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Transcript Exhibit(s)

Docket #(s): T-20646A-09-0005

Arizona Corporation Commission

DOCKETED

OCT 15 2009

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Exhibit #: A1, S1

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

2009 OCT 15 P 3 25

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MARK FOSTER

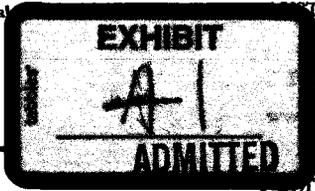
ATTORNEY AT LAW

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Texas Board Of Legal

702 RIO GRANDE STREET
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(512) 708-8700
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ORIGINAL



February 27, 2009

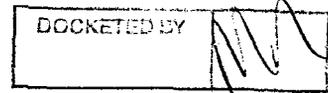
VIA OVERNIGHT DELIVERY

Arizona Corporation Commission
Docket Control
1200 W. Washington Street
Phoenix, AZ 85007-2927

Arizona Corporation Commission
DOCKETED

MAR - 2 2009

RE: Docket No. T-20646A-09-0005; *CVC CLEC, LLC*



Dear Clerk:

Enclosed please find an original plus fourteen copies of an Amended Application and Petition for Certificate of Convenience and Necessity to Provide Intrastate Telecommunications Services. *Please note that this Amended Application contains a new tariff which is to be substituted for the tariff filed with the amended applicaton.*

Also enclosed is a paid return envelope as we are requesting a file stamped copy be returned to this office

Thanks for your attention in this matter.

Very truly yours,

Mark Foster

ENC.

cc: Jennifer Gilliland, CVC CLEC w/enc (via email)
Lori Morrison (via email at lmorrison@acc.gov)

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2009 MAR - 2 P 4: 05
AZ CORP COMMISSION
DOCKET CONTROL

ARIZONA CORPORATION COMMISSION

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

Mail original plus 13 copies of completed application to:

For Docket Control Only:
(Please Stamp Here)

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

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

NO CURRENT APPLICATIONS ARE PENDING.

Type of Service: _____

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

Type of Service: _____

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

A. COMPANY AND TELECOMMUNICATION SERVICE INFORMATION

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

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

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

CVC CLEC, LLC
2922 South Roosevelt Street
Tempe, AZ 85282
602.296.1120 office / 602.220.9083 fax
jgilliland@cvctermination.com

www.cvccllec.com will be the World Wide Web address; it is currently under construction.

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

Not applicable.

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

Jennifer Gilliland
2922 South Roosevelt Street
Tempe, AZ 85282
(602) 296-1120
(636) 216-1120 / fax
jgilliland@cvctermination.com

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

Mark Foster
Attorney at Law
702 Rio Grande Street
Austin, TX 78701
(512) 708-8700
(512) 697-0058/fax
mark@mfoosterlaw.com

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

Jennifer Gilliland
2922 South Roosevelt Street
Tempe, AZ 85282

(602) 296-1120

(636) 216-1120 / fax

jgilliland@cvctermination.com

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

- Sole proprietorship
- Partnership: _____ Limited, _____ General, _____ Arizona, _____ Foreign
- Limited Liability Company: _____ X _____ Arizona, _____ Foreign
- Corporation: _____ "S", _____ "C", _____ Non-profit
- Other, specify: _____

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

Attachment "A" must include the following information:

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

(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).
2. Tariff Maximum Rate and Prices to be charged (reference by Tariff page number).
3. Terms and Conditions Applicable to provision of Service (reference by Tariff page number).
4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number).
5. The proposed fee that will be charged for returned checks (reference by Tariff page number).

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

- Statewide. (Applicant adopts statewide map of Arizona provided with this application).
- Other. Describe and provide a detailed map depicting the area.

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

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

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

Neither the Applicant nor any of its officers, directors, partners, or managers has been or are currently involved in any formal or informal complaint proceedings pending before any state or federal regulatory commission, administrative agency, or law enforcement agency.

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

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

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

Neither the Applicant nor any of its officers, directors, partners, or managers has been or are currently involved in any civil or criminal investigation, or had judgments entered in any civil matter, judgments levied by any administrative or regulatory agency, or been convicted of any criminal acts within the last ten (10) years.

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

Yes

No

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

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

Yes

No

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

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

Yes

No

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

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

Yes

No

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

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

Yes

No

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

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

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

Answer: Applicant will not require any deposits from its customers, so no bond should be necessary.

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

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

Answer: Applicant will publish notice when advised so by the Hearing Division

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

Yes

No

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

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

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

Answer: Applicant is approved to provide local exchange service – facilities based in Montana.

Contact Information:

State of Montana;
Public Service Commission
1701 Prospect Ave.
P.O. Box 202601

Helena, MT 59620-2601

Debbie George
(406) 444-6174
dgeorge@mt.gov

State of Montana
Public Service Commission
1701 Prospect Ave
P.O. Box 202601
Helena, MT 59620-2601

North Dakota Public Service Commission
600 E. Boulevard, Dept. 408
Bismarck, ND 58505-0480
701.328.2400 [phone]
800.366.6888 [TTY]
701.328.2410 [fax]

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

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

Answer: Applicant does not currently offer telecommunications services in any other state; it has not yet begun service in Montana and is in the process of obtaining an interconnection agreement with Qwest.

(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.

None.

(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 start-up company which will begin operations after receiving sought -after authority

(B-2) Include "Attachment D".

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

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

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

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

Applicant has enough start-up funds as shown on Attachment D to begin operations and will thereafter fund operations from its own earnings without the necessity to rely on its parent company.

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

1. Provide the projected total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval. Adjusted revenues may be calculated as the number of units sold times the maximum charge per unit. **\$25,000**
2. Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification. **\$20,000**
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. **All of applicant's assets are located in Texas.**
4. If the projected value of all assets is zero, please specifically state this in your response. **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. **Not Applicable**

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

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

Yes No

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

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

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

Yes No

If "Yes," provide the following information:

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

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

facilities based local exchange telecommunications services will be sold in Arizona within 30 days of obtaining both the CLEC authority sought in this proceeding and interconnection agreements with appropriate ILECs

E. FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

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

Yes No

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

Yes

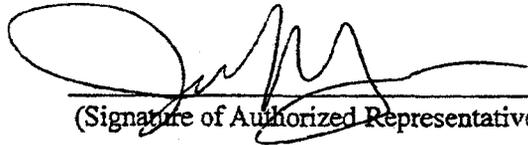
No

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

Yes

No

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



(Signature of Authorized Representative)

12/30/08

(Date)

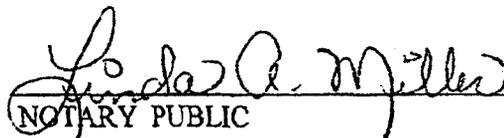
Jennifer Gilliland

(Print Name of Authorized Representative)

COO

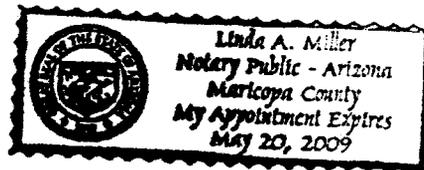
(Title)

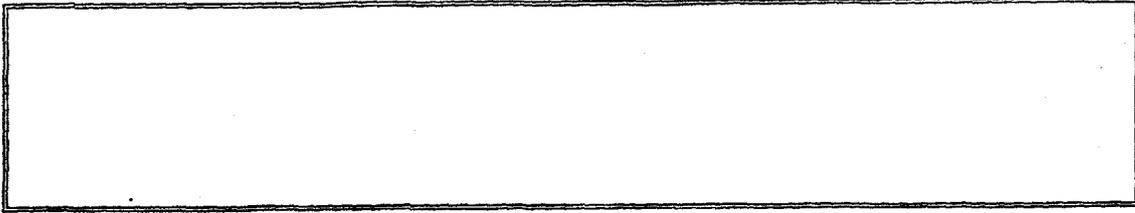
SUBSCRIBED AND SWORN to before me this 30 day of December, 2008



NOTARY PUBLIC

My Commission Expires 5/20/09





ATTACHMENT A

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION
CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

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

*****CVC CLEC, LLC*****

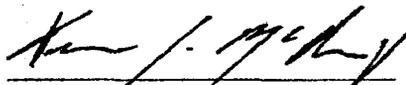
a domestic limited liability company organized under the laws of the State of Arizona, did organize on the 4th day of November 2008.

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 6th Day of November, 2008, A. D.


Executive Director

Order Number: 284253

LIST OF OWNERS/MEMBERS

CVC CLEC, LLC has only one member (owner) which is Clear VoIP Calling, LLC. That entity owns 100% of CVC CLEC, LLC.

The members of Clear VoIP Calling, LLC are:

**Jordy Tessler
2922 S Roosevelt St
Tempe, Az 85282**

**Rob Schuman
2922 S Roosevelt St
Tempe, Az 85282**

**Thomas Wish
5401 E Van Buren
#1012
Phoenix, Az 85008**

LIST OF MANAGERS

Jordy Tessler

Rob Schuman

Attachment B
State of Arizona Tariff

**Tariff Schedule Applicable to
Resold and Facilities-Based
Local Exchange Services**

Furnished by

CVC CLEC, LLC

Between Points Within the State of Arizona

Issued: February __, 2009

Effective: February __, 2009

Jennifer Gilliland
Director of Operations
2922 South Roosevelt Street
Tempe, AZ 85282
(602) 296-1120
operations@cvcclec.com

CHECK SHEET

The sheets inclusive 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>Page</u>	<u>Number of Revision</u>
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
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11	Original
12	Original
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31	Original

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Jennifer Gilliland
Director of Operations
2922 South Roosevelt Street
Tempe, AZ 85282
(602) 296-1120
operations@cvcclcc.com

CHECK SHEET (Cont'd.)

<u>Page</u>	<u>Number of Revision</u>
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33	Original
34	Original
35	Original
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37	Original
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39	Original
40	Original
41	Original

Issued: February __, 2009

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Jennifer Gilliland
Director of Operations
2922 South Roosevelt Street
Tempe, AZ 85282
(602) 296-1120
operations@cvcclcc.com

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TARIFF FORMAT

- A. **Page Numbering** - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between Page 14 and 15 would be 14.1.
- B. **Page Revision Numbers** - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the Commission. For example, the 4th revised Page 14 cancels the 3rd revised Page 14.
- C. **Paragraph Numbering Sequence** - There are various levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2
 - 2.1
 - 2.1.1
 - 2.1.1.1
- D. **Check Sheets** - When a tariff filing is made with the Commission, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the 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. An asterisk designates all revisions made in a given filing (*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remain the same, just revised revision levels on some pages.) The tariff user should refer to the latest Check Sheet to find out if a particular page is the most current on file with the Commission.

EXPLANATION OF SYMBOLS

- (C) — To signify a changed regulation
- (D) — To signify a discontinued rate or regulation
- (I) — To signify an increase in a rate
- (M) — To signify text or rates relocated without change
- (N) — To signify a new rate or regulation or other text
- (R) — To signify a reduction in a rate
- (T) — To signify a change in text but no change in rate

Issued: February __, 2009

Effective: February __, 2009

Jennifer Gilliland
Director of Operations
2922 South Roosevelt Street
Tempe, AZ 85282
(602) 296-1120
operations@cvcclcc.com

DEFINITIONS

"Applicant" refers to an individual, partnership, corporation, association, or government agency who applies to the Company for any new or additional telephone service.

"CVC CLEC" refers to CVC CLEC, LLC

"Basic exchange service" refers to service provided to business or residential customers at a flat or measured rate which affords access to the telecommunications network.

"Business Hours" refers to the time after 8:00 A.M. and before 5:00 P.M., Monday through Friday excluding holidays

"Commission" refers to the Arizona Corporation Commission, the regulatory authority in the state of Arizona having jurisdiction over public service corporations operating in Arizona.

"Company" refers to CVC CLEC, LLC

"Completed call" is a call which the Company's network has determined has been answered by a person, answering machine, fax machine, computer modem device, or other answering device.

"Customer" refers to any person, firm, corporation, or governmental entity who has applied for and is granted service or who is responsible for payment of service, as evidenced by the signature on the application or contract for that service, or by the receipt and/or payment of bills regularly issued in his name regardless of the identity of the actual user of the service.

"Delinquent or Delinquency" refers to an account for which payment has not been paid in full on or before the last day for timely payment.

"End user" has the same definition as "Customer."

"Grandfathered Service" applies to an obsolete and/or outdated service that the Company no longer wishes to provide. The grandfathering of a service is the Company's method of managing a tariff for this service prior to ultimately discontinuing the service, or change existing tariff regulations without discontinuing certain rights, privileges or conditions of the service to existing customers.

"Hunting Service" refers to an arrangement to search multiple lines of the same class of service and of the same customer for a vacant line for each incoming call.

Issued: February __, 2009

Effective: February __, 2009

Jennifer Gilliland
Director of Operations
2922 South Roosevelt Street
Tempe, AZ 85282
(602) 296-1120
operations@cvcclec.com

DEFINITIONS (Cont'd)

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

"Nonrecurring Charges" refer to a one-time charge associated with given service or item of equipment which applies on a per-service and/or per item basis each time the service or item of equipment is provided.

"Non-Published or Unlisted Service" refers to service that is not accompanied by inclusion of the Subscriber's name, address, or telephone number in a published directory or directory assistance data base.

"Rules" refer to the regulations set forth in this tariffs which apply to the provision of telephone service.

"Service" refers to any telecommunications service(s) provided by the Company under this tariff and under the regulatory jurisdiction of the DTC.

"Service Area" refers to the territory in which the Company is granted a Certificate of Convenience and Necessity and is authorized by the Commission to provide telephone service.

"Service Charge" refers to the charge specified in the Company's tariff which covers the cost of establishing moving, changing or reconnecting service or equipment.

"Subscriber" refers to the firm, company, corporation, or other entity that contracts for service under this tariff and that is responsible for the payment of charges as well as compliance with the Company's regulations pursuant to this tariff.

"Station" refers to a telephone instrument consisting of a connected transmitter, receiver, and associated apparatus to permit sending or receiving telephone messages.

"Tariffs" refer to the tariffs, price lists, and generally applicable terms and conditions on file with a state or federal regulatory authority or publicly available on the Company's website in accordance with the regulations of a state or federal regulatory authority.

"Telephone Numbers" refer to The North American Numbering Plan [NPA-NXX-XXXX] numbers assigned to CVC CLEC, LLC Customers and used in conjunction with the Services provided pursuant to this tariff.

Issued: February __, 2009

Effective: February __, 2009

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SECTION 1. APPLICATION OF TARIFF

- 1.1.1 This tariff governs the services provided by CVC CLEC, LLC that originate and terminate within the State of Arizona Specific services and rates are described elsewhere in this tariff.
- 1.1.2 The Company's installs operates, and maintains the communications services provided herein in accordance with the terms and conditions set forth under this tariff. It may act as the customer's agent for ordering access connection facilities provided by other carriers or entities 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.
- 1.1.3 The Company's services and facilities are provided on a monthly basis unless ordered on a longer term basis, and are available twenty-four hours per day, seven days per week.
- 1.1.4 The Company's services are available to business/non-residential customers.

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SECTION 2. RULES AND REGULATIONS

2.1 Undertaking of the Company

- 2.1.1 This tariff contains the regulations, rates and charges applicable to resold and facilities-based local exchange services provided by the Company to business/non-residential customers in the State of Arizona.
- 2.1.2 The Company shall make reasonable efforts to supply a satisfactory and continuous level of service. The Company shall not be responsible for any damage or claim of damage attributable to any interruption or discontinuation of service resulting from but not limited to:
- (1) Any cause against which the Company could not have reasonably foreseen or made provision for, that is, force majeure.
 - (2) Intentional service interruptions to make repairs or perform routine maintenance of services constituting excusable negligence.

2.2 Obligations of the Customer

- 2.2.1 The customer shall be responsible for:
- 2.2.1.1 The payment of all applicable charges pursuant to this tariff.
 - 2.2.1.2 Reimbursing the Company for damage to, or loss of, the Company's facilities or equipment caused by the acts or omissions of the customer; or the noncompliance by the customer, with these regulations, or by fire or theft or other casualty on the customer's premises unless caused by the negligence or willful misconduct of the employees or agents of the Company.
 - 2.2.1.3 Providing at no charge, as specified from time to time by the Company, any needed space and power to operate the Company's facilities and equipment installed on the customer's premises.

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SECTION 2. RULES AND REGULATIONS (Cont'd)**2.2 Obligations of the Customer (Cont'd)**

- 2.2.1.4 Complying with all laws and regulations regarding the working conditions on the premises at which the Company's employees and agents shall be installing or maintaining the Company's facilities and equipment. The customer may be required to install and maintain the Company's facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company's employees or property might result from installation or maintenance by the Company. The customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material prior to any construction or installation work.
- 2.2.1.5 Complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of the Company's facilities and equipment in any customer premises for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company.
- 2.2.1.6 Making Company facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the customer. No allowance for interruptions in service will be made for the period during which service is interrupted for such purposes.

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SECTION 2. RULES AND REGULATIONS (Cont'd)**2.2 Obligations of the Customer (Cont'd)**

- 2.2.2 With respect to any service or facility provided by the Company, the customer shall indemnify, defend and hold harmless the Company from all claims, actions, damages, liabilities, costs and expenses for:
- 2.2.2.1 Any loss, destruction or damage to property of the Company or any third party, or injury to persons, including, but not limited to, employees or invitees of either the Company or the customer, to the extent caused by or resulting from the negligent or intentional act or omission of the customer, its employees, agents, representatives or invitees;
or
- 2.2.2.2 Any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the customer.
- 2.2.3 The customer is responsible for ensuring that customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The connection, operation, testing, or maintenance of such equipment shall be such as not to cause damage to the Company—provided equipment and facilities or injury to the Company's employees or other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the customer's expense.
- 2.2.4 The Company's services (as detailed in this tariff) may be connected to the services or facilities or other communications carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs or contracts which are applicable to such connections.

SECTION 2. RULES AND REGULATIONS (Cont'd)**2.2 Obligations of the Customer (Cont'd)**

- 2.2.5 Upon reasonable notification to the customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the customer is complying with the requirements set forth in this tariff for the installation, operation, and maintenance of customer-provided facilities and equipment that is connected to Company-owned facilities and equipment.
- 2.2.6 The customer shall be responsible for safeguarding all Company property installed in or on the customer's premises for the purpose of supplying utility service to that customer.
- 2.2.7 The customer shall be responsible for maintaining in safe operating condition all customer provided equipment and fixtures.
- 2.2.8 The customer shall exercise all reasonable care to prevent loss or damage to Company property, excluding ordinary wear and tear. The customer shall be responsible for loss of or damage to Company property on the customer's premises arising from neglect, theft, carelessness, or misuse and shall reimburse the utility for the cost of necessary repairs or replacements.
- 2.2.9 The customer shall be responsible for payment for any equipment damage and/or use resulting from unauthorized use, interfering or tampering of the Company's equipment on the customer's premises.
- 2.2.10 The customer shall be responsible for payment for any equipment damage and/or use resulting from unauthorized use, interfering or tampering of the Company's equipment on the customer's premises.

SECTION 2. RULES AND REGULATIONS (Cont'd)**2.3 Liability of the Company**

2.3.1 In view of the fact that the customer has exclusive control over the use of service and facilities furnished by the Company, and because certain errors incident to the services and to the use of such facilities of the Company are unavoidable, services and facilities are furnished by the Company subject to the terms, conditions and limitations herein specified:

- (A) The Company's damages arising out of its negligent acts, or mistakes, omissions, interruptions, delays, errors, or defects during the course of furnishing service, shall in no event exceed an amount equivalent to CVC CLEC, LLC's charges for service during the period affected by such negligence, or in which such mistakes, omissions, interruptions, delays, errors, or defects occurred. Any mistakes, omissions, interruptions, delays, errors, or defects that are caused by or materially contributed to by the negligence or willful acts of Customer, or that arise from facilities or equipment used by Customer and not provided by CVC CLEC, LLC, shall not result in the imposition of any liability upon CVC CLEC, LLC.

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SECTION 2. RULES AND REGULATIONS (Cont'd)**2.3 Liability of the Company (Cont'd)****2.3.1 (Cont'd)**

- (B) Customer shall defend, indemnify, and hold harmless the Company, its officers and directors, employees, and agents from and against any and all lawsuits, claims, demands, penalties, losses, fines, liabilities, damages, and expenses of any kind and nature (including, without limitation, liability to third parties for personal injury or death and for loss or damage to property, and loss or damage to Company property, and injury to Company employees), without limitation whatsoever, that in any way arise out of or result from Customer's operations, installation or maintenance of equipment and facilities, or performance under this tariff, or that arises out of or in any way is connected with Customer's provision of service to its end users, or any use or attempted use by Customer or any such end user of services provided by the Company hereunder; provided that this section shall not apply to the extent that any injury, loss, or damage is caused by the gross negligence or willful misconduct on the part of the Company.
- (C) The Company will not be liable for any act, omission to act, negligence, or defect in the quality of service of any underlying carrier or other service provider whose facilities or services are used in furnishing any portion of the service received by Customer. CVC CLEC, LLC will not be liable for any failure of performance that is caused by or the result of any act or omission by Customer or any entity other than CVC CLEC, LLC, that furnishes services, facilities, or equipment used in connection with Bandwidth, com's services or facilities.

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SECTION 2 RULES AND REGULATIONS (Cont'd)

2.3 Liability of the Company (Cont'd) 2.3.1 (Cont'd.)

- (D) EXCEPT AS EXPRESSLY PROVIDED IN THIS TARIFF, CVC CLEC, LLC MAKES NO EXPRESSED OR IMPLIED REPRESENTATIONS, OR WARRANTIES, INCLUDING ANY WARRANTIES REGARDING MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
- (E) IN NO EVENT SHALL CVC CLEC, LLC BE LIABLE TO CUSTOMER FOR SPECIAL, INCIDENTAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES (INCLUDING WITHOUT LIMITATION, LOST PROFITS OR REVENUE).

2.3.2 Limitation of Liability

- 2.3.2.1 Nothing in this tariff shall be construed to limit the Company's liability in cases of gross negligence or willful misconduct.

2.3.3 Force Majeure

- 2.3.3.1 Neither Party shall be responsible for delays or failures in performance, except for the obligation to make payments required under this tariff, resulting from acts or occurrences in the nature of force majeure such as fire, explosion, acts of God, war, or civil commotion; any law, order, regulation, or ordinance of any government or legal body; strikes; or delays caused by the other Party. In such event, the Party affected shall, upon giving prompt notice to the other, be excused from such performance to the extent of such interference. The affected Party shall use its reasonable efforts to avoid or remove the cause of non performance and both Parties shall proceed to perform with dispatch once the causes are removed or cease.

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SECTION 2. RULES AND REGULATIONS (Cont'd)**2.4 Application for Service****2.4.1 General**

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

- (1) The applicant has an outstanding amount due for similar Company provided services and the applicant is unwilling to make acceptable arrangements with the Company for payment.
- (2) A condition exists which in the Company's judgment is unsafe or hazardous to the applicant, the general population, or the Company's personnel or facilities.
- (3) Customer is known to be in violation of the Company's tariffs filed with the Commission.
- (4) Failure of the customer to furnish such funds, suitable facilities, and/or rights-of-way necessary to serve the customer and which have been specified by the Company as a condition for providing service.
- (5) Applicant falsifies his or her identity for the purpose of obtaining service.

2.4.2 Minimum Contract Period

2.4.2.1 Except as otherwise provided, the minimum contract period is one month for all services furnished. However, if a new customer notifies the Company within twenty days after receipt of the first bill that certain services or equipment are not desired, the Company will delete such services or equipment from the customer's account without a record keeping or service ordering charge. The customer nonetheless shall be responsible for all monthly usage and installation charges incurred for the use of such service and equipment.

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SECTION 2. RULES AND REGULATIONS (Cont'd)**2.4 Application for Service (Cont'd)**

2.4.2.2 Except as provided in 2.4.3.1, the length of minimum contract period for directory listings, and for joint user service where the listing actually appears in the directory, is the directory period. The directory period is from the day on which the directory is first distributed to customers to the day the succeeding directory is first distributed to customers.

2.4.2.3 The Company may require a minimum contract period longer than one month in connection with special, non-standard types or arrangements of equipment, or for unusual construction, necessary to meet special demands for service.

2.4.3 Cancellation of Service

2.4.3.1 Where the applicant cancels an order for service prior to the start of the installation or special construction of facilities, no charge shall apply, except to the extent the Company incurs a service order or similar charge from a supplying carrier, if any, prior to the construction.

2.4.3.2 Where the installation of facilities, other than those provided by special construction, has been started prior to cancellation, the lower of the following charge applies;

2.4.3.2.A The total costs of installing and removing such facilities; or

2.4.3.2.B The monthly charges for the entire initial contract period of the service ordered by the customer as provided in this tariff plus the full amount of any applicable installation and termination charges.

SECTION 2. RULES AND REGULATIONS (Cont'd)

2.4 Application for Service (Cont'd)

2.4.3.3 Where special construction of facilities has been started prior to the cancellation, and the Company has another requirement for the specially constructed facilities, no charge applies.

2.4.3.4 The Company reserves the right to redefine its regions, add new regions, or remove regions from its current offering, as it deems appropriate in its sole discretion and will provide the Customer with at least thirty (30) days' notice of any change in the definition of the Company's regions.

2.4.3.5 In the event that the Company plans to exit a current region, the Customer shall be provided with thirty (30) days prior written notification of the Company's intent. The Customer shall be allowed to immediately terminate services in the affected region without penalty.

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SECTION 2. RULES AND REGULATIONS (Cont'd)**2.5 Payment for Service**

2.5.1 The customer is responsible for payment of all charges for service furnished to the customer pursuant to this tariff. Charges based on actual usage during a month will be billed monthly in the month following the month in which the service was used. All fixed monthly and nonrecurring charges for services ordered will be billed monthly in advance. The billing date shall be printed on the bill and the date rendered shall be the mailing date. Payment is due upon receipt by Customer and payable within fifteen (15) days of the date that the bill is rendered.

2.5.2 Payments are past due if not received by the Company by the Due Date. Any amounts past due will be subject to a late payment charge of 1.5 percent the amount of the delinquent bill. For business customers, all amounts outstanding fifteen (15) days or more from the date on which the bill for such amounts is mailed are subject to a late payment charge. Bills not paid within twenty-two (22) days of the Bill Date and which have not been disputed in accordance with the procedures set forth in Section 2.7.1 of this tariff, may result in suspension of service until the overdue payments and any additional charges that may be imposed to restore service have been paid. Failure of the Customer to pay all undisputed amounts by the Due Date is a material breach and a five (5) day notice shall be required in order to terminate services hereunder for non- payment.

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SECTION 2. RULES AND REGULATIONS (Cont'd)**2.6 Customer Deposits**

The Company will not collect advances, prepayments, or deposits from Arizona customers.

2.7 Customer Complaints and Billing Disputes

2.7.1 In the event that Customer disputes any charges, Customer may notify the Company by telephone, in writing or in person. Customer shall submit all documentation as may reasonably be required to support the claim. Payment may be withheld for the amounts subject to a dispute submitted prior to the Due Date. All disputes and claims for refunds must be submitted to CVC CLEC, LLC within one hundred and twenty (120) days of the Bill Date. If Customer does not submit a claim as stated above, Customer waives all rights to file a claim thereafter. CVC CLEC, LLC shall investigate and resolve all disputes within forty-five (45) days of receipt of the dispute and CVC CLEC, LLC's resolution of such a dispute is final. Any portion of a disputed amount deemed payable by CVC CLEC, LLC must be paid in full within five (5) days of resolution or Customer's service may be subject to disconnection and late payment charges imposed on the overdue amount.

2.7.2 Any unresolved dispute may be directed in writing to the Consumer Services Division at 1200 W. Washington Street, Phoenix, AZ 85007.

The Division may be reached between the hours of 8:00 a.m. and 5:00 p.m. as follows:

Within Metro Phoenix: 602-542-4251

Within Metro Tucson: 520-628-6550

Outside the Metro Phoenix or Tucson areas, but within Arizona, call toll free

1-800-222-7000 (Phoenix Office)

1-800-535-0148 (Tucson Office)

SECTION 2. RULES AND REGULATIONS (Cont'd)**2.8 Interruptions in Service****2.8.1 General**

The Company shall make reasonable efforts to reestablish service within the shortest possible time when a service interruption occurs and shall make reasonable provisions to meet emergencies resulting from failure of service, and the Company shall issue instructions to its employees covering procedures to be followed in the event of emergency in order to prevent or mitigate interruption or impairment of service.

In the event of a national emergency or local disaster resulting in disruption of normal service, the Company may, in the public interest, interrupt service to other customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.

When the Company plans to interrupt service for more than four (4) hours to perform necessary repairs or maintenance, the Company shall attempt to inform affected customers at least 24 hours in advance of the scheduled date and estimated duration of the service interruption. Such repairs shall be completed in the shortest possible time to minimize the inconvenience to the customers of the Company.

The Company shall notify the Commission of major interruptions in service affecting the entire system or any major division.

2.8.2 Credits for Interruptions in Services

2.8.2.1 Credit for failure of service or equipment will be allowed only when failure is caused by or occurs in equipment owned, provided, or billed for, by the Company.

2.8.2.2 The following allowances are provided for interruptions in service, as specified for particular services furnished solely by the Company.

SECTION 2. RULES AND REGULATIONS (Cont'd)

2.8 Interruptions in Service (Cont'd)

2.8.2 Credits for Interruptions in Services (Cont'd)

2.8.2.3 The Company shall allow for interruptions in exchange telephone service of 24 hours or more not due to conduct of Customer an amount equal to the fixed monthly charges for exchange service multiplied by the ratio of the days of interruption to thirty days. When interruptions continue beyond 24 hours, credit allowance will be given in successive 24-hour multiples.

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SECTION 2. RULES AND REGULATIONS (Cont'd)**2.9 Taxes and Fees**

- 2.9.1 All state and local taxes and fees shall be listed as separate line items on the customer's bill.
- 2.9.2 If a municipality, other political subdivision or local agency of government, or the Commission imposes 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, as allowed by law, be billed pro rata to the customer receiving service from the Company within the territorial limits of such municipality, other political subdivision or local agency of government.
- 2.9.3 Service shall not be subject to taxes for a given taxing jurisdiction if the customer provides the Company with written verification, acceptable to the Company and to the relevant taxing jurisdiction, that the customer has been granted a tax exemption.

2.10 Returned Check Charge

The charge for a returned check is \$25.00.

2.11 Special Customer Arrangements

In cases where a customer requests special or unique arrangements which may include but are not limited to engineering, conditioning, installation, construction, facilities, assembly, purchase or lease of facilities and/or other special services not offered under this tariff, the Company, 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.

SECTION 2. RULES AND REGULATIONS (Cont'd)**2.12 Disconnection and Termination of Service**

The Company shall not disconnect basic local service for nonpayment of toll or information service charges or any service other than basic local service.

2.12.1 Disconnection of Service Without Notice

CVC CLEC, LLC shall have the right to refuse or discontinue telephone service or service arrangements without advance notice, if the acts of the Customer or the conditions upon their premises are such as to indicate an intent to defraud CVC CLEC, LLC or to use the Service to defraud a third party, including but not limited to, providing false credit information, significantly misstating expected service volumes, using the services for unlawful purposes, or using services without intent to pay.

The existence of an obvious hazard to the safety or health of the consumer or the general population or the Company's personnel or facilities.

CVC CLEC, LLC will attempt to contact the Customer by telephone prior to discontinuing the Service or portions thereof. If CVC CLEC, LLC is unable to contact the Customer by telephone, a letter will be mailed to the Customer on the same date that their service or service arrangement is discontinued, explaining the reasons for such action and the Customer's right to dispute such action.

Customer is responsible for all charges attributable to Customer, even if incurred as a result of fraudulent or unauthorized use of the Service by third parties. CVC CLEC, LLC may, but is not obligated to, detect or report unauthorized or fraudulent use of Service.

The Company shall maintain, for a minimum of one (1) year a record of all terminations of service without notice and the records shall be available for inspection by the Commission.

SECTION 2. RULES AND REGULATIONS (Cont'd)**2.12 Disconnection and Termination of Service (Cont'd)****2.12.2. Disconnection of Service Requiring Notice**

2.12.2.1 The Company may disconnect service for any of the following reasons provided it has notified the customer of its intent, in writing, to disconnect service and has allowed the customer a reasonable time of not less than five (5) days in which to remove the cause for disconnection. The Company shall maintain, for a minimum of one (1) year a record of all terminations of service with notice and the records shall be available for inspection by the Commission.

2.12.2.1.A Non-compliance with Regulations. For violation of or non-compliance with Commission's rules and regulations or for violation of or noncompliance with the Company's tariffs on file with the Commission.

2.12.2.1.B Failure on Contractual Obligations. For failure of the customer to fulfill his contractual obligations for service or facilities subject to regulation by the Commission.

2.12.2.1.C Refusal of Access. For failure of the customer to permit the Company to have reasonable access to its equipment and property.

2.12.2.1.D Failure to meet the Company's deposit and credit requirements.

2.12.2.1.E For non-payment of a bill for service, provided that the Company has made a reasonable attempt to effect collection and has given the customer written notice at least five (5) days of its intent to deny service if settlement of his account is not made.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.12 Disconnection and Termination of Service (Cont'd)

2.12.2 Disconnection of Service Requiring Notice (Cont'd)

2.12.2.1 (Cont'd)

- 2.12.2.1.F Failure to Comply with Service Conditions. For failure of the customer to furnish the service equipment, permits, certificates, or rights-of-way, specified by the Company as a condition to obtaining service, or if the equipment or permissions are withdrawn or terminated.
- 2.12.2.1.G Failure to Comply with Municipal Ordinances. For failure to comply with municipal ordinances or other laws pertaining to telephone service.
- 2.12.2.1.H When necessary for the Company to comply with an order of any governmental agency having such jurisdiction.
- 2.12.2.1.I Unauthorized resale of equipment or service.

SECTION 2. RULES AND REGULATIONS (Cont'd)**2.13 Unlawful Use of Service**

2.13.1 Service shall not be used for any purpose in violation of law or for any use as to which the customer has not obtained all required governmental approvals, authorizations, licenses, consents, and permits. The Company shall refuse to furnish service to an applicant or shall disconnect the service without notice of a customer when:

2.13.1.1 An order shall be issued, signed by a judge finding that probable cause exists to believe that the use made or to be made of the service is prohibited by law, or

2.13.1.2 The Company is notified in writing by a law enforcement agency acting within its jurisdiction that any facility furnished by the Company is being used or will be used for the purpose of transmitting or receiving gambling information in interstate or foreign commerce in violation of the law.

2.13.2 If service has been physically disconnected by law enforcement officials at the customer's premises and if there is not presented to the Company the written finding of a judge, then upon written or verbal request of the subscriber, and agreement to pay restoral of service charges and other applicable service charges, the Company shall promptly restore such service.

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SECTION 2. RULES AND REGULATIONS (Cont'd)**2.14 Interference with or Impairment of Service**

Service shall not be used in any manner that interferes with other persons in the use of their service, prevents other persons from using their service, or otherwise impairs the quality of service to other customers. The Company may require a customer to immediately shut down its transmission of signals if said transmission is causing interference to others or impairing the service of others.

2.15 Telephone Solicitation by Use of Recorded Messages

2.15.1 Service shall not be used for the purpose of solicitation by recorded messages when such solicitation occurs as a result of unrequested or unsolicited calls initiated by the solicitor by means of automatic dialing devices. Such devices, with storage capability of numbers to be called or a random or sequential number generator that produces numbers to be called and having the capability, working alone or in conjunction with other equipment, of disseminating a prerecorded message to the number called and which are calling party or called party controlled, are expressly prohibited.

2.16 Incomplete Calls

2.16.1 There shall be no charge for incomplete calls. No charge will be levied for unanswered calls. Customers will receive credit for calls placed to a wrong number if the customer notifies the Company of the error.

2.17 Overcharge

2.17.1 When a customer has been overcharged by the Company, the amount shall be refunded or credited to the customer, with interest paid, within two years or as specified in the customer service agreement.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.18 Notices

- 2.18.1 Any notice required or permitted to be given under this tariff shall be in writing and delivered by hand, mail, national overnight courier service or by fax if confirmed by telephone to the customer, at the address or phone numbers on record or at such other address or phone numbers as shall be designated from time to time.

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SECTION 2. RULES AND REGULATIONS (Cont'd)**2.19 Emergency Calling**

Access to 911 and E911 service is offered solely as an aid in handling assistance calls in connection with fire, police, medical, and other emergencies. The Company is not responsible, in the absence of gross negligence or willful misconduct, for any losses, claims, demands, suits, or any liability, whether suffered, made, instituted, or asserted by the Customer or by any other party or person, for any personal injury to or death of any person or persons, and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused by the installation, operation, failure to operate, maintenance, removal, presence, condition, location, or use of such facilities. By dialing 911, the Customer agrees to release, indemnify, defend, and hold harmless the Company from any and all loss or claims, whatsoever, whether suffered, made, instituted, or asserted by the destruction of any property, whether owned by the Customer or others. Notwithstanding any provision to the contrary, in no event shall the Company be liable for any special, incidental, consequential, exemplary, or punitive damages of any nature whatsoever.

The Company is not responsible for any infringement or invasion of the right of privacy of any person or persons, caused, or claimed to have been caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, occasion or use of the 911 service features and the equipment associated 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 the 911 service.

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SECTION 3. DESCRIPTION OF SERVICES

3.1 Trial Services and Promotional Offerings

3.1.1 The Company may offer new services, not otherwise generally tariffed, from time to time on a trial basis and may offer existing services on a promotional basis, that provides special rates, terms, or conditions of service.

3.2 Contract Rates/Customer-specific Pricing/Special Pricing Arrangements (CSP/SPA)

3.2.1 CSP/SPAs are made in response to the specific, individual requirements for the customers and/or a competitive bidding process. A CSP/SPA differs from the Company's standard or general tariffed offerings in that it contains a customer service arrangement and/or term and/or volume commitment.

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SECTION 3. DESCRIPTION OF SERVICES (Cont'd)**3.3 Local Exchange Service**

3.3.1 Local Exchange Service is telephone service that entitles the customer to originate local calls, without toll charges, to all local exchange access lines connected to a Central Office (CO) of the exchange, or to all exchange access lines served by COs of the extended local service area where comprised of more than one exchange. Service will be provided where facilities are available from the Local Exchange Company (LEC). CVC CLEC, LLC offers Qwest Corporation's Local Exchange Services under resale, and hereby adopts the same local calling areas as listed in Section 5 of the Exchange and Network Services tariff.

3.3.2 Service is classified as business service and business rates apply when any of the following conditions exist:

- When the service is furnished at a location where a business, trade or practice is performed and where the use of the location is not confined primarily to domestic activities.
- Service is provided for social clubs (i.e. Elks, VFW, Eagles, etc.).
- When the directory listing is a business listing, except when a residence telephone number is listed as an alternate call number in connection with a subscription to business local exchange service.

Issued: February __, 2009

Effective: February __, 2009

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SECTION 3. DESCRIPTION OF SERVICES (Cont'd)**3.4 Directory Assistance****3.4.1 General**

Directory Assistance (DA) is defined as furnishing aid in obtaining telephone numbers. The Directory Assistance operator will not transfer, forward or redial a customer's call to any other location for any purpose. The service is furnished subject to the condition that there will be no abuse or fraudulent use of the service. Abuse or fraudulent use of the service includes the obtaining, or attempting to obtain, or assisting another to obtain or to attempt to obtain Directory Assistance service, by rearranging, tampering with, or making connection with any facilities of the Company, or by any trick, scheme, false representation, or false credit device, or by or through any other fraudulent means or device whatsoever, with attempt to avoid payment, in whole or in part, of the regular charge for such service. In addition to any other action authorized by this Tariff, the Company may, in such cases of abuse or fraudulent use, assess appropriate Directory Assistance charges on the Customer's telephone account.

3.4.2 Directory Assistance Call Allowance

Customers are allowed one (1) directly dialed Directory Assistance calls per month at no charge for each business main telephone exchange or PBX trunk line.

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SECTION 4. RATES AND CHARGES**4.1 Local Exchange Service****4.1.1 Business Service**

	Monthly Rate	Non- Recurring Charge
First Measured Business Line or Trunk	\$19.22	\$49.57 ¹
Additional Measured Business Line or Trunk	\$19.22	\$27.49 ¹¹
Changes, Service Restoration To change class, type or grade of service (per line or trunk)	\$49.57	
To restore service that has been temporarily disconnected by the Company (per line or trunk, per order)	\$49.57	

¹ Service Order for First Business Line¹¹ Additional Lines on the SAME service order

SECTION 4. RATES AND CHARGES (Cont'd)

4.2 Directory Assistance Service

Per Inquiry: \$1.50 per line

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SECTION 5. INTRALATA/INTERLATA TOLL PRESUBSCRIPTION**5.1 General**

IntraLATA/InterLATA toll presubscription is a procedure whereby an end user may select and designate an IntraLATA and/or InterLATA Toll Provider ("ITP") to access IntraLATA and/or InterLATA toll calls in Arizona without dialing an access code. The end user may designate an ITP for IntraLATA toll, a different carrier for InterLATA toll, or the same carrier for both. This ITP is referred to as the end user preferred IntraLATA/InterLATA toll provider.

Selection of an ITP by an end user is subject to the terms and conditions in Section 5.2.

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SECTION 5. INTRALATA/INTERLATA TOLL PRESUBSCRIPTION (Cont'd)**5.2 Presubscription Charge Application****5.2.1 Initial Free Presubscription Choice for Customers**

New end user customers (including an existing customer who orders an additional line) who subscribe to local service will be asked to select a primary ITP when they place an order for Company Exchange Service. If a customer cannot decide upon either an IntraLATA and/or an InterLATA toll carrier at the time, the customer will have thirty days following completion of the service request to make an IntraLATA and/or an InterLATA PIC choice without charge. In the interim, the customer will be assigned a "No-PIC" and will have to dial an access code to make IntraLATA and/or InterLATA toll calls. The free selection period available to new end users is the thirty day period following installation of service.

Initial free selections available to end users are:

1. Designating an ITP as their primary carrier, thereby requiring no access code to access that ITP's service. Other carriers are accessed by dialing 101-XXXX or other required codes.
2. Choosing no carrier as a primary carrier, thus requiring 101-XXXX code dialing to access all ITPs. This choice can be made by directly contacting the Company.

SECTION 5. INTRALATA TOLL PRESUBSCRIPTION (Cont'd)**5.3 End User/Pay Telephone Service Provider Charge Discrepancy ("Anti-Slamming Measure")****5.3.1 Verification of Orders for Telemarketing**

No ITP change order shall be generated by outbound telemarketing unless, and until, the order has first been conformed in accordance with the following procedures:

5.3.1.1 The ITP has obtained the customer's written authorization to submit the order that explains what occurs when a PIC is changed and confirms:

5.3.1.1.A The customer's billing name and address and each telephone number to be covered by the PIC change order;

5.3.1.1.B The decision to change the PIC to the ITP; and

5.3.1.1.C The customer's understanding of the PIC change fee; or

5.3.1.2 The ITP has obtained the customer's electronic authorization, placed from the telephone number(s) on which the PIC is to be changed, to submit the order that confirms the information described in 5.3.2.1 preceding to confirm the authorization; or

5.3.1.3 An appropriately qualified and independent third party operating in a location physically separate from the outbound telemarketing representative has obtained the customer's oral authorization to submit the PIC change order that confirms and includes appropriate verification date (e.g., the customer's date of birth or social security number).

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SECTION 5. INTRALATA TOLL PRESUBSCRIPTION (Cont'd)

5.3 End User/Pay Telephone Service Provider Charge Discrepancy ("Anti-Slamming Measure") (Cont'd)

- 5.3.2 The Company will follow the Federal Communications Commission and the Commission's regulations regarding slamming. The Company will not impose a penalty or charge for unauthorized IntraLATA and/or InterLATA toll provider changes in Arizona.
- 5.3.3 The customer owns the exclusive right to select the PIC of their choice, and may choose to migrate from one carrier to another at any time. The Company will only accept a request to change an ITP from the customer.

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ATTACHMENT C

**AFFIDAVIT OF PUBLICATION TO BE SUPPLIED
UPON ADVICE OF HEARING DIVISION**

ATTACHMENT D
BANK STATEMENT



Statement of Accounts

Page 1 of 2

This Statement: November 28, 2008

Last Statement: November 19, 2008

Primary Account 0050050874

DIRECT INQUIRIES TO:

1 (800) 497-8168

www.nbarizona.com

0030605

2134-06-1000-NBA-PC0023-00001

CVC CLEC LLC
2922 S ROOSEVELT ST
TEMPE AZ 85282-2042

Gainey Ranch
7375 E. Doubletree Ranch Rd.
Scottsdale, AZ 85258-0000

Experience leaves its Mark

SUMMARY OF ACCOUNT BALANCE

Account Type	Account Number	Checking/Savings Ending Balance	Outstanding Balances Owed
Basic Business Checking	[REDACTED]	\$109,990.00	

BASIC BUSINESS CHECKING 0050050874

104 1

Previous Balance	Deposits/Credits	Charges/Debits	Checks Processed	Ending Balance
0.00	110,000.00	10.00	0.00	109,990.00

2 DEPOSITS/CREDITS

Date	Amount	Description
11/21	10,000.00	DEPOSIT 0990120710
11/25	100,000.00	WIRE/IN-200833003157;ORG AA EQUIPMENT INC;OBI EQUIPMENT 1301600529

1 CHARGE/DEBIT

Date	Amount	Description
11/25	10.00	WIRE TRANSACTION SERVICE FEE

0 CHECKS PROCESSED

There were no transactions this period.

DAILY BALANCES

Date	Balance	Date	Balance
11/21	10,000.00	11/25	109,990.00



MEMBER FDIC

0030605-0000001-0051712

MARK FOSTER

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Texas Board Of Legal Specialization

WRITER'S EMAIL:

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ORIGINAL

April 2, 2009

VIA OVERNIGHT DELIVERY

Arizona Corporation Commission

Docket Control

1200 W. Washington Street

Phoenix, AZ 85007-2927

Arizona Corporation Commission

DOCKETED

APR - 3 2009

RE: Docket No. T-20646A-09-0005; *CVC CLEC, LLC*

DOCKETED BY *mm*

Dear Clerk:

Enclosed please find an original plus thirteen copies of CVC CLEC, LLC Arizona Tariff No. 1. Please note that this tariff replaces the previously filed tariff in its entirety and the previously filed tariff should be canceled.

Thanks for your attention in this matter.

Very truly yours,

Mark Foster / K.O.

Mark Foster

ENC.

AZ CORP COMMISSION
DOCKET CONTROL

2009 APR - 3 P 12:00

RECEIVED

Tariff Schedule Applicable to

Resold and Facilities-Based

Local Exchange Services

Furnished by

CVC CLEC, LLC

Between Points Within the State of Arizona

Issued: April 1, 2009

Effective: June 1, 2009

Jennifer Gilliland
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CHECK SHEET

The sheets inclusive 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>Page</u>	<u>Number of Revision</u>
1	Original
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CHECK SHEET (Cont'd.)

<u>Page</u>	<u>Number of Revision</u>
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37	Original
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TARIFF FORMAT

- A. **Page Numbering** - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between Page 14 and 15 would be 14.1.
- B. **Page Revision Numbers** - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the Commission. For example, the 4th revised Page 14 cancels the 3rd revised Page 14.
- C. **Paragraph Numbering Sequence** - There are various levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2
 - 2.1
 - 2.1.1
 - 2.1.1.1
- D. **Check Sheets** - When a tariff filing is made with the Commission, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the 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. An asterisk designates all revisions made in a given filing (*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remain the same, just revised revision levels on some pages.) The tariff user should refer to the latest Check Sheet to find out if a particular page is the most current on file with the Commission.

EXPLANATION OF SYMBOLS

- (C) — To signify a changed regulation
- (D) — To signify a discontinued rate or regulation
- (I) — To signify an increase in a rate
- (M) — To signify text or rates relocated without change
- (N) — To signify a new rate or regulation or other text
- (R) — To signify a reduction in a rate
- (T) — To signify a change in text but no change in rate

DEFINITIONS

"Applicant" refers to an individual, partnership, corporation, association, or government agency who applies to the Company for any new or additional telephone service.

"CVC CLEC" refers to CVC CLEC, LLC

"Basic exchange service" refers to service provided to business customers at a flat rate which affords access to the telecommunications network.

"Business Hours" refers to the time after 8:00 A.M. and before 5:00 P.M., Monday through Friday excluding holidays

"Commission" refers to the Arizona Corporation Commission, the regulatory authority in the state of Arizona having jurisdiction over public service corporations operating in Arizona.

"Company" refers to CVC CLEC, LLC

"Completed call" is a call which the Company's network has determined has been answered by a person, answering machine, fax machine, computer modem device, or other answering device.

"Customer" refers to any person, firm, corporation, or governmental entity who has applied for and is granted service or who is responsible for payment of service, as evidenced by the signature on the application or contract for that service, or by the receipt and/or payment of bills regularly issued in his name regardless of the identity of the actual user of the service.

"Delinquent or Delinquency" refers to an account for which payment has not been paid in full on or before the last day for timely payment.

"Grandfathered Service" applies to an obsolete and/or outdated service that the Company no longer wishes to provide. The grandfathering of a service is the Company's method of managing a tariff for this service prior to ultimately discontinuing the service, or change existing tariff regulations without discontinuing certain rights, privileges or conditions of the service to existing customers.

"Hunting Service" refers to an arrangement to search multiple lines of the same class of service and of the same customer for a vacant line for each incoming call.

DEFINITIONS (Cont'd)

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

"Nonrecurring Charges" refer to a one-time charge associated with given service or item of equipment which applies on a per-service and/or per item basis each time the service or item of equipment is provided.

"Non-Published or Unlisted Service" refers to service that is not accompanied by inclusion of the Customer's name, address, or telephone number in a published directory or directory assistance data base.

"Rules" refer to the regulations set forth in this tariffs which apply to the provision of telephone service.

"Service" refers to any telecommunications service(s) provided by the Company under this tariff and under the regulatory jurisdiction of the Commission.

"Service Area" refers to the territory in which the Company is granted a Certificate of Convenience and Necessity and is authorized by the Commission to provide telephone service.

"Service Charge" refers to the charge specified in the Company's tariff which covers the cost of establishing moving, changing or reconnecting service or equipment.

"Customer" refers to the firm, company, corporation, or other entity that contracts for service under this tariff and that is responsible for the payment of charges as well as compliance with the Company's regulations pursuant to this tariff.

"Station" refers to a telephone instrument consisting of a connected transmitter, receiver, and associated apparatus to permit sending or receiving telephone messages.

"Tariffs" refer to the tariffs, price lists, and generally applicable terms and conditions on file with a state or federal regulatory authority or publicly available on the Company's website in accordance with the regulations of a state or federal regulatory authority.

"Telephone Numbers" refer to The North American Numbering Plan [NPA-NXX-XXXX] numbers assigned to CVC CLEC, LLC Customers and used in conjunction with the Services provided pursuant to this tariff.

SECTION 1. APPLICATION OF TARIFF

- 1.1.1 This tariff governs the services provided by CVC CLEC, LLC that originate and terminate within the State of Arizona Specific services and rates are described elsewhere in this tariff.
- 1.1.2 The Company's installs operates, and maintains the communications services provided herein in accordance with the terms and conditions set forth under this tariff. It may act as the customer's agent for ordering access connection facilities provided by other carriers or entities 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.
- 1.1.3 The Company's services and facilities are provided on a monthly basis unless ordered on a longer term basis, and are available twenty-four hours per day, seven days per week.
- 1.1.4 The Company's services are available to business/non-residential customers.

SECTION 2. RULES AND REGULATIONS

2.1 Undertaking of the Company

- 2.1.1 This tariff contains the regulations, rates and charges applicable to resold and facilities-based local exchange services provided by the Company to business/non-residential customers in the State of Arizona.
- 2.1.2 The Company shall make reasonable efforts to supply a satisfactory and continuous level of service. The Company shall not be responsible for any damage or claim of damage attributable to any interruption or discontinuation of service resulting from but not limited to:
- (1) Any cause against which the Company could not have reasonably foreseen or made provision for, that is, force majeure.
 - (2) Intentional service interruptions to make repairs or perform routine maintenance of services constituting excusable negligence.

2.2 Obligations of the Customer

- 2.2.1 The customer shall be responsible for:
- 2.2.1.1 The payment of all applicable charges pursuant to this tariff.
- 2.2.1.2 Reimbursing the Company for damage to, or loss of, the Company's facilities or equipment caused by the acts or omissions of the customer; or the noncompliance by the customer, with these regulations, or by fire or theft or other casualty on the customer's premises unless caused by the negligence or willful misconduct of the employees or agents of the Company.
- 2.2.1.3 Providing at no charge, as specified from time to time by the Company, any needed space and power to operate the Company's facilities and equipment installed on the customer's premises.

SECTION 2. RULES AND REGULATIONS (Cont'd)

2.2 Obligations of the Customer (Cont'd)

- 2.2.1.4 Complying with all laws and regulations regarding the working conditions on the premises at which the Company's employees and agents shall be installing or maintaining the Company's facilities and equipment. The customer may be required to install and maintain the Company's facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company's employees or property might result from installation or maintenance by the Company. The customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material prior to any construction or installation work.
- 2.2.1.5 Complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of the Company's facilities and equipment in any customer premises for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company.
- 2.2.1.6 Making Company facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the customer. No allowance for interruptions in service will be made for the period during which service is interrupted for such purposes.

SECTION 2. RULES AND REGULATIONS (Cont'd)

2.2 Obligations of the Customer (Cont'd)

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

2.2.2.1 Any loss, destruction or damage to property of the Company or any third party, or injury to persons, including, but not limited to, employees or invitees of either the Company or the customer, to the extent caused by or resulting from the negligent or intentional act or omission of the customer, its employees, agents, representatives or invitees; or

2.2.2.2 Any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the customer.

2.2.3 The customer is responsible for ensuring that customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The connection, operation, testing, or maintenance of such equipment shall be such as not to cause damage to the Company—provided equipment and facilities or injury to the Company's employees or other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the customer's expense.

2.2.4 The Company's services (as detailed in this tariff) may be connected to the services or facilities or other communications carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs or contracts which are applicable to such connections.

SECTION 2. RULES AND REGULATIONS (Cont'd)

2.2 Obligations of the Customer (Cont'd)

- 2.2.5 Upon reasonable notification to the customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the customer is complying with the requirements set forth in this tariff for the installation, operation, and maintenance of customer-provided facilities and equipment that is connected to Company-owned facilities and equipment.
- 2.2.6 The customer shall be responsible for safeguarding all Company property installed in or on the customer's premises for the purpose of supplying utility service to that customer.
- 2.2.7 The customer shall be responsible for maintaining in safe operating condition all customer provided equipment and fixtures.
- 2.2.8 The customer shall exercise all reasonable care to prevent loss or damage to Company property, excluding ordinary wear and tear. The customer shall be responsible for loss of or damage to Company property on the customer's premises arising from neglect, theft, carelessness, or misuse and shall reimburse the utility for the cost of necessary repairs or replacements.
- 2.2.9 The customer shall be responsible for payment for any equipment damage and/or use resulting from unauthorized use, interfering or tampering of the Company's equipment on the customer's premises.
- 2.2.10 The customer shall be responsible for payment for any equipment damage and/or use resulting from unauthorized use, interfering or tampering of the Company's equipment on the customer's premises.

SECTION 2. RULES AND REGULATIONS (Cont'd)

2.3 Liability of the Company

2.3.1 In view of the fact that the customer has exclusive control over the use of service and facilities furnished by the Company, and because certain errors incident to the services and to the use of such facilities of the Company are unavoidable, services and facilities are furnished by the Company subject to the terms, conditions and limitations herein specified:

- (A) The Company's damages arising out of its negligent acts, or mistakes, omissions, interruptions, delays, errors, or defects during the course of furnishing service, shall in no event exceed an amount equivalent to CVC CLEC, LLC's charges for service during the period affected by such negligence, or in which such mistakes, omissions, interruptions, delays, errors, or defects occurred. Any mistakes, omissions, interruptions, delays, errors, or defects that are caused by or materially contributed to by the negligence or willful acts of Customer, or that arise from facilities or equipment used by Customer and not provided by CVC CLEC, LLC, shall not result in the imposition of any liability upon CVC CLEC, LLC.

SECTION 2. RULES AND REGULATIONS (Cont'd)**2.3 Liability of the Company (Cont'd)****2.3.1 (Cont'd)**

- (B) Customer shall defend, indemnify, and hold harmless the Company, its officers and directors, employees, and agents from and against any and all lawsuits, claims, demands, penalties, losses, fines, liabilities, damages, and expenses of any kind and nature (including, without limitation, liability to third parties for personal injury or death and for loss or damage to property, and loss or damage to Company property, and injury to Company employees), without limitation whatsoever, that in any way arise out of or result from Customer's operations, installation or maintenance of equipment and facilities, or performance under this tariff, or that arises out of or in any way is connected with Customer's provision of service to its Customers, or any use or attempted use by Customer or any such Customer of services provided by the Company hereunder; provided that this section shall not apply to the extent that any injury, loss, or damage is caused by the gross negligence or willful misconduct on the part of the Company.
- (C) The Company will not be liable for any act, omission to act, negligence, or defect in the quality of service of any underlying carrier or other service provider whose facilities or services are used in furnishing any portion of the service received by Customer. CVC CLEC, LLC will not be liable for any failure of performance that is caused by or the result of any act or omission by Customer or any entity other than CVC CLEC, LLC, that furnishes services, facilities, or equipment used in connection with CVC CLEC, LLC's services or facilities.

SECTION 2 RULES AND REGULATIONS (Cont'd)

2.3 Liability of the Company (Cont'd) 2.3.1 (Cont'd.)

- (D) Except as expressly provided in this tariff, CVC CLEC, LLC makes no expressed or implied representations, or warranties, including any warranties regarding merchantability or fitness for a particular purpose.
- (E) In no event shall CVC CLEC, LLC be liable to customer for special, incidental, indirect, consequential, or punitive damages (including without limitation, lost profits or revenue).

2.3.2 Limitation of Liability

- 2.3.2.1 Nothing in this tariff shall be construed to limit the Company's liability in cases of gross negligence or willful misconduct.

2.3.3 Force Majeure

- 2.3.3.1 Neither Party shall be responsible for delays or failures in performance, except for the obligation to make payments required under this tariff, resulting from acts or occurrences in the nature of force majeure such as fire, explosion, acts of God, war, or civil commotion; any law, order, regulation, or ordinance of any government or legal body; strikes; or delays caused by the other Party. In such event, the Party affected shall, upon giving prompt notice to the other, be excused from such performance to the extent of such interference. The affected Party shall use its reasonable efforts to avoid or remove the cause of non performance and both Parties shall proceed to perform with dispatch once the causes are removed or cease.

SECTION 2. RULES AND REGULATIONS (Cont'd)

2.4 Application for Service

2.4.1 General

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

- (1) The applicant has an outstanding amount due for similar Company provided services and the applicant is unwilling to make acceptable arrangements with the Company for payment.
- (2) A condition exists which in the Company's judgment is unsafe or hazardous to the applicant, the general population, or the Company's personnel or facilities.
- (3) Customer is known to be in violation of the Company's tariffs filed with the Commission.
- (4) Failure of the customer to furnish such funds, suitable facilities, and/or rights-of-way necessary to serve the customer and which have been specified by the Company as a condition for providing service.
- (5) Applicant falsifies his or her identity for the purpose of obtaining service.

2.4.2 Minimum Contract Period

2.4.2.1 Except as otherwise provided, the minimum contract period is one month for all services furnished. However, if a new customer notifies the Company within twenty days after receipt of the first bill that certain services or equipment are not desired, the Company will delete such services or equipment from the customer's account without a record keeping or service ordering charge. The customer nonetheless shall be responsible for all monthly usage and installation charges incurred for the use of such service and equipment.

SECTION 2. RULES AND REGULATIONS (Cont'd)**2.4 Application for Service (Cont'd)**

2.4.2.2 Except as provided in 2.4.3.1, the length of minimum contract period for directory listings, and for joint user service where the listing actually appears in the directory, is the directory period. The directory period is from the day on which the directory is first distributed to customers to the day the succeeding directory is first distributed to customers.

2.4.2.3 The Company may require a minimum contract period longer than one month in connection with special, non-standard types or arrangements of equipment, or for unusual construction, necessary to meet special demands for service.

2.4.3 Cancellation of Service

2.4.3.1 Where the applicant cancels an order for service prior to the start of the installation or special construction of facilities, no charge shall apply, except to the extent the Company incurs a service order or similar charge from a supplying carrier, if any, prior to the construction.

2.4.3.2 Where the installation of facilities, other than those provided by special construction, has been started prior to cancellation, the lower of the following charge applies;

2.4.3.2.A The total costs of installing and removing such facilities; or

2.4.3.2.B The monthly charges for the entire initial contract period of the service ordered by the customer as provided in this tariff plus the full amount of any applicable installation and termination charges.

SECTION 2. RULES AND REGULATIONS (Cont'd)

2.4 Application for Service (Cont'd)

2.4.3.3 Where special construction of facilities has been started prior to the cancellation, and the Company has another requirement for the specially constructed facilities, no charge applies.

2.4.3.4 The Company reserves the right to redefine its regions, add new regions, or remove regions from its current offering, as it deems appropriate in its sole discretion and will provide the Customer with at least thirty (30) days' notice of any change in the definition of the Company's regions.

2.4.3.5 In the event that the Company plans to exit a current region, the Customer shall be provided with thirty (30) days prior written notification of the Company's intent. The Customer shall be allowed to immediately terminate services in the affected region without penalty.

SECTION 2. RULES AND REGULATIONS (Cont'd)**2.5 Payment for Service**

- 2.5.1 The customer is responsible for payment of all charges for service furnished to the customer pursuant to this tariff. Charges based on actual usage during a month will be billed monthly in the month following the month in which the service was used. All fixed monthly and nonrecurring charges for services ordered will be billed monthly in advance. The billing date shall be printed on the bill and the date rendered shall be the mailing date. Payment is due upon receipt by Customer and payable within fifteen (15) days of the date that the bill is rendered.
- 2.5.2 Payments are past due if not received by the Company by the Due Date. Any amounts past due will be subject to a late payment charge of 1.5 percent the amount of the delinquent bill. For business customers, all amounts outstanding fifteen (15) days or more from the date on which the bill for such amounts is mailed are subject to a late payment charge. Bills not paid within twenty-two (22) days of the Bill Date and which have not been disputed in accordance with the procedures set forth in Section 2.7.1 of this tariff, may result in suspension of service until the overdue payments and any additional charges that may be imposed to restore service have been paid. Failure of the Customer to pay all undisputed amounts by the Due Date is a material breach and a five (5) day notice shall be required in order to terminate services hereunder for non- payment.

SECTION 2. RULES AND REGULATIONS (Cont'd)

2.6 Customer Deposits

The Company will not collect advances, prepayments, or deposits from Arizona customers.

2.7 Customer Complaints and Billing Disputes

2.7.1 In the event that Customer disputes any charges, Customer may notify the Company by telephone, in writing or in person. Customer shall submit all documentation as may reasonably be required to support the claim. Payment may be withheld for the amounts subject to a dispute submitted prior to the Due Date. All disputes and claims for refunds must be submitted to CVC CLEC, LLC within one hundred and twenty (120) days of the Bill Date. If Customer does not submit a claim as stated above, Customer waives all rights to file a claim thereafter. CVC CLEC, LLC shall investigate and resolve all disputes within forty-five (45) days of receipt of the dispute and CVC CLEC, LLC's resolution of such a dispute is final. Any portion of a disputed amount deemed payable by CVC CLEC, LLC must be paid in full within five (5) days of resolution or Customer's service may be subject to disconnection and late payment charges imposed on the overdue amount.

2.7.2 Any unresolved dispute may be directed in writing to the Consumer Services Division at 1200 W. Washington Street, Phoenix, AZ 85007.

The Division may be reached between the hours of 8:00 a.m. and 5:00 p.m. (Monday- Friday) as follows:

Within Metro Phoenix: 602-542-4251

Within Metro Tucson: 520-628-6550

Outside the Metro Phoenix or Tucson areas, but within Arizona, call toll free

1-800-222-7000 (Phoenix Office)

1-800-535-0148 (Tucson Office)

SECTION 2. RULES AND REGULATIONS (Cont'd)

2.8 Interruptions in Service

2.8.1 General

The Company shall make reasonable efforts to reestablish service within the shortest possible time when a service interruption occurs and shall make reasonable provisions to meet emergencies resulting from failure of service, and the Company shall issue instructions to its employees covering procedures to be followed in the event of emergency in order to prevent or mitigate interruption or impairment of service.

In the event of a national emergency or local disaster resulting in disruption of normal service, the Company may, in the public interest, interrupt service to other customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.

When the Company plans to interrupt service for more than four (4) hours to perform necessary repairs or maintenance, the Company shall attempt to inform affected customers at least 24 hours in advance of the scheduled date and estimated duration of the service interruption. Such repairs shall be completed in the shortest possible time to minimize the inconvenience to the customers of the Company.

The Company shall notify the Commission of major interruptions in service affecting the entire system or any major division.

2.8.2 Credits for Interruptions in Services

2.8.2.1 Credit for failure of service or equipment will be allowed only when failure is caused by or occurs in equipment owned, provided, or billed for, by the Company.

2.8.2.2 The following allowances are provided for interruptions in service, as specified for particular services furnished solely by the Company:

SECTION 2. RULES AND REGULATIONS (Cont'd)

2.8 Interruptions in Service (Cont'd)

2.8.2 Credits for Interruptions in Services (Cont'd)

The Company shall allow for interruptions in exchange telephone service of 24 hours or more not due to conduct of Customer an amount equal to the fixed monthly charges for exchange service multiplied by the ratio of the days of interruption to thirty days. When interruptions continue beyond 24 hours, credit allowance will be given in successive 24-hour multiples.

SECTION 2. RULES AND REGULATIONS (Cont'd)

2.9 Taxes and Fees

- 2.9.1 All state and local taxes and fees shall be listed as separate line items on the customer's bill.
- 2.9.2 If a municipality, other political subdivision or local agency of government, or the Commission imposes 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, as allowed by law, be billed pro rata to the customer receiving service from the Company within the territorial limits of such municipality, other political subdivision or local agency of government.
- 2.9.3 Service shall not be subject to taxes for a given taxing jurisdiction if the customer provides the Company with written verification, acceptable to the Company and to the relevant taxing jurisdiction, that the customer has been granted a tax exemption.

2.10 Returned Check Charge

The charge for a returned check is \$25.00.

2.11 Special Customer Arrangements

In cases where a customer requests special or unique arrangements which may include but are not limited to engineering, conditioning, installation, construction, facilities, assembly, purchase or lease of facilities and/or other special services not offered under this tariff, the Company, 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.

SECTION 2. RULES AND REGULATIONS (Cont'd)**2.12 Disconnection and Termination of Service**

The Company shall not disconnect basic local service for nonpayment of toll or information service charges or any service other than basic local service.

2.12.1 Disconnection of Service Without Notice

CVC CLEC, LLC shall have the right to refuse or discontinue telephone service or service arrangements without advance notice, if the acts of the Customer or the conditions upon their premises are such as to indicate an intent to defraud CVC CLEC, LLC or to use the Service to defraud a third party, including but not limited to, providing false credit information, significantly misstating expected service volumes, using the services for unlawful purposes, or using services without intent to pay.

The existence of an obvious hazard to the safety or health of the consumer or the general population or the Company's personnel or facilities.

CVC CLEC, LLC will attempt to contact the Customer by telephone prior to discontinuing the Service or portions thereof. If CVC CLEC, LLC is unable to contact the Customer by telephone, a letter will be mailed to the Customer on the same date that their service or service arrangement is discontinued, explaining the reasons for such action and the Customer's right to dispute such action.

Customer is responsible for all charges attributable to Customer, even if incurred as a result of fraudulent or unauthorized use of the Service by third parties. CVC CLEC, LLC may, but is not obligated to, detect or report unauthorized or fraudulent use of Service by customers.

The Company shall maintain, for a minimum of one (1) year a record of all terminations of service without notice and the records shall be available for inspection by the Commission.

SECTION 2. RULES AND REGULATIONS (Cont'd)

2.12 Disconnection and Termination of Service (Cont'd)

2.12.2. Disconnection of Service Requiring Notice

2.12.2.1 The Company may disconnect service for any of the following reasons provided it has notified the customer of its intent, in writing, to disconnect service and has allowed the customer a reasonable time of not less than five (5) days in which to remove the cause for disconnection. The Company shall maintain, for a minimum of one (1) year a record of all terminations of service with notice and the records shall be available for inspection by the Commission.

2.12.2.1.A Non-compliance with Regulations. For violation of or non-compliance with Commission's rules and regulations or for violation of or noncompliance with the Company's tariffs on file with the Commission.

2.12.2.1.B Failure on Contractual Obligations. For failure of the customer to fulfill his contractual obligations for service or facilities subject to regulation by the Commission.

2.12.2.1.C Refusal of Access. For failure of the customer to permit the Company to have reasonable access to its equipment and property.

2.12.2.1.D For non-payment of a bill for service, provided that the Company has made a reasonable attempt to effect collection and has given the customer written notice at least five (5) days of its intent to deny service if settlement of his account is not made.

SECTION 2. RULES AND REGULATIONS (Cont'd)

2.12 Disconnection and Termination of Service (Cont'd)

2.12.2 Disconnection of Service Requiring Notice (Cont'd)

2.12.2.1 (Cont'd)

- 2.12.2.1.E Failure to Comply with Service Conditions. For failure of the customer to furnish the service equipment, permits, certificates, or rights-of-way, specified by the Company as a condition to obtaining service, or if the equipment or permissions are withdrawn or terminated.
- 2.12.2.1.F Failure to Comply with Municipal Ordinances. For failure to comply with municipal ordinances or other laws pertaining to telephone service.
- 2.12.2.1.G When necessary for the Company to comply with an order of any governmental agency having such jurisdiction.
- 2.12.2.1.H Unauthorized resale of equipment or service.

SECTION 2. RULES AND REGULATIONS (Cont'd)

2.13 Unlawful Use of Service

2.13.1 Service shall not be used for any purpose in violation of law or for any use as to which the customer has not obtained all required governmental approvals, authorizations, licenses, consents, and permits. The Company shall refuse to furnish service to an applicant or shall disconnect the service without notice of a customer when:

2.13.1.1 An order shall be issued, signed by a judge finding that probable cause exists to believe that the use made or to be made of the service is prohibited by law, or

2.13.1.2 The Company is notified in writing by a law enforcement agency acting within its jurisdiction that any facility furnished by the Company is being used or will be used for the purpose of transmitting or receiving gambling information in interstate or foreign commerce in violation of the law.

2.13.2 If service has been physically disconnected by law enforcement officials at the customer's premises and if there is not presented to the Company the written finding of a judge, then upon written or verbal request of the Customer, and agreement to pay restoral of service charges and other applicable service charges, the Company shall promptly restore such service.

SECTION 2. RULES AND REGULATIONS (Cont'd)

2.14 Interference with or Impairment of Service

Service shall not be used in any manner that interferes with other persons in the use of their service, prevents other persons from using their service, or otherwise impairs the quality of service to other customers. The Company may require a customer to immediately shut down its transmission of signals if said transmission is causing interference to others or impairing the service of others.

2.15 Telephone Solicitation by Use of Recorded Messages

2.15.1 Service shall not be used for the purpose of solicitation by recorded messages when such solicitation occurs as a result of unrequested or unsolicited calls initiated by the solicitor by means of automatic dialing devices. Such devices, with storage capability of numbers to be called or a random or sequential number generator that produces numbers to be called and having the capability, working alone or in conjunction with other equipment, of disseminating a prerecorded message to the number called and which are calling party or called party controlled, are expressly prohibited.

2.16 Overcharge

2.17.1 When a customer has been overcharged by the Company, the amount shall be refunded or credited to the customer, with interest paid, within two years or as specified in the customer service agreement.

SECTION 2. RULES AND REGULATIONS (Cont'd)

2.17 Notices

2.18.1 Any notice required or permitted to be given under this tariff shall be in writing and delivered by hand, mail, national overnight courier service or by fax if confirmed by telephone to the customer, at the address or phone numbers on record or at such other address or phone numbers as shall be designated from time to time.

SECTION 2. RULES AND REGULATIONS (Cont'd)**2.18 Emergency Calling**

Access to 911 and E911 service is offered solely as an aid in handling assistance calls in connection with fire, police, medical, and other emergencies. The Company is not responsible, in the absence of gross negligence or willful misconduct, for any losses, claims, demands, suits, or any liability, whether suffered, made, instituted, or asserted by the Customer or by any other party or person, for any personal injury to or death of any person or persons, and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused by the installation, operation, failure to operate, maintenance, removal, presence, condition, location, or use of such facilities. By dialing 911, the Customer agrees to release, indemnify, defend, and hold harmless the Company from any and all loss or claims, whatsoever, whether suffered, made, instituted, or asserted by the destruction of any property, whether owned by the Customer or others. Notwithstanding any provision to the contrary, in no event shall the Company be liable for any special, incidental, consequential, exemplary, or punitive damages of any nature whatsoever.

The Company is not responsible for any infringement or invasion of the right of privacy of any person or persons, caused, or claimed to have been caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, occasion or use of the 911 service features and the equipment associated 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 the 911 service.

Issued: April 1, 2009

Effective: June 1, 2009

Jennifer Gilliland
Director of Operations
2922 South Roosevelt Street
Tempe, AZ 85282
(602) 296-1120
operations@cvcclec.com

SECTION 3. DESCRIPTION OF SERVICES

3.1 Trial Services and Promotional Offerings

3.1.1 The Company may offer new services, not otherwise generally tariffed, from time to time on a trial basis and may offer existing services on a promotional basis, that provides special rates, terms, or conditions of service.

3.2 Contract Rates/Customer-specific Pricing/Special Pricing Arrangements (CSP/SPA)

3.2.1 CSP/SPAs are made in response to the specific, individual requirements for the customers and/or a competitive bidding process. A CSP/SPA differs from the Company's standard or general tariffed offerings in that it contains a customer service arrangement and/or term and/or volume commitment.

Issued: April 1, 2009

Effective: June 1, 2009

Jennifer Gilliland
Director of Operations
2922 South Roosevelt Street
Tempe, AZ 85282
(602) 296-1120
operations@cvcclcc.com

SECTION 3. DESCRIPTION OF SERVICES (Cont'd)**3.3 Local Exchange Service**

3.3.1 Local Exchange Service is telephone service that entitles the customer to originate local calls, without toll charges, to all local exchange access lines connected to a Central Office (CO) of the exchange, or to all exchange access lines served by COs of the extended local service area where comprised of more than one exchange. Service will be provided where facilities are available from the Local Exchange Company (LEC). CVC CLEC, LLC offers Qwest Corporation's Local Exchange Services under resale, and hereby adopts the same local calling areas as listed in Section 5 of the Exchange and Network Services tariff.

3.3.2 Service is classified as business service and business rates apply when any of the following conditions exist:

- When the service is furnished at a location where a business, trade or practice is performed and where the use of the location is not confined primarily to domestic activities.
- Service is provided for social clubs (i.e. Elks, VFW, Eagles, etc.).
- When the directory listing is a business listing, except when a residence telephone number is listed as an alternate call number in connection with a subscription to business local exchange service.

SECTION 3. DESCRIPTION OF SERVICES (Cont'd)**3.4 Directory Assistance****3.4.1 General**

Directory Assistance (DA) is defined as furnishing aid in obtaining telephone numbers. The Directory Assistance operator will not transfer, forward or redial a customer's call to any other location for any purpose. The service is furnished subject to the condition that there will be no abuse or fraudulent use of the service. Abuse or fraudulent use of the service includes the obtaining, or attempting to obtain, or assisting another to obtain or to attempt to obtain Directory Assistance service, by rearranging, tampering with, or making connection with any facilities of the Company, or by any trick, scheme, false representation, or false credit device, or by or through any other fraudulent means or device whatsoever, with attempt to avoid payment, in whole or in part, of the regular charge for such service. In addition to any other action authorized by this Tariff, the Company may, in such cases of abuse or fraudulent use, assess appropriate Directory Assistance charges on the Customer's telephone account.

3.4.2 Directory Assistance Call Allowance

Customers are allowed one (1) directly dialed Directory Assistance call per month at no charge for each business main telephone exchange or PBX trunk line. Only two numbers may be obtained per directory assistance call.

SECTION 4. RATES AND CHARGES**4.1 Local Exchange Service****4.1.1 Business Service**

	Monthly Rate	Non- Recurring Charge
First Business Line	\$19.22 ¹	\$49.57 ²
Additional Business Line	\$19.22	\$27.49 ³
Changes, Service Restoration To change class, type or grade of service (per line or trunk)		\$49.57
To restore service that has been temporarily disconnected by the Company (per line, per order)		\$49.57

¹Monthly rate for first and additional lines includes the following features: 3 way calling, call forward busy, call forward no answer, call forward variable, caller ID, caller ID with name, call waiting/ cancel call waiting, call return

² Service Order for First Business Line

³ Additional Lines on the SAME service order

SECTION 4. RATES AND CHARGES (Cont'd)**4.2 Directory Assistance Service**

Per Inquiry: \$1.50

4.3 Features Definitions

3 Way Calling - This feature allows the customer to connect a third party call to an existing call.

Call Forward Busy - This feature allows the customer to designate a telephone number to which their calls will be forwarded to in the event that their number is already in use. The Customer assumes financial responsibility for all calling charges generated by the use of this feature.

Call Forward No Answer - This feature allows the customer to designate a telephone number to which their calls are forwarded to after a predetermined time with no answer. The Customer assumes financial responsibility for all calling charges generated by the use of this feature.

Call Forward Variable - This feature enables a customer to program their telephone to forward their calls to another telephone number. The Customer assumes financial responsibility for all calling charges generated by the use of this feature.

Caller ID - This feature permits the display of a caller's telephone number on a Customer Premise Equipment display unit. Calling party information may indicate the directory number of the calling party or show that the number of the calling party is private or unavailable.

Caller ID With Name - This feature permits the display of a listed name associated with telephone number from which the call is being made. The name and number will be delivered to a customer-provided display device.

Call Waiting/ Cancel Call Waiting - The Call Waiting feature enables a customer already on a call to be notified of another call by the sound of a Call Waiting tone. The customer depresses the switchhook to answer the new call, placing the original call on hold. The Cancel Call Waiting feature enables a customer to deactivate the Call Waiting feature. There is no additional charge for the Cancel Call Waiting feature.

SECTION 4. RATES AND CHARGES (Cont'd)**4.3 Features Definitions (Cont'd)**

Call Return - This feature redials the number of the most recent incoming call to the Customer's telephone number. This feature is activated when the user dials *69. The number of the most recent incoming call will then be dialed for up to 30 minutes and the user will be signaled with a special ring if the called number becomes available. The user will be charged each time this feature is activated, regardless of whether the called party answers. Calls completed with this feature will be subject to all appropriate local, local toll and/or long distance charges. This feature cannot be activated when the number of the most recent incoming call has call or line blocking or is otherwise unavailable. The following limitations apply to the Call Return function:

- 3-Way Calling: Call Return will only work for the first party called, not for the second.
- Call Return will not work to call a customer who has Call Forwarding Variable, or to call a toll-free, 900 or private number.
- Repeat Dialing cannot be used right after Call Return is used, unless the user dials an outgoing call.

SECTION 5. INTRALATA/INTERLATA TOLL PRESUBSCRIPTION

5.1 General

IntraLATA/InterLATA toll presubscription is a procedure whereby a Customer may select and designate an IntraLATA and/or InterLATA Toll Provider ("ITP") to access IntraLATA and/or InterLATA toll calls in Arizona without dialing an access code. The end user may designate an ITP for IntraLATA toll, a different carrier for InterLATA toll, or the same carrier for both. This ITP is referred to as the Customer preferred IntraLATA/InterLATA toll provider.

Selection of an ITP by a Customer is subject to the terms and conditions in Section 5.2.

SECTION 5. INTRALATA/INTERLATA TOLL PRESUBSCRIPTION (Cont'd)**5.2 Presubscription Charge Application****5.2.1 Initial Free Presubscription Choice for Customers**

New customers (including an existing customer who orders an additional line) who subscribe to local service will be asked to select a primary ITP when they place an order for Company Exchange Service. If a customer cannot decide upon either an IntraLATA and/or an InterLATA toll carrier at the time, the customer will be assigned a "No-PIC" and will have to dial an access code to make IntraLATA and/or InterLATA toll calls until such time as the customer has notified the Company that it has selected a primary ITP.

Initial free selections available to Customers are:

1. Designating an ITP as their primary carrier, thereby requiring no access code to access that ITP's service. Other carriers are accessed by dialing 101-XXXX or other required codes.
2. Choosing no carrier as a primary carrier, thus requiring 101-XXXX code dialing to access all ITPs. This choice can be made by directly contacting the Company.

SECTION 5. INTRALATA TOLL PRESUBSCRIPTION (Cont'd)

5.3 Customer/Pay Telephone Service Provider Charge Discrepancy ("Anti-Slamming Measure")

5.3.1 Verification of Orders for Telemarketing

No ITP change order shall be generated by outbound telemarketing unless, and until, the order has first been conformed in accordance with the following procedures:

5.3.1.1 The ITP has obtained the customer's written authorization to submit the order that explains what occurs when a PIC is changed and confirms:

5.3.1.1.A The customer's billing name and address and each telephone number to be covered by the PIC change order; and

5.3.1.1.B The decision to change the PIC to the ITP.

5.3.1.2 The ITP has obtained the customer's electronic authorization, placed from the telephone number(s) on which the PIC is to be changed, to submit the order that confirms the information described in 5.3.2.1 preceding to confirm the authorization; or

5.3.1.3 An appropriately qualified and independent third party operating in a location physically separate from the outbound telemarketing representative has obtained the customer's oral authorization to submit the PIC change order that confirms and includes appropriate verification date (e.g., the customer's date of birth or social security number).

SECTION 5. INTRALATA TOLL PRESUBSCRIPTION (Cont'd)

5.3 Customer/Pay Telephone Service Provider Charge Discrepancy ("Anti-Slamming Measure") (Cont'd)

- 5.3.2 The Company will follow the Federal Communications Commission and the Commission's regulations regarding slamming. The Company will not impose a penalty or charge for unauthorized IntraLATA and/or InterLATA toll provider changes in Arizona.
- 5.3.3 The customer owns the exclusive right to select the PIC of their choice, and may choose to migrate from one carrier to another at any time. The Company will only accept a request to change an ITP from the customer.



Amanda

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MEMORANDUM

RECEIVED

TO: Docket Control
FROM: Ernest G. Johnson
Director
Utilities Division

EA for EGT

2009 JUL -6 A 11: 57

ARIZ CORP COMMISSION
DOCKET CONTROL

DATE: July 6, 2009

RE: IN THE MATTER OF THE APPLICATION AS AMENDED OF CVC CLEC, LLC APPROVAL FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE RESOLD LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES AND FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES (DOCKET NO. T-20646A-09-0005)

Attached is the Staff Report for the above Application requesting approval for a Certificate of Convenience and Necessity ("CC&N") to provide the following services:

- Resold Local Exchange Telecommunications Services
- Facilities-Based Local Exchange Telecommunications Services

Staff is recommending approval of the Application.

EGJ:LLM:red

Originator: Lori Morrison

Attachment: Original and Thirteen copies

RECEIVED

JUL 06 2009

LEGAL DIV.
ARIZ CORPORATION COMMISSION

SERVICE LIST FOR: CVC CLEC, LLC
DOCKET NO. T-20646A-09-0005

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Chief Administrative Law Judge, Hearing Division
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Phoenix, Arizona 85007

STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

CVC CLEC, LLC

DOCKET NO. T-20646A-09-0005

IN THE MATTER OF THE APPLICATION AS AMENDED OF CVC CLEC, LLC
APPROVAL FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE
RESOLD LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES AND FACILITIES-
BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

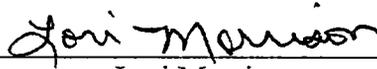
JULY 6, 2009

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STAFF ACKNOWLEDGMENT

The Staff Report for CVC CLEC, LLC, Docket No. T-20646A-09-0005, was the responsibility of the Staff member listed below. Lori Morrison was responsible for the review and analysis of CVC CLEC, LLC Application for a Certificate of Convenience and Necessity to provide Resold Local Exchange and Facilities-Based Local Exchange Telecommunications Services within the State of Arizona, in addition to the petition for a determination that its proposed services should be classified as competitive.



Lori Morrison
Public Utilities Analyst I

1. INTRODUCTION

On January 7, 2009, CVC CLEC, LLC ("CVC" or "Applicant" or "Company") filed an Application for a Certificate of Convenience and Necessity ("CC&N") to provide resold long distance, facilities-based long distance, resold local exchange and facilities-based local exchange telecommunications services within the State of Arizona. The Applicant also petitioned the Arizona Corporation Commission ("Commission") for a determination that its proposed services should be classified as competitive. Included in the application, the Applicant submitted a proposed tariff for the services it is requesting the authority to provide.

On March 2, 2009, the Applicant filed an amended application indicating it was seeking a CC&N to provide resold local exchange and facilities-based local exchange telecommunications services within the State of Arizona. Included in the amended application was a revised tariff to replace the one filed with the initial application. On April 3, 2009, the Applicant filed to withdraw the March 2 tariff and replace it with a revised tariff containing revisions and corrections made at the request of Staff.

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

The Applicant will be providing resold and facilities-based local exchange services to business customers in Arizona. CVC has indicated that 52 employees will be located in Arizona. The Applicant has a 24/7 Customer Service Call Center located in Tempe, Arizona that will be handling all customer concerns, complaints and repair inquires.

The Applicant is not currently providing service in any jurisdiction. In the amended application and in response to Staff Data Request LLM 2.2, CVC states it is authorized to provide facilities-based local exchange services in Montana, North Dakota and Washington. The Applicant anticipates it will start operations in these states no later than the end of 2009. In addition, CVC has applications pending in South Dakota and Iowa. In response to Staff Data Request LLM 2.1, the Applicant indicated that its two key employees possess a combination of over 10 years experience in the telecommunications industry.

Based on the above information, Staff believes CVC possesses the technical capabilities to provide the services it is requesting the authority to provide in Arizona.

3. FINANCIAL CAPABILITY TO PROVIDE THE REQUESTED SERVICES

The Applicant is a startup company and as such, did not provide financial statements. Instead, the Applicant provided a recent bank statement indicating it has \$100,000.00 in its account. In addition, in the Applicant's response to Staff Data Request LLM-4.1, CVC provided

a three year projection of its assets, equities and net income/(loss). That information is reflected in the table listed below:

Three Year Projection	2009	2010	2011
Projected Assets	\$500,000	\$465,000	\$430,000
Projected Equity	\$500,000	\$465,000	\$430,000
Projected Net Income/(Loss)	\$60,000	\$300,000	\$500,000

The Applicant stated in its proposed tariff (reference Sections 2.6 of CVC's proposed Arizona Tariff No. 1) that it will not collect advances, deposits and prepayments from any applicant or customer. The Commission's current practice regarding the performance bond or irrevocable sight draft Letter of Credit ("ISDLC") requirements is \$10,000 for resold long distance (for those long distance service resellers who collect deposits, advances or prepayments), \$25,000 for resold local exchange, \$100,000 for facilities-based long distance, and \$100,000 for facilities-based local exchange services. Since the Applicant is requesting a CC&N for more than one kind of service, the amount of a performance bond or ISDLC for multiple services is an aggregate of the minimum bond or draft amount for each type of telecommunications service requested by the Applicant. The amount of performance bond or ISDLC coverage needed for each service is as follows: resold local exchange \$25,000; and facilities-based local exchange line \$100,000. Staff recommends that the Applicant procure either a performance bond or an ISDLC equal to \$125,000. 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 ISDLC.

Staff further recommends that proof of the above mentioned performance bond or ISDLC ~~Credit~~ be docketed within 30 days of the effective date of a Decision in this matter. The original performance bond or ISDLC should be filed with the Commission's Business Office and 13 copies of the performance bond or ISDLC be filed with Docket Control, as a compliance item in this docket. The Commission may draw on the performance bond or ISDLC on behalf of and for the sole benefit of the Company's customers, if the Commission finds, in its discretion, that the Company is in default of its obligations arising from its Certificate. The Commission may use the bond or Letter of Credit funds, as appropriate, to protect the Company's customers and the public interest and take any and all actions the Commission deems necessary, in its discretion, including, but not limited to, returning prepayments or deposits collected from the Company's customers.

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 may be listed for each competitive service offered. The rate charged for a service may not be less than the Company's total service long-run incremental cost of providing the service pursuant to A.A.C. R14-2-1109.

The rates proposed by this filing are for competitive services. In general, rates for competitive services are not set according to rate of return regulation. Staff obtained information from the Applicant indicating that its fair value rate base is zero. Accordingly, the Applicant's fair value rate base is too small to be useful in a fair value analysis. CVC has submitted proposed tariff pages reflecting the actual rates that it will be charging for its local exchange services. CVC has also provided additional rate comparison information of other competitive local exchange carriers in the State of Arizona. Staff has reviewed the proposed rates and believes they are comparable to the rates charged by competitive local carriers and local incumbent carriers operating in the State of Arizona. Therefore, while Staff considered the fair value rate base information submitted by the Applicant, 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 Local Exchange service are discussed below.

5.1 Number Portability

The Commission has adopted rules to address number portability in a competitive telecommunications services market. Local exchange competition may not be vigorous if customers, especially business customers, must change their telephone numbers to take advantage of a competitive local exchange carrier's service offerings. Consistent with federal laws, federal rules and A.A.C. R14-2-1308(A), the Applicant shall make number portability available to facilitate the ability of a customer to switch between authorized local carriers within a given wire center without changing their telephone number and without impairment to quality, functionality, reliability or convenience of use.

5.2 Provision of Basic Telephone Service and Universal Service

The Commission has adopted rules to address universal telephone service in Arizona. A.A.C. R14-2-1204(A) indicates that all telecommunications service providers that interconnect

into the public switched network shall provide funding for the Arizona Universal Service Fund ("AUSF"). The Applicant will make the necessary monthly payments required by A.A.C. R14-2-1204(B).

5.3 Quality of Service

Staff believes that the Applicant should be ordered to abide by the quality of service standards that were approved by the Commission for Qwest (f/k/a USWC) in Docket No. T-01051B-93-0183 (Decision No. 59421). Because the penalties developed in that docket were initiated because Qwest's level of service was not satisfactory and the Applicant does not have a similar history of service quality problems, Staff does not recommend that those penalties apply to the Applicant. In the competitive market that the Applicant wishes to enter, the Applicant generally will have no market power and will be forced to provide a satisfactory level of service or risk losing its customers. Therefore, Staff believes that it is unnecessary to subject the Applicant to those penalties at this time.

5.4 Access to Alternative Local Exchange Service Providers

Staff expects that there will be new entrant providers of local exchange service who will install the plant necessary to provide telephone service to, for example, a residential subdivision or an industrial park much like existing local exchange companies do today. There may be areas where the Applicant installs the only local exchange service facilities. In the interest of providing competitive alternatives to the Applicant's local exchange service customers, Staff recommends that the Applicant be prohibited from barring access to alternative local exchange service providers who wish to serve such areas. This way, an alternative local exchange service provider may serve a customer if the customer so desires. Access to other providers should be provided pursuant to the provisions of the 1996 Telecommunications Act, the rules promulgated there under and Commission rules on interconnection and unbundling.

5.5 911 Service

The Commission has adopted rules to address 911 and E911 services in a competitive telecommunications services market. The Applicant has certified that in accordance with A.A.C. R14-2-1201(6)(d) and Federal Communications Commission 47 CFR Sections 64.3001 and 64.3002, it will provide all customers with 911 and E911 service, where available, or will coordinate with ILECs and emergency service providers to provide 911 and E911 service.

5.6 Custom Local Area Signaling Services

Consistent with past Commission decisions, the Applicant may offer Caller ID provided that per call and line blocking, with the capability to toggle between blocking and unblocking the transmission of the telephone number, are provided as options to which customers could subscribe with no charge. Also, Last Call Return service that will not return calls to telephone

numbers that have the privacy indicator activated, indicating that the number has been blocked, must be offered.

6. REVIEW OF COMPLAINT INFORMATION

The Applicant indicated it has not had an Application for service denied nor authority to provide service revoked in any state. Staff did not find any instances of denied applications or revocation of authority to provide service. The Applicant indicated that none of its officers, directors or partners have been or are currently involved any formal or informal complaints proceedings pending before any state or federal regulatory commission, administrative agency or law enforcement agency. Staff has found no instances of any formal or informal complaint proceedings involving the Applicant or any of its officers, directors or managers. The Applicant also indicated that none of its officers, directors or partners have been in or are currently involved in any civil or criminal investigations, or had judgments levied by any administrative or regulatory agency, or been convicted of any criminal acts in the past ten (10) years. Staff has found no instances of any civil or criminal investigations, judgments levied by any administrative or regulatory agency, or criminal convictions within the last ten (10) years involving the Applicant or any of its officers, directors or managers.

Staff contacted the state commissions in the jurisdictions where the Applicant is currently authorized to service (Montana, North Dakota and Washington) to verify certification to provide service and to inquire about complaints. Both Montana and Washington responded and advised that the Applicant was indeed authorized to provide service in their jurisdiction and that no complaints had been received about the Applicant. Although the North Dakota Public Service Commission did not respond, Staff was able to verify that the Applicant was registered to provide service through that Commission's website. The Corporations Division has indicated that CVC CLEC, LLC is in good standing. The Consumer Services Division reports no complaints have been filed in Arizona from January 1, 2006 to January 12, 2009. A search of the Federal Communications Commission's website found that there have been no formal or informal complaint proceedings involving the Applicant.

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.

7.1 Competitive Services Analysis for Local Exchange Services

7.1.1 A description of the general economic conditions that exist which make 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 CLECs and local exchange resellers have only recently been authorized to offer service, they have limited market share.

7.1.4 The names and addresses of any alternative providers of the service that are also affiliates of the telecommunications Applicant, as defined in A.A.C. R14-2-801.

None.

7.1.5 The ability of alternative providers to make functionally equivalent or substitute services readily available at competitive rates, terms and conditions.

ILECs have the ability to offer the same services that the Applicant has requested in their respective service territories. Similarly many of the CLECs and local exchange resellers also offer substantially similar services.

7.1.6 Other indicators of market power, which may include growth and shifts in market share, ease of entry and exit, and any affiliation between and among alternative providers of the service(s).

The local exchange service market is:

- a. One in which ILECs own networks that reach nearly every residence and business in their service territories and which provide them with a virtual monopoly over local exchange service. New entrants are also beginning to enter this market.

- b. One in which new entrants will be dependent upon ILECs:
 - 1. To terminate traffic to customers.
 - 2. To provide essential local exchange service elements until the entrant's own network has been built.
 - 3. For interconnection.
- c. One in which ILECs have had an existing relationship with their customers that the new entrants will have to overcome if they want to compete in the market and one in which new entrants do not have a long history with any customers.
- d. One in which most customers have few, if any choices since there is generally only one provider of local exchange service in each service territory.
- e. One in which the Applicant will not have the capability to adversely affect prices or restrict output to the detriment of telephone service subscribers.

8. RECOMMENDATIONS

The following sections contain 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 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 complies with federal laws, federal rules and A.A.C. R14-2-1308(A), to make number portability available;
- 3. 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;
- 4. 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;

5. That the Applicant 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 in accordance with A.A.C. R14-2-1201(6)(d) and Federal Communications Commission 47 CFR Sections 64.3001 and 64.3002;
6. That the Applicant be required to notify the Commission immediately upon changes to the Applicant's name, address or telephone number;
7. That the Applicant cooperates with Commission investigations including, but not limited to customer complaints;
8. 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;
9. In the event the Applicant requests to discontinue and/or abandon its service area, it must provide notice to both the Commission and its customers. Such notice(s) shall be in accordance with A.A.C. R14-2-1107;
10. That the Applicant offer Caller ID with the capability to toggle between blocking and unblocking the transmission of the telephone number at no charge;
11. That the Applicant offer Last Call Return service that will not return calls to telephone numbers that have the privacy indicator activated;
12. Staff recommends that the Commission authorize the Applicant to discount its rates and service charges to the marginal cost of providing the services.

Staff further recommends that the Applicant be ordered to comply with the following. If it does not do so, the Applicant's CC&N shall be null and void after due process.

1. The Applicant shall docket conforming tariffs pages 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.

2. The Applicant shall:
 - a. Procure either a performance bond or an ISDLC equal to \$125,000; and
 - b. Docket proof of the original performance bond or ISDLC with the Commission's Business Office and 13 copies of the performance bond or ISDLC with Docket Control, as a compliance item in this docket, within 30 days of the effective date of a Decision in this matter. The performance bond or ISDLC must remain in effect until further order of the Commission. The Commission may draw on the performance bond or ISDLC on behalf of and for the sole benefit of the Company's customers, if the Commission finds, in its discretion, that the Company is in default of its obligations arising from its Certificate. The Commission may use the performance bond or ISDLC funds, as appropriate, to protect the Company's customers and the public interest and take any and all actions the Commission deems necessary, in its discretion, including, but not limited to returning prepayments or deposits collected from the Company's customers.
3. Abide by the Commission adopted rules that address Universal 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).

8.2 Recommendation on the Applicant's Petition to Have Its Proposed Services Classified As Competitive

Staff believes that the Applicant's proposed services should be classified as competitive. There are alternatives to the Applicant's services. The Applicant will have to convince customers to purchase its services, and the Applicant has no ability to adversely affect the local exchange 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.