrevocable sight draft Letter of Credit within 365 days of the effective date of an Order in this matter or 30 days prior to the provision of service, whichever comes first. The performance bond or irrevocable sight draft Letter of Credit must remain in effect until further order of the Commission.

8.2 RECOMMENDATION ON THE APPLICANT'S PETITION TO HAVE ITS PROPOSED SERVICES CLASSIFIED AS COMPETITIVE

Staff believes that the Applicant's proposed services should be classified as competitive. There are alternatives to the Applicant's services. The Applicant will have to convince customers to purchase its services, and the Applicant has no ability to adversely affect the local exchange markets. Therefore, the Applicant currently has no market power in the local exchange markets where alternative providers of telecommunications services exist. Staff therefore recommends that the Applicant's proposed services be classified as competitive.