



0000094745

Transcript Exhibit(s)

Docket #(s): T-2009010A-08-0175

Exhibit #: A1-A5, 51

Arizona Corporation Commission
DOCKETED

MAR 20 2009

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DOCKET CONTROL

NEW APPLICATION

EARLY, LENNON, CROCKER & BARTOSIEWICZ

ATTORNEYS AT LAW
900 CORP. SEC. BLDG.
KALAMAZOO, MICHIGAN 49007-4752
TELEPHONE (269) 381-8844
2008 MAR 25 P 12:07
www.earlylennon.com

ORIGINAL

GEORGE H. LENNON ROBERT M. TAYLOR
DAVID G. CROCKER RON W. KIMBERL
MICHAEL D. O'CONNOR PATRICK D. CROCKER
GORDON C. MILLER ANDREW J. VORBRICH
GARY P. BARTOSIEWICZ TYREN R. CUDNEY
BLAKE D. CROCKER MATTHEW C. JUSTICE

AZ CORP COMMISSION
DOCKET CONTROL

OF COUNSEL
JOHN T. PETERS, JR.
HAROLD E. FISCHER, JR.
VINCENT T. EARLY
(1922-2001)
JOSEPH J. BURGIE
(1926-1992)
LAWRENCE M. BRENTON
(1950-2007)

March 21, 2008

Brian McNeil, Executive Secretary
Arizona Corporation Commission
Telecommunications Division
1200 West Washington
Phoenix, AZ 85007

RE: PEERLESS NETWORK OF ARIZONA, LLC

Dear Mr. McNeil:

T-20590A-08-0175

Enclosed for filing with the Commission, please find an original and thirteen (13) copies of the above captioned corporation's APPLICATION AND PETITION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE INTRASTATE TELECOMMUNICATION SERVICES within the State of Arizona.

In addition, enclosed is a duplicate copy of this letter. Please date-stamp the duplicate and return it to me in the enclosed postage-paid envelope.

Should you have any questions concerning this filing, please contact me.

Very truly yours,

EARLY, LENNON, CROCKER & BARTOSIEWICZ, P.L.C.

Patrick D. Crocker

PDC/pas

enc

Arizona Corporation Commission
DOCKETED

MAR 25 2008

DOCKETED BY *mm*

EXHIBIT
tabbler
A-1
ADMITTED

ARIZONA CORPORATION COMMISSION

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

Mail original plus 13 copies of completed application to:

For Docket Control Only:
(Please Stamp Here)

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

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

Type of Service: _____

Docket No.: _____ Date: _____ Date Docketed: _____

Type of Service: _____

Docket No.: _____ Date: _____ Date Docketed: _____

A. Company and Telecommunications Service Information

(A-1) Please indicate the type of telecommunications services that you want to provide in Arizona and answer the appropriate numbered items:

- Resold Long Distance Telecommunications Services (Answer Sections A, B, C).
- 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, D, E).
- Alternative Service Provider 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), email address, and World Wide Web address (if one is available for consumer access) of the Applicant:

Peerless Network of Arizona, LLC
225 W. Washington Street, Ste 1285 Toll Free Number: 888-380-2721
Chicago, IL 60606
Telephone: (312) 506-0920
Facsimile: (312) 506-0931

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

(A-4) The name, address, telephone number (including area code), facsimile number (including area code), and email address of the Applicant's management contact:

Daniel Meldazis, Director Regulatory Affairs
Peerless Network of Arizona, LLC
225 W. Washington Ave, Suite. 1285
Chicago, IL 60606
Telephone: (312) 506-0933
Facsimile: (312) 506-0931
Email: dmeldazis@peerlessnetwork.com

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

Patrick D. Crocker
 EARLY, LENNON, CROCKER & BARTOSIEWICZ, P.L.C.
 900 Comerica Building
 Kalamazoo, MI 49007
 Telephone: (269) 381-8844 Facsimile: (269) 381-8822
 Email: pcrocker@earlylennon.com

(A-6) The name, address, telephone number (including area code), facsimile number (including area code), and email address of the Applicant's complaint contact person:

Daniel Meldazis
 Peerless Network of Arizona, LLC
 225 W. Washington Street, Ste. 1285
 Chicago, IL 60606
 Telephone: (312) 506-0920
 Facsimile: (312) 506-0931
 Toll Free: (888) 380-2721
 E-mail: Regulatory@peerlessnetwork.com

(A-7) What type of legal entity is the applicant?

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 the State of Arizona.
2. A list of the names of all owners, partners, limited liability company managers (or if a member managed LLC, all members), or corporation officers and directors (specify).
3. Indicate percentages of ownership of each person listed in A-8.2.

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

Your Tariff must include the following information:

1. Proposed Rates and Charges for each service offered (reference by Tariff page number).
 Tariff Page(s) No.:
2. Tariff Maximum Rate and prices to be charged (reference by Tariff page number).
 Tariff Page(s) No.:
3. Terms and Conditions Applicable to provision of service (reference by Tariff page number).
 Tariff Page(s) No.:
4. Deposits, Advances, and/or Prepayments Applicable to provision of service (reference by Tariff page number).
 Tariff Page(s) No.:
5. The proposed fee that will be charged for returned checks (reference by Tariff page number).
 Tariff Page(s) No.:

(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 is 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 reoccurring.

Neither Applicant nor any of its officers, directors, partners, or managers has been or is currently involved in any formal or informal complaint proceedings pending before any State or Federal Regulatory Commission, administrative agency, or law enforcement agency.

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

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

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

Neither the Applicant nor any of its officers, directors, partners, or managers has been or is currently involved in any civil or criminal investigations, or had judgment 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

(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(es).

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 "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 "No" to any of the above, 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.

Applicant will not require deposits or advance payments by Customers for Services. See Tariff Section _____. Page ____.

(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 services will be provided.

Applicant will publish legal notice prior to authorization.

(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 the State of Arizona:

Yes No

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

(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 the State of Arizona:

Applicant is currently not authorized in any jurisdiction. Applicant's affiliates are authorized in FL, GA, IL, MN, NY, OR, PA, and WA

Applicant has never been denied authority to provide intrastate telecommunications services.

(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 the State of Arizona.

Applicant does not currently offer service in any jurisdictions. Applicant's affiliates offer similar service in IL, NY, and PA.

(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.

Applicant currently has no affiliates providing service in Arizona.

(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.

Applicant is a wholly owned subsidiary of Peerless Network, LLC. As a newly formed company Applicant does not yet have financial statements. Applicant is submitting the financial statements for its parent which will act as guarantor.

(B-2) Include "Attachment C."

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

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

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

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

Applicant will rely on the financial resources of its Parent Company (See B-1).

(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 minute.

Applicant's expected revenue for the next 12 months is approximately \$0.00.

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

Applicant's expected operating expenses during the first 12 months are approximately \$0.00.

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.

The net book value of all Arizona jurisdictional assets is zero.

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

The projected value of all assets is zero.

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.

The projected fair value is zero.

C. RESOLD LONG DISTANCE AND/OR 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 of Commission Decision Number.

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 the State of 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 for the State of 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 the State of Arizona.

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

Applicant will not construct or deploy any telecommunications facilities in the near future. However, Applicant is requesting authority to include such plans in case future market conditions warrant. In that case, Applicant may install simple soft-switch technologies either physically or virtually co-located with ILEC central offices. Applicant would not construct and deploy conduits, ducts, poles, wires, traditional end-office switches, or other facilities.

E. FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

- (E-1) Indicate whether the Applicant will abide by the quality of service standards that were approved by the Commission in Commission Decision Number 59241:

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 "full equal access capable" (i.e., would provide equal access to facilities-based long distance companies) pursuant to A.A.C. R14-2-111 (A):

Yes No

I certify that if the applicant is an Arizona company, a current copy of the Articles of Organization 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 and Regulations. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.

(Signature of Authorized Representative)

(Date)

John Barnicle
(Print Name of Authorized Representative)

CEO
(Title)

SUBSCRIBED AND SWORN to before me this ____ day of _____ 20 ____.

NOTARY PUBLIC

I certify that if the applicant is an Arizona company, a current copy of the Articles of Organization 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 and Regulations. 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.

John Barnicle
(Signature of Authorized Representative)

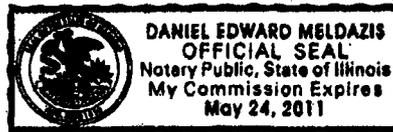
03/10/2008
(Date)

John Barnicle
(Print Name of Authorized Representative)

CEO
(Title)

SUBSCRIBED AND SWORN to before me this 10 day of March 2008

Daniel Edward Meldazis
NOTARY PUBLIC



APPENDIX A

Secretary of State Certificate

03/11/2008

Arizona Corporation Commission
State of Arizona Public Access System

7:37 AM

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Corporate Inquiry	
File Number: L-1276121-9	Corporate Status:
Corp. Name: PEERLESS NETWORK OF ARIZONA, LLC	

Domestic Address

3035 E WELDON PHOENIX, AZ 85016

Statutory Agent Information

Agent Name: HUBERT E KELLY
Agent Mailing/Physical Address: 3035 E WELDON PHOENIX, AZ 85016
Agent Status: APPOINTED 04/05/2006
Agent Last Updated: 06/21/2006

Additional Corporate Information

Corporation Type: DOMESTIC L.L.C.	Business Type:
Incorporation Date: 04/05/2006	Corporate Life Period: PERPETUAL
Domicile: ARIZONA	County: MARICOPA
Approval Date: 04/21/2006	Original Publish Date: 06/13/2006

Member Information

COMMON POINTE NETWORKS LLC MEMBER 27 N WACKER #444 CHICAGO, IL 60606 Date of Taking Office: 04/21/2006	
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Last Updated: 05/11/2006

Scanned Documents

(Click on gray button to view document)

Document Number	Description	Date Received
01553342	ARTICLES OF ORGANIZATION	04/21/2006
01646166	PUB OF ARTICLES OF ORGANIZATION	06/13/2006
02228766	PUB OF AMENDED ARTICLES OF ORGANIZATION	11/21/2007

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Amendments

Amendment Date	Amendment Type	Publish Date	Publish Exception
05/11/2007	NAME CHANGE	11/01/2007	

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Name Changes / Mergers

Description	Corporation Name	Date
CHANGED FROM	COMMON POINTE NETWORKS OF ARIZONA, LLC	05/11/2007

Microfilm

Location	Date Received	Description
11791011050	07/09/2007	AMENDMENT

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Comments

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APPENDIX B

Background and Experience of Management

John Barnicle
5216 S. Central Ave.
Western Springs, IL 60558
johnbarnicle@yahoo.com
(312) 543-1660

Experience

Oct. 2005 – May 2006 **Lynch Interactive Corp.** Rye, NY
President and Chief Executive Officer

- Completed “going dark” process necessary to take the company private to minimize impact of Sabanes-Oxley requirements of public companies.
- Started initiative to grow non-regulated revenue streams to reduce company’s reliance on USF support. Non-regulated revenue was on pace to grow 20% year over year.
- Completed refinancing of all or portions of six operating company loan agreements.

Feb. 2003 – October 2005 **Neutral Tandem, Inc.** Chicago, IL
President and Chief Operating Officer

- Co-founder of Neutral Tandem. The company grew organically from inception to an annualized revenue run rate of over \$40 million in only twenty months. It became EBITDA positive within twelve months of providing service. Customers included every major competitive wireless and wireline carrier in the country.
- Responsibilities included overseeing sales, marketing, engineering, operations and IS departments, with full P&L responsibility.
- Instrumental in raising over \$35 million in equity and debt capital at a challenging time in the telecom industry.

May 1996 – Oct. 2002 **Focal Communications** Chicago, IL
President and Chief Operating Officer

- Co-founder of Focal Communications. The company grew organically to annualized revenue run rate of approximately \$350 million, with nearly 1 million DS-0 equivalents of voice and data services in service across twenty-three markets
- Customers included half of the Fortune 100, wireless and VOIP providers and ISPs
- Services included local phone service (POTS, T-1s, Primary Rate ISDN), long distance, private lines, internet access, managed modem, co-location, and DSL
- Responsibilities included overseeing marketing, engineering, operations and IS departments, and various aspects of sales
- Service-related customer churn averaged about 1% per year, and the company won various awards for customer service and its IS systems implementation from customer groups, Innovation Week and CIO Magazine
- Full P/L responsibility, including responsibility for the capital budget, which peaked at nearly \$300 million per year.
- Participated in private and public fund raising including an IPO, two high yield bond offerings, bank credit facility and a private recapitalization raising over \$800 million

Feb. 1996 – May 1996
April 1992- Sept. 1994
Vice President – Marketing

MFS Communications

Oak Brook Terrace, IL

- Responsible for marketing all MFS services throughout North America. Led the integration the disparate marketing organizations of several MFS subsidiaries (Datanet, Intelenet, Telecom) when MFS underwent a major reorganization
- Developed and managed MFS' ILEC co-location business, responsible for everything from regulatory lobbying, budgeting, construction management, systems modifications, sales compensation plan adjustments, and sales support
- Participated on the team of people that developed MFS' switched services offering, which eventually grew into MFS Intelenet
- Responsible for negotiating MFS' first interconnection agreement with Ameritech
- Became the only employee of an MFS subsidiary (MFS Telephone), which acted as an agent to sell MFS Intelenet services to large businesses and internet services providers
- Provided technical sales support on the full range of services for MFS largest clients

Sept. 1994 – Feb. 1996
Vice President

Duff & Phelps Credit Rating Co.

Chicago, IL

- Issued credit ratings and related research reports on public debt instruments of communications companies
- Clients included top IXC, Cable TV, wireless and emerging wireline carriers
- Met with senior management teams of rating clients to understand strategic direction of companies, performed extensive financial analysis on business plans, financial reports and debt issuance documents to assess relative credit risk that helped establish and maintain appropriate interest rates on these debt instruments

June 1986 – April 1992
Staff Engineer/Sr. Manager, Business Services

Centel

Various locations

- Responsibilities included all marketing efforts and resources associated with providing equipment and services to all business customers, representing approximately nearly \$100 million per year in revenue
- Developed a plan to utilize emerging competitive access providers to transport local telephony services outside of landlocked franchise territory boundaries into the greater metropolitan area served by Ameritech
- Planned and oversaw the initial introduction of Signaling System #7 in various Centel switching centers to support 800 number portability and CLASS services
- Planned all of Centel's 911/E911 implementation across 1.5 million access lines in nine states

Education

- M.B.A. Finance (with Distinction), DePaul University, 1995
- B.S. Electrical Engineering with an emphasis on RF communications systems, University of Illinois at Champaign, 1987

Douglass B. Lee

Co-Founder/Chief Financial Officer

Douglass B. Lee has over 15 years of telecommunications industry experience, prior to co-founding Peerless Network, Doug served as Co-Founder and Chief Financial Officer of TeleGuam Holdings, LLC (the Incumbent Local Exchange Carrier (ILEC) on Guam, and an integrated provider of communications services in the Western Pacific, offering wireline, wireless, long distance, and broadband communication services to consumers and businesses). As a founding member for TeleGuam, he was responsible for managing all financial and accounting functions for the company, upon the company's leveraged buyout of the government run phone company. Doug also managed corporate development, IT, strategy, investor relations, and risk management, and was part of core team that successfully won the competitive bid over the Carlyle Group in 2004.

Doug has a wealth of financial experience both in and out of telecommunications having worked for Excelline Foods Inc as CFO and as a founding member of management in a private equity leveraged buyout of the company, as Vice President of Finance at Focal Communications and as a Senior Associate at PriceWaterhouse Coopers, Telecom, and Media in San Francisco CA, and at Coopers & Lybrand Consulting in Chicago Illinois.

Mr. Lee earned his M.B.A. from Harvard University Graduate School of Business Administration, and a B.S. from the University of Illinois, Urbana/Champaign, Illinois.

Richard Knight
645 North Kingsbury #1302
Chicago, IL. 60610
312-642-6286
rfk312@gmail.com

Summary 17 years of award winning business-building experience encompasses launching new technologies and products, creating local and national marketing programs, acquiring customers and directly impacting corporate margins by increasing gross revenues. I have developed, sold, supported, engineered and implemented customer solutions that achieved high-margin revenues. Experience includes Fortune 500, affinity and wholesale market segments.

Career History

Origin Communications (10/2002 – Present)
Chicago, IL.
Founder/President

Origin Communications provides customers in the call center and telecommunications markets with the latest cost savings technological solutions. Our programs increased customers' efficiencies and profitability by a minimum of 50%. Areas of expertise include Voice over Internet Protocol and sales and marketing strategies. Origin Communications delivers results to Small to Medium Enterprise (SME) Markets to the Fortune 500 Companies that positively impact profitability. Key accounts included Gateway Computers, TeleGuam Holdings, RWT Telephone, Excel Energy, Bramah Security Systems UK

Focal Communications (08/1997 – 10/2002)
Chicago, IL.
National Vice President Sales and Support

Executive responsible for developing rapid growth segments, driving network efficiencies, maximizing bottom line recurring revenues and minimizing SG&A costs. Effort included building a team that grew from 1 to over 120 sales, customer relations and technical support that was recognized as the industry leader in service quality.

- Drove revenue by creating Focal's first wholesale, strategic and agent business channels where my team sold network solutions to high-tech companies such as Time Warner/AOL, Excel Energy, Comcast, EarthLink, Bell South and Qwest.
- Increased revenues from \$0 to over \$280M or 80% of Focal's revenue.
- Inherited the declining business segment, the Data Services Group, which had lost \$40M or 33% of its revenues. Reversed the trend and began a 10% growth rate within 8 months.
- Maintain the lowest expense to revenue, bad debt to revenue, churn and highest revenue per team member.

MCI Communications (4/1995 – 8/1997)

Atlanta, GA.

Executive Manager

Led efforts on two initiatives to grow the Carrier business segment from \$300M to \$4B. Supervised 14 staff and a \$15.8M budget. The key was to build a marketing team and organizational structure from scratch. Recruited 14 product marketing and development managers internally from MCI divisions and led them to create segment specific products and programs.

- Introduced 6 new products worth \$1.7B in contracted revenue.
- Created MCI's first ever online, e-commerce services for our carrier customers to allow them to view order status and billing for their customer base.
- Provided training to over 300+ Carrier Services personnel.
- Implemented product strategies that minimized end-user confusion and regulatory risk.

MCI Communications (11/1993 – 04/1995)

Atlanta, GA.

Senior Manager

Developed and implemented new product segment strategies. Focused on new market entries that would diversify revenues and differentiate MCI from its key competitors.

- Initiated new programs that generated \$18M in annual revenue in the first 60 days.
- Introduced 3 new products representing over \$5M in monthly revenue.

MCI Communications (04/1991 – 11/1993)

Washington, DC

Marketing Manager

Managed Interexchange Carrier and Independent Telco Segments. Led national program development, implementation, support and strategy.

- Implemented initiatives that increased revenue over 75%, from \$350M to \$550M.
- Signed 8 Independent Telcos within the first 120 days.

MCI Communications (08/1990 – 04/1991)

Washington, DC

Partner Marketing Manager

Responsible for sales strategy to capture affinity marketing business revenues and then create the direct marketing campaigns to support revenue growth once the affinity partners signed-on.

- Established 7 new sales agents and affinity programs, which generated over \$1.5M in monthly revenues.
- Key accounts sold and managed included GE, American Home Builders Association and the American Bar Association

Education

M.B.A.	DePaul University	Chicago, IL.
B.B.A.	University of Iowa	Iowa City, IA.

APPENDIX C

Financial Qualifications



National City.

National City Bank
PO BOX 8043
ROYAL OAK MI 48068-8043

13293

Statement Period: Feb. 1, 2008 - Feb. 29, 2008
Account Number: 982842900

Contact Us

Phone: 1-800-925-9259
TDD for the Hearing Impaired: 1-800-290-0211
Customer Service Hours:
Mon. - Fri: 7 a.m. - 9 p.m. ET
Saturday: 7 a.m. - 2 p.m. ET
Sunday: 10 a.m. - 4 p.m. ET
Web: NationalCity.com

PEERLESS NETWORK LLC
225 W WASHINGTON ST STE 1285
CHICAGO IL 60606-3418

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Important Information About Your Account

Information about Fee Increases

Effective Monday, April 28, 2008

What's shown below replaces what's shown on your Pricing Schedule for Business Accounts. Anything on your Pricing Schedule that is not shown here remains the same.

Special Handling and Miscellaneous Service Fees

ATM activity (including account inquiries) remains FREE for National City customers at National City ATMs, otherwise: Non-National City ATM...\$2.00 each

Returned deposited item: Domestic...\$10.00 per item



Automated Funds Manager

Account Summary for 982842900

Beginning Balance as of Feb. 1, 2008		\$110,417.33
Deposits	3 items	+ 200,000.00
Miscellaneous Credits	42 items	+ 53,781,031.53
Checks	26 items	- 215,581.29
Converted Checks	0 items	- 0.00
ACH Transfers	16 items	- 118,577.93
Wire Transfers	3 items	- 77,800.00
Other Debits and Transfers	21 items	- 53,581,000.00
Ending Balance as of Feb. 29, 2008		\$100,489.64


Deposits

Date	Amount	Date	Amount
02/05	\$50,000.00	02/19	50,000.00
02/13	100,000.00		

Total: 3 Items for \$200,000.00

OTHER

Miscellaneous Credits

Date	Description	Amount
02/01	Sweep Investment Credit	\$2,785,000.00
02/01	Sweep INT/DIV Payment	215.31
02/04	Sweep Investment Credit	2,755,000.00
02/04	Sweep INT/DIV Payment	643.59
02/05	Sweep Investment Credit	2,655,000.00
02/05	Sweep INT/DIV Payment	206.74
02/06	Sweep Investment Credit	2,655,000.00
02/06	Sweep INT/DIV Payment	206.74
02/07	Sweep Investment Credit	2,655,000.00
02/07	Sweep INT/DIV Payment	206.74
02/08	Sweep Investment Credit	2,555,000.00
02/08	Sweep INT/DIV Payment	198.95
02/11	Sweep Investment Credit	2,711,000.00
02/11	Sweep INT/DIV Payment	633.31
02/12	Sweep Investment Credit	2,654,000.00
02/12	Sweep INT/DIV Payment	208.66
02/13	Sweep Investment Credit	2,649,000.00
02/13	Sweep INT/DIV Payment	206.27
02/14	Sweep Investment Credit	2,646,000.00
02/14	Sweep INT/DIV Payment	206.04
02/15	Sweep Investment Credit	2,731,000.00
02/15	Sweep INT/DIV Payment	212.66
02/19	Sweep Investment Credit	2,731,000.00
02/19	Sweep INT/DIV Payment	850.64
02/20	Sweep Investment Credit	2,659,000.00
02/20	Sweep INT/DIV Payment	203.42
02/21	Sweep Investment Credit	2,696,000.00
02/21	Sweep INT/DIV Payment	206.25
02/22	Sweep Investment Credit	2,640,000.00
02/22	Sweep INT/DIV Payment	201.97
02/25	Sweep Investment Credit	2,640,000.00
02/25	Wire Transfer Credit	5,000.00
02/25	Sweep INT/DIV Payment	605.90
02/26	Sweep Investment Credit	2,639,000.00
02/26	Sweep INT/DIV Payment	201.89
02/27	Sweep Investment Credit	2,612,000.00
02/27	Wire Transfer Credit	250,000.00

Continued

FRAIN



OTHER

Miscellaneous Credits (continued)

Date	Description	Amount
02/27	Sweep INTDIV Payment	199.83
02/28	Sweep Investment Credit	2,736,000.00
02/28	Sweep INTDIV Payment	209.31
02/29	Sweep Investment Credit	2,736,000.00
02/29	Sweep INTDIV Payment	209.31

Total: 42 items for \$53,781,031.53

int
6,037.53**Checks and Converted Checks**

Checks

Check No.	Amount	Date	Check No.	Amount	Date
3049	\$1,300.00	02/01	3082	8,105.41	02/14
3050	17,489.72	02/11	3063	1,677.58	02/12
3051	2,550.00	02/14	3065*	100.00	02/19
3052	1,055.46	02/11	3066*	2,662.65	02/20
3053	53.00	02/20	3069	748.88	02/19
3054	233.70	02/06	3070	4.69	02/15
3055	15.00	02/05	3071	10,000.00	02/20
3056	654.81	02/06	3072	125,955.22	02/27
3057	175.00	02/07	3073	1,362.00	02/25
3058	3,500.00	02/08	3077*	7,634.70	02/26
3059	850.58	02/11	3078	11,749.86	02/26
3060	2,821.99	02/13	3079	3,700.00	02/29
3061	5,000.00	02/14	3080	6,181.04	02/29

Total: 26 items for \$215,581.29

*Indicates a gap in check sequence

**ACH Transfers**

Date	Description	Amount
02/01	Online Payment To Natl City Visa 4436033066020074	\$8,069.55
02/01	ADP TX/Fnd Sic ADP - Tax E6Cd 013003V01 080201	888.93
02/01	ADP Payroll Fees ADP - Fees 662166198805834 080201	235.17
02/06	ADP Payroll Fees ADP - Fees 13Cd 7155155 080206	92.00
02/11	ADP TX/Fnd Sic ADP - Tax 763008207741Cd 080211	25,650.81
02/11	ADP TX/Fnd Sic ADP - Tax E6Cd 020805A01 080211	12,678.65
02/12	ADP TX/Fnd Sic ADP - Tax E6Cd 020805V01 080212	2,151.00
02/12	ADP TX/Fnd Sic ADP - Tax 558014441017Cd 080212	1,934.73
02/13	ADP Payroll Fees ADP - Fees 13Cd 7401625 080213	106.00
02/19	Health Care Sav Oppaymnt 5718142671 021908	4,174.55

Continued

ACH ACH Transfers (continued)

Date	Description	Amount
02/21	ADP TX/Fnd Svc ADP - Tax 717016289108Cd 080221	37,320.30
02/21	ADP TX/Fnd Svc ADP - Tax E6Cd 022207A01 080221	18,741.97
02/21	Analysis Charges Billing Period Ended 013108	760.30
02/26	ADP TX/Fnd Svc ADP - Tax E6Cd 022207V01 080226	3,439.47
02/27	ADP Payroll Fees ADP - Fees 13Cd 8107539 080227	109.50
02/28	Chicago Transit Debits 767307	225.00

Total: 16 items for \$116,577.93

WIRES Wire Transfers

Date	Description	Amount
02/19	Wire Transfer Debit	\$67,800.00
02/25	Wire Transfer Debit	5,000.00
02/26	Wire Transfer Debit	5,000.00

Total: 3 items for \$77,800.00

(A) Hercules Returned
cleared

OTHER**Other Debits and Transfers**

Date	Description	Amount
02/01	Sweep Investment Debit	\$2,755,000.00
02/04	Sweep Investment Debit	2,655,000.00
02/05	Sweep Investment Debit	2,655,000.00
02/06	Sweep Investment Debit	2,655,000.00
02/07	Sweep Investment Debit	2,655,000.00
02/07	Deposited Item Returned	100,000.00
02/08	Sweep Investment Debit	2,711,000.00
02/11	Sweep Investment Debit	2,654,000.00
02/12	Sweep Investment Debit	2,649,000.00
02/13	Sweep Investment Debit	2,646,000.00
02/14	Sweep Investment Debit	2,731,000.00
02/15	Sweep Investment Debit	2,731,000.00
02/19	Sweep Investment Debit	2,659,000.00
02/20	Sweep Investment Debit	2,666,000.00
02/21	Sweep Investment Debit	2,640,000.00
02/22	Sweep Investment Debit	2,640,000.00
02/25	Sweep Investment Debit	2,639,000.00
02/26	Sweep Investment Debit	2,612,000.00
02/27	Sweep Investment Debit	2,736,000.00
02/28	Sweep Investment Debit	2,736,000.00
02/29	Sweep Investment Debit	2,726,000.00

Total: 21 items for \$53,581,000.00

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APPENDIX D

Local Exchange Tariff

Local Exchange Services

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

This tariff contains the description, regulations, and rates applicable to the furnishing of local exchange telecommunications services provided by Peerless Network of Arizona, LLC, within the State of Arizona. This tariff is on file with the Arizona Corporation Commission ("Commission"). Copies may be inspected during normal business hours at the Company's place of business.

Issued:

Effective:

Issued By: John Barnicle, CEO
Peerless Network of Arizona, LLC
225 W. Washington Street, Ste 1285
Chicago, IL 60606

Local Exchange Services**CHECK SHEET**

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

<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>
1	Original	31	Original
2	Original	32	Original
3	Original	33	Original
4	Original	34	Original
5	Original	35	Original
6	Original	36	Original
7	Original	37	Original
8	Original	38	Original
9	Original	39	Original
10	Original	40	Original
11	Original	41	Original
12	Original	42	Original
13	Original	43	Original
14	Original	44	Original
15	Original	45	Original
16	Original	46	Original
17	Original	47	Original
18	Original	48	Original
19	Original	49	Original
20	Original	50	Original
21	Original	51	Original
22	Original		
23	Original		
24	Original		
25	Original		
26	Original		
27	Original		
28	Original		
29	Original		
30	Original		

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225 W. Washington Street, Ste 1285
Chicago, IL 60606

Local Exchange Services

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Chicago, IL 60606

Local Exchange Services

SYMBOLS

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

- D - Deleted or discontinued material
- I - Change resulting in a rate increase
- M - Moved from another tariff location
- N - New material
- R - Change resulting in a rate reduction
- T - Change in text only, no change in rate

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Local Exchange Services

TARIFF FORMAT

- A. Page Numbering - Page numbers appear in the upper right hand corner of the page. Pages are numbered sequentially. From time to time new pages may be added to the tariff. When a new page is added between existing pages, a decimal is added to the preceding page number. For example, a new page added between Pages 3 and 4 would be numbered 3.1.
- B. Page Revision Numbers - Revision numbers also appear in the upper-right corner of the Page. These numbers are used to determine the most current page version on file with the Commission. For example, 4th Revised Page 4 cancels 3rd Revised Page 4.
- C. Paragraph Numbering Sequence - There are various levels of paragraph coding. Each level of coding is subservient to its next higher level of coding. For example,
2.
2.1
2.1.1
2.1 .I.A.
2.1.1 .A.1.
2.1.1 .A.1 .(a)
- D. Check Sheet - When a tariff filing is mad with the Commission, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the pages contained in the tariff, with a cross-reference to the current revision number. When new 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., remains the same, just revised revision levels on some sheets). The tariff user should refer to the latest Cheek Sheet to find out if a particular page is the most current page on file with the Commission.

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225 W. Washington Street, Ste 1285
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Local Exchange Services

APPLICATION OF TARIFF

This tariff contains the regulations and rates applicable to the provision of local exchange service by Peerless Network of Arizona, LLC within the State of Arizona and subject to the jurisdiction of the Arizona Corporation Commission.

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Peerless Network of Arizona, LLC
225 W. Washington Street, Ste 1285
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Local Exchange Services

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement that connects the customer's location to a switching center or point of presence.

Advance Payment / Prepayment - Payment of all or part of a charge required before the start of service.

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

Carrier or Company - Whenever used in this tariff, "Carrier" or "Company" refers to **Peerless Network of Arizona, LLC**, unless otherwise specified or clearly indicated by the context.

Commission - Arizona Corporation Commission

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

End User - Any person, firm, corporation, partnership or other entity that uses the services of the Company under the provisions and regulations of this tariff. The End User is responsible for the payment unless the charges for the services utilized are accepted and paid by another customer.

Exchange Access Line - The serving central office line equipment and all Company plant facilities up to and including the Company-provided Standard Network Interface. These facilities are Company-provided and maintained and provide access to and from the telecommunications network for message toll service and for local calling appropriate to the tariffed use offering selected by the Customer.

Extended Calling Area - the area outside the basic calling area. Calls to this area result in additional charges per call.

Holidays - The Company's holidays are New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

ILEC - The incumbent Local Exchange Carrier

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

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Local Exchange Services

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

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. 32-0192 for the provision and administration of communications services.

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

Local Exchange Company (LEC) – A company that furnishes exchange telephone service.

Local Exchange Services - Telecommunications services furnished for use by end-users in placing and receiving local telephone calls within local calling areas.

Non-Recurring Charges ("NRC") – 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.

Person-to-Person Calling - An operator-assisted service whereby the person originating the call specifies a particular person to be reached, or a particular station, room number, department, or office to be reached through a PBX attendant. These calls may not be dialed.

Premises - All space in the same building occupied by a customer and all space occupied by the same customer in different buildings on continuous property.

Recurring Charges ("MRC") – The monthly charges to the Customer for services, facilities and equipment, which continue for the agreed upon duration of the service.

Residential Service – Residential Service is that service furnished to private homes or apartments, including all parts of the subscriber's domestic establishment, for domestic use and not for substantial occupation use; in the study of a clergyman located in a church, in college fraternity or sorority houses, college dormitories, convents and monasteries for domestic rather than occupational use in residential quarters.

Resold Local Exchange Service - A service composed of the resale of exchange access lines and local calling provided by other authorized Local Exchange Carriers, in combination with Company-provided usage services, miscellaneous services or interstate or international services.

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Local Exchange Services

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Service Commencement Date – The first day following the date on which the Company notified 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 the standards set forth in the Service Order or this tariff, in which case the Service Commencement Date is the date of the Customer's acceptance of service. The parties may mutually agree on a substitute Service Commencement Date.

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

Station-to-Station Calling - a service whereby the originating End User requests the assistance of a Company operator to place or bill the call. Calls billed Collect or to a telephone company issued Calling Card or to an authorized Credit Card are Operator-Station calls unless the call is placed on a Person-to-person basis. Automated Calling Card calls are not Operator-station calls. These calls may not be dialed. Collect calls to coin telephones and transfers of charges to third telephones that are coin telephones will not be accepted.

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Local Exchange Services

SECTION 2 – RULES AND REGULATIONS

2.1 Undertaking of the Company

The Company services offered pursuant to this Tariff are furnished for Local Exchange Service among specified points within a Local Calling Area.

The Company installs, operates, and maintains the communications services provided herein under in accordance with the terms and conditions set forth under this tariff. The Company 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 Company's network. The Customer shall be responsible for all charges due for such service arrangement.

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.

The Company is responsible only for the services provided under this tariff, and it assumes no responsibility for any service or facilities provided by any other entity.

2.2 Limitations

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

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

2.2.3 The Company does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission or for failure to establish connections.

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

2.2.5 Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to any assignee or transferee.

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Local Exchange Services

SECTION 2 – RULES AND REGULATIONS

2.3 Use

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

2.4 Liabilities of the Company

2.4.1 The Company's liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in transmission, which occur in the course of furnishing service or facilities, in no event shall exceed an amount equivalent to the proportionate charge to the Customer for the period during which the faults in transmission occur.

2.4.2 The Company shall not be liable for claim or loss, expense or damage (including indirect, special or consequential damage), for any interruption, delay, error, omission, or defect in any service, facility, or transmission provided under this tariff, if caused by any person or entity other than the Company, by any malfunction of any service or facility provided by any other carrier, by an act of God, fire, war, civil disturbance, or act of government, or by any other cause beyond the Company's direct control.

2.4.3 The company shall not be liable for, and shall be fully indemnified and held or consequential damage) for defamation, libel, slander, invasion, infringement of copy-right or patent, unauthorized use of any trademark, trade name, or service mark, unfair competition, interference with or misappropriation or violation of any contract, proprietary or creative right, or any other injury to any person, property or entity arising out of the material data, information, or other content revealed to, transmitted, or used by the Company under this tariff, or for any act or omission of the Customer, or for any personal injury or death of any person caused directly or indirectly by the installation, maintenance, location, condition, operation, failure, presence, use or removal of equipment or wiring provided by the Company, if not directly caused by negligence of the Company.

2.4.4 No agent or employee of any other carrier shall be deemed to be an agent or employee of the Company.

2.4.5 The Company shall not be liable for any defacement of or damages to the premises of a Customer resulting from the furnishing of service, which is not the direct result of the Company's negligence.

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Local Exchange Services

SECTION 2 – RULES AND REGULATIONS

2.5 Deposits

The Company does not collect customer deposits.

2.6 Advance Payments

The Company does not require advance payments.

2.7 Taxes

All state and local taxes (including but not limited to franchise fees, excise tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.

2.8 Installation

Service is installed upon mutual agreement between the Customer and the Company. The service agreement does not alter rates specified in this tariff.

2.9 Payment for Service

The Customer is responsible for payment of all charges for services furnished to the Customer or to an Authorized User of the Customer by the Company. All charges due by the Customer are payable to the Company or to any agency duly authorized to receive such payments.

The Company's billing invoices will be considered correct and binding upon the Customer if no notice is received from the Customer within thirty (30) days of the date of the invoice. (Billing inquiries may be made in writing or via telephone.) Adjustments to Customer's bills shall be made, to the extent circumstances exist, which reasonably indicate that such changes are appropriate. Upon receipt of a billing inquiry, charges involved in the disputed element(s) of the invoice will be temporarily suspended pending resolution of the dispute. The Customer, however, remains responsible for the timely payment of the non-disputed elements of the invoice.

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Local Exchange Services

SECTION 2 – RULES AND REGULATIONS

2.10 Late Payment Charge

The Company will assess a charge for late payment in the amount of 1½% of the unpaid balance. A payment is considered late after the five (5) day grace period. A late payment penalty may be assessed only once on any bill for rendered services.

2.11 Cancellation by Customer

Customer may cancel service by providing written or oral notice to the Company.

2.12. Interconnection

Service furnished by the Company may be connected with the services or facilities of other carriers or enhanced service providers. The Customer is responsible for all charges billed by these entities for use in connection with the Company's service. Any special interface equipment or facilities necessary to achieve compatibility between these entities is the responsibility of the Customer. Neither the Company nor any connecting carrier participating in a service shall be liable for any act or omission of any other company or companies furnishing a portion of such service.

2.13 Refusal or Discontinuance by Company

The Company may refuse or discontinue service under the following conditions in accordance with Commission rules:

- 2.13.1 For non-compliance with or violation of any State, municipal, or Federal law, Ordinance or regulation pertaining to telephone service.
- 2.13.2 For use of telephone service for any other property or purpose than that described in application.
- 2.13.3 For neglect or refusal to provide reasonable access to the Company or its agents for the purpose of inspection and maintenance of equipment owned by the Company or its agents.
- 2.13.4 For noncompliance with or violation of Commission regulation or the Company's rules and regulations on file with the Commission, provided ten days written notice is given before termination.

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Chicago, IL 60606

Local Exchange Services

SECTION 2 – RULES AND REGULATIONS

2.13 Refusal or Discontinuance by Company (continued)

- 2.13.5 For nonpayment of bills, including bills for any of the Company's other communication services, provided that suspension or termination of service shall not be made without seven days written notice to the Customer, except in extreme cases.
- 2.13.6 Without notice in the event of Customer or Authorized User use of equipment in such a manner as to adversely affect the Company's service to others. Within twenty-four (24) hours after such termination, the utility shall send written notification to the Customer of the reasons for termination or refusal of service upon which the utility relies, and of the Customer's right to challenge the termination by filing a formal complaint with the Commission.
- 2.13.7 Without notice in the event of tampering with equipment or services owned by the Company or its agents. Within twenty-four (24) hours after such termination, the utility shall send written notification to the customer of the reasons for termination or refusal of service upon which the utility relies, and of the Customer's rights to challenge the termination by filing a formal complaint with the Commission.
- 2.13.8 Without notice in the event of unauthorized or fraudulent use of service. Whenever service is discontinued for fraudulent use of service, the Company may, before restoring service, require the Customer to make, at his or her own expense, all changes in facilities or equipment necessary to eliminate illegal use and to any amount reasonably estimated as the loss in revenues resulting from such fraudulent use. Within twenty-four (24) hours after such termination, the utility shall send written notification to the Customer of the reasons for termination or refusal of service upon which the utility relies, and of the Customer's right to challenge the termination by filing a formal complaint with the Commission.
- 2.13.9 Without notice by reason of any order or decision of a court or other government authority having jurisdiction which prohibits Company from furnishing such services.

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Chicago, IL 60606

Local Exchange Services**SECTION 2 – RULES AND REGULATIONS****2.14 Tests, Pilots, Promotional Campaigns and Contests**

The Company may conduct special tests or pilot programs and promotions at its discretion to demonstrate the ease of use, quality of service and to promote the sale of its services. The Company may also waive a portion or all processing fees for winners of contests and other occasional promotional events sponsored or endorsed by the Company. From time to time, the Company may waive all processing fees for a Customer. The Company will notify the Commission regarding specific promotions and contests at least seven (7) days prior to implementation.

2.15 Interruption of Service

Credit allowances for interruptions of service which are not due to the Company's testing or adjusting, to the negligence of the Customer, or to the failure of channels, equipment or communications systems provided by the Customer, are subject to the general liability provisions set forth in Section 2.4 herein. It shall be the obligation of the Customer to notify the Company immediately of any interruption in service for which Customer desires a credit allowance. Before giving such notice, Customer shall ascertain that the trouble is not within his or her control, or is not in wiring or equipment, if any, furnished by Customer and connected to Company's terminal. Interruptions caused by Customer-provided or Company-provided automatic dialing equipment are not deemed an interruption of service as defined herein.

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

Credit Formula:

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

"A" = outage time in hours

"B" = total monthly charge for affected facility

2.16 Cost of Collection and Repair

The Customer is responsible for any and all costs incurred in the collection of monies due the Carrier including legal and accounting expenses. Customer is also responsible for recovery costs of Carrier-provided equipment and any expenses required for repair or replacement of damaged equipment.

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Local Exchange Services

SECTION 2 – RULES AND REGULATIONS

2.17 Returned Check Charge

A fee may be charged for each check returned for insufficient fund as set forth in this tariff up to a maximum of \$30.00.

2.18. Service Implementation

Absent a promotional offering, service implementation charges will apply to new service orders.

2.19 Reconnection Charge

The Company will charge a reconnection fee as set forth in this tariff.

2.20 Reserved for Future Use

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SECTION 2 – RULES AND REGULATIONS**2.21. Access to Telephone Relay Services**

Where required by the Commission, the Company will participate in telephone relay services for handicapped and or hearing-impaired end users, and will comply with all regulations and requirements. The Company shall impose any monthly surcharge or any other related charge upon its local exchange telecommunications subscribers as may be required by state law.

2.21.1 Discounts for Hearing Impaired Customers

A telephone toll message which is communicated using a telecommunications device for the deaf (TDD) by properly certified hearing or speech impaired persons or properly certified business establishments or individuals equipped with TDDs for communicating with hearing or speech impaired persons will receive, upon request, credit on charges for certain intrastate toll charges placed between TDDs. Discounts do not apply to surcharges or per call add-on charges for operator services when the call is placed by a method that would normally incur the surcharge.

TDD: The credit to be given on a subsequent bill for such calls placed between TDDs will be equal to applying the evening rate during business day hours and night/weekend rate during the evening rate period.

TRS: The credit to be given on a subsequent bill for such calls placed by TDDs with the assistance of the relay center will be equal to 50% of the rate for the applicable rate period. If either the calling or called party indicates that either party is both hearing and visually impaired, the call shall be discounted at 25% of the applicable rate.

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SECTION 2 – RULES AND REGULATIONS

2.22 Directory Listings

- 2.22.1 The Company does not publish a directory of subscriber listings. The Company, however, does arrange for the Customer's main billing number to be placed in the directory or directories of the dominant local exchange carrier.
- 2.22.2 The rates and regulations specified herein for directory listings apply only to the alphabetical section of the directory. Listings are intended solely for the purpose of identifying subscriber's telephone number and as an aid to the use of telephone service.
- 2.22.3 The listings of subscribers, either without charge or at the rate specified within this tariff for other listings are arranged alphabetically and are not intended for special prominence of arrangement. In accepting listings as requested by subscribers or prospective subscribers, the Company will not be a party to controversies between subscribers as result of the publication of such listings in the directories.
- 2.22.4 Listings must conform to the Company's specifications with respect to the directories. The Company reserves the right to reject listings when in, its sole judgment, such listings would violate the integrity of company records and the directories, confuse individuals using the directory, or when the customer cannot provide satisfactory evidence that he is authorized to do business as requested.
- 2.22.5 The Company reserves the right to limit the length of any listing to one line in the directory by use of abbreviations when, in its sole judgment, the clearness of the listing and the identification of the subscriber is not impaired.
- 2.22.6 Generally, the listed address is the location of the subscriber's residence.

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Local Exchange Services

SECTION 2 – RULES AND REGULATIONS

2.23 Universal Emergency Telephone Number Service

- 2.23.1 This tariff does not provide for inspection or constant monitoring of facilities to discover errors, defects, or malfunctions in the service, nor does the Company undertake such responsibility.
- 2.23.2 911 information consisting of the names, addresses and telephone numbers of all telephone customers is confidential. The Company will release such information via the Data Management system only after a 911 call has been received, on a call by call basis, only for the purpose of responding to an emergency call in progress.
- 2.23.3 The 911 calling party, by dialing 911, waives the privacy afforded by non-listed and non-published service to the extent that the telephone number, name, and address associated with the originating station location are furnished to the Public Safety Answering Point.
- 2.23.4 After the establishment of service, it is the Public Safety Agency's responsibility to continue to verify the accuracy of and to advise the Company of any changes as they occur in street names, establishment of new streets, changes in address numbers used on existing streets, closing and abandonment of streets, changes in police, fire, ambulance or other appropriate agencies' jurisdiction over any address, annexations and other changes in municipal and county boundaries, incorporation of new cities or any other similar matter that may affect the routing of 911 calls to the proper Public Safety Answering Point.

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Local Exchange Services

SECTION 2 – RULES AND REGULATIONS**2.23 Universal Emergency Telephone Number Service (continued)**

2.23.5 The Company assumes no liability for any infringement, or invasion of any right of privacy of any person caused, or claimed to be caused, directly or indirectly by the use of 911 service. Under the terms of this tariff, the Public Safety Agency must agree, (except where the events, incidents, or eventualities set forth in this sentence are the result of the Company's gross negligence or willful misconduct), to release, indemnify, defend and hold harmless the Company from any and all losses or claims whatsoever, whether suffered, made, instituted, or asserted by the Public Safety Agency or by any other party or person, for any personal injury to or death of any person or persons, for any loss, damage, or destruction of any property, whether owned by the customer or others. Under the terms of this tariff, the Public Safety Agency must also agree to release, indemnify, defend and hold harmless the Company for any infringement of invasion of the right of privacy of any person or persons, caused or claimed to have caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, occasion, or use of 911 service features and the equipment associated therewith, or by any services furnished by the company in connection therewith, including, but not limited to, the identification of the telephone number, address, or name associated with the telephone used by the party or parties accessing 911 service hereunder, and which arise out of the negligence, other than gross negligence or willful misconduct, of the Company, its employees or agents.

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Local Exchange Services

SECTION 3 -DESCRIPTION OF SERVICE

3.1 Local Service Areas

The Company will provide local exchange service throughout the BellSouth access areas.

3.2 Local Exchange Service

Installation, monthly recurring charges will apply to the Company's local exchange services.

3.2.1. The Company's Local Telephone Service provides a Customer with the ability to:

- place or receive calls to any calling Station in the local calling area, as defined herein;
- access basic 911 Emergency Service; and
- place or receive calls to 800/888/887 telephone numbers.

3.2.2 Local Line provided the Customer with a single, voice-grade communications channel. Each Local Line will include a telephone number.

3.2.3 Standard Features: Each Local Line customer is provided with the following standard features:

- Touch Tone
- Direct Inward Dialing
- Direct Outward Dialing

3.2.4 Optional Features: A Customer may order optional features at the rates specified in this tariff.

3.2.5 Local Line Rates and Charges: A Local Line Customer will be charged applicable Non-Recurring Charges, monthly Recurring Charges and usage charges as specified herein.

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Local Exchange Services

SECTION 4 – CONNECTION CHARGES

4.1 Connection Charge

4.1.1 General

The Connection Charge is a nonrecurring charge which applies to the following: (a) the installation of a new service; (b) the transfer of an existing service to a different location; (c) a change from one class of service to another at the same or a different location; or (d) restoral of service after suspension or termination for nonpayment. Connection Charges are listed with each service to which they apply.

4.1.2 Exceptions to the Charge

- A. No charge applies for a change to a service for which a lower monthly rate applies, made within 90 days after any general rate increase, if a lower grade of service is offered in the customer's exchange.
- B. The Company may from time to time waive or reduce the charge as part of a promotion.

4.2 Restoral Charge

A restoral charge applies each time a service is reconnected after suspension or termination for nonpayment but before cancellation of the service, as deemed in Section 1 of this Tariff.

Business
\$100.00

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Local Exchange Services**SECTION 4 – CONNECTION CHARGES****4.3 Moves, Adds, and Changes**

The Company alone may make changes in the location of its lines and equipment. When it is found that a move or change of such lines or equipment has been made by others, the Connection Charge for the underlying service will apply as if the work had been done by the Company.

The customer will be assessed a charge for any move, add or change of a Company service and is charged in addition to any other monthly or installation charge which is associated with the service the customer orders. Move, Add and Change are defined as follows:

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

Add: The addition of a vertical service to existing equipment and/or service at one location.

Change: Change - including rearrangement or reclassification - of existing service at the same location.

	<u>Move</u>	<u>Add</u>	<u>Change</u>
Business Charge per Order	\$50.00	\$50.00	\$50.00
Line Connection (per line)	\$100.00	\$100.00	\$100.00

Record Work Only \$50.00
(This charge is applicable for changes that do not
involve central office or premise work.)

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Local Exchange Services

SECTION 4 – CONNECTION CHARGES

4.4 Charges Associated With Premises Visit

4.4.1 Trouble Isolation Charge

When a visit to the customer's premises is necessary to isolate a problem reported to the Company but identified by the Company's technician as attributable to customer-provided equipment or inside wire, a separate charge applies in addition to all other charges for the visit.

Per Premises Visit, Business: \$100.00

4.5 Primary Interexchange Carrier Change Charge

Customers may be presubscribed to the carrier of their choice for both interLATA and intraLATA service. The customer will incur a charge each time there is a change in the long distance carrier associated with the customer's intraLATA or interLATA service after the initial installation of service.

\$2.50

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Local Exchange Services**SECTION 5 – SUPPLEMENTAL SERVICES****5.1 Custom Calling Service****5.1.1 General**

The features in this section are made available on an individual basis or as part of multiple feature packages. All features are provided subject to availability; features may not be available with all classes of service. Transmission levels may not be sufficient in all cases.

5.1.2 Feature Descriptions and Rates

Rates in this section are applied on a monthly basis unless otherwise specified:

CALL WAITING **\$1.00**

Provides a tone signal when a second call is coming in on a busy line.

CALL FORWARDING-Variable **\$1.00**

Permits a customer to automatically transfer all incoming calls to another dialable telephone number.

THREE-WAY CALLING **\$1.00**

Adds a third party to an established connection without operator assistance.

SPEED CALLING - 39 Number List **\$1.00**

Allows a customer to call other telephone numbers by dialing a code rather than the complete telephone number.

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Local Exchange Services

SECTION 5 – SUPPLEMENTAL SERVICES**5.1 Custom Calling Service (continued)****5.1.2 Feature Descriptions and Rates (continued)**

CALL TRACE	Per Activation	\$1.00
-------------------	-----------------------	---------------

This feature will, upon successful customer activation, automatically trace the telephone number of the line used for the last call received by the Customer. Call Trace is provided to customers whose local Telephone Exchange Service includes only Residence lines. The company will not provide the traced number to the customer, but it will be provided to law enforcement officials upon written request of the customer.

DISTINCTIVE RINGING		\$1.00
----------------------------	--	---------------

This feature allows a customer to designate up to ten telephone numbers from which incoming calls will have a distinctive ring. For customers with call waiting, a distinctive call-waiting signal will be received if a call from one of the designated telephone numbers is waiting.

CALL SCREENING		\$1.00
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Customer can designate 10 numbers from which incoming calls will be connected to a pre-recorded announcement that calls are not being taken now.

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Local Exchange Services

SECTION 5 – SUPPLEMENTAL SERVICES**5.1 Custom Calling Service (continued)****5.1.2 Feature Descriptions and Rates (continued)****CALLER ID****\$3.00**

This Central Office feature provides for the display of the incoming telephone number on a customer provided display device attached to the customer's telephone or answering machine with a built-in display screen. The Caller ID feature will forward the calling number from the appropriately equipped terminating central office to the customer provided display device. The Company will forward all telephone numbers subject to technical limitations.

CALLER ID WITH NAME**\$5.00**

This Central Office feature is only offered to customers being served by appropriately equipped central offices and subscribing to caller ID. This feature provides for the display of the listed name associated with the telephone number from which the call is being made. The name will be delivered to a customer provided display device. The company will forward all calling names subject to technical limitations.

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SECTION 5 – SUPPLEMENTAL SERVICES**5.1 Custom Calling Service (continued)****5.1.2 Feature Descriptions and Rates (continued)****BUSY LINE TRANSFER****\$1.00**

In the event that the called telephone number is busy, this feature automatically forwards incoming calls to a predetermined telephone number served by the same central office switch, or provides inter-switch forwarding to a predetermined, dialable telephone number where technically available. If incoming calls are transferred to a number served by the same or a different central office switch, multiple calls will be transferred simultaneously provided that there are sufficient facilities to accept the calls. *This feature is not compatible with Call Waiting or Direct Inward Dialing Service.*

ALTERNATE ANSWERING**\$1.00**

In the event that the telephone number is not answered within the Company designated parameters, normally three to four rings, this feature automatically forwards incoming calls to a predetermined, or a different central office switch, multiple calls will be transferred simultaneously provided that are sufficient facilities to accept the calls.

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Local Exchange Services**SECTION 5 – SUPPLEMENTAL SERVICES****5.1 Custom Calling Service (continued)****5.1.2 Feature Descriptions and Rates (continued)**

MESSAGE WAITING TONE \$1.00

Allows an audible signal, stutter dial tone, to be present on the line when a message is waiting.

**BUSY LINE TRANSFER,
ALTERNATE ANSWERING,
MESSAGE WAITING TONE** \$1.00

Allows access to all three services.

CUSTOMER CONTROL OPTION

Allows the customer to activate/deactivate the Busy Line Transfer and Alternate Answering features and to change the number to which the calls are forwarded.

Busy Line Transfer \$1.00

Alternate Answering \$1.00

EASY CALL \$1.00

Provides automatic dialing of a number when the customer's line is taken off-hook, at 7-second intervals.

SPECIAL DELIVERY SERVICE \$1.00

When a busy or don't answer condition exists on an outgoing call, this feature automatically forwards the calling party to a pre-determined telephone number.

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SECTION 5 – SUPPLEMENTAL SERVICES**5.1 Custom Calling Service (continued)****5.1.2 Feature Descriptions and Rates (continued)****CALL CONTROL****\$2.00**

Available with Residence Basic Exchange Access Service and Residence ISDN service. Customer has the ability to screen outgoing call, then block or allow calls. This feature can be activated and deactivated and provides a PIN number to the subscriber. Customer can block long distance, Operator Assisted, specific telephone numbers, prefix and/or area codes, and/or all outgoing calls.

REMOTE CALL FORWARDING

First

\$5.00

Second

\$5.00

Remote Call Forwarding (CO Based), provides a method to automatically transfer all incoming calls to another dialed number at all times. The dialable number is user defined. The dialed number can be either 7 or 10 digit numbers (POTS) and can be changed via a service order. No physical telephone is required at the subscribed dialed number. Multiple simultaneous call paths can be provided, with each additional path priced at the rates above. (Business Service Ordering and Line Connection Charges apply.)

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Local Exchange Services**SECTION 5 – SUPPLEMENTAL SERVICES****5.1 Custom Calling Service (continued)****5.1.2 Feature Descriptions and Rates (continued)****900 SPECIAL ACCESS CODE BLOCKING** N/C

Blocks access from a company provided Exchange Access Service to customer dialed 900 numbers.

976 PREFIX BLOCKING SERVICE N/C

Blocks access from a company provided Exchange Access Service to customer dialed 976 numbers.

AUTOMATIC CALL BACK Per Activation \$1.00

Allows a customer to return most recent incoming calls whether answered or not. If the line to which the request is made is idle, the call goes through, if the line is busy, the automatic callback continues to attempt until the line is free. The request is deactivated after 30 minutes or six unanswered ring backs if the call is not completed.

REPEAT DIALING Per Activation \$1.00

Allows a Customer, by dialing a particular code, to redial a dialed number a specified number of times or until a party answers the call.

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Local Exchange Services

SECTION 5 – SUPPLEMENTAL SERVICES**5.2 Service and Promotional Trials****5.2.1 General**

The Company may establish temporary promotional programs wherein it may waive or reduce nonrecurring or recurring charges, to introduce a present or potential customer to a service not previously subscribed to by the customer.

5.2.2 Regulations

- A. Appropriate notification of the Trial will be made to all eligible customers and to the Commission. Appropriate notification may include direct mail, bill inserts, broadcast or print media, direct contact or other comparable means of notification.
- B. During a Service Trial, the service(s) is provided automatically to all eligible customers, except those customers who choose not to participate. Customers will be offered the opportunity to decline the trial service both in advance and during the trial. A customer can request that the designated service be removed at any time during the trial and not be billed a recurring charge for the period that the feature was in place. At the end of the trial, customers that do not contact the Company to indicate they wish to retain the service will be disconnected from the service at no charge.
- C. During a Promotional Trial, the service is provided to all eligible customers who ask to participate. Customers will be notified in advance of the opportunity to receive the service in the trial for free. A customer can request that the service be removed at any time during the trial and not be billed a recurring charge for the period that the service was in place. At the end of the trial, customers that do not contact the Company will be disconnected from the service.
- D. Customers can subscribe to any service listed as part of a Promotional Trial and not be billed the normal Connection Charge. The offering of this trial period option is limited in that a service may be tried only once per customer, per premises.
- E. The Company retains the right to limit the size and scope of a Promotional Trial.

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Local Exchange Services**SECTION 5 – SUPPLEMENTAL SERVICES****5.3 Operator Assistance Surcharges****5.3.1 General**

Operator Assistance Surcharges apply when a customer utilizes either an automated or live Company operator for purposes of completing or billing a call. Operator Assistance Surcharges apply in addition to local usage or long distance usage services as identified in this tariff.

5.3.2 Operator Assistance Surcharges -- Rate Schedule

PERSON-TO-PERSON \$5.00

Operator assists caller by beginning to bill the call only when a specifically identified party answers the phone.

BILLED TO A THIRD NUMBER \$5.00

Operator assists the caller by billing the call to a verified number other than the station number from which the call is being made or by which the call is received.)

COLLECT CALLS \$5.00

Operator assists the caller by verify charges with, and billing the call to, the party receiving the call.

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Local Exchange Services**SECTION 5 – SUPPLEMENTAL SERVICES****5.3 Operator Assistance Surcharges (continued)****5.3.2 Operator Assistance Surcharges -- Rate Schedule (continued)****CALLING CARD ASSISTANCE**

Operator assists the caller by accepting and/or billing, and/or completing a call based upon information pertaining to a billable calling card.

Automated Assistance (where available)	\$5.00
---	--------

Non-Automated Assistance	\$10.00
--------------------------	---------

SENT - PAID/OPERATOR ASSISTED	\$5.00
--------------------------------------	--------

Operator assistance provided to stations capable of accepting pre-payment by terms of coin or non-calling card credit arrangements.

BUSY LINE VERIFICATION	\$5.00
-------------------------------	--------

Operator assists caller by verifying the busy status of an exchange access line. Charged for each verification.

BUSY LINE VERIFY AND INTERRUPT	\$5.00
---------------------------------------	--------

Operator assists caller by first verifying the busy status of an exchange access line and then by interrupting the communications on the line to alert the communicating parties of the caller's need to reach the busy line.

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Local Exchange Services

SECTION 5 – SUPPLEMENTAL SERVICES**5.4 Directory Services****5.4.1 General**

Directory services allow customers to customize the manner in which their Company assigned telephone numbers appear in published directory and/or are used by dialable directories and Company operators. This section applies only to services provided by the Company.

5.4.2 Directory Services -- Rate Schedule**ALPHABETICAL DIRECTORY LISTING**

N/C

One listing, without charge, is provided in the alphabetical section of the directory of the local exchange area in which the Customer's premises is located. This listing is termed the primary listing and is provided for each line provided pursuant to the Company's Exchange Access Service. Where two or more lines are arranged to hunt, all of those lines so arranged constitute a separate Customer Service.

EXTRA LISTINGS

An Extra Listing is any listing of a name or information in connection with a Customer's access line number beyond that provided pursuant to the Alphabetical Directory Listing Service provided above.)

Per Month for each listing:

\$1.00

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Local Exchange Services**SECTION 5 – SUPPLEMENTAL SERVICES****5.4 Directory Services (continued)****5.4.2 Directory Services -- Rate Schedule (continued)****PRIVATE LISTING**

A telephone number that is not listed in either the directory assistance records or the alphabetical directory or that section of the directory containing the regular alphabetical list of names of Exchange Access Customers.

Per Month for each listing: \$1.00

SEMI-PRIVATE LISTING

A telephone number that is not listed in the alphabetical directory or that section of the directory containing the regular alphabetical list of names of Exchange Access Customers. The telephone number is listed in the directory assistance records and will be furnished upon request of the calling party.

Per Month for each listing: \$1.00

DIRECTORY ASSISTANCE CALL

D.A. Call services furnish the customer with either automated or operator assisted access to the Company's Directory Services database on a dial-up basis. A maximum of two number requests will be accommodated per D.A. Call Service call.

Per Call \$1.00

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Local Exchange Services

SECTION 5 – SUPPLEMENTAL SERVICES**5.4 Directory Services (continued)****5.4.2 Directory Services -- Rate Schedule (continued)****INFORMATION CALL COMPLETION**

Information Call Completion (ICC) is available as an add-on to the Company's D.A. Call Service. ICC allows the customer to connect directly to a number requested via the Company's D.A. Call service by means of operator dialing.

Per Call Completed

\$1.00

Mobile telephone service customers will only be eligible for ICC service if an alternate billing option is used, i.e., calling card, billed-to-third number, collect and person-to-person special handling. However, should a mobile carrier request the option, the Company will provide ICC to a mobile carrier on a sent-paid basis.

5.5 Direct Inward Dial (DID) Services**5.5.1 General**

DID is a service which permits incoming dialed calls to be dialed directly by a calling party station associated with a switching system located on the Carrier's Customer Premises. These lines support inbound calling traffic only.

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Local Exchange Services**SECTION 5 – SUPPLEMENTAL SERVICES****5.5 Direct Inward Dial (DID) Services (continued)****5.5.2 Direct Inward Dial Service -- Rate Schedule**

	Monthly Recurring Charge	Non-Recurring Charge
DID Trunk Termination Charges		
Each DID trunk termination in central office, per trunk	\$50.00	\$50.00
Each DID trunk termination in Central Office arranged for Touch-Tone signaling.	\$50.00	\$50.00
Subsequent additions, deletions or rearrangements of DID trunk terminations in addition to above charges, per occasion.	\$50.00	\$50.00
DID Number Charges		
Each group of 10 assigned DID station numbers or fraction thereof, each group	\$2.00	\$2.00
Each group of 10 Reserved DID station numbers or fraction thereof, each group	\$2.00	\$2.00
Business		
DID Service from a Remote Central Office		
Mileage charges apply in addition to the rates specified preceding. Mileage charges are those specified for Foreign District Service as appropriate.		
Each new installation, addition, or rearrangement of trunks that provide DID service from a Remote Central Office, per occasion.	\$50.00	\$50.00

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Local Exchange Services

SECTION 5 – SUPPLEMENTAL SERVICES

5.6 2-Way Direct Inward Dialing (DID) With Call Transfer

5.6.1 General

2-Way Direct Inward Dialing (DID) with Call Transfer is a service that permits incoming calls to reach customer provided equipment, without the assistance of an attendant, and allows the transfer of those calls to another line. Touch-Tone is a standard feature of this service.

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Local Exchange Services**SECTION 5 – SUPPLEMENTAL SERVICES****5.7 Miscellaneous Services**Monthly Rate**TOLL RESTRICTION SERVICE**

Toll Restriction Service will not allow inter-MSA 1+, 0+, 0-, 10XXX, or 700 calls to be completed.

- per line equipped

\$1.00

Toll billing exception that prevents third number billed and collect call is also a customer option.

INTERCEPT REFERRAL EXTENSION SERVICE

Provides notification to calling parties about changes in the status of the called party's telephone line. (An Add / Change Charge applies to add or change the length of months requested)

\$1.00

Non-Recurring Charge**TEMPORARY INTERCEPT**

Enables a Customer to have incoming calls intercepted for 1 month. (Regular Exchange Access Service billing continues and an Add/Change charge applies)

- per Central Office Line
- per Port Intercepted

\$5.00
\$5.00

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Local Exchange Services

SECTION 5 -- SUPPLEMENTAL SERVICES

5.8 Customer Requested Service Suspensions

5.8.1 At the request of the customer the Company will suspend incoming and outgoing service on the customer's access line for a period of time not to exceed one year. The equipment is left in place and directory listings are continued during the suspension period without change. At the customer's request the Company will provide the customer with an intercept recording referring callers to another number.

5.8.2 The Company will assess a lower monthly rate for Customer Requested Service Suspension as noted below. However, any mileage charges, monthly cable charges or monthly construction charges are still due, without reduction during the period of suspension.

<u>Period of Suspension</u>	<u>Charge</u>
- First Month or Partial Month	Regular Monthly Rate (no reduction)
- Each Additional Month (up to the one year limit)	1/2 Regular Monthly Rate

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Local Exchange Services

SECTION 6 – BUSINESS NETWORKED SWITCHED SERVICES

6.1 General

Business Network Switched Service provide a business customer with a connection to the Company's switching network which enables the customer to:

- A. receive calls from other stations on the public switched telephone network;
- B. access the Company's local calling service;
- C. access the Company's operators and business office for service related assistance; access toll-free telecommunications service such as 800 NPA; and access 911 service for emergency calling; and
- D. access the service of providers of interexchange service. A customer may presubscribe to such provider's service to originate calls on a direct dialed basis or to receive 800 service from such provider, or may access a provider on an ad hoc basis by dialing the provider's Carrier Identification Code (10XXX).

Business Network Switched Service is provided via one or more channels terminated at the customer's premises. Each Business Network Switched Service channel corresponds to one or more analog, voice-grade telephonic communications channels that can be used to place or receive one call at a time.

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Local Exchange Services

SECTION 6 – BUSINESS NETWORKED SWITCHED SERVICES**6.2 Service Descriptions and Rates**

The following Business Access Service Options are offered:

Basic Business Line Service
PBX Trunks

All Business Network Switched Service may be connected to customer-provided terminal equipment such as station sets, key systems, PBX systems, or facsimile machines. Service may be arranged for two-way calling, inward calling only or outward calling only. Optional Voice Mail Service is available.

6.2.1 Service Establishment Charge

This charge applies when the Company initially establishes the Customer's account for any service provided by the Company. This charge is applied in addition to any other monthly or installation charge that is associated with the service the Customer orders.

-Per Order		\$50.00
-Per Visit	(1 hour)	\$100.00
-After Hours	(1 hour)	\$200.00
Line Connection		\$100.00
Service Order		\$50.00

Custom Features are also available as described in this tariff.

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Local Exchange Services

SECTION 6 – BUSINESS NETWORKED SWITCHED SERVICES**6.2 Service Descriptions and Rates (continued)****6.2.2 Basic Business Line Service****A. General**

Basic Business Line Service provides a customer with a one or more analog, voice-grade telephonic communications channel that can be used to place or receive one call at a time. Local calling service is available at a flat rate included in the line price, or on a message usage basis. Basic Business Lines are provided for connection of customer-provided single-line terminal equipment such as station sets or facsimile machines.

Each Basic Business Line has the following characteristics:

Terminal Interface:	2-wire
Signaling Type:	Loop Start
Pulse Type:	Dual Tone Multi-Frequency (DTMF)
Directionality:	Two-way, In-Only, or Out-Only, as specified by the customer.

B. Flat Rate Basic Business Line Service

Service to points within the local calling area is included in the charge for Flat Rate Service.

In addition to the nonrecurring charges listed below, service order charges apply as described in this tariff.

Nonrecurring Connection Charge		\$10.00
Monthly Recurring Charges:		
Business Single Line	(per line)	\$20.00
Business Multi-Line	(per line)	\$25.00

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Local Exchange Services

SECTION 6 – BUSINESS NETWORKED SWITCHED SERVICES**6.2 Service Descriptions and Rates (continued)****6.2.3 PBX Trunk Service****A. General**

Analog and/or digital PBX trunks are provided for connection of customer-provided PBX terminal equipment. Analog trunks are delivered on a DS0 level and digital trunks are delivered at the DS1 level. All trunks are equipped with multiline hunting.

DID service allows callers to reach the called party without going through a PBX attendant. DOD service allows end users to dial outside of a PBX system without going through the PBX attendant to get access to an outside line. Digital trunks cannot be two-way trunks, but must be ordered as with either Direct Inward Dialing (DID) or Direct Outward Dialing (DOD).

For DID configured PBX trunks additional charges apply for Direct Inward Dial Station numbers.

Each Analog Trunk has the following characteristics:

Terminal Interface:	2-wire or 4-wire, as required for the provision of service
Signaling Type:	Loop, Ground, E&M I, II, III
Pulse Type:	Dual Tone Multi-Frequency (DTMF)
Directionality:	In-Coming Only (DID), Out-Going Only (DOD), or Two-Way

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Local Exchange Services

SECTION 6 – BUSINESS NETWORKED SWITCHED SERVICES**6.2 Service Descriptions and Rates (continued)****6.2.3 PBX Trunk Service (continued)****B. Flat Rate Analog PBX Trunks****1. General**

Service to points within the local calling area is included in the charge for Flat Rate Analog PBX Trunk Service.

2. Rates

In addition to the nonrecurring charges listed below, service order charges apply as described in this tariff.

Nonrecurring Connection Charge: \$10.00

Monthly Recurring Charges: \$30.00

Terminal Numbers:

1-10 lines in terminal group \$5.00

11-20 lines in terminal group \$10.00

21 + lines in terminal group \$15.00

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Local Exchange Services**SECTION 6 – BUSINESS NETWORKED SWITCHED SERVICES****6.2 Service Descriptions and Rates (continued)****6.2.3 PBX Trunk Service (continued)****C. Message Rate Analog PBX Trunks****1. Description**

Message Rate Analog PBX Trunks provide the customer with a single, analog, voice grade telephonic communications channel that can be used to place or receive one call at a time. Local calls on two-way trunks and DOD trunks are billed on a message rate basis. DID trunks are arranged for one-way inward calling only.

2. Rates

Charges for each Message Rate PBX Trunk include a monthly recurring Base Service Charge and usage charges for completed calls originated from the customer's lines based on the total number of calls during the billing period.

In addition to the nonrecurring charges listed below, service order charges apply as described in this tariff.

Nonrecurring Connection Charge:	\$10.00
---------------------------------	---------

Monthly Recurring Charges:	\$30.00
----------------------------	---------

Terminal Numbers:

1-10 lines in terminal group	\$5.00
------------------------------	--------

11-20 lines in terminal group	\$10.00
-------------------------------	---------

21 + lines in terminal group	\$15.00
------------------------------	---------

3. Message Usage Charges

Per Message Charge	\$0.01
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Local Exchange Services

SECTION 6 – BUSINESS NETWORKED SWITCHED SERVICES

6.2 Service Descriptions and Rates (continued)

6.2.3 PBX Trunk Service (continued)

D. Analog DID Trunks

Nonrecurring Connection Charge \$10.00

Monthly Recurring Charges (per trunk) \$5.00

DID Station Numbers:

- Each Group of 20 \$1.00

- Each Group of 100 \$12.00

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Local Exchange Services

SECTION 6 – BUSINESS NETWORKED SWITCHED SERVICES**6.2 Service Descriptions and Rates (continued)****6.2.3 PBX Trunk Service (continued)****E. Digital PBX Trunk Service****1. Description**

Digital PBX Trunk Service provide a customer with connection to the Company switch via a DS1 digital fiber optic transmission facility operating at 1.544 Mbps and time division multiplexed into 24 analog voice grade telephonic communications channels. Digital PBX Trunks are provided for connection of customer-provided PBX equipment or trunk capable key systems to the Company switch. Each Digital PBX Trunk has the following characteristics:

Terminal Interface:	Channel Bank or DSX-1 panel
Signaling Type:	Loop, Ground, E&M I, II, III
Start Dial Indicator:	Immediate Wink, Delay Dial, Dial Tone
Pulse Type:	Dual Tone Multi-Frequency (DTMF)
Directionality:	In-Coming or Out-Going Only, as specified by the customer

Service to points within the local calling area is included in the charge for Digital PBX Trunk Service.

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Local Exchange Services**SECTION 6 – BUSINESS NETWORKED SWITCHED SERVICES****6.2 Service Descriptions and Rates (continued)****6.2.3 PBX Trunk Service (continued)****E. Digital PBX Trunk Service (continued)****2. Recurring and Nonrecurring Charges**

In addition to the nonrecurring charges listed below, service order charges apply as described in this tariff. Charges for each Message Rate Digital PBX Trunk include a monthly recurring Base Service Charge and usage charges for completed calls originated from the customer's lines based on the total number of calls during the billing period.

Where appropriate facilities do not exist, Special Construction charges will also apply.

Nonrecurring Connection Charge: \$250.00

Monthly Recurring Charges:**Flat Rate:**

- Facility	\$100.00
- Per Active Channel (DID)	\$10.00
- Per Active Channel (DOD)	\$10.00

Message Rate:

- Facility	\$100.00
- Per Active Channel (DID)	\$10.00
- Per Active Channel (DOD)	\$10.00

3. Message Usage Charges

Per Message Charge \$0.01

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Local Exchange Services

SECTION 7 - SPECIAL SERVICE ARRANGEMENTS

7.1 Individual Case Basis Arrangements

Arrangements will not be developed on a case-by-case basis. The Company's rates that are listed in this tariff will not be changed for any Customer for any reason.

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INTEREXCHANGE SERVICES

ARIZONA TELECOMMUNICATIONS TARIFF

This Tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services within the State of Arizona by PEERLESS NETWORK OF ARIZONA, LLC ("Company"). This tariff is on file with the Arizona Corporation Commission, and copies may also be inspected, during normal business hours, at the following location: 225 W. Washington Street, Ste 1285; Chicago, IL 60606.

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Effective:

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CHECK SHEET

The title page and pages inclusive of this Tariff are effective as of the date shown. Original and revised sheets, as named below, comprise all changes from the original Tariff in effect on the date indicated.

<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>
1	Original	24	Original
2	Original	25	Original
3	Original	26	Original
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8	Original	31	Original
9	Original	32	Original
10	Original	33	Original
11	Original	34	Original
12	Original	35	Original
13	Original	36	Original
14	Original	37	Original
15	Original	38	Original
16	Original		
17	Original		
18	Original		
19	Original		
20	Original		
21	Original		
22	Original		
23	Original		

* New or Revised Sheets

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CONCURRING, CONNECTING AND OTHER PARTICIPATING CARRIERS

CONCURRING CARRIERS:

No Concurring Carriers

CONNECTING CARRIERS:

No Connecting Carriers

OTHER PARTICIPATING CARRIERS:

No Participating Carriers

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TARIFF FORMAT

Sheet Numbering - Sheet numbers appear in the upper right hand corner of the page. Sheets are numbered sequentially and from time to time new pages may be added to the Tariff. When a new page is added between existing pages, a decimal is added to the preceding page number. For example, a new page added between Sheets 3 and 4 would be numbered 3.1.

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

- 2.
- 2.1.
- 2.1.1.
- 2.1.1.A.
- 2.1.1.A.1.
- 2.1.1.A.1.(a).
- 2.1.1.A.1.(a).I.
- 2.1.1.A.1.(a).I.(i).
- 2.1.1.A.1.(a).I.(i).(1).

Check Sheets - When a Tariff filing is made with the Commission, an updated check sheet accompanies the Tariff filing. The check sheet lists the pages contained in the Tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision, all revisions made in a given filing are designed by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it. The Tariff user should refer to the latest check sheet to find out if a particular page is the most current on file with the Commission.

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APPLICABILITY

This Tariff contains the Service offerings, rates, terms and conditions applicable to the furnishing of intrastate interexchange telecommunications services within the State of Arizona by PEERLESS NETWORK OF ARIZONA, LLC ("Company").

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EXPLANATION OF SYMBOLS

- (D) To signify discontinued material
- (I) To signify a rate or charge increase
- (M) To signify material relocated without change in text or rate
- (N) To signify new material
- (R) To signify a reduction
- (T) To signify a change in text but no change in rate or regulation

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1. TECHNICAL TERMS AND ABBREVIATIONS

For the purpose of this Tariff, the following definitions will apply:

Access Coordination

Provides for the design, ordering, installation, coordination, pre-service testing, service turn-up and maintenance on a Company or Customer provided Local Access Channel.

Administrative Change

A change in Customer billing address or contact name.

Alternate Access

Alternate Access is a form of Local Access except that the provider of the Service is an entity, other than the Local Exchange Carrier, authorized or permitted to provide such Service. The charges for Alternate Access may be subject to private agreement rather than published or special tariff if permitted by applicable governmental rules.

Application for Service

A standard Company order form that includes all pertinent billing, technical and other descriptive information that will enable the Company to provide a communication Service as required.

ASR

ASR (Access Service Request) means an order placed with a Local Access Provider for Local Access.

Authorized User

A person, firm, corporation or other entity that either is authorized by the Customer to receive or send communications or is placed in a position by the Customer, either through acts or omissions, to send or receive communications.

Bandwidth

The total frequency band, in hertz, allocated for a channel.

Bill Date

The date on which billing information is compiled and sent to the Customer.

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Call

A completed connection between the Calling and Called Stations.

Called Station

The telephone number called.

Calling Station

The telephone number from which a Call originates.

Cancellation of Order

A Customer initiated request to discontinue processing a Service order, either in part or in its entirety, prior to its completion. Cancellation charges will be assessed for each Circuit-end or Dedicated Access line canceled from an order prior to its completion by the Company, under the following circumstances: (1) if the LEC has confirmed in writing to the Company that the Circuit-end or Dedicated Access line will be installed; or (2) if the Company has already submitted facilities orders to and interconnecting telephone company.

Channel or Circuit

A dedicated communications path between two or more points having a Bandwidth or Transmission Speed specified in this Tariff and selected by a Customer.

Commission

Arizona Corporation Commission

Company

PEERLESS NETWORK OF ARIZONA, LLC

Company Recognized National Holidays

The following are Company Recognized National Holidays determined at the location of the originator of the Call: New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, Christmas Day. The evening rate is used unless a lower rate would normally apply. When a Call begins in one rate period and ends in another, the rate in effect in each rate period applies to the portion of the Call occurring within that rate period. In the event that a minute is split between two rate periods, the rate in effect at the start of that minute applies.

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Customer

The person, firm, corporation or governmental unit which orders Service and which is responsible for the payment of charges and for compliance with the Company's Tariff regulations. A Customer is considered to be an account for billing purposes. The term Customer also includes an entity that remains presubscribed to the Company Service after its account(s) are removed from the Company's billing system, subsequently continues to use Company's network, and is billed by a local exchange carrier for such use, or otherwise uses Service for which no other Customer is obligated to compensate Company.

Customer Premises/Customer's Premises

Locations designated by a Customer where Service is originated/terminated whether for its own communications needs or for the use of its resale customers.

DCS

DCS means Digital Cross-Connect System.

Dedicated Access/Special Access

Dedicated Local Access between the Customer's Premises or serving wire center and the Company's Point-of-Presence for origination or termination of Calls.

DS-0

DS-0 means Digital Signal Level 0 Service and is a 64 Kbps signal.

DS-1

DS-1 means Digital Signal Level 1 Service and is a 1.544 Mbps signal.

DS-0 with VF Access

DS-0 Service with VF Local Access facilities provides for the transmission of analog voice and/or data within 300 Hz to 3000 Hz frequency range.

DS-0 with DDS Access

DS-0 Service with VF Local Access facilities provides for the transmission of digital data at speeds 2.4, 4.8, 9.6 or 56 Kbps.

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Due Date

The Due Date is the date on which payment is due.

Expedite

A Service order initiated at the request of the Customer that is processed in a time period shorter than the Company's standard Service interval.

FCC

Federal Communications Commission

Individual Case Basis (ICB)

Individual Case Basis (ICB) determinations involve situations where complex Customer-specific Company arrangements are required to satisfactorily serve the Customer. The nature of such Service requirements makes it difficult or impossible to establish general tariff provisions for such circumstances. When it becomes possible to determine specific terms and conditions for such offerings, they will be offered pursuant to such terms and conditions.

Installation

The connection of a Circuit, Dedicated Access line, or port for new, changed or an additional Service.

Interexchange Service

Interexchange Service means that portion of a communications channel between a Company-designated Point-of-Presence in one exchange and a Point-of-Presence in another exchange.

Interruption

Interruption shall mean a condition whereby the Service or a portion thereof is inoperative, beginning at the time of notice by the Customer to Company that such Service is inoperative and ending at the time of restoration.

Kbps

Kilobits per second.

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LATA (Local Access Transport Area)

A geographical area established for the provision and administration of communications Service of a local exchange company.

Local Access

Local Access means the Service between a Customer Premises and a Company designated Point-of-Presence.

Local Access Provider

Local Access Provider means an entity providing Local Access.

Local Exchange Carrier (LEC)

The local telephone utility that provides telephone exchange services.

Mbps

Megabits per second.

Multiplexing

Multiplexing is the sequential combining of lower bit rate Private Line Services onto a higher bit rate Private Line Service for more efficient facility capacity usage or vice versa.

N/A

Not available.

Nonrecurring Charges

Nonrecurring Charges are one-time charges.

Payment Method

The manner that the Customer designates as the means of billing charges for Calls using the Company's Service.

Physical Change

The modification of an existing Circuit, Dedicated Access line or port, at the request of the Customer, requiring some Physical Change or retermination.

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Point-of-Presence (POP)

A Company-designated location where a facility is maintained for the purpose of providing access to its Service.

Primary Route

The route that in the absence of Customer-designated routing or temporary re-routing would be used by the Company in the provision of Service.

Private Line

A dedicated transmission channel furnished to a customer without intermediate switching arrangements for full-time customer use.

Private Line Service

A dedicated full-time transmission Service utilizing dedicated access arrangements.

Rate Center

A specified geographical location used for determining mileage measurements.

Requested Service Date

The Requested Service Date is the date requested by the Customer for commencement of Service and agreed to by the Company.

Restore

To make Service operative following an interruption by repair, reassignment, re-routing, substitution of component parts, or otherwise, as determined by the carrier(s) involved.

Route Diversity

Two channels that are furnished partially or entirely over two physically separate routes.

Service

Service means any or all Service(s) provided pursuant to this Tariff.

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Service Commitment Period

The term elected by the Customer and stated on the Service order during which the Company will provide the Services subscribed to by the Customer. The term can be monthly or in the case of Private Line Services for a period of up to 5 years.

Special Promotional Offerings

Special trial offerings, discounts, or modifications of its regular Service offerings which the Company may, from time to time, offer to its Customers for a particular Service. Such offerings may be limited to certain dates, times, and locations.

Start of Service Date

The Requested Service Date or the date Service first is made available by the Company whichever is later.

Tariff

The current Intrastate Services Tariff and effective revisions thereto filed by the Company with the Commission.

Transmission Speed

Data transmission speed or rate, in bits per seconds (bps).

Two-Way Conversation

A Two-Way Conversation is a telephone conversation between or among two or more parties.

VF

VF is voice frequency or voice-grade Service designed for private-line Service. Normal transmission is in the 300 hertz to 3000-hertz frequency band.

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2. RULES AND REGULATIONS

2.1. Description and Limitations of Services

- 2.1.1. Intrastate Telecommunications Service ("Service") is the furnishing of Company communication Services contained herein between specified locations under the terms of this Tariff.
- 2.1.2. Any member of the general public (including any natural person or legally organized entity such as a corporation, partnership, or governmental body) is entitled to obtain Service under this Tariff, provided that the Company reserves the right to deny Service: (A) to any Customer that, in the Company's reasonable opinion, presents an undue risk of nonpayment, (B) in circumstances in which the Company has reason to believe that the use of the Service would violate the provisions of this Tariff or any applicable law or if any applicable law restricts or prohibits provision of the Service, or (C) if insufficient facilities are available to provide the Service (in such cases Company shall make best efforts to accommodate the needs of all potential Customers by means of facility improvements or purchases, of capacity, if such efforts will, in the Company's opinion, provide the Company with a reasonable return on its expenditures), but only for so long as such unavailability exists.
- 2.1.3. Company, when acting at the Customer's request and as its authorized agent, will make reasonable efforts to arrange for Service requirements, such as special routing, Diversity, Alternate Access, or circuit conditioning.
- 2.1.4. Service is offered in equal access exchanges subject to the availability of facilities and the provisions of this Tariff. Company reserves the right to refuse to provide Service to or from any location where the necessary facilities and/or equipment are not available.
- 2.1.5. Service may be discontinued after five business days written notice to the Customer if:
- 2.1.5.A. the Customer is using the Service in violation of this Tariff; or
- 2.1.5.B. the Customer is using the Service in violation of the law or Commission regulation.
- 2.1.6. Service begins on the date that billing becomes effective and is provided on the basis of a minimum period of at least one month, 24 hours per day. For the purposes of computing charges in this Tariff, a month is considered to have 30 days.

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- 2.1.7. Service will be provided until canceled, by the Customer on not less than thirty (30) days' written notice from the date of postmark on the letter giving notice of cancellation.
- 2.1.8. Nothing herein, or in any other provision of this Tariff, or in any marketing materials issued by the Company shall give any person any ownership, interest, or proprietary right in any code or 800 number issued by the Company to its Customers.
- 2.1.9. The Company reserves the right to discontinue furnishing Services or billing options, upon written notice, when necessitated by conditions beyond its control. Conditions beyond the Company's control include, but are not limited to, a Customer's having Call volume or a calling pattern that results, or may result, in network blockage or other Service degradation which adversely affects Service to the calling party, the Customer, or other Customers of the Company.
- 2.1.10. Except as otherwise provided in this Tariff or as specified in writing by the party entitled to receive Service, notice may be given orally or in writing to the persons whose names and business addresses appear on the executed Service order and the effective date of any notice shall be the date of delivery of such notice, not the date of mailing. By written notice, Company or Customer may change the party to receive notice and/or the address to which such notice is to be delivered. In the event no Customer or Company address is provided in the executed Service order, notice shall be given to the last known business address of Customer or, as appropriate.

2.2. Other Terms and Conditions

- 2.2.1. The name(s) of the Customer(s) desiring to use the Service must be stipulated in the Application for Service.
- 2.2.2. The Customer agrees to operate the Company provided equipment in accordance with instructions of the Company or the Company's agent. Failure to do so will void the Company liability for interruption of Service and may make Customer responsible for damage to equipment pursuant to Section 2.2.3 below.
- 2.2.3. 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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- 2.2.4. A Customer shall not use any service-mark or trademark of the Company or refer to the Company in connection with any product, equipment, promotion, or publication of the Customer without prior written approval of the Company.
- 2.2.5. In the event suit is brought or any attorney is retained by the Company to enforce the terms of this Tariff, the Company shall be entitled to recover, in addition to any other remedy, reimbursement for reasonable attorneys' fees, court costs, costs of investigation and other related expenses incurred in connection therewith.
- 2.2.6. The provision of Service will not create a partnership or joint venture between the Company and the Customer nor result in joint Service offerings to their respective Customers.
- 2.2.7. The rate or volume discount level applicable to a Customer for a particular Service or Services shall be the rate or volume discount level in effect at the beginning of the monthly billing period applicable to the Customer for the particular Service or Services. When a Service is subject to a minimum monthly charge, account charge, port charge or other recurring charge or Nonrecurring Charge for both intrastate and interstate Service, only one such charge shall apply per account and that charge shall be the Interstate charge.
- 2.2.8. Service requested by Customer and to be provided pursuant to this Tariff shall be requested on Company Service Order forms in effect from time to time or Customer's forms accepted in writing by an authorized headquarters representative of the Company (collectively referred to as "Service Orders").
- 2.2.9. If an entity other than the company (e.g., another carrier or a supplier) imposes charges on the Company in connection with a Service that entity's charges will be passed through to the Customer also.
- 2.2.10. The Service Commitment Period for any Service shall be established by the Service Order relevant thereto and commence on the Start of Service Date. Upon expiration, each Service Commitment Period for such Service shall automatically be extended subject to written notice of termination by either Company or Customer as of a date not less than thirty (30) days after delivery of said notice to the other. The charges for Interexchange Service during any such extension shall not exceed the then current Company month-to-month charges applicable to such Service.

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2.3. Liability

- 2.3.1. Except as provided otherwise in this Tariff, the Company shall not be liable to Customer or any other person, firm or entity for any failure of performance hereunder if such failure is due to any cause or causes beyond the reasonable control of the Company. Such causes shall include, without limitation, acts of God, fire, explosion, vandalism, cable cut, storm or other similar occurrence, any law, order, regulation, direction, action or request of the United States government or of any other government or of any civil or military authority, national emergencies, insurrections, riots, wars, strikes, lockouts or work stoppages or other labor difficulties, supplier failures, shortages, breaches or delays, or preemption of existing Services to restore service in compliance with Part 64, Subpart D, Appendix A, of the FCC's Rules and Regulations.
- 2.3.2. With respect to the Services contained herein and except as otherwise provided herein, the Company's liability shall not exceed an amount equal to the charge applicable to a one minute Call to the Called Station at the time the affected Call was made. If the initial minute rate is higher than the additional minute rate, the higher rate shall apply. For those Services with monthly recurring charges, the Company's liability is limited to an amount equal to the proportionate monthly recurring charges for the period during which Service was affected.
- 2.3.3. The Company is not liable for any act or omission of any other company or companies (including any Company affiliate that is a participating or concurring carrier) furnishing a portion of the Service or facilities, equipment, or Services associated with such Service.
- 2.3.4. The Customer is responsible for taking all necessary legal steps for interconnecting the Customer provided terminal equipment with the Company facilities. The Customer shall ensure that the signals emitted into the Company's network do not damage Company equipment, injure personnel or degrade Service to other Customers. The Customer is responsible for securing all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection. In addition, the customer shall comply with applicable LEC signal power limitations.
- 2.3.5. The Company may rely on Local Exchange Carriers or other third parties for the performance of other Services such as Local Access. Upon Customer request and execution and delivery of appropriate authorizing documents, the Company may act as agent for Customer in obtaining such other Services. Customer's liability for charges hereunder shall not be reduced by untimely Installation or non-operation of Customer provided facilities and equipment.

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- 2.3.6. The failure to give notice of default, to enforce or insist upon compliance with any of the terms or conditions herein, the waiver of any term or conditions herein, or the granting of an extension of time for performance by the Company or the Customer shall not constitute the permanent waiver of any term or condition herein. Each of the provisions shall remain at all times in full force and effect until modified in writing.
- 2.3.7. The Company shall not be liable to the Customer or any other person, firm or entity in any respect whatsoever as a result of mistakes, accidents, errors, omissions, interruptions, delays, or defects in Service (collectively "Defects"). Defects caused by or contributed to, directly or indirectly, by any act or omission of Customer or its customers, affiliates, agents, representatives, invitees, licensees, successors or assigns or which arise from or are caused by the use of facilities or equipment of Customer or related parties shall not result in the imposition of any liability whatsoever upon the Company, and Customer shall pay to the Company any reasonable costs, expenses, damages, fees or penalties incurred by the Company as a result thereof, including penalties incurred by the Company as a result thereof, including costs of Local Access Providers' labor and materials. In addition, all or a portion of the Service may be provided over facilities of third parties, or sold by third parties, and the Company shall not be liable to Customer or any other person, firm or entity in any respect whatsoever arising out of Defects caused by such third parties. THE COMPANY SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, SPECIAL, ACTUAL, PUNITIVE OR ANY OTHER DAMAGES, OR BUSINESS INTERRUPTION, FOR ANY LOST PROFITS OF ANY KIND OR NATURE WHATSOEVER ARISING OUT OF ANY DEFECTS OR ANY OTHER CAUSE. THE COMPANY'S LIABILITY, IF ANY, WITH REGARD TO THE DELAYED INSTALLATION OF THE COMPANY'S FACILITIES OR COMMENCEMENT OF SERVICE SHALL NOT EXCEED \$1,000. THIS WARRANTY AND THESE REMEDIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OR REMEDIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN THE EVENT OF AN INTERRUPTION IN SERVICE OR ANY DEFECT IN THE SERVICE WHATSOEVER, NEITHER COMPANY NOR ANY AFFILIATED OR UNAFFILIATED THIRD PARTY, THIRD PARTY PROVIDER OR OPERATOR OF FACILITIES EMPLOYED IN THE PROVISION OF THE SERVICE SHALL BE LIABLE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, SPECIAL, ACTUAL, PUNITIVE OR ANY OTHER DAMAGES, OR FOR ANY LOST PROFITS OF ANY KIND OR NATURE WHATSOEVER.

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- 2.3.8. With respect to the routing of Calls by the Company to public safety answering points or municipal Emergency Service providers, Company liability, if any, will be limited to the lesser of: (a) the actual monetary damages incurred and proved by the Customer as the direct result of the Company's action, or failure to act, in routing the Call, or (b) the sum of \$1,000.00.
- 2.3.9. In the event parties other than Customer (e.g., Customer's customers) shall have use of the Service directly or indirectly through Customer, then Customer agrees to forever indemnify and hold Company and any affiliated or unaffiliated third-party, third-party provider or operator of facilities employed in provision of the Service harmless from and against any and all claims, demands, suits, actions, losses, damages, assessments or payments which may be asserted by said parties arising out of or relating to any Defects.
- 2.3.10. In the event that Company is required to perform a Circuit redesign due to inaccurate information provided by the Customer; or, circumstances in which such costs and expenses are caused by the Customer or reasonably incurred by the Company for the benefit of the Customer, the Customer is responsible for the payment of all such charges.

2.4. Cancellation of Service by a Customer

- 2.4.1. If a Customer cancels a Service Order before the Service begins, before completion of the Minimum Period, or before completion of some other period mutually agreed upon by the Customer and the Company, a charge will be levied upon the Customer for the nonrecoverable portions of expenditures or liabilities incurred expressly on behalf of the Customer by the Company and not fully reimbursed by Installation and monthly charges. If, based on a Service order by a Customer, any construction has either begun or been completed, but no Services provided, the nonrecoverable costs of such construction shall be borne by the Customer.
- 2.4.2. Upon thirty (30) days' prior written notice, either Customer or Company shall have the right, without cancellation charge or other liability, to cancel the affected portion of the Service, if the Company is prohibited by governmental authority from furnishing said portion, or if any material rate or term contained herein and relevant to the affected Service is substantially changed by order of the highest court of competent jurisdiction to which the matter is appeal, the Federal Communications Commission, or other local, state or federal government authority.

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2.5. Cancellation for Cause by the Company

2.5.1. Upon nonpayment of any sum owing to the Company, 30 days past the bill due date on a balance greater than \$20.00, or upon a violation of any of the provisions governing the furnishing of Service under this Tariff, the Company may, upon five business days written notification to the Customer, except in extreme cases, without incurring any liability, immediately discontinue the furnishing of such Service. The written notice may be separate and apart from the regular monthly bill for service. Customer shall be deemed to have canceled Service as of the date of such disconnection and shall be liable for any cancellation charges set forth in this Tariff.

2.5.2. Without incurring any liability, the Company may discontinue the furnishing of Service(s) to a Customer upon five business days written 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 under the following circumstances, except under extreme cases where the Customer may be disconnected immediately and without notice:

2.5.2.A. if 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);

2.5.2.B. if the Customer provides false information to the Company regarding the Customer's identity, address, credit-worthiness, past or current use of Customer communications Services, or its planned use of the Company Service(s);

2.5.2.C. if the Customer states that it will not comply with a request of the Company for reasonable security for the payment for Service(s);

2.5.2.D. if the Customer has been given five business days written notice in a separate mailing by the Company of any past due amount (which remains unpaid in whole or in part) for any of the Company's communications Services to which the Customer either subscribes or had subscribed or used;

2.5.2.E. in the event of unauthorized use.

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2.5.2.F. Following the disconnection of service for any of these reasons, the Company or the local exchange utility acting as Company agent, will notify the telephone user/customer that service was disconnected and why. The notice will include all reasons for the disconnection and will include a toll-free number where an end user/customer can obtain additional information. Notice shall be deemed given upon deposit, postage prepaid, in the U.S. Mail to the end user's/customer's last known address and in compliance with the Commission's rules.

2.5.3. The discontinuance of Service(s) by the Company pursuant to this Section does not relieve the Customer of any obligations to pay the company for charges due and owing for Service(s) furnished up to the time of discontinuance. The remedies set forth herein shall not be exclusive and the Company shall at all times be entitled to all rights available to it under either law or equity.

2.6. Credit Allowance

2.6.1. Credit allowance for the interruption of Service is subject to the general liability provisions set forth in this Tariff. Customers shall receive no credit allowance for the interruption of service that is due to the Company's testing or adjusting, negligence of the Customer, or to the failure of channels or equipment provided by the Customer. The Customer should notify the Company when the Customer is aware of any interruption in Service for which a credit allowance is desired. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission within Customer's control, or is not in wiring or equipment, if any, furnished by the Customer in connection with the Company's Services.

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

2.6.3. No credit shall be allowed:

2.6.3.A. For failure of services or facilities of Customer; or

2.6.3.B. For failure of services or equipment caused by the negligence or willful acts of Customer.

2.6.4. Credit for an interruption shall commence after Customer notifies Company of the Interruption and ceases when services have been restored.

2.6.5. Credits are applicable only to that portion of Service interrupted.

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- 2.6.6. For purposes of credit computation, every month shall be considered to have 720 hours.
- 2.6.7. No credit shall be allowed for an interruption of a continuous duration of less than two hours.
- 2.6.8. The Customer shall be credited for an interruption of two hours or more at a rate of 1/720th of the monthly recurring charge for the service affected for each hour or major fraction thereof that the interruption continues. Calculations of the credit shall be made in accordance with the following formula.

Credit Formula:

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

"A" = outage time in hours

"B" = total monthly charge for affected facility

2.7. Use of Service

- 2.7.1 The Services offered herein may be used for any lawful purpose, including residential, business, governmental, or other use. There are no restrictions on sharing or resale of Services. However, the Customer remains liable for all obligations under this Tariff notwithstanding such sharing or resale and regardless of the Company's knowledge of same. The Company shall have no liability to any person or entity other than the Customer and only as set forth in Section 2.3. The Customer shall not use nor permit others to use the Service in a manner that could interfere with Services provided to others or that could harm the facilities of the Company or others.
- 2.7.2. Service furnished by the Company may be arranged for joint use or authorized use. The joint user or Authorized User shall be permitted to use such Service in the same manner as the Customer, but subject to the following:
- 2.7.2.A. One joint user or Authorized User must be designated as the Customer.

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- 2.7.2.B. All charges for the Service will be computed as if the Service were to be billed to one Customer. The joint user or Authorized User that has been designated as the Customer will be billed for all components of the Service and will be responsible for all payments to the Company. In the event that the designated Customer fails to pay the Company, each joint user or Authorized User shall be liable to the Company for all charges incurred as a result of its use of the Company's Service.
- 2.7.3. In addition to the other provisions in this Tariff, Customers reselling Company Services shall be responsible for all interaction and interface with their own subscribers or customers. The provision of the Service will not create a partnership or joint venture between Company and Customer nor result in a joint communications Service offering to the Customers of either the Company or the Customer.
- 2.7.4. Service furnished by the Company shall not be used for any unlawful or fraudulent purposes.
- 2.7.5. The Customer will be billed directly by the LEC for certain Dedicated Access arrangements selected by the Customer for the provisioning of direct access arrangements. In those instances where the Company at the Customer's request may act as agent in the ordering of such arrangements, the Company will bill the Customer Local Access charges.
- 2.8. Payment Arrangements
- 2.8.1. The Customer is responsible for payment of all charges for Services furnished to the Customer or its joint or Authorized Users. This responsibility is not changed due to any use, misuse, or abuse of the Customer's Service or Customer provided equipment by third parties, the Customer's employees, or the public.
- 2.8.2. The Company's bills are due upon receipt. Amounts not paid within 30 days from the Bill Date of the invoice will be considered past due. If a Customer presents an undue risk of nonpayment at any time, the Company may require that Customer to pay its bills within a specified number of days and to make such payments in cash or the equivalent of cash.
- 2.8.3. In determining whether a Customer presents an undue risk of nonpayment, the Company shall consider the following factors: (A) the Customer's payment history (if any) with the Company and its affiliates, (B) Customer's ability to demonstrate adequate ability to pay for the Service, (C) credit and related information provided by Customer, lawfully obtained from third parties or publicly available, and (D) information relating to Customer's management, owners and affiliates (if any).

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- 2.8.4. Disputes with respect to charges must be presented to the Company in writing within thirty days from the date the invoice is rendered or such invoice will be deemed to be correct and binding on the Customer. For recourse Customers may appeal to the Arizona Corporation Commission.
- 2.8.5. If a LEC has established or establishes a Special Access surcharge, the Company will bill the surcharge beginning on the effective date of such surcharge for Special Access arrangements presently in Service. The Company will cease billing the Special Access surcharge upon receipt of an Exemption Certificate or if the surcharge is removed by the LEC.
- 2.8.6. 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.
- 2.8.7. Company will not require deposits or advance payments by Customers for Services.

2.9. Assignment

- 2.9.1. The obligations set forth in this Tariff shall be binding upon and inure to the benefit of the parties hereto and their respective successors or assigns, provided, however, the Customer shall not assign or transfer its rights or obligations without the prior written consent of the Company.

2.10. Tax and Fee Adjustments

- 2.10.1. All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.
- 2.10.2. If at any future time a municipality acquires the legal right to impose an occupation tax, license tax, permit fee, franchise fee or other similar charge upon the Carrier, and imposes the same by ordinance or otherwise, such taxes, fees or charges shall be billed to the end users receiving service within the territorial limits of such municipality. Such billing shall allocate the tax, fee or charge among end users uniformly on the basis of each end user's monthly charges for the types of service made subject to such tax, fee or charge.

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- 2.10.3. If at any future time a county or other local taxing authority acquires the legal right to impose an occupation tax, license tax, permit fee, franchise fee or other similar charge upon the Carrier, and imposes the same by ordinance or otherwise, such taxes, fees or charges shall be billed to the end users receiving service within the territorial limits of such county or other taxing authority. Such billing shall allocate the tax, fee or charge among end users uniformly on the basis of each end user's monthly charges for the types of service made subject to such tax, fee or charge.
- 2.10.4. When utility or telecommunications assessments, franchise fees, or privilege, license, occupational, excise, or other similar taxes or fees, based on interstate or intrastate receipts are imposed by certain taxing jurisdictions upon the Company or upon local exchange companies and passed on to the Company through or with interstate or intrastate access charges, the amounts of such taxes or fees will be billed to Customers in such a taxing jurisdiction on a prorated basis. The amount of charge that is prorated to each Customer's bill is determined by the interstate or intrastate telecommunications service provided to and billed to an end user/customer service location in such a taxing jurisdiction with the aggregate of such charges equal to the amount of the tax or fee imposed upon or passed on to the Company.
- 2.10.5. When any municipality, or other political subdivision, local agency of government, or department of public utilities imposes upon and collects from the Company a gross receipts tax, occupation tax, license tax, permit fee, franchise fee or regulatory fee, such taxes and fees shall, insofar as practicable, be billed pro rata to the Company's Customers receiving service within the territorial limits of such municipality, other political subdivision, local agency of government, or public utility commission.
- 2.10.6. The Company may adjust its rates and charges or impose additional rates and charges on its Customers in order to recover amount it is required by governmental or quasi-government authorities to collect from or pay to others in support of statutory or regulatory programs. Examples of such programs include, but are not limited to, the Universal Service Fund, the Primary Interexchange Carrier Charge, and compensation to payphone service providers for use of their payphones to access the Company's services.

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2.11. Method for Calculation of Airline Mileage

2.11.1. The airline mileage between two cities can be calculated using the Vertical (V) and Horizontal (H) coordinates of the serving wire centers associated with the Company's POP locations. The method for calculating the airline mileage is obtained by reference to AT&T's Tariff F.C.C. No. 10 in accordance with the following formula:

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

where V1 and H1 correspond to the V&H coordinates of City 1 and V2 and H2 correspond to the V&H coordinates of City 2.

Example:

	<u>V</u>	<u>H</u>
City 1	5004	1406
City 2	5987	3424

the square root of: $\frac{(5004-5987)^2 + (1406-3424)^2}{10}$

The result is 709.83 miles. Any fractional miles are rounded to the next higher whole number; therefore, the airline mileage for this example is 710 miles.

2.12. Time of Day Rate Periods

2.12.1. Time of Day Rate Periods are determined by the time of day at the location of the Calling Station.

The rates shown in Section 4 apply as follows:

DAY: From 8:00 AM to 4:59 PM Monday - Friday

EVENING: From 5:00 PM to 10:59 PM Monday - Friday and Sunday

NIGHT/
WEEKEND: From 11:00 PM to 7:59 AM Everyday
From 8:00 AM to 10:59 PM Saturday
From 8:00 AM to 4:59 PM Sunday

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2.13. Special Customer Arrangements

2.13.1. In cases where a Customer requests a special or unique arrangement which may include engineering, conditioning, Installation, construction, facilities, assembly, purchase or lease of facilities and/or other special Services not offered under this Tariff, the Company, at this option, may provide the requested Services. Appropriate recurring charges and/or Nonrecurring Charges and other terms and conditions will be developed for the Customer for the provisioning of such arrangements.

2.14. Inspection

2.14.1. The Company may, upon notice, make such tests and inspections as may be necessary to determine that the requirements of this Tariff are being complied with in the Installation, operation or maintenance of Customer or the Company equipment. The Company may interrupt the Service at any time; without penalty to the Company, should Customer violate any provision herein.

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3. INTRALATA TOLL USAGE AND MILEAGE CHARGES

3.1 General

3.1.1 Description

IntraLATA toll service is furnished for communication between telephones in different local calling areas within a particular LATA in accordance with the regulations and schedules of charges specified in this tariff. The toll service charges specified in this section are in payment for all service furnished between the calling and called telephone, except as otherwise provided in this Tariff.

IntraLATA toll calling includes the following types of calls: direct dialed, calling card, collect, 3rd number billed, special toll billing, requests to notify of time and charges, person to person calling and other station to station calls.

3.1.2 Classes of Calls

Service is offered as two classes: station-to-station calling and person-to-person calling.

- A. Station to Station Service is that service where the person originating the call dials the telephone number desired or gives the Company operator the telephone number of the desired telephone station or system.
- B. Person to Person Service is that service where the person originating the call specifies to the Company operator a particular person to be reached, a particular mobile unit to be reached, or a particular station, department or office to be reached. The call remains a person to person call when, after the telephone, mobile telephone, or PBX system has been reached and while the connection remains established, the person originating the call requests or agrees to talk to any person other than the person specified, or to any other agreed upon alternate.

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3.2 Timing of Calls

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

3.2.2 Unless otherwise specified in this Tariff, the minimum call duration for billing purposes is sixty (60) seconds. In addition, unless otherwise specified in this Tariff, usage is measured thereafter in sixty (60) second increments and rounded to the next higher sixty (60) second period.

3.3 Minimum Call Completion Rate

A Customer can expect a call completion rate of not less than 97% during peak use periods for all Feature Group D services.

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3.4 Usage Rates

3.4.1. The following are the per minute usage charges which apply to all calls. These charges are in addition to the Non-recurring Charges and Recurring Charges referred to herein.

3.4.2. Reserved for future use.

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3.4.3 Switched Services**A. Switched Inbound Usage Charges**

The Company's Switched Service is offered to business customers for both inbound and outbound, intraLATA, and interLATA, calling over standard switched lines. Calls are billed in sixty (60) second increments after an initial minimum call duration of sixty (60) seconds. The following rates are not time of day sensitive or distance sensitive, and apply 24 hours a day, 7 days a week.

DAY/EVENING/NIGHT/WEEKEND

Mileage	Initial 60 Seconds	Additional 60 Seconds
ALL	\$0.03	\$0.03

B. Switched Outbound Usage Charges**DAY/EVENING/NIGHT/WEEKEND**

Mileage	Initial 60 Seconds	Additional 60 Seconds
ALL	\$0.03	\$0.03

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3.4.4 Dedicated Services

The Company's Dedicated Service is offered to business and residential customers for both inbound and outbound, intraLATA and InterLATA, calling over dedicated access lines. Calls are billed in sixty (60) second increments after an initial minimum call duration of sixty (60) seconds. The following rates are not time of day sensitive or distance sensitive, and apply 24 hours a day, 7 days a week.

A. Dedicated Inbound Usage Rates**DAY/EVENING/NIGHT/WEEKEND**

Mileage	Initial 60 Seconds	Additional 60 Seconds
ALL	\$0.03	\$0.03

B. Dedicated Outbound Usage Rates**DAY/EVENING/NIGHT/WEEKEND**

Mileage	Initial 60 Seconds	Additional 60 Seconds
ALL	\$0.03	\$0.03

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225 W. Washington Street, Ste 1285
Chicago, IL 60606

Snell & Wilmer
L.L.P.
LAW OFFICES

One Arizona Center
Phoenix, AZ 85004-2202
602.382.6000
602.382.6070 (Fax)
www.swlaw.com

Jeffrey W. Crockett
602.382.6234
jcrockett@swlaw.com

DENVER
LAS VEGAS
ORANGE COUNTY
PHOENIX
SALT LAKE CITY
TUCSON

July 21, 2008

HAND-DELIVERED

Ms. Candrea Allen
Executive Consultant I
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington
Phoenix, Arizona 85007

Re: Peerless Network of Arizona, LLC (Docket No. T-20590A-08-0175)

Dear Ms. Allen:

On May 27, 2008, the Arizona Corporation Commission's Utilities Division issued a letter of insufficiency in the above-referenced case. The letter identified additional information that Staff needs to complete its analysis of Peerless Network of Arizona's application for a Competitive Certificate of Convenience and Necessity. Enclosed are responses to Staff's Data Requests CA-1 through CA-7, together with supporting documents. Financial information responsive to Data Request CA-4 is being provided to you under a separate cover letter.

Pursuant to your request, we have filed an original and 13 copies of this submittal with Docket Control. If you have any questions regarding this submittal, please contact me at the direct line listed above.

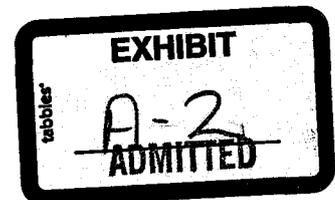
Very truly yours,

SNELL & WILMER



Jeffrey W. Crockett

JWC:gdb
Enclosures



8895770.1

**RESPONSES TO STAFF'S FIRST SET OF DATA REQUESTS FOR
PEERLESS NETWORK OF ARIZONA, LLC
DOCKET NO. T-20590A-08-0175**

CA-1 Please provide the names of the Applicant's affiliate(s). In addition, please list the state(s) that each affiliate is authorized to provide service in and is currently providing service.

A list of the affiliates of Peerless Network of Arizona is attached as Exhibit CA-1.

Response by: Daniel Meldazis
Director of Regulatory Affairs
Peerless Network of Arizona, LLC
225 West Washington Street, Suite 1285
Chicago, IL 60606

CA-2 When does the company intend to begin to sell facilities-based telecommunications services in the State of Arizona? Refer to question (D-1) of the application.

Peerless Network of Arizona intends to begin to sell facilities-based telecommunications services in Arizona by the end of 2008.

Response by: Daniel Meldazis
Director of Regulatory Affairs
Peerless Network of Arizona, LLC
225 West Washington Street, Suite 1285
Chicago, IL 60606

CA-3 Please submit the Applicant's Certificate of Good Standing. Refer to question (A-8-1) of the application.

A copy of the Certificate of Good Standing for Peerless Network of Arizona is attached as Exhibit CA-3.

Response by: Daniel Meldazis
Director of Regulatory Affairs
Peerless Network of Arizona, LLC
225 West Washington Street, Suite 1285
Chicago, IL 60606

**RESPONSES TO STAFF'S FIRST SET OF DATA REQUESTS FOR
PEERLESS NETWORK OF ARIZONA, LLC
DOCKET NO. T-20590A-08-0175**

- CA-4 Please submit the financial information for the two (2) most recent years of Peerless Network, LLC, the parent company of the Applicant. Refer to question (B-2) of the application.

Peerless Network, LLC, was formed fairly recently, and the company has financial information for 2007 but not for prior years. A summary balance sheet and profit and loss statement for Peerless Network, LLC, for the year ended December 31, 2007, has been provided to the Commission's Utilities Division Staff under a separate cover letter.

Response by: Daniel Meldazis
Director of Regulatory Affairs
Peerless Network of Arizona, LLC
225 West Washington Street, Suite 1285
Chicago, IL 60606

- CA-5 Please explain how your company calculated the actual maximum and actual minimum that will be contained in your tariffs for each of your services.

The rates for services were calculated using general market analysis based on experience.

Response by: Daniel Meldazis
Director of Regulatory Affairs
Peerless Network of Arizona, LLC
225 West Washington Street, Suite 1285
Chicago, IL 60606

- CA-6 Please explain 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.

Attached as Exhibit CA-7 is a comparison of the proposed business rates of Peerless Network of Arizona and the approved business rates of Qwest Corporation, Cox Arizona Telecom, and BullsEye Telecom in Arizona. This information demonstrates a range of costs for services. Customers voluntarily agree to a competitive provider's price structure when they apply for service, and they are free to discontinue service at any time. As a result, a competitive provider's product pricing must be in line with fair market value or customers will simply move to another competitive provider.

**RESPONSES TO STAFF'S FIRST SET OF DATA REQUESTS FOR
PEERLESS NETWORK OF ARIZONA, LLC
DOCKET NO. T-20590A-08-0175**

Response by: Daniel Meldazis
Director of Regulatory Affairs
Peerless Network of Arizona, LLC
225 West Washington Street, Suite 1285
Chicago, IL 60606

CA-7 Please indicate why you believe 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 proposed tariff rates and charges are just and reasonable.

Use a matrix format to list the company's proposed services, rates and charges. Based on the company's tariff, list all of the telecommunications services the company will provide in Arizona. For each of the telecommunications services listed, provide the company's tariff page numbers that support each of the company's services, rates, and charges. Also, provide the same information requested of the company for Qwest and two other Arizona competitors using the same or comparable services and include copies of the tariff page of each service, rate and charge of each competitor. For a list of telecommunications carriers certified in Arizona, go to www.cc.state.az.us/utility/telecom. For a list of Commission-approved telecommunications rates and tariffs, go to www.cc.state.az.us/utility/tariffs. (Please Note: Refer to Attachments A, B, C, and D for the prescribed format to submit the company's telecommunications services, rates and charges and the telecommunications services, rates, and charges of its competitors. Please make sure to include all supporting tariff pages for each of the company's competitors).

Completed copies of Attachments B and D to this data request CA-7 are attached as Exhibit CA-7. Peerless Network of Arizona will not offer residential services, so Attachments A and C are not applicable.

Response by: Daniel Meldazis
Director of Regulatory Affairs
Peerless Network of Arizona, LLC
225 West Washington Street, Suite 1285
Chicago, IL 60606

EXHIBIT CA-1

Applicant's Affiliates

Peerless Network of Illinois
Peerless Network of New York
Peerless Network of Pennsylvania
Peerless Network of Florida
Peerless Network of Georgia
Peerless Network of Minnesota
Peerless Network of Washington
Peerless Network of Oregon
Peerless Network of Texas
Peerless Network of Missouri (IXC and resale only, local authority pending)

Neither Applicant nor any of its affiliates are currently providing service in any jurisdiction.

Currently, Peerless is in the process of turning up customers in Illinois. Peerless is also working towards completing its network build-out and testing the networks in New York and Pennsylvania.

EXHIBIT CA-3

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. McNell, Executive Director of the Arizona Corporation Commission, do hereby certify that

*****PEERLESS NETWORK OF ARIZONA, LLC*****

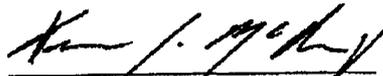
a domestic limited liability company organized under the laws of the State of Arizona, did organize on the 5th day of April 2006.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said limited liability company is not administratively dissolved for failure to comply with the provisions of A.R.S. section 29-601 et seq., the Arizona Limited Liability Company Act; and that the said limited liability company has not filed Articles of Termination as of the date of this certificate.

This certificate relates only to the legal existence 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 14th Day of March, 2008, A. D.




Executive Director

Order Number: 217780

EXHIBIT CA-7

Comparison of Services, Rates and Charges

ATTACHMENT A
BY COMPETITOR

Residence Rate Comparison of Telecommunications Services provided by Competitor's in Arizona	Applicant's Arizona Tariff Attach Tariff Sheets for Support			Qwest's Arizona Tariff Attach Tariff Sheets for Support		
	Charges & Rates (\$)	Section Number	Page Number	Charges & Rates (\$)	Section Number	Page Number
Product/Services						
Basic Local Service						
Service Connect Fee						
Dispatch Call & Trouble isolated on cust. equip.						
Feature Change Order						
Toll Restriction Fee Order						
Transfer of Service (move order)						
Restoration of Service						
Directory Assistance						
Miscellaneous Services & Rates						
Returned Check Charge (NSF)						
Listings						
Directory Listing Service						
Primary Listing						
Non-Published						
PRI Service with Unlimited Local Calling						
12 Months						
24 Months						
36 Months						
Non-Recurring on a PRI Install						
Order Cancellation Charge						
Order Sup Charge						

NOT APPLICABLE

Residence Rate Comparison of Telecommunications Services provided by Competitor's in Arizona	Competitor #1 Arizona Tariff Name of Competitor			Competitor #2 Arizona Tariff Name of Competitor		
	Charges & Rates (\$)	Section Number	Page Number	Charges & Rates (\$)	Section Number	Page Number
Product/Services						
Basic Local Service						
Service Connect Fee						
Dispatch Call & Trouble isolated on cust. equip.						
Feature Change Order						
Transfer of Service (move order)						
Restoration of Service						
Directory Assistance						
Miscellaneous Services & Rates						
Returned Check Charge (NSF)						
Listings						
Directory Listing Service						
Primary Listing						
Non-Published						
PRI Service with Unlimited Local Calling						
12 Months						
24 Months						
36 Months						
Non-Recurring on a PRI Install						
Order Cancellation Charge						
Order Sup Charge						

NOT APPLICABLE

ATTACHMENT B
BY COMPETITOR

Business Rate Comparison of Telecommunications Services provided by Competitor's in Arizona	Applicant's Arizona Tariff Attach Tariff Sheets for Support			Qwest's Arizona Tariff Attach Tariff Sheets for Support		
	Charges & Rates (\$)	Section Number	Page Number	Charges & Rates (\$)	Section Number	Page Number
Product/Services						
Basic Local Service	20.00	6	44	42	5	2
Service Connect Fee	10.00	6	44	150	3	2
Dispatch Call & Trouble isolated on cust. equip.	100.00	4	24	95	13	14
Feature Change Order	50.00	4	23	N/A		
Toll Restriction Fee Order	0.00	5	31	371, 0.25 per call	10	2
Transfer of Service (move order)	50.00	4	23	60	13	10
Restoration of Service	100.00	4	22	60	13	10
Directory Assistance	1.00	5	36	1.15 per call	6	20
Miscellaneous Services & Rates						
Returned Check Charge (NSF)	30	2	16	10	2	36
Listings						
Directory Listing Service - Primary Listing	0	5	35	3.8	5	116
Directory Listing Service - Non-Published	1	5	36	2.35	5	117
Primary Rate Interface (DS0) Service						
Month-to-month	n/a			1025	14	38
12 Months	n/a			n/a		
24 Months	n/a			n/a		
36 Months	n/a			n/a		
Long Distance						
Direct Dialed Station-to-Station (include all relevant billing elements used to make the comparison)	0.03 per MOU	3	33			

Business Rate Comparison of Telecommunications Services provided by Competitor's in Arizona	Competitor #1 Arizona Tariff Bullseye Telecom			Competitor #2 Arizona Tariff Cox Communications		
	Charges & Rates (\$)	Section Number	Page Number	Charges & Rates (\$)	Section Number	Page Number
Product/Services						
Basic Local Service	30.40	11	3	30.00	3	61
Service Connect Fee	90.00	4	2	45.00	3	60
Dispatch Call & Trouble isolated on cust. equip.	25.00	11	2	N/A		
Feature Change Order	27.50	11	1	20.00	3	62
Toll Restriction Fee Order	16.00	11	1	3.50	7	106
Transfer of Service (move order)	42.50	11	1	40.00	3	60
Restoration of Service	35.00	4	3	25.00	3	60
Directory Assistance	3.00	6	9	0.60	3	93
Miscellaneous Services & Rates						
Returned Check Charge (NSF)	25	11	3	25	2	38
Listings						
Directory Listing Service - Primary Listing	N/A			no charge	3	99
Directory Listing Service - Non-Published	1.8	11	9	2	3	99
Primary Rate Interface (DS0) Service						
Month-to-month						
12 Months	N/A			950	3	85
24 Months	N/A			800	3	85
36 Months	N/A			775	3	85
Long Distance						
Direct Dialed Station-to-Station (include all relevant billing elements used to make the comparison)	.40 per MOU	3	34	0.01 per six seconds	3	17

Local Exchange Services

SECTION 2 – RULES AND REGULATIONS

2.17 Returned Check Charge

A fee may be charged for each check returned for insufficient fund as set forth in this tariff up to a maximum of \$30.00.

2.18. Service Implementation

Absent a promotional offering, service implementation charges will apply to new service orders.

2.19 Reconnection Charge

The Company will charge a reconnection fee as set forth in this tariff.

2.20 Reserved for Future Use

Issued:

Effective:

Issued By: John Barnicle, CEO
Peerless Network of Arizona, LLC
225 W. Washington Street, Ste 1285
Chicago, IL 60606

Local Exchange Services

SECTION 4 – CONNECTION CHARGES

4.1 Connection Charge

4.1.1 General

The Connection Charge is a nonrecurring charge which applies to the following: (a) the installation of a new service; (b) the transfer of an existing service to a different location; (c) a change from one class of service to another at the same or a different location; or (d) restoral of service after suspension or termination for nonpayment. Connection Charges are listed with each service to which they apply.

4.1.2 Exceptions to the Charge

- A. No charge applies for a change to a service for which a lower monthly rate applies, made within 90 days after any general rate increase, if a lower grade of service is offered in the customer's exchange.
- B. The Company may from time to time waive or reduce the charge as part of a promotion.

4.2 Restoral Charge

A restoral charge applies each time a service is reconnected after suspension or termination for nonpayment but before cancellation of the service, as deemed in Section I of this Tariff.

Business
\$100.00

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Peerless Network of Arizona, LLC
225 W. Washington Street, Ste 1285
Chicago, IL 60606

Local Exchange Services

SECTION 4 – CONNECTION CHARGES**4.3 Moves, Adds, and Changes**

The Company alone may make changes in the location of its lines and equipment. When it is found that a move or change of such lines or equipment has been made by others, the Connection Charge for the underlying service will apply as if the work had been done by the Company.

The customer will be assessed a charge for any move, add or change of a Company service and is charged in addition to any other monthly or installation charge which is associated with the service the customer orders. Move, Add and Change are defined as follows:

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

Add: The addition of a vertical service to existing equipment and/or service at one location.

Change: Change - including rearrangement or reclassification - of existing service at the same location.

	<u>Move</u>	<u>Add</u>	<u>Change</u>
Business Charge per Order	\$50.00	\$50.00	\$50.00
Line Connection (per line)	\$100.00	\$100.00	\$100.00

Record Work Only (This charge is applicable for changes that do not involve central office or premise work.)	\$50.00
--	---------

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Peerless Network of Arizona, LLC
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Chicago, IL 60606

Local Exchange Services

SECTION 5 – SUPPLEMENTAL SERVICES**5.1 Custom Calling Service (continued)****5.1.2 Feature Descriptions and Rates (continued)****900 SPECIAL ACCESS CODE BLOCKING** N/C

Blocks access from a company provided Exchange Access Service to customer dialed 900 numbers.

976 PREFIX BLOCKING SERVICE N/C

Blocks access from a company provided Exchange Access Service to customer dialed 976 numbers.

AUTOMATIC CALL BACK Per Activation \$1.00

Allows a customer to return most recent incoming calls whether answered or not. If the line to which the request is made is idle, the call goes through, if the line is busy, the automatic callback continues to attempt until the line is free. The request is deactivated after 30 minutes or six unanswered ring backs if the call is not completed.

REPEAT DIALING Per Activation \$1.00

Allows a Customer, by dialing a particular code, to redial a dialed number a specified number of times or until a party answers the call.

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Peerless Network of Arizona, LLC
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Chicago, IL 60606

3.4.3 Switched Services**A. Switched Inbound Usage Charges**

The Company's Switched Service is offered to business customers for both inbound and outbound, intraLATA, and interLATA, calling over standard switched lines. Calls are billed in sixty (60) second increments after an initial minimum call duration of sixty (60) seconds. The following rates are not time of day sensitive or distance sensitive, and apply 24 hours a day, 7 days a week.

DAY/EVENING/NIGHT/WEEKEND

Mileage	Initial 60 Seconds	Additional 60 Seconds
0-22	\$0.00	\$0.00
22+	\$0.03	\$0.03

B. Switched Outbound Usage Charges**DAY/EVENING/NIGHT/WEEKEND**

Mileage	Initial 60 Seconds	Additional 60 Seconds
0-22	\$0.00	\$0.00
22+	\$0.03	\$0.03

Issued:

Effective:

Issued By: John Barnicle, CEO
Peerless Network of Arizona, LLC
225 W. Washington Street, Ste 1285
Chicago, IL 60606

Local Exchange Services

SECTION 5 – SUPPLEMENTAL SERVICES**5.4 Directory Services****5.4.1 General**

Directory services allow customers to customize the manner in which their Company assigned telephone numbers appear in published directory and/or are used by dialable directories and Company operators. This section applies only to services provided by the Company.

5.4.2 Directory Services -- Rate Schedule**ALPHABETICAL DIRECTORY LISTING**

N/C

One listing, without charge, is provided in the alphabetical section of the directory of the local exchange area in which the Customer's premises is located. This listing is termed the primary listing and is provided for each line provided pursuant to the Company's Exchange Access Service. Where two or more lines are arranged to hunt, all of those lines so arranged constitute a separate Customer Service.

EXTRA LISTINGS

An Extra Listing is any listing of a name or information in connection with a Customer's access line number beyond that provided pursuant to the Alphabetical Directory Listing Service provided above.)

Per Month for each listing:

\$1.00

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Effective:

Issued By: John Barnicle, CEO
Peerless Network of Arizona, LLC
225 W. Washington Street, Ste 1285
Chicago, IL 60606

Local Exchange Services

SECTION 5 – SUPPLEMENTAL SERVICES**5.4 Directory Services (continued)****5.4.2 Directory Services -- Rate Schedule (continued)****PRIVATE LISTING**

A telephone number that is not listed in either the directory assistance records or the alphabetical directory or that section of the directory containing the regular alphabetical list of names of Exchange Access Customers.

Per Month for each listing: \$1.00

SEMI-PRIVATE LISTING

A telephone number that is not listed in the alphabetical directory or that section of the directory containing the regular alphabetical list of names of Exchange Access Customers. The telephone number is listed in the directory assistance records and will be furnished upon request of the calling party.

Per Month for each listing: \$1.00

DIRECTORY ASSISTANCE CALL

D.A. Call services furnish the customer with either automated or operator assisted access to the Company's Directory Services database on a dial-up basis. A maximum of two number requests will be accommodated per D.A. Call Service call.

Per Call \$1.00

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Chicago, IL 60606

Local Exchange Services**SECTION 5 – SUPPLEMENTAL SERVICES****5.7 Miscellaneous Services**Monthly Rate**TOLL RESTRICTION SERVICE**

Toll Restriction Service will not allow inter-MSA 1+, 0+, 0-, 10XXX, or 700 calls to be completed.

- per line equipped

\$1.00

Toll billing exception that prevents third number billed and collect call is also a customer option.

INTERCEPT REFERRAL EXTENSION SERVICE

Provides notification to calling parties about changes in the status of the called party's telephone line. (An Add / Change Charge applies to add or change the length of months requested)

\$1.00

Non-Recurring Charge**TEMPORARY INTERCEPT**

Enables a Customer to have incoming calls intercepted for 1 month. (Regular Exchange Access Service billing continues and an Add/Change charge applies)

- per Central Office Line
- per Port Intercepted

\$5.00

\$5.00

Issued:

Effective:

Issued By: John Barnicle, CEO
Peerless Network of Arizona, LLC
225 W. Washington Street, Ste 1285
Chicago, IL 60606

Local Exchange Services**SECTION 6 – BUSINESS NETWORKED SWITCHED SERVICES****6.2 Service Descriptions and Rates (continued)****6.2.2 Basic Business Line Service****A. General**

Basic Business Line Service provides a customer with a one or more analog, voice-grade telephonic communications channel that can be used to place or receive one call at a time. Local calling service is available at a flat rate included in the line price, or on a message usage basis. Basic Business Lines are provided for connection of customer-provided single-line terminal equipment such as station sets or facsimile machines.

Each Basic Business Line has the following characteristics:

Terminal Interface:	2-wire
Signaling Type:	Loop Start
Pulse Type:	Dual Tone Multi-Frequency (DTMF)
Directionality:	Two-way, In-Only, or Out-Only, as specified by the customer.

B. Flat Rate Basic Business Line Service

Service to points within the local calling area is included in the charge for Flat Rate Service.

In addition to the nonrecurring charges listed below, service order charges apply as described in this tariff.

Nonrecurring Connection Charge		\$10.00
Monthly Recurring Charges:		
Business Single Line	(per line)	\$20.00
Business Multi-Line	(per line)	\$25.00

Issued:

Effective:

Issued By: John Barnicle, CEO
Peerless Network of Arizona, LLC
225 W. Washington Street, Ste 1285
Chicago, IL 60606

LOCAL EXCHANGE SERVICE

SECTION 2 - Regulations, cont'd.

2.5 Payment Arrangements, cont'd.

2.5.2 Billing and Collection of Charges

Bills will be rendered monthly to Customer.

1. All service, installation, monthly Recurring Charges and Non Recurring Charges are due and payable upon receipt.
2. The Company shall present bills for Recurring Charges monthly to the Customer, in advance of the month which service is provided. Charges based on measured or message usage will be included on the next invoice rendered following the end of the billing period in which the usage occurs, and will be due and payable within 30 days after the invoice is mailed.
3. For new customers or existing customers whose service is disconnected, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have 30 days.
4. Amounts not paid within 18 days after the date of invoice are considered past due. If the entire balance is not paid by the due date, a late payment charge of 1.5% per month will be assessed on the unpaid balance. (T)
5. A \$25.00 charge will be assessed for checks with insufficient funds or non-existing accounts.

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

**ADMINISTRATIVELY
APPROVED FOR FILE**

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	<u>Residential</u>		<u>Business</u>		<u>Home Office</u>		(T)
	<u>Current</u>	<u>Max</u>	<u>current^P</u>	<u>Max</u>	<u>Current</u>	<u>Max</u>	
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	N/C	\$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.

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

**ADMINISTRATIVELY
APPROVED FOR FILING**

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	(T)
Combination Service	\$11.75	\$11.75	(T)
Second line	\$8.50	\$13.00	(T)
Additional lines	\$11.75	\$11.75	(T)
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	(T)
1 Year ^Y	\$28.00	\$30.00	\$28.00	\$30.00	(N)
2-Year ^Y	\$28.00	\$30.00	\$28.00	\$30.00	
3-Year ^Y	\$28.00	\$30.00	\$28.00	\$30.00	
5-Year ^Y	\$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)

(M) Material moved form page 107.

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

^Y 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.

Issue Date: January 21, 2004

Effective Date: February 20, 2004

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Director, Tariff Development
Cox Communications, Inc.
1400 Lake Hearn Drive,
Atlanta, GA 30319

**ADMINISTRATIVELY
APPROVED FOR FILING**

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

(c.1) Residential Calling Features (per-line equipped)	Monthly Rate	Monthly Max Rate	Per Use ²	NRC ³	(T)
Basic Calling Features					(T)
Anonymous Call Rejection*	Free	\$0.00		N/C	
Busy Line Redial*	2.00	2.75	0.75	10.00	
Call Forwarding*	2.00	2.75		10.00	
Call Forwarding - Busy*	2.00	2.75		10.00	
Call Forwarding - Don't Answer*	2.00	2.75		10.00	
Call Forwarding - Remote Access	2.00	2.75		10.00	
					(D)
Call Return*	2.00	2.75	0.75	10.00	
Distinctive Ringing	2.00	2.75		10.00	
Long Distance Alert*	2.00	2.75		10.00	
Priority Ring*	2.00	2.75		10.00	
Selective Call Acceptance*	2.00	2.75		10.00	
Selective Call Forwarding*	2.00	2.75		10.00	
Selective Call Rejection*	2.00	2.75		10.00	
Speed Calling - 8*	2.00	2.75		10.00	
Three-Way Calling*	2.00	2.75	0.75	10.00	
Toll Restriction*	2.00	2.75		N/C	(T/R)
Custom Calling Features					(T)
Caller ID*	5.95	5.95		10.00	
Call Waiting*	4.95	4.95		10.00	
Call Waiting ID*	9.00	9.00		10.00	
Privacy Control	3.95	4.00		10.00	
Feature Packages					(T)
Active Lifestyle Package	6.95	6.95		10.00	
					(M)
Control Plus Package	10.95	10.95		10.00	
Solution Package	14.95	14.95		10.00	
Miscellaneous Features					(T)
Remote Call Forwarding	17.00	17.00		30.00	
Call Trace - per use	N/A	N/A	2.75	N/C	

(M) Material moved to Obsolete Services, page 138.

² Per Use charges will not exceed the charges for seven uses per billing period.

³ Only one Non-Recurring charge will apply when a Customer purchases more than one feature in a single order. For Calling Features connected during initial service installation, the Non-Recurring Charge will be waived.

* Denotes features included with the Solution Package.

⁴ For a description of Toll Restriction, see section 7.1, page 110.

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LOCAL EXCHANGE SERVICE

SECTION 3 - Service Descriptions, cont'd.

3.2 Directory Assistance

A Customer may obtain Directory Assistance in determining telephone numbers within its local calling area by calling the Directory Assistance operator.

3.2.1 Each call to Directory Assistance will be charged as follows:
Per Call \$0.60

The Customer may request a maximum of two telephone numbers per call to Directory Assistance service.

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

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

To obtain such a credit, the Customer must notify its Customer Service representative.

3.2.3 Exemptions

Directory Assistance Service charges will not apply to calls originating from the following:

1. The Primary Line where a disabled person presently and normally resides, who is certified as being unable to use the telephone directory due to a visual or motor impairment, or as being unable to read.

2. A business or Home Office account which is solely owned and operated by a disabled person, who is certified as being unable to use the telephone directory due to a visual or motor impairment, or as being unable to read.

The Company will also consider, on a case by case basis, persons who have been certified as having a significant mentally related health impairment. The Customer will be responsible for obtaining the Exemption From Directory Assistance Charges form from the Company, as well as properly filling out the form for self, and, in the case of a residential account, any authorized user in the account who is disabled. The form must be signed by a competent authority including a doctor of medicine, ophthalmologist, optometrist, registered nurse, therapist or a staff member of a hospital, institution or public agency, who will verify the physical disability and qualification for exemption status. A qualified person to certify illiteracy includes teachers, social workers, or professional staff of literacy agencies, social services agencies or community service centers (including literacy volunteers). The eligibility certificate for disability is subject to any reasonable verification by the Company.

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1400 Lake Hearn Drive,
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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>NRC</u>	<u>Monthly</u>		<u>NRC</u>	
	<u>Current</u>	<u>Max</u>			<u>Current</u>		<u>Max</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

	NRC (\$)	Monthly (\$)
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)

	NRC (\$)	Max NRC (\$)	MRC (\$)	Max MRC (\$)
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 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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INTERLATA SERVICE

3. SERVICE OFFERINGS

3.1.1 1+ Dialing

Intrastate toll service is furnished for telephone communication between telephones in different local calling areas within the State of Arizona in accordance with the regulations and schedules of charges specified in this tariff.

3.1.2. Timing of Messages

- (a) Unless otherwise indicated, all residential calls are timed in one-minute increments, rounded to the next whole minute. Business calls are timed in six-second increments and rounded up to the next whole increment.
- (b) For station to station calls, call timing begins when a connection is established between the calling and called stations.
- (c) For person to person calls, call timing begins when connection is established between the calling person and the particular person, station, or mobile unit specified, or an agreed upon alternate.
- (d) Call timing ends when the called station "hangs up," thereby releasing the network connection. If the called station hangs up but the calling station does not, chargeable time ends when the network connection is released either by automatic timing equipment in the telephone network, or by the Company operator.

3.1.3. Rates - Direct Dial

Residential
\$.10/minute

Business*
\$.01/6 second increment

*Term and volume discount may apply in situations where the Company is responding to a competitive bid, or when offered on an ICB basis by another telephone company. ICB rates will be offered to the Customer in writing and on a non-discriminatory basis.

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SECTION 4 - SERVICE CHARGES AND SURCHARGES, (CONT'D.)

4.1 Service Order and Change Charges, (Cont'd.)

4.1.2 Maximum Rates

New Installation Charge, per line:	\$90.00
Technician Dispatch Charge, per visit:	\$190.00
Service Order Change Charge, per order:	\$60.00
Move Charge, per request:	\$90.00
Telephone Number Change Charge, per request:	\$60.00

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25900 Greenfield Road, Suite 330
Oak Park, Michigan 48237

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SECTION 4 - SERVICE CHARGES AND SURCHARGES, (CONT'D.)

4.2 Restoral Charge

A restoral charge applies each time a service is reconnected after suspension or termination for nonpayment but before cancellation of the service, as deemed in Section 1 of this Tariff.

Maximum Restoration, per line: \$35.00

4.3 Premises Visit Charge

Premises Visit charges apply when the installation of network access facilities or trouble resolution require a visit to the Customer's premises. This charge applies in addition to the Technician Dispatch Charge.

Maximum Premises Visit Charge, per visit \$50.00

Maximum Premises Work Charge:
Initial 30 minutes \$120.00
Each Additional 15 minutes \$60.00

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25900 Greenfield Road, Suite 330
Oak Park, Michigan 48237

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SECTION 5 - LOCAL EXCHANGE SERVICE, (CONT'D.)

5.2 Local Exchange Term Services, (Cont'd.)

5.2.1 Standard Flat Rate Service

Standard Flat Rate Service provides a Customer with analog, voice-grade telephonic communications channels that can be used to place or receive one call at a time. Lines are provided for the connection of Customer-provided wiring, telephone, facsimile machines or other station equipment. Local exchange service lines and trunks are provided on a single party (individual) basis only. No multi-party lines are provided.

An optional per line Hunting feature is available for multi-line Customers which routes a call to the next idle line in a prearranged group when the called line is busy.

A. Application of Rates

Customers receive unlimited calling within their local calling area. No measured or message rate usage charges apply to calls placed to or received from areas within the local calling area.

B. Maximum Rates

.1 Set Up Fee

A one-time set up fee, applied per Account.

	<u>Term</u>	
	<u>1 year</u>	<u>3 year</u>
NRC, per account	\$100.00	\$50.00

.2 Access Line Charge, per month, per line

	<u>Term</u>	
	<u>1 year</u>	<u>3 year</u>
Initial Line:	\$65.00	\$65.00
Additional line, each:	\$65.00	\$65.00

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25900 Greenfield Road, Suite 330
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SECTION 6 – SUPPLEMENTAL SERVICES, (CONT'D.)

6.2 Directory Assistance Service,s (Cont'd.)

6.2.1 Local Directory Assistance, (Cont'd.)

Unless one of the exceptions listed above applies, the charges as shown below apply for each request made to the Directory Assistance operator:

	<u>Maximum Per query</u>
Local Directory Assistance	
Direct dialed:	\$3.00
Via operator:	\$7.00
Payphone:	\$3.00

6.2.2 Call Completion

The charges as shown below apply for each request made to the Directory Assistance Operator in which the operator completes the call to the desired number.

There are no allowances for Directory Assistance Call Completion, however, the Directory Assistance portion of the call is still governed by any appropriate call allowances and exemptions as stated in Section 6.2.1 of this tariff.

Maximum Per completed call	\$2.00
----------------------------	--------

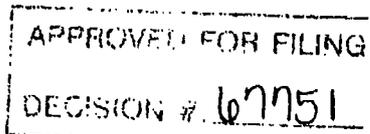
6.2.3 National Directory Assistance Service

National Directory Assistance Service is provided to Customers of the Company for the purpose of requesting telephone numbers of individuals or businesses who are located outside the Customer's local Directory Assistance service area.

There are no call allowances or exemptions for National Directory Assistance.

A maximum of two(2) requested telephone numbers are allowed per call.

Maximum Per Call:	\$5.00
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SECTION 11 - CURRENT PRICE LIST

11.1 Service Charges and Surcharges

11.1.1 Service Order and Change Charges

New Installation Charge, per line:	\$42.50
Technician Dispatch Charge, per visit:	\$95.00
Service Order Change Charge, per order:	\$27.50
Move Charge, per request:	\$42.50
Telephone Number Change Charge, per request:	\$30.50

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25900 Greenfield Road, Suite 330
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SECTION 11 - CURRENT PRICE LIST

11.1 Service Charges and Surcharges, (Cont'd.)

11.1.2 Restoral Charge

Restoration, per line: \$16.00

11.1.3 Premises Visit Charge

Premises Visit Charge, per visit \$25.00

Premises Work Charge:

Initial 30 minutes \$60.00

Each Additional 15 minutes \$30.00

11.1.4 Carrier Presubscription

Per business or residence line, trunk, or port

Initial Line, or Trunk or Port \$5.00

Additional Line, Trunk or Port \$5.00

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25900 Greenfield Road, Suite 330
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SECTION 11 - CURRENT PRICE LIST, (CONT'D.)

11.1 Service Charges and Surcharges, (Cont'd.)

11.1.5 Public Telephone Surcharge

Rate Per Call: \$0.60

11.1.6 Return Check Charge

Per Check Returned: \$25.00

11.2 Local Exchange Services

11.2.1 Local Exchange Term Services

A. Standard Flat Rate Service

.1 Set Up Fee

A one-time set up fee, applied per Account.

	<u>Term</u>	
	<u>1 year</u>	<u>3 year</u>
NRC, per account	\$50.00	\$0.00

.2 Access Line Charge, per month, per line

	<u>Term</u>	
	<u>1 year</u>	<u>3 year</u>
Initial Line:	\$30.40	\$30.40
Additional line, each:	\$30.40	\$30.40

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25900 Greenfield Road, Suite 330
Oak Park, Michigan 48237

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SECTION 11 - CURRENT PRICE LIST, (CONT'D.)

11.2 Local Exchange Services, (Cont'd.)

11.2.2 Hunting Line Service

	<u>Per Month</u>
Basic Hunting, per access line:	\$6.40
Circular Hunting, per hunt group	\$3.00
Preferential Hunting, per access line	\$1.00

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25900 Greenfield Road, Suite 330
Oak Park, Michigan 48237

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SECTION 11 - CURRENT PRICE LIST, (CONT'D.)

11.3 Supplemental Services

11.3.1 Call Management Services

A. Features Offered on Monthly Basis

Feature	Monthly Charge
Abbreviated Access, one digit, each line	\$0.50
Abbreviated Access, two digit, each line	\$0.50
Call Forwarding Busy Line (expanded)	\$3.00
Call Forwarding Busy Line (external)	\$3.00
Call Forwarding Busy Line (Overflow)	\$6.40
Call Forwarding Busy Line/Don't Answer (expanded)	\$5.50
Call Forwarding Busy Line/Don't Answer (external)	\$5.50
Call Forwarding Busy Line/Don't Answer (Overflow)	\$9.90
Call Forwarding Busy Line (programmable)	\$8.00
Call Forwarding Don't Answer	\$4.00
Call Forwarding Don't Answer (expanded)	\$4.00
Call Forwarding Don't Answer (Programmable)	\$4.50
Call Forwarding Variable	\$4.80
Call Rejection	\$4.50
Call Transfer	\$6.00
Call Waiting	\$7.50
Caller ID - Name & Number	\$7.95
Caller Id - Number	\$7.50
Caller ID with Privacy	\$10.95
Continuous Redial	\$3.50
Dial Call Waiting	\$2.15

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25900 Greenfield Road, Suite 330
Oak Park, Michigan 48237

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SECTION 11 - CURRENT PRICE LIST, (CONT'D.)**11.3 Supplemental Services, (Cont'd.)****11.3.1 Call Management Services, (Cont'd.)****A. Features Offered on Monthly Basis, (Cont'd.)**

Feature	Monthly Charge
Directed Call Pick Up	\$1.00
Directed Call Pick Up with Barge-In	\$1.00
Distinctive Alert	\$1.00
Do Not Disturb	\$3.95
Easy Access	\$0.98
Hot Line	\$2.00
Last Call Return	\$3.00
No Solicitation	\$6.95
Priority Call	\$3.50
Remote Access to Call forwarding	\$7.75
Scheduled Forwarding	\$8.75
Security Screen	\$2.95
Selective Call Forwarding	\$3.50
Selective Call Waiting	\$7.50
Speed Calling (8 code)	\$3.00
Speed Calling (30 code)	\$4.50
Talking Call Waiting	\$3.95
Three-Way Calling	\$4.00
Warm Line	\$2.50
Wireless Extension	\$4.95
Market Expansion Line, each line ¹	\$15.20
Custom Ringing Service - one number	\$7.45
Custom Ringing Service - 2 nd number	\$5.25
Custom Ringing Service - 3 rd number	\$5.25

¹ A nonrecurring charge of \$30.00 per line applies.

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Scott Loney, Vice President - Marketing
25900 Greenfield Road, Suite 330
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SECTION 11 - CURRENT PRICE LIST, (CONT'D.)

11.3 Supplemental Services, (Cont'd.)

11.3.1 Call Management Services, (Cont'd.)

B. Features Offered on a Usage Sensitive Basis

Feature	Per Use
3-Way Calling	\$0.75
Continuous Redial	\$0.75
Last Call Return (*69)	\$0.95
I-Called, per activation	\$0.95
Caller Originating Trace	\$2.00

11.3.2 Directory Assistance Services

A. Local Directory Assistance

	<u>Per query</u>
Local Directory Assistance	
Direct dialed:	\$1.15
Via operator :	\$3.45
Payphone:	\$1.00

B. Call Completion

Per completed call	\$0.30
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C. National Directory Assistance Service

Direct dialed	\$1.25
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25900 Greenfield Road, Suite 330
Oak Park, Michigan 48237

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SECTION 11 - CURRENT PRICE LIST, (CONT'D.)

11.3 Supplemental Services, (Cont'd.)

11.3.3 Operator Services

A. Usage Charges

Usage charges for local and intraLATA operator assisted calls are those usage charges that would normally apply to the calling party's service.

B. Per Call Service Charges

Customer Dialed Calling Card	\$3.00
Operator Assisted Station-to-Station	\$3.80
Operator Assisted Person-to-Person	\$6.00

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Scott Loney, Vice President - Marketing
25900 Greenfield Road, Suite 330
Oak Park, Michigan 48237

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SECTION 11 - CURRENT PRICE LIST, (CONT'D.)

11.3 Supplemental Services, (Cont'd.)

11.3.4 Busy Line Verification and Interrupt Service

Busy Verification Charge, each request:	\$3.00
Emergency Interrupt Charge, each request:	\$6.00

11.3.5 Directory Listing Services

	<u>Monthly</u>
Additional Listing, per listing:	\$3.00
Foreign Listing:	\$3.00
Non-published Service, per listing:	\$1.80
Non-directory Listed Service, per listing:	\$1.45

11.3.6 Toll Restriction Service

Nonrecurring Charge:	\$27.50
Monthly Recurring Charge:	\$5.00

11.3.7 Operator Screening

Nonrecurring Charge:	\$27.50
Monthly Recurring Charge:	\$5.00

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Scott Loney, Vice President – Marketing
25900 Greenfield Road, Suite 330
Oak Park, Michigan 48237

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

3.9 InterLATA Toll Service

InterLATA Toll Service is available to Customers who presubscribe to any one of the Company's local exchange services. Calls are billed in six (6) second increments after an initial period for billing purposes of eighteen (18) seconds.

Maximum Rate Per Minute: \$0.40

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Oak Park, Michigan 48237

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2. GENERAL REGULATIONS - CONDITIONS OF OFFERING

2.3 PAYMENT FOR SERVICE

2.3.2 PAYMENT OF BILLS (CONT'D)

- E. Payment of bills for telephone service may be made by any means mutually acceptable to the customer and the Company. Payment which is not honored or paid by the customer's designated financial institution will be considered as nonpayment. A charge will apply whenever a payment for service on an active account is not accepted by the customer's designated financial institution.

CHARGE

- Returned Payment Charge, per occasion \$10.00

- F. The customer bill is due upon receipt. Customers have the following options as to the method of paying bills for telephone service:

- At any Company payment depository location.
- At the office of any authorized payment agent of the Company.
- By U.S. Mail, by check or money order.
- Through an agent of the customer.
- By electronic funds transfer.

- G. In order to avoid collection procedures which could result in a temporary disconnection of service, payment must be received no later than the due and payable date shown on the customer's bill.

- H. Payments received by the Company on or before the due and payable date on the customer's bill will prevent collection procedures which could result in a disconnect of service, provided the following billing information is remitted with payment. The following items are all contained on the customer's bill:

- Customer's name
- Customer's telephone number
- Customer's customer code
- Customer's account type
- Amount of payment

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Per Decision No. 68604

3. SERVICE CHARGES

3.1 MISCELLANEOUS NONRECURRING CHARGES

3.1.9 EXPRESS CHANGE CHARGES

C. Terms and Conditions (Cont'd)

5. Customers may add optional features only in blocks of 10. There is no limit to the number of standard features that can be added using the express process, other than that stipulated above.
6. Customers must have a minimum of 20 station lines in their system in order to qualify for express charges.

D. Rates and Charges

1. Customers may request multiple changes on the same line. Charges are assessed per line, per request, regardless of the number of changes made per line. ("Per request" is defined here as each time the customer contacts the Company.)
2. Features added using the express process will be assessed the same monthly recurring rates as if they were added through the conventional service order process and will be reflected on the customer's bill as such.
3. The following charges are in addition to all other charges applicable to the associated service, except as specified herein. Nonrecurring charges found elsewhere for moving or changing features or moving or changing lines within the customer's system do not apply when express changes are made.

	USOC	NONRECURRING CHARGE MAXIMUM	CURRENT
• Service Establishment Charge, Initial request	XPTXX	\$300.00	\$150.00
• Standard Express Change, per line, per request	XPTOX	12.00	6.00
• Priority Express Change, per line, per request	XPT1X	24.00	12.00

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Per Decision No. 68604

5. EXCHANGE SERVICES

5.2 LOCAL EXCHANGE SERVICE (CONT'D)

5.2.4 FLAT RATE SERVICE[1]

This service entitles customers to an unlimited number of calls within the local calling area. Incremental charges, as shown in 5.1.6.A. of the Exchange and Network Services Price Cap Tariff, apply to service outside the exchange base rate area.

A. Rates and Charges

1. The nonrecurring charge associated with the provision of flat rate service applies:
 - To install each access line;
 - For connecting an access line when changing a grade of service from PBX service.

2. Residence Flat Rate Service

	USOC	NONRECURRING CHARGE	
		MAXIMUM	CURRENT
• Additional individual line, each	AFH	\$55.00	\$27.50

3. Business Flat Rate Service

• Additional individual line, each	AFK	85.00	42.50
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2. Residence Flat Rate Service

	USOC	MAXIMUM MONTHLY RATE	CURRENT MONTHLY RATE
• Additional individual line, each	AFH	\$30.00	\$10.00

3. Business Flat Rate Service

• Additional individual line, each	AFK	91.20	30.40
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[1] A Basket 2 Service. See Preface Page 1, preceding.

Issued: 3-14-08

Effective: 4-14-08

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	\$3.80 (I)
- Residence[2]	RLT	3.75	1.50
• Alpha Listing, each			
- Business	RNCAF	7.50	3.80 (I)
- Residence	RNCAF	3.75	1.50
• Client Main Listing, each			
- Business	LBS	7.50	3.80 (I)
- 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
• 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] 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.

**COMPETITIVE
EXCHANGE AND
NETWORK SERVICES**

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

**SECTION 5
Page 117
Release 3**

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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
• Each Listing changed to Nonpublished Service - Business[2]	NPU	\$4.65	\$2.35 (I)
• Each Listing changed to Nonlisted Service - Business[2]	NLT	3.60	1.85
• WATS Listings, each - Business	SZS	7.50	3.80 (I)
• Telephone Answering Service Bureau Patron Line Listing, each	9FK	18.60	6.20
• Mobile Radio Listing, each	L96	[3]	[3]
• Mobile Unit Number Listing, each	LMS	[3]	[3]
• "No Solicitation" Listing - Residence	NSW	0.75	0.25

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

[2] See the Exchange and Network Services Price Cap Tariff for Residence Nonpublished and Nonlisted Service.

[3] Same rates and charges as (CLT).

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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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10. MISCELLANEOUS SERVICE OFFERINGS

10.4 TOLL RESTRICTION SERVICE

10.4.1 *CUSTOMNET* SERVICE[1]

A. Description

1. *CUSTOMNET* Service enables a customer, by means of Company operator identification, to restrict outgoing toll calls by their station users to only collect calls, bill to third party calls, and calling card calls.
2. This service is offered, subject to the availability of mechanized operator type services and existing CO facilities, to individual line business, PBX and Centrex customers. The provision of this service may require some customers to change their existing telephone number.

B. Rates and Charges

1. The nonrecurring charge will apply:
 - To each initial premises location of the customer ordering *CUSTOMNET* Service, regardless of the number of exchange access lines equipped.
 - To partial transfer of *CUSTOMNET* Service to a different premises.
 - To a transfer of the customer's entire service to a different wire center.
 - When *CUSTOMNET* Service is disconnected at the customer's request and then subsequently ordered by the same customer.

	USOC	NONRECURRING CHARGE MAXIMUM	CURRENT
- Initial installation	N/A	\$742.00	\$371.00
- Per exchange access line arranged	SRG	-	-
	USOC	MAXIMUM MONTHLY RATE	CURRENT MONTHLY RATE
- Initial installation	N/A	-	-
- Per exchange access line arranged	SRG	\$0.75	\$0.25

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

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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	30.00
• 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	70.00
- Additional 15 minute increment or fraction thereof	HRDA2	70.00	35.00

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13. CUSTOMER PREMISES WIRE AND MAINTENANCE PLANS

13.2 PREMISES WORK CHARGES

D. Charges (Cont'd)

3. Holidays subject to Schedule III Residence and Business Charges are:

HOLIDAYS	DAY OBSERVED
New Year's Day	January 1
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Thanksgiving Day	Fourth Thursday in November
Christmas Day	December 25

4. Trouble Isolation Charge[1]

Applies to residence and business customers, not subscribing to a Company Premises Wire Maintenance Plan, for each repair visit made to a premises to test the central office line, up to the demarcation point, when the line tests clear and the trouble is not found in the Company facilities.

	USOC	NONRECURRING CHARGE MAXIMUM	CURRENT
• Residence	LTESX	\$170.00	\$85.00
• Business	LTESX	190.00	95.00

[1] See C.11., preceding, for charge applications.

[2] USOC LTESX includes Premises Visit Charge.

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14. INTEGRATED SERVICES DIGITAL NETWORK

14.3 PRIMARY RATE SERVICE OFFERINGS
14.3.1 PRIMARY RATE SERVICE (CONT'D)

D. Rates and Charges

PRS will be provided at the rate and charges listed below.

1. Transport

	USOC	NONRECURRING CHARGE MAXIMUM	CURRENT
• Stand alone T1 facility, per 24 channel facility[1]	ZPT1X	\$1,800.00	\$ 900.00
• T1 facility, provisioned on a T3, per T1 facility activated[1]	ZP3	1,800.00	900.00

2. Service Configuration

• 23B+D	ZPAZD	2,050.00	1,025.00
• 24B	ZPA1X	2,050.00	1,025.00
• 23B+Back-up D	ZPAZA	2,050.00	1,025.00

	USOC	MAXIMUM MONTHLY RATE	CURRENT MONTHLY RATE
• Stand alone T1 facility, per 24 channel facility[1]	ZPT1X	\$ 450.00	\$150.00
• T1 facility, provisioned on a T3, per T1 facility activated[1]	ZP3	-	-

2. Service Configuration

• 23B+D	ZPAZD	1,200.00	400.00
• 24B	ZPA1X	1,200.00	400.00
• 23B+Back-up D	ZPAZA	1,200.00	400.00

[1] One Service Configuration is required for each T1 facility.

ATTACHMENT C
BY STATE

Residence Rate Comparison of Telecommunications Services provided by Applicant in other States	Applicant's Arizona Tariff Attach Tariff Sheets for Support			Applicant's Tariff (State #1) Attach Tariff Sheets for Support		
	Charges & Rates (\$)	Section Number	Page Number	Charges & Rates (\$)	Section Number	Page Number
Product/Services						
Basic Local Service						
Service Connect Fee						
Dispatch Call & Trouble isolated on cust. equip.						
Telephone Number Change order						
Feature Change Order						
Toll Restriction Fee Order						
Record Change Order						
Transfer of Service (move order)						
Restoration of Service						
Temporary Suspension Fee						
Payphone Surcharge						
Directory Assistance						
Directory Assistance via Operator						
Miscellaneous Services & Rates						
Returned Check Charge (NSF)						
Listings						
Directory Listing Service						
Primary Listing						
Non-Published						
Toll Free Directory Listings						
Straight Line Under Directory Listing (indent listing)						
PRI Service with Unlimited Local Calling						
12 Months						
24 Months						
36 Months						
Non-Recurring on a PRI Install						
Order Cancellation Charge						
Order Sup Charge						

NOT APPLICABLE

Residence Rate Comparison of Telecommunications Services provided by Applicant in other States	Applicant's Tariff (State #2) Attach Tariff Sheets for Support			Applicant's Tariff (State #3) Attach Tariff Sheets for Support		
	Charges & Rates (\$)	Section Number	Page Number	Charges & Rates (\$)	Section Number	Page Number
Product/Services						
Basic Local Service						
Service Connect Fee						
Dispatch Call & Trouble isolated on cust. equip.						
Telephone Number Change order						
Feature Change Order						
Toll Restriction Fee Order						
Record Change Order						
Transfer of Service (move order)						
Restoration of Service						
Temporary Suspension Fee						
Payphone Surcharge						
Directory Assistance						
Directory Assistance via Operator						
Miscellaneous Services & Rates						
Returned Check Charge (NSF)						
Listings						
Directory Listing Service						
Primary Listing						
Non-Published						
Toll Free Directory Listings						
Straight Line Under Directory Listing (indent listing)						
PRI Service with Unlimited Local Calling						
12 Months						
24 Months						
36 Months						
Non-Recurring on a PRI Install						
Order Cancellation Charge						
Order Sup Charge						

NOT APPLICABLE

ATTACHMENT D
BY STATE

Business Rate Comparison of Telecommunications Services provided by Applicant in other States	Applicant's Arizona Tariff Attach Tariff Sheets for Support			Applicant's Tariff (New York) Attach Tariff Sheets for Support		
	Charges & Rates (\$)	Section Number	Page Number	Charges & Rates (\$)	Section Number	Page Number
Product/Services						
Basic Local Service	20.00	6	44	20.00	7	4
Service Connect Fee	10.00	6	44	100.00	7	3
Dispatch Call & Trouble isolated on cust. equip.	100.00	6	43	100.00	3	4
Telephone Number Change order	n/a			n/a		
Feature Change Order	50.00	4	23	50.00	3	3
Toll Restriction Fee Order	1.00	5	40	1.00	5	17
Record Change Order	50.00	4	23	50.00	3	3
Transfer of Service (move order)	50.00	4	23	50.00	3	3
Restoration of Service	100.00	4	22	100.00	3	3
Temporary Suspension Fee	1/2 MRC	5	41	1/2 MRC	5	18
Payphone Surcharge	0.50	Tariff 2, 3	36	0.50	4	4
Directory Assistance	1.00	5	36	0.75	4	4
Directory Assistance via Operator	1.00	5	36	1.00	5	13
Miscellaneous Services & Rates						
Returned Check Charge (NSF)	30.00	2	16	20.00	2	11
Listings						
Directory Listing Service	No Charge	5	35	No Charge	5	12
Primary Listing	1.00	5	35	1.00	5	12
Non-Published	1.00	5	36	1.00	5	13
Toll Free Directory Listings	1.00	Tariff 2, 3	35	n/a		
Straight Line Under Directory Listing (indent listing)	n/a			n/a		
PRI Service with Unlimited Local Calling						
12 Months	n/a			n/a		
24 Months	n/a			n/a		
36 Months	n/a			n/a		
Non-Recurring on a PRI Install	n/a			n/a		
Order Cancellation Charge	n/a			n/a		
Order Sup Charge	n/a			n/a		

Business Rate Comparison of Telecommunications Services provided by Applicant in other States	Applicant's Tariff (Minnesota) Attach Tariff Sheets for Support			Applicant's Tariff (Pennsylvania) Attach Tariff Sheets for Support		
	Charges & Rates (\$)	Section Number	Page Number	Charges & Rates (\$)	Section Number	Page Number
Product/Services						
Basic Local Service	20.00	4	3	20.00	4	3
Service Connect Fee	10.00	4	3	10.00	4	3
Dispatch Call & Trouble isolated on cust. equip.	100.00	11	7	100.00	3	1
Telephone Number Change order	n/a			n/a		
Feature Change Order	50.00	6	3	50.00	3	3
Toll Restriction Fee Order	1.00	5	16	1.00	5	16
Record Change Order	50.00	6	4	50.00	3	3
Transfer of Service (move order)	50.00	6	3	50.00	3	3
Restoration of Service	100.00	6	3	100.00	3	3
Temporary Suspension Fee	1/2 MRC	5	17	1/2 MRC	5	17
Payphone Surcharge	0.50	6	5	0.50	3	9
Directory Assistance	1.00	5	12	1.00	5	12
Directory Assistance via Operator	n/a			n/a		
Miscellaneous Services & Rates						
Returned Check Charge (NSF)	20.00	2	10	25.00	2	11
Listings						
Directory Listing Service	No Charge	6	2	No Charge	5	11
Primary Listing	1.00	5	11	1.00	5	11
Non-Published	1.00	5	12	1.00	5	12
Toll Free Directory Listings	n/a			n/a		
Straight Line Under Directory Listing (indent listing)	n/a			n/a		
PRI Service with Unlimited Local Calling						
12 Months	n/a			n/a		
24 Months	n/a			n/a		
36 Months	n/a			n/a		
Non-Recurring on a PRI Install	n/a			n/a		
Order Cancellation Charge	n/a			n/a		
Order Sup Charge	n/a			n/a		

ATTACHMENT D
BY STATE

Business Rate Comparison of Telecommunications Services provided by Applicant in other States	Applicant's Arizona Tariff Attach Tariff Sheets for Support			Applicant's Tariff (New York) Attach Tariff Sheets for Support		
	Charges & Rates (\$)	Section Number	Page Number	Charges & Rates (\$)	Section Number	Page Number
Product/Services						
Basic Local Service	20.00	6	44	20.00	7	4
Service Connect Fee	10.00	6	44	100.00	7	3
Dispatch Call & Trouble isolated on cust. equip.	100.00	6	43	100.00	3	4
Telephone Number Change order	n/a			n/a		
Feature Change Order	50.00	4	23	50.00	3	3
Toll Restriction Fee Order	1.00	5	40	1.00	5	17
Record Change Order	50.00	4	23	50.00	3	3
Transfer of Service (move order)	50.00	4	23	50.00	3	3
Restoration of Service	100.00	4	22	100.00	3	3
Temporary Suspension Fee	1/2 MRC	5	41	1/2 MRC	5	18
Payphone Surcharge	0.50	Tariff 2, 3	36	0.50	4	4
Directory Assistance	1.00	5	36	0.75	4	4
Directory Assistance via Operator	1.00	5	36	1.00	5	13
Miscellaneous Services & Rates						
Returned Check Charge (NSF)	30.00	2	16	20.00	2	11
Listings						
Directory Listing Service	No Charge	5	35	No Charge	5	12
Primary Listing	1.00	5	35	1.00	5	12
Non-Published	1.00	5	36	1.00	5	13
Toll Free Directory Listings	1.00	Tariff 2, 3	35	n/a		
Straight Line Under Directory Listing (indent listing)	n/a			n/a		
PRI Service with Unlimited Local Calling						
12 Months	n/a			n/a		
24 Months	n/a			n/a		
36 Months	n/a			n/a		
Non-Recurring on a PRI Install	n/a			n/a		
Order Cancellation Charge	n/a			n/a		
Order Sup Charge	n/a			n/a		

Business Rate Comparison of Telecommunications Services provided by Applicant in other States	Applicant's Tariff (Minnesota) Attach Tariff Sheets for Support			Applicant's Tariff (Pennsylvania) Attach Tariff Sheets for Support		
	Charges & Rates (\$)	Section Number	Page Number	Charges & Rates (\$)	Section Number	Page Number
Product/Services						
Basic Local Service	20.00	4	3	20.00	4	3
Service Connect Fee	10.00	4	3	10.00	4	3
Dispatch Call & Trouble isolated on cust. equip.	100.00	11	7	100.00	3	1
Telephone Number Change order	n/a			n/a		
Feature Change Order	50.00	6	3	50.00	3	3
Toll Restriction Fee Order	1.00	5	16	1.00	5	16
Record Change Order	50.00	6	4	50.00	3	3
Transfer of Service (move order)	50.00	6	3	50.00	3	3
Restoration of Service	100.00	6	3	100.00	3	3
Temporary Suspension Fee	1/2 MRC	5	17	1/2 MRC	5	17
Payphone Surcharge	0.50	6	5	0.50	3	9
Directory Assistance	1.00	5	12	1.00	5	12
Directory Assistance via Operator	n/a			n/a		
Miscellaneous Services & Rates						
Returned Check Charge (NSF)	20.00	2	10	25.00	2	11
Listings						
Directory Listing Service	No Charge	6	2	No Charge	5	11
Primary Listing	1.00	5	11	1.00	5	11
Non-Published	1.00	5	12	1.00	5	12
Toll Free Directory Listings	n/a			n/a		
Straight Line Under Directory Listing (indent listing)	n/a			n/a		
PRI Service with Unlimited Local Calling						
12 Months	n/a			n/a		
24 Months	n/a			n/a		
36 Months	n/a			n/a		
Non-Recurring on a PRI Install	n/a			n/a		
Order Cancellation Charge	n/a			n/a		
Order Sup Charge	n/a			n/a		

SECTION 2 - GENERAL RULES AND REGULATIONS (continued)**2.4 PAYMENT FOR SERVICE RENDERED (continued)****2.4.4 Return Check Charge**

When a check which has been presented to the Company by a customer in payment for charges is returned by the bank, the customer shall be responsible for the payment of a Returned Check Charge of \$20.00.

(R)

2.4.5 Late Payment Charges

- a. Customer bills for telephone service are due on the due date specified on the bill. A customer is in default unless payment is made on or before the due date specified on the bill. If payment is not received by the customer's next billing date, a late payment charge of 1.5% will be applied to all amounts previously billed under this Tariff, excluding one month's local service charge, but including arrears and unpaid late payment charges.
- b. Late payment charges do not apply to those portions (and only those portions) of unpaid balances that are associated with disputed amounts. Undisputed amounts on the same bill are subject to late payment charges if unpaid and carried forward to the next bill.
- c. Late payment charges do not apply to final accounts.
- d. Late payment charges do not apply to government agencies of the State of New York. These agencies are required to make payment in accordance with the provisions of Article XI-A of the State Finance Law (Chapter 153 of the Laws of 1984).

2.4.6 Customer Overpayments

The Company will provide interest on customer overpayments that are not refunded within 30 days of the date the Company receives the overpayment. An overpayment is considered to have occurred when payment in excess of the correct charges for service is made because of erroneous Company billing. The customer will be issued reimbursement for the overpayment, plus interest, or, if agreed to by the customer, credit for the amount will be provided on the next regular Company bill. The rate of interest shall be the greater of the customer deposit interest rate or the Company's applicable Late Payment Charge.

Interest shall be paid from the date when overpayment was made, adjusted for any changes in the deposit rate or late payment rate, and compounded monthly, until the date when the overpayment is refunded. The date when overpayment is considered to have been made will be the date on which the customer's overpayment was originally recorded to the customer's account by the Company.

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SECTION 3 - CONNECTION CHARGES (continued)

3.2 RESTORAL CHARGE

A restoral charge applies each time a service is reconnected after suspension or termination for nonpayment but before cancellation of the service, as deemed in Section 1 of this Tariff.

	<u>Business</u>
Minimum:	\$100.00
Maximum:	\$200.00

3.3 MOVES, ADDS AND CHANGES

The Company alone may make changes in the location of its lines and equipment. When it is found that a move or change of such lines or equipment has been made by others, the Connection Charge for the underlying service will apply as if the work had been done by the Company.

The customer will be assessed a charge for any move, add or change of a Company service and is charged in addition to any other monthly or installation charge which is associated with the service the customer orders. Move, Add and Change are defined as follows:

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

Add: The addition of a vertical service to existing equipment and/or service at one location.

Change: Change - including rearrangement or reclassification - of existing service at the same location.

Business Charge per Order	<u>Move</u>	<u>Add</u>	<u>Change</u>
Minimum:	\$50.00	\$50.00	\$50.00
Maximum:	\$100.00	\$100.00	\$100.00
 Line Connection (per line)			
Minimum:	\$100.00	\$100.00	\$100.00
Maximum:	\$200.00	\$200.00	\$200.00

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SECTION 3 - CONNECTION CHARGES (continued)

3.3 MOVES, ADDS AND CHANGES (continued)

	<u>Minimum</u>	<u>Maximum</u>
Record Work Only (This charge is applicable for changes that do not involve central office or premise work.)	\$50.00	\$100.00

3.4 CHARGES ASSOCIATED WITH PREMISES VISIT

Trouble Isolation Charge

When a visit to the customer's premises is necessary to isolate a problem reported to the Company but identified by the Company's technician as attributable to customer-provided equipment or inside wire, a separate charge applies in addition to all other charges for the visit.

	<u>Minimum</u>	<u>Maximum</u>
Per Premises Visit, Business:	\$100.00	\$200.00

3.5 PRIMARY INTEREXCHANGE CARRIER CHANGE CHARGE

Customers may be presubscribed to the carrier of their choice for both interLATA and intraLATA service. The customer will incur a charge each time there is a change in the long distance carrier associated with the customer's intraLATA or interLATA service after the initial installation of service.

	<u>Minimum</u>	<u>Maximum</u>
	\$2.50	\$5.00

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SECTION 4 - INTRALATA TOLL USAGE AND MILEAGE CHARGES (continued)

4.5 CALL CHARGES (continued)

4.5.5 Directory Assistance

The Company provides Directory Assistance as an ancillary service exclusively to its customers. Directory Assistance is accessible by dialing "1" plus the area code of the desired number, and 555-1212. The customer may request up to two numbers per call to Directory Assistance.

	<u>Minimum</u>	<u>Maximum</u>
Directory Assistance, per call:	\$0.75	\$1.50
4.5.6 Long Distance Operator Assistance Service	\$2.50	\$5.00

4.5.7 Pay Telephone (Payphone) Surcharge

A surcharge shall be assessed for each call made from a pay telephone to an 800 number or using a travel card and dialing the carrier prefix in the form 101XXXX. Although collected on the customer's bill, this charge is reimbursed to pay telephone service provider.

<u>Minimum</u>	<u>Maximum</u>
\$0.50	\$1.00

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SECTION 5 - SUPPLEMENTAL SERVICES (continued)

5.1 CUSTOM CALLING SERVICE (continued)

5.1.2 Feature Descriptions and Rates (continued)

	<u>Minimum</u>	<u>Maximum</u>
900 SPECIAL ACCESS CODE BLOCKING	N/C	N/C
Blocks access from a company provided Exchange Access Service to customer dialed 900 numbers.		
976 PREFIX BLOCKING SERVICE	N/C	N/C
Blocks access from a company provided Exchange Access Service to customer dialed 976 numbers.		
	<u>Minimum Per Activation</u>	<u>Maximum Per Activation</u>
AUTOMATIC CALL BACK	\$1.00	\$2.00
Allows a customer to return most recent incoming calls whether answered or not. If the line to which the request is made is idle, the call goes through, if the line is busy, the automatic callback continues to attempt until the line is free. The request is deactivated after 30 minutes or six unanswered ring backs if the call is not completed.		
REPEAT DIALING	\$1.00	\$2.00
Allows a Customer, by dialing a particular code, to redial a dialed number a specified number of times or until a party answers the call.		

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SECTION 5 - SUPPLEMENTAL SERVICES (continued)

5.4 DIRECTORY SERVICES

5.4.1 General

Directory services allow customers to customize the manner in which their Company assigned telephone numbers appear in published directory and/or are used by dialable directories and Company operators. This section applies only to services provided by the Company.

5.4.2 Directory Services -- Rate Schedule

	<u>Minimum</u>	<u>Maximum</u>
ALPHABETICAL DIRECTORY LISTING	N/C	N/C

One listing, without charge, is provided in the alphabetical section of the directory of the local exchange area in which the Customer's premises is located. This listing is termed the primary listing and is provided for each line provided pursuant to the Company's Exchange Access Service. Where two or more lines are arranged to hunt, all of those lines so arranged constitute a separate Customer Service.

EXTRA LISTINGS

An Extra Listing is any listing of a name or information in connection with a Customer's access line number beyond that provided pursuant to the Alphabetical Directory Listing Service provided above.)

Per Month for each listing:	\$1.00	\$2.00
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Issued: June 18, 2008

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Issued By: Daniel Meldazis, Director Regulatory Affairs
 225 W. Washington Street, Suite 1285
 Chicago, IL 60606

SECTION 5 - SUPPLEMENTAL SERVICES (continued)

5.4 DIRECTORY SERVICES (continued)

5.4.2 Directory Services -- Rate Schedule (continued)

	<u>Minimum</u>	<u>Maximum</u>
PRIVATE LISTING		
A telephone number that is not listed in either the directory assistance records or the alphabetical directory or that section of the directory containing the regular alphabetical list of names of Exchange Access Customers.		
Per Month for each listing:	\$1.00	\$2.00
SEMI-PRIVATE LISTING		
A telephone number that is not listed in the alphabetical directory or that section of the directory containing the regular alphabetical list of names of Exchange Access Customers. The telephone number is listed in the directory assistance records and will be furnished upon request of the calling party.		
Per Month for each listing:	\$1.00	\$2.00
DIRECTORY ASSISTANCE CALL		
D.A. Call services furnish the customer with either automated or operator assisted access to the Company's Directory Services database on a dial-up basis. A maximum of two number requests will be accommodated per D.A. Call Service call.		
Per Call	\$1.00	\$2.00

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SECTION 5 - SUPPLEMENTAL SERVICES (continued)

5.8 CUSTOMER REQUESTED SERVICE SUSPENSIONS

5.8.1 At the request of the customer the Company will suspend incoming and outgoing service on the customer's access line for a period of time not to exceed one year. The equipment is left in place and directory listings are continued during the suspension period without change. At the customer's request the Company will provide the customer with an intercept recording referring callers to another number.

5.8.2 The Company will assess a lower monthly rate for Customer Requested Service Suspension as noted below. However, any mileage charges, monthly cable charges or monthly construction charges are still due, without reduction during the period of suspension.

Period of SuspensionCharge

- First Month or Partial Month

Regular Monthly Rate (no reduction)

- Each Additional Month
(up to the one year limit)

1/2 Regular Monthly Rate

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SECTION 7 - BUSINESS NETWORK SWITCHED SERVICES (continued)

7.2 SERVICE DESCRIPTIONS AND RATES

The following Business Access Service Options are offered:

Basic Business Line Service
PBX Trunks

All Business Network Switched Service may be connected to customer-provided terminal equipment such as station sets, key systems, PBX systems, or facsimile machines. Service may be arranged for two-way calling, inward calling only or outward calling only. Optional Voice Mail Service is available.

7.2.1 Service Establishment Charge

This charge applies when the Company initially establishes the Customer's account for any service provided by the Company. This charge is applied in addition to any other monthly or installation charge that is associated with the service the Customer orders.

	<u>Minimum</u>	<u>Maximum</u>
-Per Order	\$50.00	\$100.00
-Per Visit (1 hour)	\$100.00	\$200.00
-After Hours (1 hour)	\$200.00	\$400.00
Line Connection	\$100.00	\$200.00
Service Order	\$50.00	\$100.00

Custom Features are also available as described in Section 5.1 of this tariff.

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SECTION 7 - BUSINESS NETWORK SWITCHED SERVICES (continued)

7.2 SERVICE DESCRIPTIONS AND RATES (continued)

7.2.2 Basic Business Line Service

A. General

Basic Business Line Service provides a customer with a one or more analog, voice-grade telephonic communications channel that can be used to place or receive one call at a time. Local calling service is available at a flat rate included in the line price, or on a message usage basis. Basic Business Lines are provided for connection of customer-provided single-line terminal equipment such as station sets or facsimile machines.

Each Basic Business Line has the following characteristics:

Terminal Interface: 2-wire

Signaling Type: Loop Start

Pulse Type: Dual Tone Multi-Frequency (DTMF)

Directionality: Two-way, In-Only, or Out-Only, as specified by the customer.

B. Flat Rate Basic Business Line Service

Service to points within the local calling area is included in the charge for Flat Rate Service. Local calling areas are as specified in Section 10.

In addition to the nonrecurring charges listed below, service order charges apply as described in Section 7.2.1 of this tariff.

	<u>Minimum</u>	<u>Maximum</u>
Nonrecurring Connection Charge	\$1.00	\$50.00
Monthly Recurring Charges:		
Business Single Line (per line)	\$20.00	\$40.00
Business Multi-Line (per line)	\$25.00	\$45.00

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SECTION 2 - REGULATIONS**2.5 Payment Arrangements****2.5.1 Payment for Service**

The Customer is responsible for payment of all charges for service and facilities furnished by the Company to the Customer or its Joint or Authorized Users.

2.5.2 Billing and Collection of Charges

Bills will be rendered monthly to Customer. Subscriber bills will contain all of the information required.

2.5.2.1 All service, installation, monthly Recurring Charges and Non-Recurring Charges shall not be due earlier than fourteen (14) days from the date of the postmark on the bill. If not paid by the due date, it then becomes past due. For residential service the Company shall offer the option of deferred payment arrangements, with the option to spread installation charges over a period of three months.

2.5.2.2 The Company shall present bills for Recurring Charges monthly to the Customer, in advance of the month which service is provided. Usage charges will be billed in arrears.

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

2.5.2.4 Amounts not paid within 30 days after the date of invoice, but no sooner than 14 days after the postmark on the bill, are considered past due.

2.5.2.5 Checks with insufficient funds or non-existing accounts will be assessed a fee of \$20.00, except as may be waived under appropriate circumstances.

2.5.3 Disputed Bills

2.5.3.1 The date of the dispute shall be the date the Company receives sufficient documentation to enable it to investigate the dispute. The date of the resolution is the date the Company completes its investigation and notifies the Customer of the disposition of the dispute.

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PEERLESS NETWORK OF MINNESOTA, LLC
200 South Wacker Drive, Suite 3100
Chicago, IL 60606

SECTION 4 - BUSINESS NETWORK SWITCHED SERVICES**4.2 Service Descriptions and Rates**

The following Business Access Service Options are offered:

Basic Business Line Service
PBX Trunks

All Business Network Switched Service may be connected to customer-provided terminal equipment such as station sets, key systems, PBX systems, or facsimile machines. Service may be arranged for two-way calling, inward calling only or outward calling only. Optional Voice Mail Service is available.

4.2.1 Service Establishment Charge

This charge applies when the Company initially establishes the Customer's account for any service provided by the Company. This charge is applied in addition to any other monthly or installation charge that is associated with the service the Customer orders.

-Per Order		\$50.00
-Per Visit	(1 hour)	\$100.00
-After Hours	(1 hour)	\$200.00
Line Connection		\$100.00
Service Order		\$50.00

Custom Calling Features are also available as described in Section 5.1 of this tariff.

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200 South Wacker Drive, Suite 3100
Chicago, IL 60606

SECTION 4 - BUSINESS NETWORK SWITCHED SERVICES**4.2 Service Descriptions and Rates (continued)****4.2.2 Basic Business Line Service****(A) General**

Basic Business Line Service provides a customer with a one or more analog, voice-grade telephonic communications channel that can be used to place or receive one call at a time. Local calling service is available at a flat rate included in the line price, or on a message usage basis. Basic Business Lines are provided for connection of customer-provided single-line terminal equipment such as station sets or facsimile machines.

Each Basic Business Line has the following characteristics:

Terminal Interface: 2-wire

Signaling Type: Loop Start

Pulse Type: Dual Tone Multi-Frequency (DTMF)

Directionality: Two-way, In-Only, or Out-Only, as specified by the customer.

(B) Flat Rate Basic Business Line Service

Service to points within the local calling area is included in the charge for Flat Rate Service.

In addition to the nonrecurring charges listed below, service order charges apply as described in this tariff.

Nonrecurring Connection Charge \$10.00

Monthly Recurring Charges:

Business Single Line (per line) \$20.00

Business Multi-Line (per line) \$25.00

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PEERLESS NETWORK OF MINNESOTA, LLC
200 South Wacker Drive, Suite 3100
Chicago, IL 60606

SECTION 5 – CUSTOM CALLING SERVICES**5.4 Directory Services****5.4.1 General**

Directory services allow customers to customize the manner in which their Company assigned telephone numbers appear in published directory and/or are used by dialable directories and Company operators. This section applies only to services provided by the Company.

5.4.2 Directory Services -- Rate Schedule**ALPHABETICAL DIRECTORY LISTING**

N/C

One listing, without charge, is provided in the alphabetical section of the directory of the local exchange area in which the Customer's premises is located. This listing is termed the primary listing and is provided for each line provided pursuant to the Company's Exchange Access Service. Where two or more lines are arranged to hunt, all of those lines so arranged constitute a separate Customer Service.

EXTRA LISTINGS

An Extra Listing is any listing of a name or information in connection with a Customer's access line number beyond that provided pursuant to the Alphabetical Directory Listing Service provided above.)

Per Month for each listing:

\$1.00

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200 South Wacker Drive, Suite 3100
Chicago, IL 60606

SECTION 5 – CUSTOM CALLING SERVICES5.4 Directory Services (continued)5.4.2 Directory Services -- Rate Schedule (continued)**PRIVATE LISTING**

A telephone number that is not listed in either the directory assistance records or the alphabetical directory or that section of the directory containing the regular alphabetical list of names of Exchange Access Customers.

Per Month for each listing: \$1.00

SEMI-PRIVATE LISTING

A telephone number that is not listed in the alphabetical directory or that section of the directory containing the regular alphabetical list of names of Exchange Access Customers. The telephone number is listed in the directory assistance records and will be furnished upon request of the calling party.

Per Month for each listing: \$1.00

DIRECTORY ASSISTANCE CALL

D.(A) Call services furnish the customer with either automated or operator assisted access to the Company's Directory Services database on a dial-up basis. A maximum of two number requests will be accommodated per D.(A) Call Service call.

Per Call \$1.00

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Chicago, IL 60606

SECTION 5 – CUSTOM CALLING SERVICES

5.7 Miscellaneous Services

Monthly Rate

TOLL RESTRICTION SERVICE

Toll Restriction Service will not allow inter-MSA 1+, 0+, 0-, 10XXX, or 700 calls to be completed.

- per line equipped

N/C

Toll billing exception that prevents third number billed and collect call is also a customer option.

INTERCEPT REFERRAL EXTENSION SERVICE

Provides notification to calling parties about changes in the status of the called party's telephone line. (An Add / Change Charge applies to add or change the length of months requested)

\$1.00

TEMPORARY INTERCEPT

Enables a Customer to have incoming calls intercepted for 1 month. (Regular Exchange Access Service billing continues and an Add/Change charge applies)

Non-Recurring Charge

- per Central Office Line
 - per Port Intercepted

\$5.00
 \$5.00

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SECTION 6 – CONNECTION CHARGES

6.2 Restoral Charges

A restoral charge applies each time a service is reconnected after suspension or termination for nonpayment but before cancellation of the service.

Restoral Charge per occurrence \$100.00

6.3 Moves, Adds, Changes

The Company alone may make changes in the location of its lines and equipment. When it is found that a move or change of such lines or equipment has been made by others, the Connection Charge for the underlying service will apply as if the work had been done by the Company.

The customer will be assessed a charge for any move, add or change of a Company service. Move, Add and Change are defined as follows:

Move: The disconnection of existing equipment at one location and reconnection of the same equipment at a new location.

Add: The addition of a vertical service to existing equipment and/or service at one location.

Change: Change - including rearrangement or reclassification - of existing service at the same location.

	<u>Move</u>	<u>Add</u>	<u>Change</u>
Business Charge per Order:	\$50.00	\$50.00	\$50.00
Line Connection (per line)	\$100.00	\$100.00	\$100.00

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 200 South Wacker Drive, Suite 3100
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SECTION 6 – CONNECTION CHARGES**6.6 Public Pay Telephone Surcharge**

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

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

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

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

Per Call Charge: \$0.50

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200 South Wacker Drive, Suite 3100
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COMPETITIVE LOCAL EXCHANGE CARRIER TARIFF

SECTION 2 - GENERAL RULES AND REGULATIONS

2.3.2 Deposits (continued)

A. Interest on Deposits

Interest rates on customer Deposits are calculated based on the rates of interest posted for one-year US Treasury bills for the months of September, October, and November of the previous year.

B. Inadequate Deposit

If the amount of a deposit is proven to be less than required to meet the requirements specified above, the customer shall be required to pay an additional deposit upon request.

C. Return of Deposit

When a deposit is to be returned, the customer may request that the full amount of the deposit be issued by check. If the customer requests that the full amount be credited to amounts owed the Company, the Company will process the transaction on the billing date and apply the deposit to any amount currently owed to the Company, and return any remaining amount of the deposit to the customer by check. Deposits will be returned in accordance with the procedures set forth in the Commission's regulations at 52 Pa. Code §64.37.

Issued: July 10, 2007

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Issue by: John Barnicle, CEO
PEERLESS NETWORK OF PENNSYLVANIA, LLC
200 South Wacker Drive, Suite 3100
Chicago, IL 60606

COMPETITIVE LOCAL EXCHANGE CARRIER TARIFF

SECTION 3 – CONNECTION CHARGES**3.1 Connection Charge****3.1.1 General**

The Connection Charge is a nonrecurring charge which applies to the following: (a) the installation of a new service; (b) the transfer of an existing service to a different location; (c) a change from one class of service to another at the same or a different location; or (d) restoral of service after suspension or termination for nonpayment. Connection Charges are listed with each service to which they apply.

The Connection Charge is comprised of two charges:

1. Service Order
2. Premises Visit

Both charges may not be applicable in all cases.

The general application of these charges is as follows:

- A. A Service Order charge applies per customer order for all work or services ordered to be provided at one time, on the same premises, for the same customer. The charge recovers the cost of receiving, recording, and processing a customer's request for service.
- B. A Premises Visit charge applies per customer order when the company must dispatch an employee to complete a customer-requested installation or service change. Only one charge applies per customer order.

Per Premises Visit, Business: \$100.00

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Issue by: John Barnicle, CEO
PEERLESS NETWORK OF PENNSYLVANIA, LLC
200 South Wacker Drive, Suite 3100
Chicago, IL 60606

COMPETITIVE LOCAL EXCHANGE CARRIER TARIFF

SECTION 3 – CONNECTION CHARGES**3.7 Public Pay Telephone Surcharge**

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

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

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

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

Per Call Charge: \$0.50

Issued: July 10, 2007

Effective: July 11, 2007

Issue by: John Barnicle, CEO
PEERLESS NETWORK OF PENNSYLVANIA, LLC
200 South Wacker Drive, Suite 3100
Chicago, IL 60606

COMPETITIVE LOCAL EXCHANGE CARRIER TARIFF

SECTION 4.0 - BUSINESS NETWORK SWITCHED SERVICES

4.2 Service Descriptions and Rates (continued)

4.2.2 Basic Business Line Service

A. General

Basic Business Line Service provides a customer with a one or more analog, voice-grade telephonic communications channel that can be used to place or receive one call at a time. Local calling service is available at a flat rate included in the line price, or on a message usage basis. Basic Business Lines are provided for connection of customer-provided single-line terminal equipment such as station sets or facsimile machines.

Each Basic Business Line has the following characteristics:

Terminal Interface: 2-wire

Signaling Type: Loop Start

Pulse Type: Dual Tone Multi-Frequency (DTMF)

Directionality: Two-way, In-Only, or Out-Only, as specified by the customer.

B. Flat Rate Basic Business Line Service

Service to points within the local calling area is included in the charge for Flat Rate Service.

In addition to the nonrecurring charges listed below, service order charges apply as described in this tariff.

Nonrecurring Connection Charge \$10.00

Monthly Recurring Charges:

Business Single Line (per line) \$20.00

Business Multi-Line (per line) \$25.00

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Effective: July 11, 2007

Issue by: John Barnicle, CEO
PEERLESS NETWORK OF PENNSYLVANIA, LLC
200 South Wacker Drive, Suite 3100
Chicago, IL 60606

SECTION 5.0 - SUPPLEMENTAL SERVICES**5.4 Directory Services****5.4.1 General**

Directory services allow customers to customize the manner in which their Company assigned telephone numbers appear in published directory and/or are used by dialable directories and Company operators. This section applies only to services provided by the Company.

5.4.2 Directory Services -- Rate Schedule**ALPHABETICAL DIRECTORY LISTING**

N/C

One listing, without charge, is provided in the alphabetical section of the directory of the local exchange area in which the Customer's premises is located. This listing is termed the primary listing and is provided for each line provided pursuant to the Company's Exchange Access Service. Where two or more lines are arranged to hunt, all of those lines so arranged constitute a separate Customer Service.

EXTRA LISTINGS

An Extra Listing is any listing of a name or information in connection with a Customer's access line number beyond that provided pursuant to the Alphabetical Directory Listing Service provided above.)

Per Month for each listing:

\$1.00

Issued: July 10, 2007

Effective: July 11, 2007

Issue by: John Barnicle, CEO
PEERLESS NETWORK OF PENNSYLVANIA, LLC
200 South Wacker Drive, Suite 3100
Chicago, IL 60606

SECTION 5.0 - SUPPLEMENTAL SERVICES**5.4 Directory Services (continued)****5.4.2 Directory Services -- Rate Schedule (continued)****PRIVATE LISTING**

A telephone number that is not listed in either the directory assistance records or the alphabetical directory or that section of the directory containing the regular alphabetical list of names of Exchange Access Customers.

Per Month for each listing: \$1.00

SEMI-PRIVATE LISTING

A telephone number that is not listed in the alphabetical directory or that section of the directory containing the regular alphabetical list of names of Exchange Access Customers. The telephone number is listed in the directory assistance records and will be furnished upon request of the calling party.

Per Month for each listing: \$1.00

DIRECTORY ASSISTANCE CALL

D.A. Call services furnish the customer with either automated or operator assisted access to the Company's Directory Services database on a dial-up basis. A maximum of two number requests will be accommodated per D.A. Call Service call.

Per Call \$1.00

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PEERLESS NETWORK OF PENNSYLVANIA, LLC
200 South Wacker Drive, Suite 3100
Chicago, IL 60606

SECTION 5.0 - SUPPLEMENTAL SERVICES

5.7	Miscellaneous Services	Monthly Rate
	TOLL RESTRICTION SERVICE	
	Toll Restriction Service will not allow inter-MSA 1+, 0+, 0-, 10XXX, or 700 calls to be completed.	
	- per line equipped	\$1.00
	Toll billing exception that prevents third number billed and collect call is also a customer option.	
	INTERCEPT REFERRAL EXTENSION SERVICE	
	Provides notification to calling parties about changes in the status of the called party's telephone line. (An Add / Change Charge applies to add or change the length of months requested)	\$1.00
	TEMPORARY INTERCEPT	
	Enables a Customer to have incoming calls intercepted for 1 month. (Regular Exchange Access Service billing continues and an Add/Change charge applies)	
	- per Central Office Line	Non-Recurring Charge \$5.00
	- per Port Intercepted	\$5.00

Issued: July 10, 2007

Effective: July 11, 2007

Issue by: John Barnicle, CEO
 PEERLESS NETWORK OF PENNSYLVANIA, LLC
 200 South Wacker Drive, Suite 3100
 Chicago, IL 60606

EXHIBIT A-1

NEW APPLICATION

EARLY, LENNON, CROCKER & BARTOSIEWICZ

ATTORNEYS AT LAW
900 COLLEGE AVENUE
KALAMAZOO, MICHIGAN 49007-4752
TELEPHONE (269) 381-8844
FAX (269) 381-8822
www.earlylennon.com

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GARY P. BARTOSIEWICZ TYREN R. CUDNEY
BLAKE D. CROCKER MATTHEW C. JUSTICE

OF COUNSEL
JOHN T. PETERS, JR.
HAROLD E. FISCHER, JR.
VINCENT T. EARLY
(1922-2001)
JOSEPH J. BURGIE
(1926-1992)
LAWRENCE M. BRENTON
(1950-2007)

March 21, 2008

Brian McNeil, Executive Secretary
Arizona Corporation Commission
Telecommunications Division
1200 West Washington
Phoenix, AZ 85007

RE: PEERLESS NETWORK OF ARIZONA, LLC

Dear Mr. McNeil:

T-20590A-08-0175

Enclosed for filing with the Commission, please find an original and thirteen (13) copies of the above captioned corporation's APPLICATION AND PETITION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE INTRASTATE TELECOMMUNICATION SERVICES within the State of Arizona.

In addition, enclosed is a duplicate copy of this letter. Please date-stamp the duplicate and return it to me in the enclosed postage-paid envelope.

Should you have any questions concerning this filing, please contact me.

Very truly yours,

EARLY, LENNON, CROCKER & BARTOSIEWICZ, P.L.C.

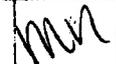
Patrick D. Crocker

PDC/pas

enc

Arizona Corporation Commission
DOCKETED

MAR 25 2008

DOCKETED BY 

ARIZONA CORPORATION COMMISSION

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

Mail original plus 13 copies of completed application to:

For Docket Control Only:
(Please Stamp Here)

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

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

Type of Service: _____

Docket No.: _____ Date: _____ Date Docketed: _____

Type of Service: _____

Docket No.: _____ Date: _____ Date Docketed: _____

A. Company and Telecommunications Service Information

(A-1) Please indicate the type of telecommunications services that you want to provide in Arizona and answer the appropriate numbered items:

- Resold Long Distance Telecommunications Services (Answer Sections A, B, C).
- 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, D, E).
- Alternative Service Provider 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), email address, and World Wide Web address (if one is available for consumer access) of the Applicant:

Peerless Network of Arizona, LLC
225 W. Washington Street, Ste 1285 Toll Free Number: 888-380-2721
Chicago, IL 60606
Telephone: (312) 506-0920
Facsimile: (312) 506-0931

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

(A-4) The name, address, telephone number (including area code), facsimile number (including area code), and email address of the Applicant's management contact:

Daniel Meldazis, Director Regulatory Affairs
Peerless Network of Arizona, LLC
225 W. Washington Ave, Suite. 1285
Chicago, IL 60606
Telephone: (312) 506-0933
Facsimile: (312) 506-0931
Email: dmeldazis@peerlessnetwork.com

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

Patrick D. Crocker
EARLY, LENNON, CROCKER & BARTOSIEWICZ, P.L.C.
900 Comerica Building
Kalamazoo, MI 49007
Telephone: (269) 381-8844 Facsimile: (269) 381-8822
Email: pcrocker@earlylennon.com

(A-6) The name, address, telephone number (including area code), facsimile number (including area code), and email address of the Applicant's complaint contact person:

Daniel Meldazis
Peerless Network of Arizona, LLC
225 W. Washington Street, Ste. 1285
Chicago, IL 60606
Telephone: (312) 506-0920
Facsimile: (312) 506-0931
Toll Free: (888) 380-2721
E-mail: Regulatory@peerlessnetwork.com

(A-7) What type of legal entity is the applicant?

- 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 the State of Arizona.
2. A list of the names of all owners, partners, limited liability company managers (or if a member managed LLC, all members), or corporation officers and directors (specify).
3. Indicate percentages of ownership of each person listed in A-8.2.

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

Your Tariff must include the following information:

1. Proposed Rates and Charges for each service offered (reference by Tariff page number).
Tariff Page(s) No.:
2. Tariff Maximum Rate and prices to be charged (reference by Tariff page number).
Tariff Page(s) No.:
3. Terms and Conditions Applicable to provision of service (reference by Tariff page number).
Tariff Page(s) No.:
4. Deposits, Advances, and/or Prepayments Applicable to provision of service (reference by Tariff page number).
Tariff Page(s) No.:
5. The proposed fee that will be charged for returned checks (reference by Tariff page number).
Tariff Page(s) No.:

(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 is 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 reoccurring.

Neither Applicant nor any of its officers, directors, partners, or managers has been or is currently involved in any formal or informal complaint proceedings pending before any State or Federal Regulatory Commission, administrative agency, or law enforcement agency.

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

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

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

Neither the Applicant nor any of its officers, directors, partners, or managers has been or is currently involved in any civil or criminal investigations, or had judgment 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

(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(es).

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 "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 "No" to any of the above, 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.

Applicant will not require deposits or advance payments by Customers for Services. See Tariff Section _____. Page ____.

(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 services will be provided.

Applicant will publish legal notice prior to authorization.

(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 the State of Arizona:

Yes No

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

(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 the State of Arizona:

Applicant is currently not authorized in any jurisdiction. Applicant's affiliates are authorized in FL, GA, IL, MN, NY, OR, PA, and WA

Applicant has never been denied authority to provide intrastate telecommunications services.

(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 the State of Arizona.

Applicant does not currently offer service in any jurisdictions. Applicant's affiliates offer similar service in IL, NY, and PA.

(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.

Applicant currently has no affiliates providing service in Arizona.

(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.

Applicant is a wholly owned subsidiary of Peerless Network, LLC. As a newly formed company Applicant does not yet have financial statements. Applicant is submitting the financial statements for its parent which will act as guarantor.

(B-2) Include "Attachment C."

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

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

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

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

Applicant will rely on the financials resources of its Parent Company (See B-1).

(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 minute.

Applicant's expected revenue for the next 12 months is approximately \$0.00.

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

Applicant's expected operating expenses during the first 12 months are approximately \$0.00.

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.

The net book value of all Arizona jurisdictional assets is zero.

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

The projected value of all assets is zero.

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.

The projected fair value is zero.

C. RESOLD LONG DISTANCE AND/OR 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 of Commission Decision Number.

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 the State of 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 for the State of 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 the State of Arizona.

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

Applicant will not construct or deploy any telecommunications facilities in the near future. However, Applicant is requesting authority to include such plans in case future market conditions warrant. In that case, Applicant may install simple soft-switch technologies either physically or virtually co-located with ILEC central offices. Applicant would not construct and deploy conduits, ducts, poles, wires, traditional end-office switches, or other facilities.

E. FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

- (E-1) Indicate whether the Applicant will abide by the quality of service standards that were approved by the Commission in Commission Decision Number 59241:

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 "full equal access capable" (i.e., would provide equal access to facilities-based long distance companies) pursuant to A.A.C. R14-2-111 (A):

Yes No

I certify that if the applicant is an Arizona company, a current copy of the Articles of Organization 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 and Regulations. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.

(Signature of Authorized Representative)

(Date)

John Barnicle
(Print Name of Authorized Representative)

CEO
(Title)

SUBSCRIBED AND SWORN to before me this ____ day of _____ 20____.

NOTARY PUBLIC

I certify that if the applicant is an Arizona company, a current copy of the Articles of Organization 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 and Regulations. 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.

John Barnicle

(Signature of Authorized Representative)

03/10/2008

(Date)

John Barnicle

(Print Name of Authorized Representative)

CEO

(Title)

SUBSCRIBED AND SWORN to before me this 10 day of March 2008

Daniel Edward Meldazis

NOTARY PUBLIC



APPENDIX A

Secretary of State Certificate

03/11/2008

Arizona Corporation Commission
State of Arizona Public Access System

7:37 AM

Jump To...

Scanned Documents Amendments Microfilm

Corporate Inquiry	
File Number: L-1276121-9	Corporate ID:
Corp. Name: PEERLESS NETWORK OF ARIZONA, LLC	

Domestic Address

3035 E WELDON
PHOENIX, AZ 85016

Statutory Agent Information

Agent Name: HUBERT E KELLY
Agent Mailing/Physical Address:
3035 E WELDON
PHOENIX, AZ 85016
Agent Status: APPOINTED 04/05/2006
Agent Last Updated: 06/21/2006

Additional Corporate Information

Corporation Type: DOMESTIC L.L.C.	Business Type:
Incorporation Date: 04/05/2006	Corporate Life Period: PERPETUAL
Domicile: ARIZONA	County: MARICOPA
Approval Date: 04/21/2006	Original Publish Date: 06/13/2006

Member Information

COMMON POINTE NETWORKS LLC MEMBER 27 N WACKER #444 CHICAGO, IL 60606 Date of Taking Office: 04/21/2006	
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Last Updated: 05/11/2006

Scanned Documents

(Click on gray button to view document)

Document Number	Description	Date Received
01553342	ARTICLES OF ORGANIZATION	04/21/2006
01646166	PUB OF ARTICLES OF ORGANIZATION	06/13/2006
02228766	PUB OF AMENDED ARTICLES OF ORGANIZATION	11/21/2007

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Amendments

Amendment Date	Amendment Type	Publish Date	Publish Exception
05/11/2007	NAME CHANGE	11/01/2007	

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Name Changes / Mergers

Description	Corporation Name	Date
CHANGED FROM	COMMON POINTE NETWORKS OF ARIZONA, LLC	05/11/2007

Microfilm

Location	Date Received	Description
11791011050	07/09/2007	AMENDMENT

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Comments

RECD REG/AMD ON 07/09/07

- [Corporate Name Search Instructions](#)
- [General Web Site Usage Instructions](#)
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- [Return to A.C.C. Corporations Division Main Page](#)
- [Return to Arizona Corporation Commission Home Page](#)

APPENDIX B

Background and Experience of Management

John Barnicle
5216 S. Central Ave.
Western Springs, IL 60558
johnbarnicle@yahoo.com
(312) 543-1660

Experience

Oct. 2005 – May 2006 **Lynch Interactive Corp.** Rye, NY
President and Chief Executive Officer

- Completed “going dark” process necessary to take the company private to minimize impact of Sabanes-Oxley requirements of public companies.
- Started initiative to grow non-regulated revenue streams to reduce company’s reliance on USF support. Non-regulated revenue was on pace to grow 20% year over year.
- Completed refinancing of all or portions of six operating company loan agreements.

Feb. 2003 – October 2005 **Neutral Tandem, Inc.** Chicago, IL
President and Chief Operating Officer

- Co-founder of Neutral Tandem. The company grew organically from inception to an annualized revenue run rate of over \$40 million in only twenty months. It became EBITDA positive within twelve months of providing service. Customers included every major competitive wireless and wireline carrier in the country.
- Responsibilities included overseeing sales, marketing, engineering, operations and IS departments, with full P&L responsibility.
- Instrumental in raising over \$35 million in equity and debt capital at a challenging time in the telecom industry.

May 1996 – Oct. 2002 **Focal Communications** Chicago, IL
President and Chief Operating Officer

- Co-founder of Focal Communications. The company grew organically to annualized revenue run rate of approximately \$350 million, with nearly 1 million DS-0 equivalents of voice and data services in service across twenty-three markets
- Customers included half of the Fortune 100, wireless and VOIP providers and ISPs
- Services included local phone service (POTS, T-1s, Primary Rate ISDN), long distance, private lines, internet access, managed modem, co-location, and DSL
- Responsibilities included overseeing marketing, engineering, operations and IS departments, and various aspects of sales
- Service-related customer churn averaged about 1% per year, and the company won various awards for customer service and its IS systems implementation from customer groups, Innovation Week and CIO Magazine
- Full P/L responsibility, including responsibility for the capital budget, which peaked at nearly \$300 million per year.
- Participated in private and public fund raising including an IPO, two high yield bond offerings, bank credit facility and a private recapitalization raising over \$800 million

Feb. 1996 – May 1996
April 1992- Sept. 1994

MFS Communications

Oak Brook Terrace, IL

Vice President – Marketing

- Responsible for marketing all MFS services throughout North America. Led the integration the disparate marketing organizations of several MFS subsidiaries (Datanet, Intelenet, Telecom) when MFS underwent a major reorganization
- Developed and managed MFS' ILEC co-location business, responsible for everything from regulatory lobbying, budgeting, construction management, systems modifications, sales compensation plan adjustments, and sales support
- Participated on the team of people that developed MFS' switched services offering, which eventually grew into MFS Intelenet
- Responsible for negotiating MFS' first interconnection agreement with Ameritech
- Became the only employee of an MFS subsidiary (MFS Telephone), which acted as an agent to sell MFS Intelenet services to large businesses and internet services providers
- Provided technical sales support on the full range of services for MFS largest clients

Sept. 1994 – Feb.1996
Vice President

Duff & Phelps Credit Rating Co.

Chicago, IL

- Issued credit ratings and related research reports on public debt instruments of communications companies
- Clients included top IXC, Cable TV, wireless and emerging wireline carriers
- Met with senior management teams of rating clients to understand strategic direction of companies, performed extensive financial analysis on business plans, financial reports and debt issuance documents to assess relative credit risk that helped establish and maintain appropriate interest rates on these debt instruments

June 1986 – April 1992
Staff Engineer/Sr. Manager, Business Services

Centel

Various locations

- Responsibilities included all marketing efforts and resources associated with providing equipment and services to all business customers, representing approximately nearly \$100 million per year in revenue
- Developed a plan to utilize emerging competitive access providers to transport local telephony services outside of landlocked franchise territory boundaries into the greater metropolitan area served by Ameritech
- Planned and oversaw the initial introduction of Signaling System #7 in various Centel switching centers to support 800 number portability and CLASS services
- Planned all of Centel's 911/E911 implementation across 1.5 million access lines in nine states

Education

- M.B.A. Finance (with Distinction), DePaul University, 1995
- B.S. Electrical Engineering with an emphasis on RF communications systems, University of Illinois at Champaign, 1987

Douglass B. Lee

Co-Founder/Chief Financial Officer

Douglass B. Lee has over 15 years of telecommunications industry experience, prior to co-founding Peerless Network, Doug served as Co-Founder and Chief Financial Officer of TeleGuam Holdings, LLC (the Incumbent Local Exchange Carrier (ILEC) on Guam, and an integrated provider of communications services in the Western Pacific, offering wireline, wireless, long distance, and broadband communication services to consumers and businesses). As a founding member for TeleGuam, he was responsible for managing all financial and accounting functions for the company, upon the company's leveraged buyout of the government run phone company. Doug also managed corporate development, IT, strategy, investor relations, and risk management, and was part of core team that successfully won the competitive bid over the Carlyle Group in 2004.

Doug has a wealth of financial experience both in and out of telecommunications having worked for Excelline Foods Inc as CFO and as a founding member of management in a private equity leveraged buyout of the company, as Vice President of Finance at Focal Communications and as a Senior Associate at PriceWaterhouse Coopers, Telecom, and Media in San Francisco CA, and at Coopers & Lybrand Consulting in Chicago Illinois.

Mr. Lee earned his M.B.A. from Harvard University Graduate School of Business Administration, and a B.S. from the University of Illinois, Urbana/Champaign, Illinois.

Richard Knight
645 North Kingsbury #1302
Chicago, IL 60610
312-642-6286
rfk312@gmail.com

Summary 17 years of award winning business-building experience encompasses launching new technologies and products, creating local and national marketing programs, acquiring customers and directly impacting corporate margins by increasing gross revenues. I have developed, sold, supported, engineered and implemented customer solutions that achieved high-margin revenues. Experience includes Fortune 500, affinity and wholesale market segments.

Career History

Origin Communications (10/2002 – Present)
Chicago, IL.
Founder/President

Origin Communications provides customers in the call center and telecommunications markets with the latest cost savings technological solutions. Our programs increased customers' efficiencies and profitability by a minimum of 50%. Areas of expertise include Voice over Internet Protocol and sales and marketing strategies. Origin Communications delivers results to Small to Medium Enterprise (SME) Markets to the Fortune 500 Companies that positively impact profitability. Key accounts included Gateway Computers, TeleGuam Holdings, RWT Telephone, Excel Energy, Bramah Security Systems UK

Focal Communications (08/1997 – 10/2002)
Chicago, IL.
National Vice President Sales and Support

Executive responsible for developing rapid growth segments, driving network efficiencies, maximizing bottom line recurring revenues and minimizing SG&A costs. Effort included building a team that grew from 1 to over 120 sales, customer relations and technical support that was recognized as the industry leader in service quality.

- Drove revenue by creating Focal's first wholesale, strategic and agent business channels where my team sold network solutions to high-tech companies such as Time Warner/AOL, Excel Energy, Comcast, EarthLink, Bell South and Qwest.
- Increased revenues from \$0 to over \$280M or 80% of Focal's revenue.
- Inherited the declining business segment, the Data Services Group, which had lost \$40M or 33% of its revenues. Reversed the trend and began a 10% growth rate within 8 months.
- Maintain the lowest expense to revenue, bad debt to revenue, churn and highest revenue per team member.

MCI Communications (4/1995 – 8/1997)

Atlanta, GA.

Executive Manager

Led efforts on two initiatives to grow the Carrier business segment from \$300M to \$4B. Supervised 14 staff and a \$15.8M budget. The key was to build a marketing team and organizational structure from scratch. Recruited 14 product marketing and development managers internally from MCI divisions and led them to create segment specific products and programs.

- Introduced 6 new products worth \$1.7B in contracted revenue.
- Created MCI's first ever online, e-commerce services for our carrier customers to allow them to view order status and billing for their customer base.
- Provided training to over 300+ Carrier Services personnel.
- Implemented product strategies that minimized end-user confusion and regulatory risk.

MCI Communications (11/1993 – 04/1995)

Atlanta, GA.

Senior Manager

Developed and implemented new product segment strategies. Focused on new market entries that would diversify revenues and differentiate MCI from its key competitors.

- Initiated new programs that generated \$18M in annual revenue in the first 60 days.
- Introduced 3 new products representing over \$5M in monthly revenue.

MCI Communications (04/1991 – 11/1993)

Washington, DC

Marketing Manager

Managed Interexchange Carrier and Independent Telco Segments. Led national program development, implementation, support and strategy.

- Implemented initiatives that increased revenue over 75%, from \$350M to \$550M.
- Signed 8 Independent Telcos within the first 120 days.

MCI Communications (08/1990 – 04/1991)

Washington, DC

Partner Marketing Manager

Responsible for sales strategy to capture affinity marketing business revenues and then create the direct marketing campaigns to support revenue growth once the affinity partners signed-on.

- Established 7 new sales agents and affinity programs, which generated over \$1.5M in monthly revenues.
- Key accounts sold and managed included GE, American Home Builders Association and the American Bar Association

Education

M.B.A.	DePaul University	Chicago, IL.
B.B.A.	University of Iowa	Iowa City, IA.

APPENDIX C

Financial Qualifications

**National City.**National City Bank
PO BOX 8043
ROYAL OAK MI 48068-8043

13293

Statement Period: Feb. 1, 2008 - Feb. 29, 2008
Account Number: 982842900**Contact Us**

Phone: 1-800-925-9259

TDD for the Hearing Impaired: 1-800-290-0211

Customer Service Hours:

Mon. - Fri: 7 a.m. - 9 p.m. ET

Saturday: 7 a.m. - 2 p.m. ET

Sunday: 10 a.m. - 4 p.m. ET

Web: NationalCity.com



PEERLESS NETWORK LLC
225 W WASHINGTON ST STE 1285
CHICAGO IL 60606-3418

0

**Important Information About Your Account****Information about Fee Increases***Effective Monday, April 28, 2008*

What's shown below replaces what's shown on your Pricing Schedule for Business Accounts. Anything on your Pricing Schedule that is not shown here remains the same.

Special Handling and Miscellaneous Service Fees

ATM activity (including account inquiries) remains **FREE** for National City customers at National City ATMs, otherwise: Non-National City ATM...\$2.00 each

Returned deposited item: Domestic...\$10.00 per item

**Automated Funds Manager****Account Summary for 982842900**

Beginning Balance as of Feb. 1, 2008		\$110,417.33
Deposits	3 items	+200,000.00
Miscellaneous Credits	42 items	+53,781,031.53
Checks	28 items	-215,581.29
Converted Checks	0 items	-0.00
ACH Transfers	16 items	-116,577.93
Wire Transfers	3 items	-77,800.00
Other Debits and Transfers	21 items	-53,581,000.00
Ending Balance as of Feb. 29, 2008		\$100,489.64


Deposits

Date	Amount	Date	Amount
02/05	\$50,000.00	02/19	50,000.00
02/13	100,000.00		

Total: 3 Items for \$200,000.00

OTHER

Miscellaneous Credits

Date	Description	Amount
02/01	Sweep Investment Credit	\$2,765,000.00
02/01	Sweep INT/DIV Payment	215.31
02/04	Sweep Investment Credit	2,755,000.00
02/04	Sweep INT/DIV Payment	643.59
02/05	Sweep Investment Credit	2,655,000.00
02/05	Sweep INT/DIV Payment	206.74
02/06	Sweep Investment Credit	2,655,000.00
02/06	Sweep INT/DIV Payment	206.74
02/07	Sweep Investment Credit	2,655,000.00
02/07	Sweep INT/DIV Payment	206.74
02/08	Sweep Investment Credit	2,555,000.00
02/08	Sweep INT/DIV Payment	198.95
02/11	Sweep Investment Credit	2,711,000.00
02/11	Sweep INT/DIV Payment	633.31
02/12	Sweep Investment Credit	2,654,000.00
02/12	Sweep INT/DIV Payment	206.66
02/13	Sweep Investment Credit	2,649,000.00
02/13	Sweep INT/DIV Payment	206.27
02/14	Sweep Investment Credit	2,646,000.00
02/14	Sweep INT/DIV Payment	206.04
02/15	Sweep Investment Credit	2,731,000.00
02/15	Sweep INT/DIV Payment	212.66
02/19	Sweep Investment Credit	2,731,000.00
02/19	Sweep INT/DIV Payment	650.64
02/20	Sweep Investment Credit	2,659,000.00
02/20	Sweep INT/DIV Payment	203.42
02/21	Sweep Investment Credit	2,698,000.00
02/21	Sweep INT/DIV Payment	208.25
02/22	Sweep Investment Credit	2,640,000.00
02/22	Sweep INT/DIV Payment	201.97
02/25	Sweep Investment Credit	2,640,000.00
02/25	Wire Transfer Credit	5,000.00
02/25	Sweep INT/DIV Payment	605.90
02/26	Sweep Investment Credit	2,639,000.00
02/26	Sweep INT/DIV Payment	201.89
02/27	Sweep Investment Credit	2,612,000.00
02/27	Wire Transfer Credit	250,000.00

Continued

FRAIN



National City.

OTHER

Miscellaneous Credits (continued)

Date	Description	Amount
02/27	Sweep INT/DIV Payment	199.83
02/28	Sweep Investment Credit	2,736,000.00
02/28	Sweep INT/DIV Payment	209.31
02/29	Sweep Investment Credit	2,736,000.00
02/29	Sweep INT/DIV Payment	209.31

Total: 42 items for \$53,781,031.53

int
6,037.53



Checks and Converted Checks

Checks

Check No.	Amount	Date	Check No.	Amount	Date
3049	\$1,300.00	02/01	3062	8,105.41	02/14
3050	17,489.72	02/11	3063	1,677.58	02/12
3051	2,550.00	02/14	3065*	100.00	02/19
3052	1,055.48	02/11	3068*	2,662.65	02/20
3053	53.00	02/20	3069	748.88	02/19
3054	233.70	02/08	3070	4.69	02/15
3055	15.00	02/05	3071	10,000.00	02/20
3056	654.81	02/06	3072	125,955.22	02/27
3057	175.00	02/07	3073	1,362.00	02/25
3058	3,500.00	02/08	3077*	7,634.70	02/26
3059	850.58	02/11	3078	11,749.88	02/26
3060	2,821.99	02/13	3079	3,700.00	02/29
3061	5,000.00	02/14	3080	6,181.04	02/29

Total: 26 items for \$215,581.29

*Indicates a gap in check sequence

ACH ACH Transfers

Date	Description	Amount
02/01	Online Payment To Natl City Visa 4436033055020074	\$8,069.55
02/01	ADP TX/Find Svc ADP - Tax EBOcd 013003V01 080201	888.93
02/01	ADP Payroll Fees ADP - Fees 862158196805834 080201	235.17
02/06	ADP Payroll Fees ADP - Fees 13Cd 7155155 080208	92.00
02/11	ADP TX/Find Svc ADP - Tax 763009207741Cd 080211	25,650.81
02/11	ADP TX/Find Svc ADP - Tax EBOcd 020805A01 080211	12,878.65
02/12	ADP TX/Find Svc ADP - Tax EBOcd 020805V01 080212	2,151.00
02/12	ADP TX/Find Svc ADP - Tax 558014441017Cd 080212	1,934.73
02/13	ADP Payroll Fees ADP - Fees 13Cd 7401825 080213	106.00
02/19	Health Care Sav Oppaymnt 5718142571 021908	4,174.55

Continued

ACH ACH Transfers (continued)

Date	Description	Amount
02/21	ADP TX/Fnd Sic ADP - Tax 717016289108Cd 080221	37,320.30
02/21	ADP TX/Fnd Sic ADP - Tax E6Cd 022207A01 080221	18,741.97
02/21	Analysis Charges Billing Period Ended 013108	760.30
02/26	ADP TX/Fnd Sic ADP - Tax E6Cd 022207V01 080226	3,439.47
02/27	ADP Payroll Fees ADP - Fees 13Cd 8107539 080227	109.50
02/28	Chicago Transit Debits 767307	225.00

Total: 16 Items for \$116,577.93

WIRES Wire Transfers

Date	Description	Amount
02/19	Wire Transfer Debit	\$67,800.00
02/26	Wire Transfer Debit	5,000.00
02/26	Wire Transfer Debit	5,000.00

Total: 3 Items for \$77,800.00

(A) Hercules Returned
cleared**OTHER** Other Debits and Transfers

Date	Description	Amount
02/01	Sweep Investment Debit	\$2,765,000.00
02/04	Sweep Investment Debit	2,855,000.00
02/05	Sweep Investment Debit	2,855,000.00
02/06	Sweep Investment Debit	2,855,000.00
02/07	Sweep Investment Debit	2,855,000.00
02/07	Deposited Item Returned	100,000.00
02/08	Sweep Investment Debit	2,711,000.00
02/11	Sweep Investment Debit	2,854,000.00
02/12	Sweep Investment Debit	2,849,000.00
02/13	Sweep Investment Debit	2,848,000.00
02/14	Sweep Investment Debit	2,731,000.00
02/15	Sweep Investment Debit	2,731,000.00
02/19	Sweep Investment Debit	2,659,000.00
02/20	Sweep Investment Debit	2,666,000.00
02/21	Sweep Investment Debit	2,640,000.00
02/22	Sweep Investment Debit	2,640,000.00
02/25	Sweep Investment Debit	2,639,000.00
02/26	Sweep Investment Debit	2,612,000.00
02/27	Sweep Investment Debit	2,736,000.00
02/28	Sweep Investment Debit	2,736,000.00
02/29	Sweep Investment Debit	2,726,000.00

Total: 21 Items for \$53,581,000.00

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APPENDIX D

Local Exchange Tariff

Local Exchange Services

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

This tariff contains the description, regulations, and rates applicable to the furnishing of local exchange telecommunications services provided by Peerless Network of Arizona, LLC, within the State of Arizona. This tariff is on file with the Arizona Corporation Commission ("Commission"). Copies may be inspected during normal business hours at the Company's place of business.

Issued:

Effective:

Issued By: John Barnicle, CEO
Peerless Network of Arizona, LLC
225 W. Washington Street, Ste 1285
Chicago, IL 60606

Local Exchange Services**CHECK SHEET**

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

<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>
1	Original	31	Original
2	Original	32	Original
3	Original	33	Original
4	Original	34	Original
5	Original	35	Original
6	Original	36	Original
7	Original	37	Original
8	Original	38	Original
9	Original	39	Original
10	Original	40	Original
11	Original	41	Original
12	Original	42	Original
13	Original	43	Original
14	Original	44	Original
15	Original	45	Original
16	Original	46	Original
17	Original	47	Original
18	Original	48	Original
19	Original	49	Original
20	Original	50	Original
21	Original	51	Original
22	Original		
23	Original		
24	Original		
25	Original		
26	Original		
27	Original		
28	Original		
29	Original		
30	Original		

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Local Exchange Services

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Local Exchange Services

SYMBOLS

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

- D - Deleted or discontinued material
- I - Change resulting in a rate increase
- M - Moved from another tariff location
- N - New material
- R - Change resulting in a rate reduction
- T - Change in text only, no change in rate

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Local Exchange Services

TARIFF FORMAT

- A. Page Numbering - Page numbers appear in the upper right hand corner of the page. Pages are numbered sequentially. From time to time new pages may be added to the tariff. When a new page is added between existing pages, a decimal is added to the preceding page number. For example, a new page added between Pages 3 and 4 would be numbered 3.1.
- B. Page Revision Numbers - Revision numbers also appear in the upper-right corner of the Page. These numbers are used to determine the most current page version on file with the Commission. For example, 4th Revised Page 4 cancels 3rd Revised Page 4.
- C. Paragraph Numbering Sequence - There are various levels of paragraph coding. Each level of coding is subservient to its next higher level of coding. For example,
2.
2.1
2.1.1
2.1 .I.A.
2.1.1 .A.1.
2.1.1 .A.1 .(a)
- D. Check Sheet - When a tariff filing is mad with the Commission, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the pages contained in the tariff, with a cross-reference to the current revision number. When new 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., remains the same, just revised revision levels on some sheets). The tariff user should refer to the latest Cheek Sheet to find out if a particular page is the most current page on file with the Commission.

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Local Exchange Services

APPLICATION OF TARIFF

This tariff contains the regulations and rates applicable to the provision of local exchange service by Peerless Network of Arizona, LLC within the State of Arizona and subject to the jurisdiction of the Arizona Corporation Commission.

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Local Exchange Services

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement that connects the customer's location to a switching center or point of presence.

Advance Payment / Prepayment - Payment of all or part of a charge required before the start of service.

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

Carrier or Company - Whenever used in this tariff, "Carrier" or "Company" refers to **Peerless Network of Arizona, LLC**, unless otherwise specified or clearly indicated by the context.

Commission - Arizona Corporation Commission

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

End User - Any person, firm, corporation, partnership or other entity that uses the services of the Company under the provisions and regulations of this tariff. The End User is responsible for the payment unless the charges for the services utilized are accepted and paid by another customer.

Exchange Access Line - The serving central office line equipment and all Company plant facilities up to and including the Company-provided Standard Network Interface. These facilities are Company-provided and maintained and provide access to and from the telecommunications network for message toll service and for local calling appropriate to the tariffed use offering selected by the Customer.

Extended Calling Area - the area outside the basic calling area. Calls to this area result in additional charges per call.

Holidays - The Company's holidays are New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

ILEC - The incumbent Local Exchange Carrier

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

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Local Exchange Services

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

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. 32-0192 for the provision and administration of communications services.

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

Local Exchange Company (LEC) – A company that furnishes exchange telephone service.

Local Exchange Services - Telecommunications services furnished for use by end-users in placing and receiving local telephone calls within local calling areas.

Non-Recurring Charges ("NRC") – 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.

Person-to-Person Calling - An operator-assisted service whereby the person originating the call specifies a particular person to be reached, or a particular station, room number, department, or office to be reached through a PBX attendant. These calls may not be dialed.

Premises - All space in the same building occupied by a customer and all space occupied by the same customer in different buildings on continuous property.

Recurring Charges ("MRC") – The monthly charges to the Customer for services, facilities and equipment, which continue for the agreed upon duration of the service.

Residential Service – Residential Service is that service furnished to private homes or apartments, including all parts of the subscriber's domestic establishment, for domestic use and not for substantial occupation use; in the study of a clergyman located in a church, in college fraternity or sorority houses, college dormitories, convents and monasteries for domestic rather than occupational use in residential quarters.

Resold Local Exchange Service - A service composed of the resale of exchange access lines and local calling provided by other authorized Local Exchange Carriers, in combination with Company-provided usage services, miscellaneous services or interstate or international services.

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Local Exchange Services

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Service Commencement Date – The first day following the date on which the Company notified 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 the standards set forth in the Service Order or this tariff, in which case the Service Commencement Date is the date of the Customer's acceptance of service. The parties may mutually agree on a substitute Service Commencement Date.

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

Station-to-Station Calling - a service whereby the originating End User requests the assistance of a Company operator to place or bill the call. Calls billed Collect or to a telephone company issued Calling Card or to an authorized Credit Card are Operator-Station calls unless the call is placed on a Person-to-person basis. Automated Calling Card calls are not Operator-station calls. These calls may not be dialed. Collect calls to coin telephones and transfers of charges to third telephones that are coin telephones will not be accepted.

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Local Exchange Services

SECTION 2 – RULES AND REGULATIONS**2.1 Undertaking of the Company**

The Company services offered pursuant to this Tariff are furnished for Local Exchange Service among specified points within a Local Calling Area.

The Company installs, operates, and maintains the communications services provided herein under in accordance with the terms and conditions set forth under this tariff. The Company 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 Company's network. The Customer shall be responsible for all charges due for such service arrangement.

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.

The Company is responsible only for the services provided under this tariff, and it assumes no responsibility for any service or facilities provided by any other entity.

2.2 Limitations

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

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

2.2.3 The Company does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission or for failure to establish connections.

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

2.2.5 Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to any assignee or transferee.

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Local Exchange Services

SECTION 2 – RULES AND REGULATIONS

2.3 Use

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

2.4 Liabilities of the Company

2.4.1 The Company's liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in transmission, which occur in the course of furnishing service or facilities, in no event shall exceed an amount equivalent to the proportionate charge to the Customer for the period during which the faults in transmission occur.

2.4.2 The Company shall not be liable for claim or loss, expense or damage (including indirect, special or consequential damage), for any interruption, delay, error, omission, or defect in any service, facility, or transmission provided under this tariff, if caused by any person or entity other than the Company, by any malfunction of any service or facility provided by any other carrier, by an act of God, fire, war, civil disturbance, or act of government, or by any other cause beyond the Company's direct control.

2.4.3 The company shall not be liable for, and shall be fully indemnified and held or consequential damage) for defamation, libel, slander, invasion, infringement of copy-right or patent, unauthorized use of any trademark, trade name, or service mark, unfair competition, interference with or misappropriation or violation of any contract, proprietary or creative right, or any other injury to any person, property or entity arising out of the material data, information, or other content revealed to, transmitted, or used by the Company under this tariff, or for any act or omission of the Customer, or for any personal injury or death of any person caused directly or indirectly by the installation, maintenance, location, condition, operation, failure, presence, use or removal of equipment or wiring provided by the Company, if not directly caused by negligence of the Company.

2.4.4 No agent or employee of any other carrier shall be deemed to be an agent or employee of the Company.

2.4.5 The Company shall not be liable for any defacement of or damages to the premises of a Customer resulting from the furnishing of service, which is not the direct result of the Company's negligence.

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Local Exchange Services

SECTION 2 – RULES AND REGULATIONS

2.5 Deposits

The Company does not collect customer deposits.

2.6 Advance Payments

The Company does not require advance payments.

2.7 Taxes

All state and local taxes (including but not limited to franchise fees, excise tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.

2.8 Installation

Service is installed upon mutual agreement between the Customer and the Company. The service agreement does not alter rates specified in this tariff.

2.9 Payment for Service

The Customer is responsible for payment of all charges for services furnished to the Customer or to an Authorized User of the Customer by the Company. All charges due by the Customer are payable to the Company or to any agency duly authorized to receive such payments.

The Company's billing invoices will be considered correct and binding upon the Customer if no notice is received from the Customer within thirty (30) days of the date of the invoice. (Billing inquiries may be made in writing or via telephone.) Adjustments to Customer's bills shall be made, to the extent circumstances exist, which reasonably indicate that such changes are appropriate. Upon receipt of a billing inquiry, charges involved in the disputed element(s) of the invoice will be temporarily suspended pending resolution of the dispute. The Customer, however, remains responsible for the timely payment of the non-disputed elements of the invoice.

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Local Exchange Services

SECTION 2 – RULES AND REGULATIONS

2.10 Late Payment Charge

The Company will assess a charge for late payment in the amount of 1½% of the unpaid balance. A payment is considered late after the five (5) day grace period. A late payment penalty may be assessed only once on any bill for rendered services.

2.11 Cancellation by Customer

Customer may cancel service by providing written or oral notice to the Company.

2.12. Interconnection

Service furnished by the Company may be connected with the services or facilities of other carriers or enhanced service providers. The Customer is responsible for all charges billed by these entities for use in connection with the Company's service. Any special interface equipment of facilities necessary to achieve compatibility between these entities is the responsibility of the Customer. Neither the Company nor any connecting carrier participating in a service shall be liable for any act or omission of any other company or companies furnishing a portion of such service.

2.13 Refusal or Discontinuance by Company

The Company may refuse or discontinue service under the following conditions in accordance with Commission rules:

- 2.13.1 For non-compliance with or violation of any State, municipal, or Federal law, Ordinance or regulation pertaining to telephone service.
- 2.13.2 For use of telephone service for any other property or purpose than that described in application.
- 2.13.3 For neglect or refusal to provide reasonable access to the Company or its agents for the purpose of inspection and maintenance of equipment owned by the Company or its agents.
- 2.13.4 For noncompliance with or violation of Commission regulation or the Company's rules and regulations on file with the Commission, provided ten days written notice is given before termination.

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Local Exchange Services

SECTION 2 – RULES AND REGULATIONS

2.13 Refusal or Discontinuance by Company (continued)

- 2.13.5 For nonpayment of bills, including bills for any of the Company's other communication services, provided that suspension or termination of service shall not be made without seven days written notice to the Customer, except in extreme cases.
- 2.13.6 Without notice in the event of Customer or Authorized User use of equipment in such a manner as to adversely affect the Company's service to others. Within twenty-four (24) hours after such termination, the utility shall send written notification to the Customer of the reasons for termination or refusal of service upon which the utility relies, and of the Customer's right to challenge the termination by filing a formal complaint with the Commission.
- 2.13.7 Without notice in the event of tampering with equipment or services owned by the Company or its agents. Within twenty-four (24) hours after such termination, the utility shall send written notification to the customer of the reasons for termination or refusal of service upon which the utility relies, and of the Customer's rights to challenge the termination by filing a formal complaint with the Commission.
- 2.13.8 Without notice in the event of unauthorized or fraudulent use of service. Whenever service is discontinued for fraudulent use of service, the Company may, before restoring service, require the Customer to make, at his or her own expense, all changes in facilities or equipment necessary to eliminate illegal use and to any an amount reasonably estimated as the loss in revenues resulting from such fraudulent use. Within twenty-four (24) hours after such termination, the utility shall send written notification to the Customer of the reasons for termination or refusal of service upon which the utility relies, and of the Customer's right to challenge the termination by filing a formal complaint with the Commission.
- 2.13.9 Without notice by reason of any order or decision of a court or other government authority having jurisdiction which prohibits Company from furnishing such services.

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Chicago, IL 60606

Local Exchange Services**SECTION 2 – RULES AND REGULATIONS****2.14 Tests, Pilots, Promotional Campaigns and Contests**

The Company may conduct special tests or pilot programs and promotions at its discretion to demonstrate the ease of use, quality of service and to promote the sale of its services. The Company may also waive a portion or all processing fees for winners of contests and other occasional promotional events sponsored or endorsed by the Company. From time to time, the Company may waive all processing fees for a Customer. The Company will notify the Commission regarding specific promotions and contests at least seven (7) days prior to implementation.

2.15 Interruption of Service

Credit allowances for interruptions of service which are not due to the Company's testing or adjusting, to the negligence of the Customer, or to the failure of channels, equipment or communications systems provided by the Customer, are subject to the general liability provisions set forth in Section 2.4 herein. It shall be the obligation of the Customer to notify the Company immediately of any interruption in service for which Customer desires a credit allowance. Before giving such notice, Customer shall ascertain that the trouble is not within his or her control, or is not in wiring or equipment, if any, furnished by Customer and connected to Company's terminal. Interruptions caused by Customer-provided or Company-provided automatic dialing equipment are not deemed an interruption of service as defined herein.

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

Credit Formula:

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

"A" = outage time in hours

"B" = total monthly charge for affected facility

2.16 Cost of Collection and Repair

The Customer is responsible for any and all costs incurred in the collection of monies due the Carrier including legal and accounting expenses. Customer is also responsible for recovery costs of Carrier-provided equipment and any expenses required for repair or replacement of damaged equipment.

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Local Exchange Services

SECTION 2 – RULES AND REGULATIONS

2.17 Returned Check Charge

A fee may be charged for each check returned for insufficient fund as set forth in this tariff up to a maximum of \$30.00.

2.18. Service Implementation

Absent a promotional offering, service implementation charges will apply to new service orders.

2.19 Reconnection Charge

The Company will charge a reconnection fee as set forth in this tariff.

2.20 Reserved for Future Use

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Chicago, IL 60606

Local Exchange Services

SECTION 2 – RULES AND REGULATIONS**2.21. Access to Telephone Relay Services**

Where required by the Commission, the Company will participate in telephone relay services for handicapped and or hearing-impaired end users, and will comply with all regulations and requirements. The Company shall impose any monthly surcharge or any other related charge upon its local exchange telecommunications subscribers as may be required by state law.

2.21.1 Discounts for Hearing Impaired Customers

A telephone toll message which is communicated using a telecommunications device for the deaf (TDD) by properly certified hearing or speech impaired persons or properly certified business establishments or individuals equipped with TDDs for communicating with hearing or speech impaired persons will receive, upon request, credit on charges for certain intrastate toll charges placed between TDDs. Discounts do not apply to surcharges or per call add-on charges for operator services when the call is placed by a method that would normally incur the surcharge.

TDD: The credit to be given on a subsequent bill for such calls placed between TDDs will be equal to applying the evening rate during business day hours and night/weekend rate during the evening rate period.

TRS: The credit to be given on a subsequent bill for such calls placed by TDDs with the assistance of the relay center will be equal to 50% of the rate for the applicable rate period. If either the calling or called party indicates that either party is both hearing and visually impaired, the call shall be discounted at 25% of the applicable rate.

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Local Exchange Services

SECTION 2 – RULES AND REGULATIONS

2.22 Directory Listings

2.22.1 The Company does not publish a directory of subscriber listings. The Company, however, does arrange for the Customer's main billing number to be placed in the directory or directories of the dominant local exchange carrier.

2.22.2 The rates and regulations specified herein for directory listings apply only to the alphabetical section of the directory. Listings are intended solely for the purpose of identifying subscriber's telephone number and as an aid to the use of telephone service.

2.22.3 The listings of subscribers, either without charge or at the rate specified within this tariff for other listings are arranged alphabetically and are not intended for special prominence of arrangement. In accepting listings as requested by subscribers or prospective subscribers, the Company will not be a party to controversies between subscribers as result of the publication of such listings in the directories.

2.22.4 Listings must conform to the Company's specifications with respect to the directories. The Company reserves the right to reject listings when in, its sole judgment, such listings would violate the integrity of company records and the directories, confuse individuals using the directory, or when the customer cannot provide satisfactory evidence that he is authorized to do business as requested.

2.22.5 The Company reserves the right to limit the length of any listing to one line in the directory by use of abbreviations when, in its sole judgment, the clearness of the listing and the identification of the subscriber is not impaired.

2.22.6 Generally, the listed address is the location of the subscriber's residence.

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Local Exchange Services

SECTION 2 – RULES AND REGULATIONS

2.23 Universal Emergency Telephone Number Service

- 2.23.1 This tariff does not provide for inspection or constant monitoring of facilities to discover errors, defects, or malfunctions in the service, nor does the Company undertake such responsibility.
- 2.23.2 911 information consisting of the names, addresses and telephone numbers of all telephone customers is confidential. The Company will release such information via the Data Management system only after a 911 call has been received, on a call by call basis, only for the purpose of responding to an emergency call in progress.
- 2.23.3 The 911 calling party, by dialing 911, waives the privacy afforded by non-listed and non-published service to the extent that the telephone number, name, and address associated with the originating station location are furnished to the Public Safety Answering Point.
- 2.23.4 After the establishment of service, it is the Public Safety Agency's responsibility to continue to verify the accuracy of and to advise the Company of any changes as they occur in street names, establishment of new streets, changes in address numbers used on existing streets, closing and abandonment of streets, changes in police, fire, ambulance or other appropriate agencies' jurisdiction over any address, annexations and other changes in municipal and county boundaries, incorporation of new cities or any other similar matter that may affect the routing of 911 calls to the proper Public Safety Answering Point.

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Local Exchange Services

SECTION 2 – RULES AND REGULATIONS**2.23 Universal Emergency Telephone Number Service (continued)**

2.23.5 The Company assumes no liability for any infringement, or invasion of any right of privacy of any person caused, or claimed to be caused, directly or indirectly by the use of 91 1 service. Under the terms of this tariff, the Public Safety Agency must agree, (except where the events, incidents, or eventualities set forth in this sentence are the result of the Company's gross negligence or willful misconduct), to release, indemnify, defend and hold harmless the Company from any and all losses or claims whatsoever, whether suffered, made, instituted, or asserted by the Public Safety Agency or by any other party or person, for any personal injury to or death of any person or persons, for any loss, damage, or destruction of any property, whether owned by the customer or others. Under the terms of this tariff, the Public Safety Agency must also agree to release, indemnify, defend and hold harmless the Company for any infringement of invasion of the right of privacy of any person or persons, caused or claimed to have caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, occasion, or use of 911 service features and the equipment associated therewith, or by any services furnished by the company in connection therewith, including, but not limited to, the identification of the telephone number, address, or name associated with the telephone used by the party or parties accessing 911 service hereunder, and which arise out of the negligence, other than gross negligence or willful misconduct, of the Company, its employees or agents.

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Local Exchange Services

SECTION 3 -DESCRIPTION OF SERVICE

3.1 Local Service Areas

The Company will provide local exchange service throughout the BellSouth access areas.

3.2 Local Exchange Service

Installation, monthly recurring charges will apply to the Company's local exchange services.

3.2.1. The Company's Local Telephone Service provides a Customer with the ability to:

- place or receive calls to any calling Station in the local calling area, as defined herein;
- access basic 911 Emergency Service; and
- place or receive calls to 800/888/887 telephone numbers.

3.2.2 Local Line provided the Customer with a single, voice-grade communications channel. Each Local Line will include a telephone number.

3.2.3 Standard Features: Each Local Line customer is provided with the following standard features:

- Touch Tone
- Direct Inward Dialing
- Direct Outward Dialing

3.2.4 Optional Features: A Customer may order optional features at the rates specified in this tariff.

3.2.5 Local Line Rates and Charges: A Local Line Customer will be charged applicable Non-Recurring Charges, monthly Recurring Charges and usage charges as specified herein.

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Local Exchange Services

SECTION 4 – CONNECTION CHARGES

4.1 Connection Charge

4.1.1 General

The Connection Charge is a nonrecurring charge which applies to the following: (a) the installation of a new service; (b) the transfer of an existing service to a different location; (c) a change from one class of service to another at the same or a different location; or (d) restoration of service after suspension or termination for nonpayment. Connection Charges are listed with each service to which they apply.

4.1.2 Exceptions to the Charge

- A. No charge applies for a change to a service for which a lower monthly rate applies, made within 90 days after any general rate increase, if a lower grade of service is offered in the customer's exchange.
- B. The Company may from time to time waive or reduce the charge as part of a promotion.

4.2 Restoral Charge

A restoral charge applies each time a service is reconnected after suspension or termination for nonpayment but before cancellation of the service, as deemed in Section 1 of this Tariff.

Business
\$100.00

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Local Exchange Services**SECTION 4 – CONNECTION CHARGES****4.3 Moves, Adds, and Changes**

The Company alone may make changes in the location of its lines and equipment. When it is found that a move or change of such lines or equipment has been made by others, the Connection Charge for the underlying service will apply as if the work had been done by the Company.

The customer will be assessed a charge for any move, add or change of a Company service and is charged in addition to any other monthly or installation charge which is associated with the service the customer orders. Move, Add and Change are defined as follows:

- Move:** The disconnection of existing equipment at one location and reconnection of the same equipment at a new location in the same building or in a different building on the same premises.
- Add:** The addition of a vertical service to existing equipment and/or service at one location.
- Change:** Change - including rearrangement or reclassification - of existing service at the same location.

	<u>Move</u>	<u>Add</u>	<u>Change</u>
Business Charge per Order	\$50.00	\$50.00	\$50.00
Line Connection (per line)	\$100.00	\$100.00	\$100.00

Record Work Only

(This charge is applicable for changes that do not involve central office or premise work.)

\$50.00

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Local Exchange Services

SECTION 4 – CONNECTION CHARGES

4.4 Charges Associated With Premises Visit

4.4.1 Trouble Isolation Charge

When a visit to the customer's premises is necessary to isolate a problem reported to the Company but identified by the Company's technician as attributable to customer-provided equipment or inside wire, a separate charge applies in addition to all other charges for the visit.

Per Premises Visit, Business: \$100.00

4.5 Primary Interexchange Carrier Change Charge

Customers may be presubscribed to the carrier of their choice for both interLATA and intraLATA service. The customer will incur a charge each time there is a change in the long distance carrier associated with the customer's intraLATA or interLATA service after the initial installation of service.

\$2.50

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Local Exchange Services**SECTION 5 – SUPPLEMENTAL SERVICES****5.1 Custom Calling Service****5.1.1 General**

The features in this section are made available on an individual basis or as part of multiple feature packages. All features are provided subject to availability; features may not be available with all classes of service. Transmission levels may not be sufficient in all cases.

5.1.2 Feature Descriptions and Rates

Rates in this section are applied on a monthly basis unless otherwise specified:

CALL WAITING \$1.00

Provides a tone signal when a second call is coming in on a busy line.

CALL FORWARDING-Variable \$1.00

Permits a customer to automatically transfer all incoming calls to another dialable telephone number.

THREE-WAY CALLING \$1.00

Adds a third party to an established connection without operator assistance.

SPEED CALLING - 39 Number List \$1.00

Allows a customer to call other telephone numbers by dialing a code rather than the complete telephone number.

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Local Exchange Services

SECTION 5 – SUPPLEMENTAL SERVICES**5.1 Custom Calling Service (continued)****5.1.2 Feature Descriptions and Rates (continued)**

CALL TRACE	Per Activation	\$1.00
-------------------	-----------------------	---------------

This feature will, upon successful customer activation, automatically trace the telephone number of the line used for the last call received by the Customer. Call Trace is provided to customers whose local Telephone Exchange Service includes only Residence lines. The company will not provide the traced number to the customer, but it will be provided to law enforcement officials upon written request of the customer.

DISTINCTIVE RINGING		\$1.00
----------------------------	--	---------------

This feature allows a customer to designate up to ten telephone numbers from which incoming calls will have a distinctive ring. For customers with call waiting, a distinctive call-waiting signal will be received if a call from one of the designated telephone numbers is waiting.

CALL SCREENING		\$1.00
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Customer can designate 10 numbers from which incoming calls will be connected to a pre-recorded announcement that calls are not being taken now.

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Local Exchange Services

SECTION 5 – SUPPLEMENTAL SERVICES**5.1 Custom Calling Service (continued)****5.1.2 Feature Descriptions and Rates (continued)****CALLER ID****\$3.00**

This Central Office feature provides for the display of the incoming telephone number on a customer provided display device attached to the customer's telephone or answering machine with a built-in display screen. The Caller ID feature will forward the calling number from the appropriately equipped terminating central office to the customer provided display device. The Company will forward all telephone numbers subject to technical limitations.

CALLER ID WITH NAME**\$5.00**

This Central Office feature is only offered to customers being served by appropriately equipped central offices and subscribing to caller ID. This feature provides for the display of the listed name associated with the telephone number from which the call is being made. The name will be delivered to a customer provided display device. The company will forward all calling names subject to technical limitations.

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SECTION 5 – SUPPLEMENTAL SERVICES**5.1 Custom Calling Service (continued)****5.1.2 Feature Descriptions and Rates (continued)****BUSY LINE TRANSFER****\$1.00**

In the event that the called telephone number is busy, this feature automatically forwards incoming calls to a predetermined telephone number served by the same central office switch, or provides inter-switch forwarding to a predetermined, dialable telephone number where technically available. If incoming calls are transferred to a number served by the same or a different central office switch, multiple calls will be transferred simultaneously provided that there are sufficient facilities to accept the calls. *This feature is not compatible with Call Waiting or Direct Inward Dialing Service.*

ALTERNATE ANSWERING**\$1.00**

In the event that the telephone number is not answered within the Company designated parameters, normally three to four rings, this feature automatically forwards incoming calls to a predetermined, or a different central office switch, multiple calls will be transferred simultaneously provided that are sufficient facilities to accept the calls.

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Local Exchange Services**SECTION 5 – SUPPLEMENTAL SERVICES****5.1 Custom Calling Service (continued)****5.1.2 Feature Descriptions and Rates (continued)**

MESSAGE WAITING TONE \$1.00

Allows an audible signal, stutter dial tone, to be present on the line when a message is waiting.

**BUSY LINE TRANSFER,
ALTERNATE ANSWERING,
MESSAGE WAITING TONE** \$1.00

Allows access to all three services.

CUSTOMER CONTROL OPTION

Allows the customer to activate/deactivate the Busy Line Transfer and Alternate Answering features and to change the number to which the calls are forwarded.

Busy Line Transfer \$1.00

Alternate Answering \$1.00

EASY CALL \$1.00

Provides automatic dialing of a number when the customer's line is taken off-hook, at 7-second intervals.

SPECIAL DELIVERY SERVICE \$1.00

When a busy or don't answer condition exists on an outgoing call, this feature automatically forwards the calling party to a pre-determined telephone number.

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Local Exchange Services**SECTION 5 – SUPPLEMENTAL SERVICES****5.1 Custom Calling Service (continued)****5.1.2 Feature Descriptions and Rates (continued)****CALL CONTROL****\$2.00**

Available with Residence Basic Exchange Access Service and Residence ISDN service. Customer has the ability to screen outgoing call, then block or allow calls. This feature can be activated and deactivated and provides a PIN number to the subscriber. Customer can block long distance, Operator Assisted, specific telephone numbers, prefix and/or area codes, and/or all outgoing calls.

REMOTE CALL FORWARDING

First

\$5.00

Second

\$5.00

Remote Call Forwarding (CO Based), provides a method to automatically transfer all incoming calls to another dialed number at all times. The dialable number is user defined. The dialed number can be either 7 or 10 digit numbers (POTS) and can be changed via a service order. No physical telephone is required at the subscribed dialed number. Multiple simultaneous call paths can be provided, with each additional path priced at the rates above. (Business Service Ordering and Line Connection Charges apply.)

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Local Exchange Services**SECTION 5 – SUPPLEMENTAL SERVICES****5.1 Custom Calling Service (continued)****5.1.2 Feature Descriptions and Rates (continued)****900 SPECIAL ACCESS CODE BLOCKING** N/C

Blocks access from a company provided Exchange Access Service to customer dialed 900 numbers.

976 PREFIX BLOCKING SERVICE N/C

Blocks access from a company provided Exchange Access Service to customer dialed 976 numbers.

AUTOMATIC CALL BACK Per Activation \$1.00

Allows a customer to return most recent incoming calls whether answered or not. If the line to which the request is made is idle, the call goes through, if the line is busy, the automatic callback continues to attempt until the line is free. The request is deactivated after 30 minutes or six unanswered ring backs if the call is not completed.

REPEAT DIALING Per Activation \$1.00

Allows a Customer, by dialing a particular code, to redial a dialed number a specified number of times or until a party answers the call.

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Local Exchange Services

SECTION 5 -- SUPPLEMENTAL SERVICES**5.2 Service and Promotional Trials****5.2.1 General**

The Company may establish temporary promotional programs wherein it may waive or reduce nonrecurring or recurring charges, to introduce a present or potential customer to a service not previously subscribed to by the customer.

5.2.2 Regulations

- A. Appropriate notification of the Trial will be made to all eligible customers and to the Commission. Appropriate notification may include direct mail, bill inserts, broadcast or print media, direct contact or other comparable means of notification.
- B. During a Service Trial, the service(s) is provided automatically to all eligible customers, except those customers who choose not to participate. Customers will be offered the opportunity to decline the trial service both in advance and during the trial. A customer can request that the designated service be removed at any time during the trial and not be billed a recurring charge for the period that the feature was in place. At the end of the trial, customers that do not contact the Company to indicate they wish to retain the service will be disconnected from the service at no charge.
- C. During a Promotional Trial, the service is provided to all eligible customers who ask to participate. Customers will be notified in advance of the opportunity to receive the service in the trial for free. A customer can request that the service be removed at any time during the trial and not be billed a recurring charge for the period that the service was in place. At the end of the trial, customers that do not contact the Company will be disconnected from the service.
- D. Customers can subscribe to any service listed as part of a Promotional Trial and not be billed the normal Connection Charge. The offering of this trial period option is limited in that a service may be tried only once per customer, per premises.
- E. The Company retains the right to limit the size and scope of a Promotional Trial.

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Local Exchange Services

SECTION 5 – SUPPLEMENTAL SERVICES**5.3 Operator Assistance Surcharges****5.3.1 General**

Operator Assistance Surcharges apply when a customer utilizes either an automated or live Company operator for purposes of completing or billing a call. Operator Assistance Surcharges apply in addition to local usage or long distance usage services as identified in this tariff.

5.3.2 Operator Assistance Surcharges -- Rate Schedule

PERSON-TO-PERSON \$5.00

Operator assists caller by beginning to bill the call only when a specifically identified party answers the phone.

BILLED TO A THIRD NUMBER \$5.00

Operator assists the caller by billing the call to a verified number other than the station number from which the call is being made or by which the call is received.)

COLLECT CALLS \$5.00

Operator assists the caller by verify charges with, and billing the call to, the party receiving the call.

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Local Exchange Services**SECTION 5 - SUPPLEMENTAL SERVICES****5.3 Operator Assistance Surcharges (continued)****5.3.2 Operator Assistance Surcharges -- Rate Schedule (continued)****CALLING CARD ASSISTANCE**

Operator assists the caller by accepting and/or billing, and/or completing a call based upon information pertaining to a billable calling card.

Automated Assistance (where available)	\$5.00
---	--------

Non-Automated Assistance	\$10.00
--------------------------	---------

SENT - PAID/OPERATOR ASSISTED	\$5.00
--------------------------------------	--------

Operator assistance provided to stations capable of accepting prepayment by terms of coin or non-calling card credit arrangements.

BUSY LINE VERIFICATION	\$5.00
-------------------------------	--------

Operator assists caller by verifying the busy status of an exchange access line. Charged for each verification.

BUSY LINE VERIFY AND INTERRUPT	\$5.00
---------------------------------------	--------

Operator assists caller by first verifying the busy status of an exchange access line and then by interrupting the communications on the line to alert the communicating parties of the caller's need to reach the busy line.

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Local Exchange Services

SECTION 5 – SUPPLEMENTAL SERVICES

5.4 Directory Services

5.4.1 General

Directory services allow customers to customize the manner in which their Company assigned telephone numbers appear in published directory and/or are used by dialable directories and Company operators. This section applies only to services provided by the Company.

5.4.2 Directory Services -- Rate Schedule

ALPHABETICAL DIRECTORY LISTING

N/C

One listing, without charge, is provided in the alphabetical section of the directory of the local exchange area in which the Customer's premises is located. This listing is termed the primary listing and is provided for each line provided pursuant to the Company's Exchange Access Service. Where two or more lines are arranged to hunt, all of those lines so arranged constitute a separate Customer Service.

EXTRA LISTINGS

An Extra Listing is any listing of a name or information in connection with a Customer's access line number beyond that provided pursuant to the Alphabetical Directory Listing Service provided above.)

Per Month for each listing:

\$1.00

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Local Exchange Services

SECTION 5 -- SUPPLEMENTAL SERVICES**5.4 Directory Services (continued)****5.4.2 Directory Services -- Rate Schedule (continued)****PRIVATE LISTING**

A telephone number that is not listed in either the directory assistance records or the alphabetical directory or that section of the directory containing the regular alphabetical list of names of Exchange Access Customers.

Per Month for each listing: \$1.00

SEMI-PRIVATE LISTING

A telephone number that is not listed in the alphabetical directory or that section of the directory containing the regular alphabetical list of names of Exchange Access Customers. The telephone number is listed in the directory assistance records and will be furnished upon request of the calling party.

Per Month for each listing: \$1.00

DIRECTORY ASSISTANCE CALL

D.A. Call services furnish the customer with either automated or operator assisted access to the Company's Directory Services database on a dial-up basis. A maximum of two number requests will be accommodated per D.A. Call Service call.

Per Call \$1.00

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SECTION 5 – SUPPLEMENTAL SERVICES**5.4 Directory Services (continued)****5.4.2 Directory Services -- Rate Schedule (continued)****INFORMATION CALL COMPLETION**

Information Call Completion (ICC) is available as an add-on to the Company's D.A. Call Service. ICC allows the customer to connect directly to a number requested via the Company's D.A. Call service by means of operator dialing.

Per Call Completed

\$1.00

Mobile telephone service customers will only be eligible for ICC service if an alternate billing option is used, i.e., calling card, billed-to-third number, collect and person-to-person special handling. However, should a mobile carrier request the option, the Company will provide ICC to a mobile carrier on a sent-paid basis.

5.5 Direct Inward Dial (DID) Services**5.5.1 General**

DID is a service which permits incoming dialed calls to be dialed directly by a calling party station associated with a switching system located on the Carrier's Customer Premises. These lines support inbound calling traffic only.

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Local Exchange Services**SECTION 5 – SUPPLEMENTAL SERVICES****5.5 Direct Inward Dial (DID) Services (continued)****5.5.2 Direct Inward Dial Service -- Rate Schedule**

	Monthly Recurring Charge	Non-Recurring Charge
DID Trunk Termination Charges		
Each DID trunk termination in central office, per trunk	\$50.00	\$50.00
Each DID trunk termination in Central Office arranged for Touch-Tone signaling.	\$50.00	\$50.00
Subsequent additions, deletions or rearrangements of DID trunk terminations in addition to above charges, per occasion.	\$50.00	\$50.00
DID Number Charges		
Each group of 10 assigned DID station numbers or fraction thereof, each group	\$2.00	\$2.00
Each group of 10 Reserved DID station numbers or fraction thereof, each group	\$2.00	\$2.00
Business		
DID Service from a Remote Central Office		
Mileage charges apply in addition to the rates specified preceding. Mileage charges are those specified for Foreign District Service as appropriate.		
Each new installation, addition, or rearrangement of trunks that provide DID service from a Remote Central Office, per occasion.	\$50.00	\$50.00

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SECTION 5 – SUPPLEMENTAL SERVICES

5.6 2-Way Direct Inward Dialing (DID) With Call Transfer

5.6.1 General

2-Way Direct Inward Dialing (DID) with Call Transfer is a service that permits incoming calls to reach customer provided equipment, without the assistance of an attendant, and allows the transfer of those calls to another line. Touch-Tone is a standard feature of this service.

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Local Exchange Services**SECTION 5 – SUPPLEMENTAL SERVICES****5.7 Miscellaneous Services**Monthly Rate**TOLL RESTRICTION SERVICE**

Toll Restriction Service will not allow inter-MSA 1+, 0+, 0-, 10XXX, or 700 calls to be completed.

- per line equipped

\$1.00

Toll billing exception that prevents third number billed and collect call is also a customer option.

INTERCEPT REFERRAL EXTENSION SERVICE

Provides notification to calling parties about changes in the status of the called party's telephone line. (An Add / Change Charge applies to add or change the length of months requested)

\$1.00

Non-Recurring Charge**TEMPORARY INTERCEPT**

Enables a Customer to have incoming calls intercepted for 1 month. (Regular Exchange Access Service billing continues and an Add/Change charge applies)

- per Central Office Line
- per Port Intercepted

\$5.00
\$5.00

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Local Exchange Services

SECTION 5 – SUPPLEMENTAL SERVICES**5.8 Customer Requested Service Suspensions**

5.8.1 At the request of the customer the Company will suspend incoming and outgoing service on the customer's access line for a period of time not to exceed one year. The equipment is left in place and directory listings are continued during the suspension period without change. At the customer's request the Company will provide the customer with an intercept recording referring callers to another number.

5.8.2 The Company will assess a lower monthly rate for Customer Requested Service Suspension as noted below. However, any mileage charges, monthly cable charges or monthly construction charges are still due, without reduction during the period of suspension.

<u>Period of Suspension</u>	<u>Charge</u>
- First Month or Partial Month	Regular Monthly Rate (no reduction)
- Each Additional Month (up to the one year limit)	1/2 Regular Monthly Rate

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Local Exchange Services

SECTION 6 – BUSINESS NETWORKED SWITCHED SERVICES

6.1 General

Business Network Switched Service provide a business customer with a connection to the Company's switching network which enables the customer to:

- A. receive calls from other stations on the public switched telephone network;
- B. access the Company's local calling service;
- C. access the Company's operators and business office for service related assistance; access toll-free telecommunications service such as 800 NPA; and access 911 service for emergency calling; and
- D. access the service of providers of interexchange service. A customer may presubscribe to such provider's service to originate calls on a direct dialed basis or to receive 800 service from such provider, or may access a provider on an ad hoc basis by dialing the provider's Carrier Identification Code (10XXX).

Business Network Switched Service is provided via one or more channels terminated at the customer's premises. Each Business Network Switched Service channel corresponds to one or more analog, voice-grade telephonic communications channels that can be used to place or receive one call at a time.

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Local Exchange Services

SECTION 6 – BUSINESS NETWORKED SWITCHED SERVICES**6.2 Service Descriptions and Rates**

The following Business Access Service Options are offered:

Basic Business Line Service
PBX Trunks

All Business Network Switched Service may be connected to customer-provided terminal equipment such as station sets, key systems, PBX systems, or facsimile machines. Service may be arranged for two-way calling, inward calling only or outward calling only. Optional Voice Mail Service is available.

6.2.1 Service Establishment Charge

This charge applies when the Company initially establishes the Customer's account for any service provided by the Company. This charge is applied in addition to any other monthly or installation charge that is associated with the service the Customer orders.

-Per Order		\$50.00
-Per Visit	(1 hour)	\$100.00
-After Hours	(1 hour)	\$200.00
Line Connection		\$100.00
Service Order		\$50.00

Custom Features are also available as described in this tariff.

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Local Exchange Services**SECTION 6 – BUSINESS NETWORKED SWITCHED SERVICES****6.2 Service Descriptions and Rates (continued)****6.2.2 Basic Business Line Service****A. General**

Basic Business Line Service provides a customer with a one or more analog, voice-grade telephonic communications channel that can be used to place or receive one call at a time. Local calling service is available at a flat rate included in the line price, or on a message usage basis. Basic Business Lines are provided for connection of customer-provided single-line terminal equipment such as station sets or facsimile machines.

Each Basic Business Line has the following characteristics:

Terminal Interface:	2-wire
Signaling Type:	Loop Start
Pulse Type:	Dual Tone Multi-Frequency (DTMF)
Directionality:	Two-way, In-Only, or Out-Only, as specified by the customer.

B. Flat Rate Basic Business Line Service

Service to points within the local calling area is included in the charge for Flat Rate Service.

In addition to the nonrecurring charges listed below, service order charges apply as described in this tariff.

Nonrecurring Connection Charge		\$10.00
Monthly Recurring Charges:		
Business Single Line	(per line)	\$20.00
Business Multi-Line	(per line)	\$25.00

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Local Exchange Services

SECTION 6 – BUSINESS NETWORKED SWITCHED SERVICES**6.2 Service Descriptions and Rates (continued)****6.2.3 PBX Trunk Service****A. General**

Analog and/or digital PBX trunks are provided for connection of customer-provided PBX terminal equipment. Analog trunks are delivered on a DS0 level and digital trunks are delivered at the DS1 level. All trunks are equipped with multiline hunting.

DID service allows callers to reach the called party without going through a PBX attendant. DOD service allows end users to dial outside of a PBX system without going through the PBX attendant to get access to an outside line. Digital trunks cannot be two-way trunks, but must be ordered as with either Direct Inward Dialing (DID) or Direct Outward Dialing (DOD).

For DID configured PBX trunks additional charges apply for Direct Inward Dial Station numbers.

Each Analog Trunk has the following characteristics:

Terminal Interface:	2-wire or 4-wire, as required for the provision of service
Signaling Type:	Loop, Ground, E&M I, II, III
Pulse Type:	Dual Tone Multi-Frequency (DTMF)
Directionality:	In-Coming Only (DID), Out-Going Only (DOD), or Two-Way

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Local Exchange Services

SECTION 6 -- BUSINESS NETWORKED SWITCHED SERVICES

6.2 Service Descriptions and Rates (continued)

6.2.3 PBX Trunk Service (continued)

B. Flat Rate Analog PBX Trunks

1. General

Service to points within the local calling area is included in the charge for Flat Rate Analog PBX Trunk Service.

2. Rates

In addition to the nonrecurring charges listed below, service order charges apply as described in this tariff.

Nonrecurring Connection Charge: \$10.00

Monthly Recurring Charges: \$30.00

Terminal Numbers:

1-10 lines in terminal group \$5.00

11-20 lines in terminal group \$10.00

21 + lines in terminal group \$15.00

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Local Exchange Services**SECTION 6 – BUSINESS NETWORKED SWITCHED SERVICES****6.2 Service Descriptions and Rates (continued)****6.2.3 PBX Trunk Service (continued)****C. Message Rate Analog PBX Trunks****1. Description**

Message Rate Analog PBX Trunks provide the customer with a single, analog, voice grade telephonic communications channel that can be used to place or receive one call at a time. Local calls on two-way trunks and DOD trunks are billed on a message rate basis. DID trunks are arranged for one-way inward calling only.

2. Rates

Charges for each Message Rate PBX Trunk include a monthly recurring Base Service Charge and usage charges for completed calls originated from the customer's lines based on the total number of calls during the billing period.

In addition to the nonrecurring charges listed below, service order charges apply as described in this tariff.

Nonrecurring Connection Charge:	\$10.00
---------------------------------	---------

Monthly Recurring Charges:	\$30.00
----------------------------	---------

Terminal Numbers:

1-10 lines in terminal group	\$5.00
------------------------------	--------

11-20 lines in terminal group	\$10.00
-------------------------------	---------

21 + lines in terminal group	\$15.00
------------------------------	---------

3. Message Usage Charges

Per Message Charge	\$0.01
--------------------	--------

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Local Exchange Services

SECTION 6 – BUSINESS NETWORKED SWITCHED SERVICES

6.2 Service Descriptions and Rates (continued)

6.2.3 PBX Trunk Service (continued)

D. Analog DID Trunks

Nonrecurring Connection Charge \$10.00

Monthly Recurring Charges (per trunk) \$5.00

DID Station Numbers:

- Each Group of 20 \$1.00

- Each Group of 100 \$12.00

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Local Exchange Services

SECTION 6 – BUSINESS NETWORKED SWITCHED SERVICES

6.2 Service Descriptions and Rates (continued)

6.2.3 PBX Trunk Service (continued)

E. Digital PBX Trunk Service

1. Description

Digital PBX Trunk Service provide a customer with connection to the Company switch via a DS1 digital fiber optic transmission facility operating at 1.544 Mbps and time division multiplexed into 24 analog voice grade telephonic communications channels. Digital PBX Trunks are provided for connection of customer-provided PBX equipment or trunk capable key systems to the Company switch. Each Digital PBX Trunk has the following characteristics:

- Terminal Interface: Channel Bank or DSX-1 panel
- Signaling Type: Loop, Ground, E&M I, II, III
- Start Dial Indicator: Immediate Wink, Delay Dial, Dial Tone
- Pulse Type: Dual Tone Multi-Frequency (DTMF)
- Directionality: In-Coming or Out-Going Only, as specified by the customer

Service to points within the local calling area is included in the charge for Digital PBX Trunk Service.

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Local Exchange Services**SECTION 6 - BUSINESS NETWORKED SWITCHED SERVICES****6.2 Service Descriptions and Rates (continued)****6.2.3 PBX Trunk Service (continued)****E. Digital PBX Trunk Service (continued)****2. Recurring and Nonrecurring Charges**

In addition to the nonrecurring charges listed below, service order charges apply as described in this tariff. Charges for each Message Rate Digital PBX Trunk include a monthly recurring Base Service Charge and usage charges for completed calls originated from the customer's lines based on the total number of calls during the billing period.

Where appropriate facilities do not exist, Special Construction charges will also apply.

Nonrecurring Connection Charge: \$250.00

Monthly Recurring Charges:**Flat Rate:**

- Facility	\$100.00
- Per Active Channel (DID)	\$10.00
- Per Active Channel (DOD)	\$10.00

Message Rate:

- Facility	\$100.00
- Per Active Channel (DID)	\$10.00
- Per Active Channel (DOD)	\$10.00

3. Message Usage Charges

Per Message Charge \$0.01

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Local Exchange Services

SECTION 7 - SPECIAL SERVICE ARRANGEMENTS

7.1 Individual Case Basis Arrangements

Arrangements will not be developed on a case-by-case basis. The Company's rates that are listed in this tariff will not be changed for any Customer for any reason.

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INTEREXCHANGE SERVICES

ARIZONA TELECOMMUNICATIONS TARIFF

This Tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services within the State of Arizona by PEERLESS NETWORK OF ARIZONA, LLC ("Company"). This tariff is on file with the Arizona Corporation Commission, and copies may also be inspected, during normal business hours, at the following location: 225 W. Washington Street, Ste 1285; Chicago, IL 60606.

Issued:

Effective:

Issued By: John Barnicle, CEO
Peerless Network of Arizona, LLC
225 W. Washington Street, Ste 1285
Chicago, IL 60606

CHECK SHEET

The title page and pages inclusive of this Tariff are effective as of the date shown. Original and revised sheets, as named below, comprise all changes from the original Tariff in effect on the date indicated.

<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>
1	Original	24	Original
2	Original	25	Original
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8	Original	31	Original
9	Original	32	Original
10	Original	33	Original
11	Original	34	Original
12	Original	35	Original
13	Original	36	Original
14	Original	37	Original
15	Original	38	Original
16	Original		
17	Original		
18	Original		
19	Original		
20	Original		
21	Original		
22	Original		
23	Original		

* New or Revised Sheets

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CONCURRING, CONNECTING AND OTHER PARTICIPATING CARRIERS

CONCURRING CARRIERS:

No Concurring Carriers

CONNECTING CARRIERS:

No Connecting Carriers

OTHER PARTICIPATING CARRIERS:

No Participating Carriers

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TARIFF FORMAT

Sheet Numbering - Sheet numbers appear in the upper right hand corner of the page. Sheets are numbered sequentially and from time to time new pages may be added to the Tariff. When a new page is added between existing pages, a decimal is added to the preceding page number. For example, a new page added between Sheets 3 and 4 would be numbered 3.1.

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

- 2.
- 2.1.
- 2.1.1.
- 2.1.1.A.
- 2.1.1.A.1.
- 2.1.1.A.1.(a).
- 2.1.1.A.1.(a).i.
- 2.1.1.A.1.(a).i.(i).
- 2.1.1.A.1.(a).i.(i).(1).

Check Sheets - When a Tariff filing is made with the Commission, an updated check sheet accompanies the Tariff filing. The check sheet lists the pages contained in the Tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision, all revisions made in a given filing are designed by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it. The Tariff user should refer to the latest check sheet to find out if a particular page is the most current on file with the Commission.

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APPLICABILITY

This Tariff contains the Service offerings, rates, terms and conditions applicable to the furnishing of intrastate interexchange telecommunications services within the State of Arizona by PEERLESS NETWORK OF ARIZONA, LLC ("Company").

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EXPLANATION OF SYMBOLS

- (D) To signify discontinued material
- (I) To signify a rate or charge increase
- (M) To signify material relocated without change in text or rate
- (N) To signify new material
- (R) To signify a reduction
- (T) To signify a change in text but no change in rate or regulation

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Effective:

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1. TECHNICAL TERMS AND ABBREVIATIONS

For the purpose of this Tariff, the following definitions will apply:

Access Coordination

Provides for the design, ordering, installation, coordination, pre-service testing, service turn-up and maintenance on a Company or Customer provided Local Access Channel.

Administrative Change

A change in Customer billing address or contact name.

Alternate Access

Alternate Access is a form of Local Access except that the provider of the Service is an entity, other than the Local Exchange Carrier, authorized or permitted to provide such Service. The charges for Alternate Access may be subject to private agreement rather than published or special tariff if permitted by applicable governmental rules.

Application for Service

A standard Company order form that includes all pertinent billing, technical and other descriptive information that will enable the Company to provide a communication Service as required.

ASR

ASR (Access Service Request) means an order placed with a Local Access Provider for Local Access.

Authorized User

A person, firm, corporation or other entity that either is authorized by the Customer to receive or send communications or is placed in a position by the Customer, either through acts or omissions, to send or receive communications.

Bandwidth

The total frequency band, in hertz, allocated for a channel.

Bill Date

The date on which billing information is compiled and sent to the Customer.

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Call

A completed connection between the Calling and Called Stations.

Called Station

The telephone number called.

Calling Station

The telephone number from which a Call originates.

Cancellation of Order

A Customer initiated request to discontinue processing a Service order, either in part or in its entirety, prior to its completion. Cancellation charges will be assessed for each Circuit-end or Dedicated Access line canceled from an order prior to its completion by the Company, under the following circumstances: (1) if the LEC has confirmed in writing to the Company that the Circuit-end or Dedicated Access line will be installed; or (2) if the Company has already submitted facilities orders to and interconnecting telephone company.

Channel or Circuit

A dedicated communications path between two or more points having a Bandwidth or Transmission Speed specified in this Tariff and selected by a Customer.

Commission

Arizona Corporation Commission

Company

PEERLESS NETWORK OF ARIZONA, LLC

Company Recognized National Holidays

The following are Company Recognized National Holidays determined at the location of the originator of the Call: New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, Christmas Day. The evening rate is used unless a lower rate would normally apply. When a Call begins in one rate period and ends in another, the rate in effect in each rate period applies to the portion of the Call occurring within that rate period. In the event that a minute is split between two rate periods, the rate in effect at the start of that minute applies.

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Customer

The person, firm, corporation or governmental unit which orders Service and which is responsible for the payment of charges and for compliance with the Company's Tariff regulations. A Customer is considered to be an account for billing purposes. The term Customer also includes an entity that remains presubscribed to the Company Service after its account(s) are removed from the Company's billing system, subsequently continues to use Company's network, and is billed by a local exchange carrier for such use, or otherwise uses Service for which no other Customer is obligated to compensate Company.

Customer Premises/Customer's Premises

Locations designated by a Customer where Service is originated/terminated whether for its own communications needs or for the use of its resale customers.

DCS

DCS means Digital Cross-Connect System.

Dedicated Access/Special Access

Dedicated Local Access between the Customer's Premises or serving wire center and the Company's Point-of-Presence for origination or termination of Calls.

DS-0

DS-0 means Digital Signal Level 0 Service and is a 64 Kbps signal.

DS-1

DS-1 means Digital Signal Level 1 Service and is a 1.544 Mbps signal.

DS-0 with VF Access

DS-0 Service with VF Local Access facilities provides for the transmission of analog voice and/or data within 300 Hz to 3000 Hz frequency range.

DS-0 with DDS Access

DS-0 Service with VF Local Access facilities provides for the transmission of digital data at speeds 2.4, 4.8, 9.6 or 56 Kbps.

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Due Date

The Due Date is the date on which payment is due.

Expedite

A Service order initiated at the request of the Customer that is processed in a time period shorter than the Company's standard Service interval.

FCC

Federal Communications Commission

Individual Case Basis (ICB)

Individual Case Basis (ICB) determinations involve situations where complex Customer-specific Company arrangements are required to satisfactorily serve the Customer. The nature of such Service requirements makes it difficult or impossible to establish general tariff provisions for such circumstances. When it becomes possible to determine specific terms and conditions for such offerings, they will be offered pursuant to such terms and conditions.

Installation

The connection of a Circuit, Dedicated Access line, or port for new, changed or an additional Service.

Interexchange Service

Interexchange Service means that portion of a communications channel between a Company-designated Point-of-Presence in one exchange and a Point-of-Presence in another exchange.

Interruption

Interruption shall mean a condition whereby the Service or a portion thereof is inoperative, beginning at the time of notice by the Customer to Company that such Service is inoperative and ending at the time of restoration.

Kbps

Kilobits per second.

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LATA (Local Access Transport Area)

A geographical area established for the provision and administration of communications Service of a local exchange company.

Local Access

Local Access means the Service between a Customer Premises and a Company designated Point-of-Presence.

Local Access Provider

Local Access Provider means an entity providing Local Access.

Local Exchange Carrier (LEC)

The local telephone utility that provides telephone exchange services.

Mbps

Megabits per second.

Multiplexing

Multiplexing is the sequential combining of lower bit rate Private Line Services onto a higher bit rate Private Line Service for more efficient facility capacity usage or vice versa.

N/A

Not available.

Nonrecurring Charges

Nonrecurring Charges are one-time charges.

Payment Method

The manner that the Customer designates as the means of billing charges for Calls using the Company's Service.

Physical Change

The modification of an existing Circuit, Dedicated Access line or port, at the request of the Customer, requiring some Physical Change or retermination.

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Point-of-Presence (POP)

A Company-designated location where a facility is maintained for the purpose of providing access to its Service.

Primary Route

The route that in the absence of Customer-designated routing or temporary re-routing would be used by the Company in the provision of Service.

Private Line

A dedicated transmission channel furnished to a customer without intermediate switching arrangements for full-time customer use.

Private Line Service

A dedicated full-time transmission Service utilizing dedicated access arrangements.

Rate Center

A specified geographical location used for determining mileage measurements.

Requested Service Date

The Requested Service Date is the date requested by the Customer for commencement of Service and agreed to by the Company.

Restore

To make Service operative following an interruption by repair, reassignment, re-routing, substitution of component parts, or otherwise, as determined by the carrier(s) involved.

Route Diversity

Two channels that are furnished partially or entirely over two physically separate routes.

Service

Service means any or all Service(s) provided pursuant to this Tariff.

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Service Commitment Period

The term elected by the Customer and stated on the Service order during which the Company will provide the Services subscribed to by the Customer. The term can be monthly or in the case of Private Line Services for a period of up to 5 years.

Special Promotional Offerings

Special trial offerings, discounts, or modifications of its regular Service offerings which the Company may, from time to time, offer to its Customers for a particular Service. Such offerings may be limited to certain dates, times, and locations.

Start of Service Date

The Requested Service Date or the date Service first is made available by the Company whichever is later.

Tariff

The current Intrastate Services Tariff and effective revisions thereto filed by the Company with the Commission.

Transmission Speed

Data transmission speed or rate, in bits per seconds (bps).

Two-Way Conversation

A Two-Way Conversation is a telephone conversation between or among two or more parties.

VF

VF is voice frequency or voice-grade Service designed for private-line Service. Normal transmission is in the 300 hertz to 3000-hertz frequency band.

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2. RULES AND REGULATIONS

2.1. Description and Limitations of Services

- 2.1.1. Intrastate Telecommunications Service ("Service") is the furnishing of Company communication Services contained herein between specified locations under the terms of this Tariff.
- 2.1.2. Any member of the general public (including any natural person or legally organized entity such as a corporation, partnership, or governmental body) is entitled to obtain Service under this Tariff, provided that the Company reserves the right to deny Service: (A) to any Customer that, in the Company's reasonable opinion, presents an undue risk of nonpayment, (B) in circumstances in which the Company has reason to believe that the use of the Service would violate the provisions of this Tariff or any applicable law or if any applicable law restricts or prohibits provision of the Service, or (C) if insufficient facilities are available to provide the Service (in such cases Company shall make best efforts to accommodate the needs of all potential Customers by means of facility improvements or purchases, of capacity, if such efforts will, in the Company's opinion, provide the Company with a reasonable return on its expenditures), but only for so long as such unavailability exists.
- 2.1.3. Company, when acting at the Customer's request and as its authorized agent, will make reasonable efforts to arrange for Service requirements, such as special routing, Diversity, Alternate Access, or circuit conditioning.
- 2.1.4. Service is offered in equal access exchanges subject to the availability of facilities and the provisions of this Tariff. Company reserves the right to refuse to provide Service to or from any location where the necessary facilities and/or equipment are not available.
- 2.1.5. Service may be discontinued after five business days written notice to the Customer if:
- 2.1.5.A. the Customer is using the Service in violation of this Tariff; or
- 2.1.5.B. the Customer is using the Service in violation of the law or Commission regulation.
- 2.1.6. Service begins on the date that billing becomes effective and is provided on the basis of a minimum period of at least one month, 24 hours per day. For the purposes of computing charges in this Tariff, a month is considered to have 30 days.

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- 2.1.7. Service will be provided until canceled, by the Customer on not less than thirty (30) days' written notice from the date of postmark on the letter giving notice of cancellation.
- 2.1.8. Nothing herein, or in any other provision of this Tariff, or in any marketing materials issued by the Company shall give any person any ownership, interest, or proprietary right in any code or 800 number issued by the Company to its Customers.
- 2.1.9. The Company reserves the right to discontinue furnishing Services or billing options, upon written notice, when necessitated by conditions beyond its control. Conditions beyond the Company's control include, but are not limited to, a Customer's having Call volume or a calling pattern that results, or may result, in network blockage or other Service degradation which adversely affects Service to the calling party, the Customer, or other Customers of the Company.
- 2.1.10. Except as otherwise provided in this Tariff or as specified in writing by the party entitled to receive Service, notice may be given orally or in writing to the persons whose names and business addresses appear on the executed Service order and the effective date of any notice shall be the date of delivery of such notice, not the date of mailing. By written notice, Company or Customer may change the party to receive notice and/or the address to which such notice is to be delivered. In the event no Customer or Company address is provided in the executed Service order, notice shall be given to the last known business address of Customer or, as appropriate.

2.2. Other Terms and Conditions

- 2.2.1. The name(s) of the Customer(s) desiring to use the Service must be stipulated in the Application for Service.
- 2.2.2. The Customer agrees to operate the Company provided equipment in accordance with instructions of the Company or the Company's agent. Failure to do so will void the Company liability for interruption of Service and may make Customer responsible for damage to equipment pursuant to Section 2.2.3 below.
- 2.2.3. 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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- 2.2.4. A Customer shall not use any service-mark or trademark of the Company or refer to the Company in connection with any product, equipment, promotion, or publication of the Customer without prior written approval of the Company.
- 2.2.5. In the event suit is brought or any attorney is retained by the Company to enforce the terms of this Tariff, the Company shall be entitled to recover, in addition to any other remedy, reimbursement for reasonable attorneys' fees, court costs, costs of investigation and other related expenses incurred in connection therewith.
- 2.2.6. The provision of Service will not create a partnership or joint venture between the Company and the Customer nor result in joint Service offerings to their respective Customers.
- 2.2.7. The rate or volume discount level applicable to a Customer for a particular Service or Services shall be the rate or volume discount level in effect at the beginning of the monthly billing period applicable to the Customer for the particular Service or Services. When a Service is subject to a minimum monthly charge, account charge, port charge or other recurring charge or Nonrecurring Charge for both intrastate and interstate Service, only one such charge shall apply per account and that charge shall be the interstate charge.
- 2.2.8. Service requested by Customer and to be provided pursuant to this Tariff shall be requested on Company Service Order forms in effect from time to time or Customer's forms accepted in writing by an authorized headquarters representative of the Company (collectively referred to as "Service Orders").
- 2.2.9. If an entity other than the company (e.g., another carrier or a supplier) imposes charges on the Company in connection with a Service that entity's charges will be passed through to the Customer also.
- 2.2.10. The Service Commitment Period for any Service shall be established by the Service Order relevant thereto and commence on the Start of Service Date. Upon expiration, each Service Commitment Period for such Service shall automatically be extended subject to written notice of termination by either Company or Customer as of a date not less than thirty (30) days after delivery of said notice to the other. The charges for Interexchange Service during any such extension shall not exceed the then current Company month-to-month charges applicable to such Service.

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2.3. Liability

- 2.3.1. Except as provided otherwise in this Tariff, the Company shall not be liable to Customer or any other person, firm or entity for any failure of performance hereunder if such failure is due to any cause or causes beyond the reasonable control of the Company. Such causes shall include, without limitation, acts of God, fire, explosion, vandalism, cable cut, storm or other similar occurrence, any law, order, regulation, direction, action or request of the United States government or of any other government or of any civil or military authority, national emergencies, insurrections, riots, wars, strikes, lockouts or work stoppages or other labor difficulties, supplier failures, shortages, breaches or delays, or preemption of existing Services to restore service in compliance with Part 64, Subpart D, Appendix A, of the FCC's Rules and Regulations.
- 2.3.2. With respect to the Services contained herein and except as otherwise provided herein, the Company's liability shall not exceed an amount equal to the charge applicable to a one minute Call to the Called Station at the time the affected Call was made. If the initial minute rate is higher than the additional minute rate, the higher rate shall apply. For those Services with monthly recurring charges, the Company's liability is limited to an amount equal to the proportionate monthly recurring charges for the period during which Service was affected.
- 2.3.3. The Company is not liable for any act or omission of any other company or companies (including any Company affiliate that is a participating or concurring carrier) furnishing a portion of the Service or facilities, equipment, or Services associated with such Service.
- 2.3.4. The Customer is responsible for taking all necessary legal steps for interconnecting the Customer provided terminal equipment with the Company facilities. The Customer shall ensure that the signals emitted into the Company's network do not damage Company equipment, injure personnel or degrade Service to other Customers. The Customer is responsible for securing all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection. In addition, the customer shall comply with applicable LEC signal power limitations.
- 2.3.5. The Company may rely on Local Exchange Carriers or other third parties for the performance of other Services such as Local Access. Upon Customer request and execution and delivery of appropriate authorizing documents, the Company may act as agent for Customer in obtaining such other Services. Customer's liability for charges hereunder shall not be reduced by untimely Installation or non-operation of Customer provided facilities and equipment.

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2.3.6. The failure to give notice of default, to enforce or insist upon compliance with any of the terms or conditions herein, the waiver of any term or conditions herein, or the granting of an extension of time for performance by the Company or the Customer shall not constitute the permanent waiver of any term or condition herein. Each of the provisions shall remain at all times in full force and effect until modified in writing.

2.3.7. The Company shall not be liable to the Customer or any other person, firm or entity in any respect whatsoever as a result of mistakes, accidents, errors, omissions, interruptions, delays, or defects in Service (collectively "Defects"). Defects caused by or contributed to, directly or indirectly, by any act or omission of Customer or its customers, affiliates, agents, representatives, invitees, licensees, successors or assigns or which arise from or are caused by the use of facilities or equipment of Customer or related parties shall not result in the imposition of any liability whatsoever upon the Company, and Customer shall pay to the Company any reasonable costs, expenses, damages, fees or penalties incurred by the Company as a result thereof, including penalties incurred by the Company as a result thereof, including costs of Local Access Providers' labor and materials. In addition, all or a portion of the Service may be provided over facilities of third parties, or sold by third parties, and the Company shall not be liable to Customer or any other person, firm or entity in any respect whatsoever arising out of Defects caused by such third parties. THE COMPANY SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, SPECIAL, ACTUAL, PUNITIVE OR ANY OTHER DAMAGES, OR BUSINESS INTERRUPTION, FOR ANY LOST PROFITS OF ANY KIND OR NATURE WHATSOEVER ARISING OUT OF ANY DEFECTS OR ANY OTHER CAUSE. THE COMPANY'S LIABILITY, IF ANY, WITH REGARD TO THE DELAYED INSTALLATION OF THE COMPANY'S FACILITIES OR COMMENCEMENT OF SERVICE SHALL NOT EXCEED \$1,000. THIS WARRANTY AND THESE REMEDIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OR REMEDIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN THE EVENT OF AN INTERRUPTION IN SERVICE OR ANY DEFECT IN THE SERVICE WHATSOEVER, NEITHER COMPANY NOR ANY AFFILIATED OR UNAFFILIATED THIRD PARTY, THIRD PARTY PROVIDER OR OPERATOR OF FACILITIES EMPLOYED IN THE PROVISION OF THE SERVICE SHALL BE LIABLE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, SPECIAL, ACTUAL, PUNITIVE OR ANY OTHER DAMAGES, OR FOR ANY LOST PROFITS OF ANY KIND OR NATURE WHATSOEVER.

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- 2.3.8. With respect to the routing of Calls by the Company to public safety answering points or municipal Emergency Service providers, Company liability, if any, will be limited to the lesser of: (a) the actual monetary damages incurred and proved by the Customer as the direct result of the Company's action, or failure to act, in routing the Call, or (b) the sum of \$1,000.00.
- 2.3.9. In the event parties other than Customer (e.g., Customer's customers) shall have use of the Service directly or indirectly through Customer, then Customer agrees to forever indemnify and hold Company and any affiliated or unaffiliated third-party, third-party provider or operator of facilities employed in provision of the Service harmless from and against any and all claims, demands, suits, actions, losses, damages, assessments or payments which may be asserted by said parties arising out of or relating to any Defects.
- 2.3.10. In the event that Company is required to perform a Circuit redesign due to inaccurate information provided by the Customer; or, circumstances in which such costs and expenses are caused by the Customer or reasonably incurred by the Company for the benefit of the Customer, the Customer is responsible for the payment of all such charges.

2.4. Cancellation of Service by a Customer

- 2.4.1. If a Customer cancels a Service Order before the Service begins, before completion of the Minimum Period, or before completion of some other period mutually agreed upon by the Customer and the Company, a charge will be levied upon the Customer for the nonrecoverable portions of expenditures or liabilities incurred expressly on behalf of the Customer by the Company and not fully reimbursed by Installation and monthly charges. If, based on a Service order by a Customer, any construction has either begun or been completed, but no Services provided, the nonrecoverable costs of such construction shall be borne by the Customer.
- 2.4.2. Upon thirty (30) days' prior written notice, either Customer or Company shall have the right, without cancellation charge or other liability, to cancel the affected portion of the Service, if the Company is prohibited by governmental authority from furnishing said portion, or if any material rate or term contained herein and relevant to the affected Service is substantially changed by order of the highest court of competent jurisdiction to which the matter is appeal, the Federal Communications Commission, or other local, state or federal government authority.

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2.5. Cancellation for Cause by the Company

2.5.1. Upon nonpayment of any sum owing to the Company, 30 days past the bill due date on a balance greater than \$20.00, or upon a violation of any of the provisions governing the furnishing of Service under this Tariff, the Company may, upon five business days written notification to the Customer, except in extreme cases, without incurring any liability, immediately discontinue the furnishing of such Service. The written notice may be separate and apart from the regular monthly bill for service. Customer shall be deemed to have canceled Service as of the date of such disconnection and shall be liable for any cancellation charges set forth in this Tariff.

2.5.2. Without incurring any liability, the Company may discontinue the furnishing of Service(s) to a Customer upon five business days written 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 under the following circumstances, except under extreme cases where the Customer may be disconnected immediately and without notice:

2.5.2.A. if 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);

2.5.2.B. if the Customer provides false information to the Company regarding the Customer's identity, address, credit-worthiness, past or current use of Customer communications Services, or its planned use of the Company Service(s);

2.5.2.C. if the Customer states that it will not comply with a request of the Company for reasonable security for the payment for Service(s);

2.5.2.D. if the Customer has been given five business days written notice in a separate mailing by the Company of any past due amount (which remains unpaid in whole or in part) for any of the Company's communications Services to which the Customer either subscribes or had subscribed or used;

2.5.2.E. in the event of unauthorized use.

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2.5.2.F. Following the disconnection of service for any of these reasons, the Company or the local exchange utility acting as Company agent, will notify the telephone user/customer that service was disconnected and why. The notice will include all reasons for the disconnection and will include a toll-free number where an end user/customer can obtain additional information. Notice shall be deemed given upon deposit, postage prepaid, in the U.S. Mail to the end user's/customer's last known address and in compliance with the Commission's rules.

2.5.3. The discontinuance of Service(s) by the Company pursuant to this Section does not relieve the Customer of any obligations to pay the company for charges due and owing for Service(s) furnished up to the time of discontinuance. The remedies set forth herein shall not be exclusive and the Company shall at all times be entitled to all rights available to it under either law or equity.

2.6. Credit Allowance

2.6.1. Credit allowance for the interruption of Service is subject to the general liability provisions set forth in this Tariff. Customers shall receive no credit allowance for the interruption of service that is due to the Company's testing or adjusting, negligence of the Customer, or to the failure of channels or equipment provided by the Customer. The Customer should notify the Company when the Customer is aware of any interruption in Service for which a credit allowance is desired. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission within Customer's control, or is not in wiring or equipment, if any, furnished by the Customer in connection with the Company's Services.

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

2.6.3. No credit shall be allowed:

2.6.3.A. For failure of services or facilities of Customer; or

2.6.3.B. For failure of services or equipment caused by the negligence or willful acts of Customer.

2.6.4. Credit for an interruption shall commence after Customer notifies Company of the interruption and ceases when services have been restored.

2.6.5. Credits are applicable only to that portion of Service interrupted.

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- 2.6.6. For purposes of credit computation, every month shall be considered to have 720 hours.
- 2.6.7. No credit shall be allowed for an interruption of a continuous duration of less than two hours.
- 2.6.8. The Customer shall be credited for an interruption of two hours or more at a rate of 1/720th of the monthly recurring charge for the service affected for each hour or major fraction thereof that the interruption continues. Calculations of the credit shall be made in accordance with the following formula.

Credit Formula:

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

"A" = outage time in hours

"B" = total monthly charge for affected facility

2.7. Use of Service

- 2.7.1 The Services offered herein may be used for any lawful purpose, including residential, business, governmental, or other use. There are no restrictions on sharing or resale of Services. However, the Customer remains liable for all obligations under this Tariff notwithstanding such sharing or resale and regardless of the Company's knowledge of same. The Company shall have no liability to any person or entity other than the Customer and only as set forth in Section 2.3. The Customer shall not use nor permit others to use the Service in a manner that could interfere with Services provided to others or that could harm the facilities of the Company or others.
- 2.7.2. Service furnished by the Company may be arranged for joint use or authorized use. The joint user or Authorized User shall be permitted to use such Service in the same manner as the Customer, but subject to the following:
- 2.7.2.A. One joint user or Authorized User must be designated as the Customer.

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- 2.7.2.B. All charges for the Service will be computed as if the Service were to be billed to one Customer. The joint user or Authorized User that has been designated as the Customer will be billed for all components of the Service and will be responsible for all payments to the Company. In the event that the designated Customer fails to pay the Company, each joint user or Authorized User shall be liable to the Company for all charges incurred as a result of its use of the Company's Service.
- 2.7.3. In addition to the other provisions in this Tariff, Customers reselling Company Services shall be responsible for all interaction and interface with their own subscribers or customers. The provision of the Service will not create a partnership or joint venture between Company and Customer nor result in a joint communications Service offering to the Customers of either the Company or the Customer.
- 2.7.4. Service furnished by the Company shall not be used for any unlawful or fraudulent purposes.
- 2.7.5. The Customer will be billed directly by the LEC for certain Dedicated Access arrangements selected by the Customer for the provisioning of direct access arrangements. In those instances where the Company at the Customer's request may act as agent in the ordering of such arrangements, the Company will bill the Customer Local Access charges.
- 2.8. Payment Arrangements
- 2.8.1. The Customer is responsible for payment of all charges for Services furnished to the Customer or its joint or Authorized Users. This responsibility is not changed due to any use, misuse, or abuse of the Customer's Service or Customer provided equipment by third parties, the Customer's employees, or the public.
- 2.8.2. The Company's bills are due upon receipt. Amounts not paid within 30 days from the Bill Date of the invoice will be considered past due. If a Customer presents an undue risk of nonpayment at any time, the Company may require that Customer to pay its bills within a specified number of days and to make such payments in cash or the equivalent of cash.
- 2.8.3. In determining whether a Customer presents an undue risk of nonpayment, the Company shall consider the following factors: (A) the Customer's payment history (if any) with the Company and its affiliates, (B) Customer's ability to demonstrate adequate ability to pay for the Service, (C) credit and related information provided by Customer, lawfully obtained from third parties or publicly available, and (D) information relating to Customer's management, owners and affiliates (if any).

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- 2.8.4. Disputes with respect to charges must be presented to the Company in writing within thirty days from the date the invoice is rendered or such invoice will be deemed to be correct and binding on the Customer. For recourse Customers may appeal to the Arizona Corporation Commission.
- 2.8.5. If a LEC has established or establishes a Special Access surcharge, the Company will bill the surcharge beginning on the effective date of such surcharge for Special Access arrangements presently in Service. The Company will cease billing the Special Access surcharge upon receipt of an Exemption Certificate or if the surcharge is removed by the LEC.
- 2.8.6. 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.
- 2.8.7. Company will not require deposits or advance payments by Customers for Services.

2.9. Assignment

- 2.9.1. The obligations set forth in this Tariff shall be binding upon and inure to the benefit of the parties hereto and their respective successors or assigns, provided, however, the Customer shall not assign or transfer its rights or obligations without the prior written consent of the Company.

2.10. Tax and Fee Adjustments

- 2.10.1. All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.
- 2.10.2. If at any future time a municipality acquires the legal right to impose an occupation tax, license tax, permit fee, franchise fee or other similar charge upon the Carrier, and imposes the same by ordinance or otherwise, such taxes, fees or charges shall be billed to the end users receiving service within the territorial limits of such municipality. Such billing shall allocate the tax, fee or charge among end users uniformly on the basis of each end user's monthly charges for the types of service made subject to such tax, fee or charge.

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- 2.10.3. If at any future time a county or other local taxing authority acquires the legal right to impose an occupation tax, license tax, permit fee, franchise fee or other similar charge upon the Carrier, and imposes the same by ordinance or otherwise, such taxes, fees or charges shall be billed to the end users receiving service within the territorial limits of such county or other taxing authority. Such billing shall allocate the tax, fee or charge among end users uniformly on the basis of each end user's monthly charges for the types of service made subject to such tax, fee or charge.
- 2.10.4. When utility or telecommunications assessments, franchise fees, or privilege, license, occupational, excise, or other similar taxes or fees, based on interstate or intrastate receipts are imposed by certain taxing jurisdictions upon the Company or upon local exchange companies and passed on to the Company through or with interstate or intrastate access charges, the amounts of such taxes or fees will be billed to Customers in such a taxing jurisdiction on a prorated basis. The amount of charge that is prorated to each Customer's bill is determined by the interstate or intrastate telecommunications service provided to and billed to an end user/customer service location in such a taxing jurisdiction with the aggregate of such charges equal to the amount of the tax or fee imposed upon or passed on to the Company.
- 2.10.5. When any municipality, or other political subdivision, local agency of government, or department of public utilities imposes upon and collects from the Company a gross receipts tax, occupation tax, license tax, permit fee, franchise fee or regulatory fee, such taxes and fees shall, insofar as practicable, be billed pro rata to the Company's Customers receiving service within the territorial limits of such municipality, other political subdivision, local agency of government, or public utility commission.
- 2.10.6. The Company may adjust its rates and charges or impose additional rates and charges on its Customers in order to recover amount it is required by governmental or quasi-governmental authorities to collect from or pay to others in support of statutory or regulatory programs. Examples of such programs include, but are not limited to, the Universal Service Fund, the Primary Interexchange Carrier Charge, and compensation to payphone service providers for use of their payphones to access the Company's services.

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2.11. Method for Calculation of Airline Mileage

2.11.1. The airline mileage between two cities can be calculated using the Vertical (V) and Horizontal (H) coordinates of the serving wire centers associated with the Company's POP locations. The method for calculating the airline mileage is obtained by reference to AT&T's Tariff F.C.C. No. 10 in accordance with the following formula:

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

where V1 and H1 correspond to the V&H coordinates of City 1 and V2 and H2 correspond to the V&H coordinates of City 2.

Example:

	<u>V</u>	<u>H</u>
City 1	5004	1406
City 2	5987	3424

the square root of: $\frac{(5004-5987)^2 + (1406-3424)^2}{10}$

The result is 709.83 miles. Any fractional miles are rounded to the next higher whole number; therefore, the airline mileage for this example is 710 miles.

2.12. Time of Day Rate Periods

2.12.1. Time of Day Rate Periods are determined by the time of day at the location of the Calling Station.

The rates shown in Section 4 apply as follows:

DAY: From 8:00 AM to 4:59 PM Monday - Friday

EVENING: From 5:00 PM to 10:59 PM Monday - Friday and Sunday

NIGHT/
WEEKEND: From 11:00 PM to 7:59 AM Everyday
From 8:00 AM to 10:59 PM Saturday
From 8:00 AM to 4:59 PM Sunday

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2.13. Special Customer Arrangements

2.13.1. In cases where a Customer requests a special or unique arrangement which may include engineering, conditioning, Installation, construction, facilities, assembly, purchase or lease of facilities and/or other special Services not offered under this Tariff, the Company, at this option, may provide the requested Services. Appropriate recurring charges and/or Nonrecurring Charges and other terms and conditions will be developed for the Customer for the provisioning of such arrangements.

2.14. Inspection

2.14.1. The Company may, upon notice, make such tests and inspections as may be necessary to determine that the requirements of this Tariff are being complied with in the Installation, operation or maintenance of Customer or the Company equipment. The Company may interrupt the Service at any time; without penalty to the Company, should Customer violate any provision herein.

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3. INTRALATA TOLL USAGE AND MILEAGE CHARGES

3.1 General

3.1.1 Description

IntraLATA toll service is furnished for communication between telephones in different local calling areas within a particular LATA in accordance with the regulations and schedules of charges specified in this tariff. The toll service charges specified in this section are in payment for all service furnished between the calling and called telephone, except as otherwise provided in this Tariff.

IntraLATA toll calling includes the following types of calls: direct dialed, calling card, collect, 3rd number billed, special toll billing, requests to notify of time and charges, person to person calling and other station to station calls.

3.1.2 Classes of Calls

Service is offered as two classes: station-to-station calling and person-to-person calling.

- A. Station to Station Service is that service where the person originating the call dials the telephone number desired or gives the Company operator the telephone number of the desired telephone station or system.
- B. Person to Person Service is that service where the person originating the call specifies to the Company operator a particular person to be reached, a particular mobile unit to be reached, or a particular station, department or office to be reached. The call remains a person to person call when, after the telephone, mobile telephone, or PBX system has been reached and while the connection remains established, the person originating the call requests or agrees to talk to any person other than the person specified, or to any other agreed upon alternate.

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3.2 Timing of Calls

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

3.2.2 Unless otherwise specified in this Tariff, the minimum call duration for billing purposes is sixty (60) seconds. In addition, unless otherwise specified in this Tariff, usage is measured thereafter in sixty (60) second increments and rounded to the next higher sixty (60) second period.

3.3 Minimum Call Completion Rate

A Customer can expect a call completion rate of not less than 97% during peak use periods for all Feature Group D services.

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3.4 Usage Rates

3.4.1. The following are the per minute usage charges which apply to all calls. These charges are in addition to the Non-recurring Charges and Recurring Charges referred to herein.

3.4.2. Reserved for future use.

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3.4.3 Switched Services**A. Switched Inbound Usage Charges**

The Company's Switched Service is offered to business customers for both inbound and outbound, intraLATA, and interLATA, calling over standard switched lines. Calls are billed in sixty (60) second increments after an initial minimum call duration of sixty (60) seconds. The following rates are not time of day sensitive or distance sensitive, and apply 24 hours a day, 7 days a week.

DAY/EVENING/NIGHT/WEEKEND

Mileage	Initial 60 Seconds	Additional 60 Seconds
ALL	\$0.03	\$0.03

B. Switched Outbound Usage Charges**DAY/EVENING/NIGHT/WEEKEND**

Mileage	Initial 60 Seconds	Additional 60 Seconds
ALL	\$0.03	\$0.03

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3.4.4 Dedicated Services

The Company's Dedicated Service is offered to business and residential customers for both inbound and outbound, intraLATA and interLATA, calling over dedicated access lines. Calls are billed in sixty (60) second increments after an initial minimum call duration of sixty (60) seconds. The following rates are not time of day sensitive or distance sensitive, and apply 24 hours a day, 7 days a week.

A. Dedicated Inbound Usage Rates**DAY/EVENING/NIGHT/WEEKEND**

Mileage	Initial 60 Seconds	Additional 60 Seconds
ALL	\$0.03	\$0.03

B. Dedicated Outbound Usage Rates**DAY/EVENING/NIGHT/WEEKEND**

Mileage	Initial 60 Seconds	Additional 60 Seconds
ALL	\$0.03	\$0.03

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Chicago, IL 60606

Snell & Wilmer
— L.L.P. —
LAW OFFICES

One Arizona Center
Phoenix, AZ 85004-2202
602.382.6000
602.382.6070 (Fax)
www.swlaw.com

Jeffrey W. Crockett
602.382.6234
jcrockett@swlaw.com

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September 15, 2008

HAND-DELIVERED

Ms. Candrea Allen
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington
Phoenix, Arizona 85007

*Re: Peerless Network of Arizona, LLC (Docket No. T-20590A-08-0175)
Response to Staff's Second Set of Data Requests and Revised Exhibit to Staff
Data Request CA-1*

Dear Candrea:

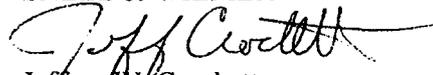
On September 3, 2008, the Arizona Corporation Commission's Utilities Division ("Staff") issued a letter of insufficiency and second set of data requests in the above-referenced matter. The letter identified additional information that Staff needs to complete its analysis of Peerless Network of Arizona, LLC's ("Applicant") application for a Competitive Certificate of Convenience and Necessity. Enclosed are Applicant's responses to Staff's Second Set of Data Requests CA-2.1 through CA-2.3.

Additionally, since the filing of Applicant's response to Staff Data Request CA-1, several additional new affiliates have been formed and the information provided in Exhibit CA-1 has changed. Accordingly, Applicant is providing a revised and updated Exhibit CA-1. Please note that the enclosed responses are not impacted by the revised and updated Exhibit CA-1.

If you have any questions regarding this submittal, please contact me at the direct line listed above.

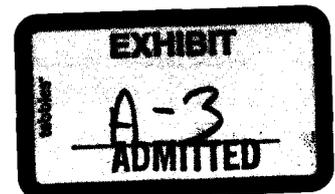
Very truly yours,

SNELL & WILMER


Jeffrey W. Crockett

JWC:gdb/enclosures

cc: Docket Control (original plus 13 copies)



**RESPONSES TO STAFF'S SECOND SET OF DATA REQUESTS FOR
PEERLESS NETWORK OF ARIZONA, LLC
DOCKET NO. T-20590A-08-0175**

CA-2.1 **Please specify the current position held, at Peerless, by each individual listed in Appendix B of the application.**

Response:

The current positions of the individuals identified in Appendix B of the Application are as follows:

John Barnicle - President and Chief Executive Officer

Douglass B. Lee - Executive Vice President and Chief Financial Officer

Richard Knight - Executive Vice President, Sales and Marketing

Prepared by:

Daniel Meldazis
Director of Regulatory Affairs
Peerless Network of Arizona, LLC
225 West Washington Street, Suite 1285
Chicago, Illinois 60606

CA-2.2 **Do any of the individuals identified in Appendix B of the application currently hold or have any of the individuals ever held a position at any of the Peerless' ten (10) other affiliates or at Peerless Networks, LLC?**

Response:

Yes. See the response to Staff Data Request CA-2.3 below.

Prepared by:

Daniel Meldazis
Director of Regulatory Affairs
Peerless Network of Arizona, LLC
225 West Washington Street, Suite 1285
Chicago, Illinois 60606

**RESPONSES TO STAFF'S SECOND SET OF DATA REQUESTS FOR
PEERLESS NETWORK OF ARIZONA, LLC
DOCKET NO. T-20590A-08-0175**

CA-2.3 **If the answer to CA-2.2 is in the affirmative, please provide the following information:**

- a. The individual's name;
- b. The name of the affiliate, including Peerless Networks, LLC, that the individual is currently an employee of;
- c. The current and/or previous position held by that individual at the affiliate or Peerless Networks, LLC.

Response:

- a. John Barnicle, Douglass B. Lee and Richard Knight.
- b. The three individuals identified in the response to Staff Data Request CA-2.3(a) above are employed by Peerless Networks, LLC.
- c. The three individuals identified in the response to Staff Data Request CA-2.3(a) above hold the same titles and positions with each affiliate of Peerless Network of Arizona, LLC. Their titles and positions have not changed since the inception of the various affiliates.

Prepared by:

Daniel Meldazis
Director of Regulatory Affairs
Peerless Network of Arizona, LLC
225 West Washington Street, Suite 1285
Chicago, Illinois 60606

REVISED CA-1

Subsidiary	Local Service Authority?	Providing Service?
Peerless Network of Arizona, LLC	No	No
Peerless Network of California, LLC	No	No
Peerless Network of Colorado, LLC	Yes	No
Peerless Network of Connecticut, LLC	No	No
Peerless Network of Delaware, LLC	No	No
Peerless Network of the District of Columbia LLC	No	No
Peerless Network of Florida, LLC	Yes	No
Peerless Network of Georgia, LLC	Yes	No
Peerless Network of Illinois, LLC	Yes	Yes
Peerless Network of Indiana, LLC	Yes	No
Peerless Network of Maryland, LLC	No	No
Peerless Network of Massachusetts, LLC	Yes	No
Peerless Network of Minnesota, LLC	Yes	No
Peerless Network of Missouri, LLC	Yes	No
Peerless Network of Nevada, LLC	No	No
Peerless Network of New Jersey, LLC	Yes	No
Peerless Network of New York, LLC	Yes	Yes
Peerless Network of North Carolina, LLC	No	No
Peerless Network of Ohio, LLC	Yes	No
Peerless Network of Oregon, LLC	Yes	No
Peerless Network of Pennsylvania, LLC	Yes	Yes

Peerless Network of Tennessee, LLC	Yes	No
Peerless Network of Texas, LLC	Yes	No
Peerless Network of Virginia, LLC	No	No
Peerless Network of Washington, LLC	Yes	No
Peerless Network of Wisconsin, LLC	Yes	No

ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION
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COMMISSIONERS

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

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AZ CORP COMMISSION
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IN THE MATTER OF THE APPLICATION
AND PETITION OF PEERLESS NETWORK
OF ARIZONA, LLC FOR CERTIFICATE OF
CONVENIENCE AND NECESSITY TO
PROVIDE INTRASTATE TELECOM-
MUNICATION SERVICES.

DOCKET T-20590A-08-0175
NOTICE OF FILING REVISED
TARIFF SHEETS

Peerless Network of Arizona, LLC (“Peerless”), through counsel undersigned,
hereby files revised tariff sheets to its Arizona Tariff No. 2 as follows:

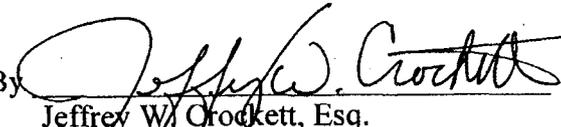
First Revised Page 2 (cancelling Original Page 2)

First Revised Page 8 (cancelling Original Page 8)

First Revised Page 37 (cancelling Original Page 37)

RESPECTFULLY SUBMITTED this 13th day of November, 2008.

SNELL & WILMER

By 
Jeffrey W. Crockett, Esq.
One Arizona Center
Phoenix, Arizona 85004-2202
Attorneys for Peerless Network of Arizona, LLC

ORIGINAL and thirteen (13) copies of the fore-
going filed this 13th day of November, 2008, with:

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

Arizona Corporation Commission
DOCKETED

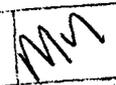
DOCKETED BY 

EXHIBIT
A-4
ADMITTED

Snell & Wilmer

LAW OFFICES
One Arizona Center, 400 E. Van Buren
Phoenix, Arizona 85004-2202
(602) 387-6000

Snell & Wilmer

LLP
LAW OFFICES
One Arizona Center, 400 E. Van Buren
Phoenix, Arizona 85004-2202
(602) 382-6000

1 COPIES of the foregoing hand-delivered this
2 6th day of November, 2008, to:

3 Lyn Farmer, Chief Administrative Law Judge
4 Hearing Division
5 Arizona Corporation Commission
6 1200 W. Washington Street
7 Phoenix, Arizona 85007

8 Janice Alward, Chief Counsel
9 Legal Division
10 Arizona Corporation Commission
11 1200 W. Washington Street
12 Phoenix, Arizona 85007

13 Ernest Johnson, Director
14 Utilities Division
15 Arizona Corporation Commission
16 1200 W. Washington Street
17 Phoenix, Arizona 85007

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28
Gina Ball

CHECK SHEET

The title page and pages inclusive of the Tariff are effective as of the date shown. Original and revised sheets, as named below, comprise all changes from the original Tariff in effect on the date indicated.

<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>
1	Original	24	Original
2	Original	25	Original
3	Original	26	Original
4	Original	27	Original
5	Original	28	Original
6	Original	29	Original
7	Original	30	Original
8	1 st Revised	31	Original
9	Original	32	Original
10	Original	33	Original
11	Original	34	Original
12	Original	35	Original
13	Original	36	Original
14	Original	37	1 st Revised
15	Original	38	Original
16	Original		
17	Original		
18	Original		
19	Original		
20	Original		
21	Original		
22	Original		
23	Original		

Issued:

Effective:

Issued By: John Barnicle, CEO
Peerless Network of Arizona, LLC
225 W. Washington Street, Suite 1285
Chicago, IL 60606

3.	<u>INTRALATA TOLL USAGE AND MILEAGE CHARGES</u>	30
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Issued:

Effective:

Issued By: John Barnicle, CEO
Peerless Network of Arizona, LLC
225 W. Washington Street, Suite 1285
Chicago, IL 60606

3.5 Special Promotional Offering

The Company may from time to time engage in Special Promotional Offerings or Trial Service Offerings limited to certain dates, times or location designed to attract new subscribers or increase subscriber usage when approved by Commission. The Company will give the Commission seven (7) days' notice of any special promotional offerings detailing the promotion and provide the beginning and ending dates. The Company will not have special promotional offerings for more than 90 days in any 12-month period. In all such cases, the rates charged will not exceed those specified in Section 4 hereof.

3.6 Emergency Calls

Customer shall configure its PBX or other switch vehicle from which a customer places a call so that 911 emergency calls, where available, and similar emergency calls will be automatically routed to the emergency answering point for the geographical location where the call originated without the intervention of Company.

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Issued:

Effective:

Issued By: John Barnicle, CEO
Peerless Network of Arizona, LLC
225 W. Washington Street, Suite 1285
Chicago, IL 60606

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

COMMISSIONERS

KRISTIN K. MAYES- Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA KENNEDY
BOB STUMP

JAN 26 A 11:19
AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION
AND PETITION OF PEERLESS NETWORK
OF ARIZONA, LLC FOR CERTIFICATE OF
CONVENIENCE AND NECESSITY TO
PROVIDE INTRASTATE TELECOM-
UNICATION SERVICES

DOCKET NO. T-20590A-08-0175
NOTICE OF FILING AFFIDAVIT
OF PUBLICATION

Pursuant to the Procedural Order dated December 17, 2008, Peerless Network of Arizona, L.L.C. has published notice of the hearing to be held on March 5, 2009, in the above-captioned docket in the statewide edition of *The Arizona Republic*, a newspaper of general circulation in the area affected by the application, on January 19, 2009. A copy of the Affidavit of Publication from *The Arizona Republic* is attached hereto as Exhibit A.

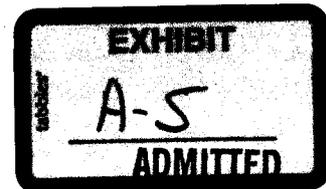
RESPECTFULLY submitted this 26th day of January, 2009.

SNELL & WILMER

By 

Jeffrey W. Crockett, Esq.
One Arizona Center
Phoenix, Arizona 85004-2202
Attorneys for Peerless Network of Arizona, LLC

ORIGINAL and thirteen (13) copies of the foregoing filed this 26th day of January, with:



Snell & Wilmer

LLP
LAW OFFICES
One Arizona Center, 400 E. Van Buren
Phoenix, Arizona 85004-2202
(602) 382-6000

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

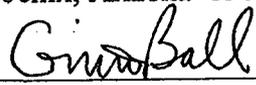
1 Docket Control
2 Arizona Corporation Commission
3 1200 W. Washington Street
4 Phoenix, Arizona 85007

5 COPIES of the foregoing hand-delivered this
6 26th day of January, 2009, to:

7 Lyn Farmer, Chief Administrative Law Judge
8 Hearing Division
9 Arizona Corporation Commission
10 1200 W. Washington Street
11 Phoenix, Arizona 85007

12 Janice Alward, Chief Counsel
13 Legal Division
14 Arizona Corporation Commission
15 1200 W. Washington Street
16 Phoenix, Arizona 85007

17 Ernest Johnson, Director
18 Utilities Division
19 Arizona Corporation Commission
20 1200 W. Washington Street
21 Phoenix, Arizona 85007

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23 _____

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IN THE MATTER OF THE APPLICATION OF PEERLESS NETWORKS OF ARIZONA, LLC FOR APPROVAL OF A CERTIFICATE OF CONVENIENCE AND NECESSITY TO

PROVIDE RESOLD LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES, RESOLD LONG DISTANCE TELECOMMUNICATIONS SERVICES, FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES, AND FACILITIES-BASED LONG DISTANCE TELECOMMUNICATIONS SERVICES

(Docket No. T-20590A-08-0175)

On March 25, 2008, Peerless Networks of Arizona, LLC ("Company"), submitted to the Arizona Corporation Commission ("Commission") an application for a Certificate of Convenience and Necessity ("Certificate") to provide resold local exchange telecommunications services, resold long distance telecommunications services, facilities-based long distance telecommunications services, and facilities-based local exchange telecommunications services. The Commission's Utilities Division ("Staff") has recommended approval of the Company's application. The Commission is not bound by the proposals made by the Company, Staff, or any intervenors, and the Company will be required to provide this service under the rates and conditions established by the Commission. Copies of the applications, report of Staff, and any written exceptions to the report of Staff filed by the Company will be available at the Company's offices at Peerless Network of Arizona, LLC at 225 West Washington Street, Suite 1285, Chicago, Illinois 60606 and on the internet via the Commission website (www.azcc.gov) using the e-docket function. The Commission will hold a hearing on this matter beginning March 5, 2009, at 10:00 a.m., at the Commission's offices, Hearing Room 100, 1200 West Washington Street, Phoenix, Arizona. Public comments will be taken on the first day of the hearing. Written public comments may be submitted via email (visit <http://www.azcc.gov/utility/index.htm> for instructions), or by mailing a letter referencing Docket Number T-20590A-08-0175 to: Arizona Corporation Commission, Consumer Services Section, 1200 West Washington Street, Phoenix, Arizona 85007. The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Intervention shall be permitted to any person entitled by law to intervene and having a direct and substantial interest in the matter. Persons desiring to intervene must file a written motion to intervene with the Commission up to 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:

1. The name, address, and telephone number of the proposed intervenor and of any party upon whom 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.); and

3. A statement certifying that a copy of the motion to intervene has been mailed to the Company or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before February 12, 2009. If representation by counsel is required by Rule 31 of the Rules of the Arizona Supreme Court, intervention will be conditioned upon the intervenor obtaining counsel to represent the intervenor. For information about requesting intervention, visit the Arizona Corporation Commission's website (www.azcc.gov/utility/index.htm).

at
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https://
/forms/
/utility
The
granting of intervention
among other things, enables
a party to present in person
evidence at hearing and to
cross-examine other witnesses.
If you have any questions
about this application, you
may contact the Company
at 312-505-0920. If you wish
to file written comments on
the application or wish further
information on intervention,
you may contact
the Consumer Services Section
of the Commission at
1200 West Washington
Street, Phoenix, AZ 85007,
or call 1-800-222-7000.
The Commission does not
discriminate on the basis of
disability in admission to its
public meetings. Persons
with a disability may request
a reasonable accommodation
such as a sign language
interpreter, as well as request this document
in an alternative format,
by contacting the ADA
Coordinator, Linda Hogan,
at LHogan@azcc.gov, voice
phone number (602) 542-
3931. Requests should be
made as early as possible to
allow time to arrange the
accommodations.
Published: January 19, 2009

THE ARIZONA REPUBLIC

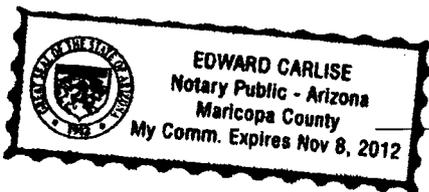
STATE OF ARIZONA }
COUNTY OF MARICOPA } SS.

Marilyn Greenwood, being first duly sworn, upon oath deposes and says: That she 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

January 19, 2009.

Sworn to before me this
20TH day of
January A.D. 2009



Notary Public

ORIGINAL

MEMORANDUM

TO: Docket Control

FROM: Ernest G. Johnson *EA for EGJ*
Director
Utilities Division

DATE: December 12, 2008

RE: IN THE MATTER OF THE APPLICATION OF PEERLESS NETWORK OF ARIZONA, LLC FOR APPROVAL OF A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE RESOLD LOCAL EXCHANGE, RESOLD LONG DISTANCE, FACILITEIS-BASED LOCAL EXCHANGE, AND FACILITIES-BASED LONG DISTANCE TELECOMMUNICATIONS SERVICES (DOCKET NO. T-20590A-08-0175)

Attached is the Staff Report for the above referenced application. The applicant is applying for approval to provide the following telecommunications services:

- Resold Local Exchange
- Resold Long Distance
- Facilities-Based Local Exchange
- Facilities-Based Long Distance

Staff is recommending approval of the application.

EGJ:CLA:kdh

Originator: Candrea Allen

Attachment: Original and Thirteen Copies

Arizona Corporation Commission
DOCKETED
DEC 12 2008

DOCKETED BY *MA*

RECEIVED
DEC 12 A 11:55
DOCKET CONTROL

EXHIBIT
S-1
ADMITTED

**SERVICE LIST FOR: PEERLESS NETWORK OF ARIZONA, LLC
DOCKET NO. T-20590A-08-0175**

**Mr. Jeffrey W. Crockett, Esq.
Snell & Wilmer, LLP
One Arizona Center
Phoenix, Arizona 85004-2202**

**Mr. Ernest G. Johnson
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007**

**Ms. Janice M. Alward
Chief Counsel, Legal Division
Arizona Corporation Commission
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**

**PEERLESS NETWORK OF ARIZONA, LLC.
DOCKET NO. T-20590A-08-0175**

**IN THE MATTER OF THE APPLICATION OF PEERLESS NETWORK OF ARIZONA, LLC
FOR APPROVAL OF A CERTIFICATE OF CONVENIENCE AND NECESSITY TO
PROVIDE RESOLD LOCAL EXCHANGE, RESOLD LONG DISTANCE, FACILITIES-
BASED LOCAL EXCHANGE, AND FACILITIES-BASED LONG DISTANCE
TELECOMMUNICATIONS SERVICES**

DECEMBER 12, 2008

STAFF ACKNOWLEDGEMENT

The Staff Report for the application of Peerless Network of Arizona, LLC for approval of a Certificate of Convenience and Necessity to provide Resold Local Exchange, Resold Long Distance, Facilities-Based Local Exchange, and Facilities-Based Long Distance Telecommunications Services (Docket No. T-20590A-08-0175) was the responsibility of the Staff member listed below. Candrea Allen was responsible for the review and analysis of the application.

A handwritten signature in black ink, appearing to read 'Candrea Allen', with a long horizontal flourish extending to the right.

Candrea Allen
Public Utilities Analyst

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1. INTRODUCTION

On March 25, 2008, Peerless Network of Arizona, LLC ("Peerless," "Applicant," or "Company") filed an application for a Certificate of Convenience and Necessity ("CC&N") to provide resold local exchange, resold long distance, facilities-based local exchange, and facilities-based long distance telecommunications services 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.

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

In its application, Peerless indicated that it is not currently authorized to provide nor is it providing service in any jurisdiction. According to the application, the Applicant has three key management employees who possess a combined fifty-two years of experience in the telecommunications industry. Based on this, Staff believes Peerless possesses the technical capabilities to provide the services it is requesting the authority to provide.

3. FINANCIAL CAPABILITY TO PROVIDE THE REQUESTED SERVICES

In its application, Peerless indicated that it will rely on the financial resources of its parent company, Peerless Network, LLC. The Applicant has indicated that Peerless Network, LLC, as a recently formed company, does not have financial statements for the years prior to 2007. On July 21, 2008, the Applicant provided unaudited financial statements of its parent company, Peerless Network, LLC for the year ending December 31, 2007. These financial statements list assets of \$180,068.09; negative equity of \$574,794.11; and a negative income of \$775,032.28. The Applicant did not provide notes related to the financial statements.

The Applicant states in its Local Exchange Services Tariff (reference Section 2.5 on Page 12) and its Interexchange Services Tariff (reference Section 2.8.7 on Page 26) that it does not collect advances or deposits from its customers. Staff believes that the Applicant's customers should be protected by the procurement of a performance bond or irrevocable sight draft Letter of Credit equal to \$225,000. The minimum performance bond or irrevocable sight draft Letter of Credit amount of \$225,000 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 performance bond or irrevocable sight draft Letter of Credit amount should be increased in increments of \$112,500. This increase should occur when the total amount of the advances, deposits, and prepayments is within \$22,500 of the performance 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 the Applicant file the original performance bond or irrevocable sight draft Letter of Credit with the Commission's Business Office and file copies with Docket Control, as a compliance item in the docket, within 30 days of the effective date of this Order and the performance bond or irrevocable sight draft Letter of Credit must 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 in 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. On March 25, 2008, Peerless submitted a tariff reflecting the actual rates that Peerless will be charging for its local and interexchange services. 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 this 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 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 SERVICE

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 has stated it has neither had an application for service denied, nor revoked in any state. Also, the Applicant indicates that there are, and have been, no formal complaint proceedings involving the Applicant. In addition, the Applicant states that there have not been any civil or criminal proceedings against the Applicant. The Applicant indicated that none of its officers, directors or partners has been involved in any civil or criminal investigations, or any formal or informal complaints. The Applicant also indicated that none of its officers, directors or partners has been convicted of any criminal acts in the past ten (10) years. A search of the Federal Communications Commission's ("FCC") website found that there have been no formal or informal complaints filed against the Applicant or any of its officers, directors or partners.

Because the Applicant is not providing service in other jurisdictions and because the Applicant's officers, directors, or partners hold the same offices with the Applicant's affiliates, Staff conducted a search of the Applicant's affiliates that are currently providing service in other states. Staff found that Peerless Network of New York, LLC and Peerless Network of Pennsylvania, LLC have had no complaints filed with the New York Public Service Commission or the Pennsylvania Public Utility Commission, respectively. On June 12, 2008, before the Illinois Northern District Court, Neutral Tandem, Inc. filed a patent infringement complaint against the Applicant's parent company, Peerless Network, LLC and its affiliate, Peerless Network of Illinois, LLC and an induced infringement complaint against Peerless' Chief Executive Officer, John Barnicle. This case before the Illinois Northern District Court is currently pending¹. Consumer Services reports no complaints, inquiries, or opinions have been filed for Peerless in Arizona. The Corporations Division states that Peerless is in good standing.

7. COMPETITIVE SERVICES ANALYSIS

The Applicant has petitioned the Commission for a determination that the services it is seeking to provide should be classified as competitive.

¹ Because this case is currently pending before the Illinois Northern District Court, Staff did not give this case significant weight in its analysis.

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 CLEC 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.

7.2 COMPETITIVE SERVICES ANALYSIS FOR INTEREXCHANGE SERVICES

7.2.1 A DESCRIPTION OF THE GENERAL ECONOMIC CONDITIONS THAT EXIST, WHICH MAKES THE RELEVANT MARKET FOR THE SERVICE ONE THAT IS COMPETITIVE.

The interexchange market that the Applicant seeks to enter is one in which numerous facilities-based and resold interexchange carriers have been authorized to provide service throughout the State. The Applicant will be a new entrant in this market and, as such, will have to compete with those companies in order to obtain customers.

7.2.2 THE NUMBER OF ALTERNATIVE PROVIDERS OF THE SERVICE.

There are a large number of facilities-based and resold interexchange carriers providing both interLATA and intraLATA interexchange service throughout the State. In addition, various ILECs provide intraLATA interexchange service in many areas of the State.

7.2.3 THE ESTIMATED MARKET SHARE HELD BY EACH ALTERNATIVE PROVIDER OF THE SERVICE.

The large facilities-based interexchange carriers (AT&T, Sprint, MCI WorldCom, etc.) hold a majority of the interLATA interexchange market, and the ILECs provide a large portion of the intraLATA interexchange market. Numerous other interexchange carriers have a smaller part of the market and one in which new entrants do not have a long history with any customers.

7.2.4 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.

7.2.5 THE ABILITY OF ALTERNATIVE PROVIDERS TO MAKE FUNCTIONALLY EQUIVALENT OR SUBSTITUTE SERVICES READILY AVAILABLE AT COMPETITIVE RATES, TERMS AND CONDITIONS.

Both facilities-based and resold interexchange carriers have the ability to offer the same services that the Applicant has requested in their respective service territories. Similarly many of the ILECs offer similar intraLATA toll services.

7.2.6 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 interexchange service market is:

- a. One with numerous competitors and limited barriers to entry.
- b. One in which established interexchange carriers have had an existing relationship with their customers that the new entrants will have to overcome if they want to compete in the market.
- c. 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 services should be classified as competitive.

8.1 RECOMMENDATIONS ON THE APPLICATION FOR A CC&N

Staff recommends that the Applicant's application for a CC&N to provide intrastate telecommunications services, as listed in this Report, be granted. In addition, 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 cooperates 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, local incumbent carriers and major long distance companies 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;

10. That the Applicant submit local exchange and interexchange tariffs which state that it does not collect advances, deposits and or prepayments.

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 each service within its CC&N 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 and state that the Applicant does not collect advances, deposits and/or prepayments from its customers.
2. The Applicant shall:
 - a. Procure a performance bond or an irrevocable sight draft Letter of Credit equal to \$225,000. The minimum performance bond or irrevocable sight draft Letter of Credit in the amount of \$225,000 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 performance bond or irrevocable sight draft Letter of Credit amount should be increased in increments of \$112,500. This increase should occur when the total amount of the advances, deposits, and prepayments is within \$22,500 of the performance bond or irrevocable sight draft Letter of Credit amount.
 - b. File the original performance bond or irrevocable sight draft Letter of Credit with the Commission's Business Office and file copies with Docket Control, as a compliance item in this docket, within 30 days of the effective date of this Order and 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 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 or interexchange service markets. Therefore, the Applicant currently has no market power in the local exchange or interexchange service markets where alternative providers of telecommunications services exist. Staff therefore recommends that the Applicant's proposed services be classified as competitive.