

# PCSi

A DIVISION OF



## NEW APPLICATION



0000114500

May 28, 1998

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

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AZ CORP COMMISSION

JUN 16 10 19 AM '98

DOCUMENT CONTROL

RE: Telstar Telecom Company, L.L.C.

*F-03570A-98-0313*

Dear Sir or Madam:

Please find enclosed an original and 10 copies of Telstar Telecom Company, L.L.C.'s application and petition for certificate of convenience and necessity to provide local exchange service as a reseller.

Please note that U.S. West has not yet returned a signed copy of our resale agreement. Therefore, we have attached an unsigned copy of our agreement. We will submit an executed copy as soon as possible. Also, as a new company, Telstar currently does not have any financial statements. However, we will forward such information when it becomes available.

To confirm your receipt, please date stamp the enclosed copy of this letter and return it in the self-addressed stamped envelope.

If you have any questions, please contact me at 817-281-4727. Thanks for your help.

Sincerely,

PCSi  
Consultant to Telstar Telecom Company, L.L.C.

  
Andrew Kang  
Regulatory Counsel

ENC.

Arizona Corporation Commission

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JUN 16 1998

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ARIZONA CORPORATION COMMISSION  
**NEW APPLICATION**

Application and Petition for Certificate of Convenience and Necessity to Provide  
Local Exchange Services as a Reseller

Mail original plus 10 copies of completed application to:

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

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

Type of Service: \_\_\_\_\_  
Docket No.: \_\_\_\_\_ Date: \_\_\_\_\_

Type of Service: \_\_\_\_\_  
Docket No.: \_\_\_\_\_ Date: \_\_\_\_\_

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Docket No. TE03570A-98-0313

Docket No. \_\_\_\_\_

**A. Company and Telecommunications Service Information**

(A-1) The name, address, and telephone number (including area code) of the applicant(company):

Telstar Telecom Company, L.L.C.  
3923 S. McClintock Dr., #410  
Tempe, AZ 85282  
602-839-7066

(A-2) If doing business (dba) under a name other than the applicant (company) name listed above, specify:

(A-3) The name, address, telephone number(including area code), and facsimile number of the management contact:

Barry Wade  
3923 S. McClintock Dr., #410  
Tempe, AZ 85282  
602-839-7066

Arizona Corporation Commission

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*[Signature]*

(A-4) The name, address, and telephone of the Attorney, if any, representing the applicant:

(A-5) What type of legal entity is the applicant?

Sole proprietorship

0

Partnership: \_\_\_ limited, \_\_\_ general, \_\_\_ Arizona, \_\_\_ Foreign

Limited liability company

Corporation: \_\_\_ "S", \_\_\_ "C", \_\_\_ non-profit, \_\_\_ Arizona, \_\_\_ Foreign

Other, specify:

(A-6) Include "Attachment A." Attachment A must list names of all owners, partners, limited liability company managers, or corporation officers and directors (specify), and indicate percentages of ownership.

(A-8) Include "Attachment B." Attachment B, your proposed tariff, must include proposed rates and charges for each service to be provided, state the tariff (maximum) rate as well as the price to be charged, and state other terms and conditions, including deposits, that will apply to provision of the service(s) by your company.

The Commission provides pricing flexibility by allowing competitive telecommunications service companies to price their services at levels equal to or below the tariff (maximum) rates. The prices to be charged by the company are filed with the Commission in the form of price lists. See the "illustrative Tariff/Price List Example" attached. Note: Price list rate changes that result in rates that are lower than the tariff rate are effective upon concurrent notice to the Commission

(See Rule R14-2-1109(B)(2)). See Rule R14-2-111111111111110 for procedures to make price list changes that result in rates that are higher than the tariff rate.

(A-9) The geographic market to be served is:

statewide.

other, describe and provide a map depicting the area.

(A-10) List the states in which you currently resell services similar to those you intend to resell in Arizona.

None

(A-11) Include attachment C. Attachment C is a copy of the resale agreement or contract between your company and an applicable local exchange service provider.

(A-12) Provide the name, address, and telephone number of the company's complaint contact person.

J.C. Cannon  
3923 S. McClintock Dr., #410  
Tempe, AZ 85282  
(602) 839-7066

(A-13) Provide a list of states in which you have sought authority to resell telecommunications services and in which the state granted the authority with major changes and conditions or did not grant your application for those service. For each state listed, provide a copy of the commissions decision modifying or denying your application for authority to provide telecommunications services.

None.

(A-14) Has the company been granted authority to provide or resell telecommunications services in any state where subsequently the authority was revoked? If "yes", provide copies of the state regulatory commission's decision revoking its authority.

No.

(A-15) Has the company been or is the company currently involved in any formal complaint proceedings before any state or federal regulatory commission? If "yes", in which states is the company involved in proceedings and what is the substance of these complaints. Also, provide copies of commission orders that have resolved any of these complaints

No.

(A-16) Has the applicant been involved in any civil or criminal investigations related to the delivery of telecommunications services within the last five years? If "yes", in which states has the applicant been involved in investigations and why is the applicant being investigated?

No.

(A-17) Has the applicant had judgment entered against it in any civil matter or been convicted of criminal acts related to the delivery of telecommunications services within the last five years? If yes, list the states where judgment or conviction was entered and provide a copy of the court order.

No.

#### B. Technical Information

(B-1) If your company is a non-facilities based reseller (you do not own your own facilities), provide the name of the company or companies whose services you resell and skip to question (B-2). If you are a facilities based reseller, complete the remainder of this section.

U. S. West

Include "Attachment D." Attachment D should provide the following information: A diagram of the applicant's network. this diagram should show how applicant's customer's are connected to this network and how the net work is interconnected to other carriers networks.

If other carriers facilities are used in conjunction with your own facilities to provide basic exchange service, indicate who owns the facilities that are used (i.e. provide a list of the facilities-based local exchange carriers whose facilities are used to serve the applicant's customers).

(B-2) Explain what actions the applicant has taken to ensure that basic exchange service to applicant's customers will not be interrupted in the event the applicant ceases to do business.

Applicant has contracted for the ILEC to take the customers.

(B-3) What contracted arrangements has the applicant made for the provision of all and equal services?

The ILEC will provide all and equal services to applicants customers.

Include "Attachment E", Attachment E should provide copies of the following audited financial information for the most recent two years for all Arizona operations. Check boxes indicating items attached.

current intrastate balance sheet

current intrastate income statement

current intrastate cash flow statement

other financial information evidencing financial resources.

Applicant is a new company and currently has no financial statements

#### Financial Review Questions For LEC'S

(C-1) Include "Attachment D". Attachment D must include a copy of your Company's balance sheet, income statement, audit report (if audited) and all related notes to these financial statements for the two most recent years your Company has been in business.

(C-2) If your Company does not have financial statements for the two most recent years, please give the date your Company began operations.

The Company was organized on January 30, 1998. The company has not yet begun operations

(C-3) If the balance sheets you submit do not have retained earnings accounts, please provide this account information on a separate sheet for each of the two years.

(C-4) If your Company is a subsidiary, please provide your Parent Company's financial statements, in addition to your Company's financial statements.

(C-5) If your Company intends to rely on the financial resources of its Parent Company, please provide a written statement from your Parent Company attesting that it will provide complete financial backing if your Company experiences a net loss or a business failure and that it will guarantee re-payment of customers; advances, prepayments or deposits held by your Company if, for some reason, your Company cannot provide service or repay the deposits.

(C-6) Will your customers be required to (or have the option to) pay advances, prepayments, or deposits for any of your products or services.

YES  (If yes, provide an explanation of how and when these customer advances prepayments or deposits will be applied or reference the terms and conditions section of your Company's tariffs with this explanation. If this information is not explained in the tariff of this application, please provide it on a separate sheet.)

NO  (Note: If at a later date, your Company decides it wants to offer or require customer advances, prepayments or deposits, it must submit financial statements as part of the tariff amendment process.)

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 and that the company will abide by Arizona State Law including the Arizona Corporation Commission Rules and Regulations. I agree that the

Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.

[Signature]  
(Signature of Authorized Representative)

5-21-98  
(Date)

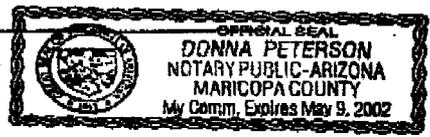
BARRY R. WADSWORTH  
(Print Name of Authorized Representative)

PRESIDENT  
(Title)

SUBSCRIBED AND SWORN to before me this 21 day of May, 1998

[Signature]  
NOTARY PUBLIC

My Commission Expires



### **Explanation of Advance Payments**

The customer pays for all services one month in advance. All payments are applied immediately and the customer will have credit for one month of service. To start service, the customer pays for one full-month of service with the first payment. If the first billing period does not consist of an entire calendar month, the company will pro-rate the second bill to compensate for any over payment in the first billing period.

# ATTACHMENT A

## Owners & LLC Managers

Barry Wade	President	10%
Randy Murphy	Vice President	25%
Eaton Mews LLC	Member	25%
Banc Pro, Inc.	Member	40%

# ATTACHMENT B

## Proposed Tariff

LOCAL EXCHANGE SERVICE TARIFF

This tariff contains the descriptions, regulations, rates, and charges applicable to the provision of local telecommunications service by Telstar Telecom Company, L.L.C., with principal offices at 3923 S. McClintock Dr., Suite 410, Tempe, AZ 85282-9444. This tariff applies to services furnished within the State of Arizona. This tariff is on file with the Arizona Corporation Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business.

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Issued: May 26, 1998

Effective:

Issued By: Barry Wade, President  
Telstar Telecom Company, L.L.C.  
3923 S. McClintock Dr., Suite 410  
Tempe, AZ 85282-9444

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**CHECK SHEET**

Pages 1 through 22, inclusive of this tariff are effective as of the date shown.

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

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**EXPLANATION OF SYMBOLS**

The following symbols are reserved for the purposes indicated below:

- R - reduction
- I - increase
- C - changed regulation
- T - change in text but no change in rate or regulation
- S - reissued matter
- M - matter relocated without change
- N - new rate or regulation
- D - discontinued rate or regulation
- Z - correction

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**TARIFF FORMAT**

- A. Page Numbering: Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between pages 4 and 5 would be 4.1.
- B. Page Revision Numbers: Revision numbers also appear in the upper right corner of each page. These number are used to determine the most current page version on file. For example, the 4th revised Page 4 cancels the 3rd revised Page 4.
- C. Paragraph Numbering Sequence: There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2
  - 2.1
  - 2.1.1
  - 2.1.1.A
  - 2.1.1.A.1
  - 2.1.1.A.1.(a)
  - 2.1.1.A.1.(a).I
  - 2.1.1.A.1.(a).I.(i)
  - 2.1.1.A.1.(a).I.(i).(1)
- D. When a tariff filing is made, 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.

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**APPLICATION OF TARIFF**

This tariff contains the descriptions, regulations, rates, and charges applicable to the provision of telecommunications service by Telstar Telecom Company, L.L.C. within the State of Arizona. Service is furnished subject to facility availability, transmission conditions, atmospheric conditions, and other like conditions.

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## 1 DEFINITIONS

**Authorized User:** A person, firm, or corporation that is authorized to use the Company's services.

**Called Station:** The terminating point of the call (i.e. the called number).

**Calling Station:** The originating point of the call (i.e. the calling number).

**Central Office (CO):** A switching unit providing telecommunications services to the general public, designed for terminating and interconnecting lines and trunks.

**Company or Carrier:** Telstar Telecom Company, L.L.C.

**Customer:** Any person, firm, partnership, corporation, or other entity that orders telecommunications service under the provisions and regulations of this tariff. The customer is responsible for payment of charges and compliance with this tariff.

**End User:** A person initiating a telephone call using the Company's services (see also "Authorized User").

**Exchange:** A geographic unit for the administration of telecommunication services in a specified area.

**Exchange Access Line:** All of the Central Office equipment and outside plant facilities needed to connect the service to the Network Interface or equivalent.

**Exchange Line:** A circuit connecting a main station with an additional extension station.

**Facilities:** Central office equipment, supplemental equipment, apparatus, wiring cables, and other materials and mechanisms furnished in connection with telephone service.

**FCC:** Federal Communications Commission.

**Incomplete Call:** A call where the transmission between the calling and the called station is not established (e.g. busy, no answer, etc.).

**Individual Line:** An exchange access line designed for connection of one main station.

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**1 DEFINITIONS (CONT.)**

**LATA (Local Access and Transport Area):** A geographic area within which local telephone companies may offer telecommunications services (local or long distance).

**Local Calling Area:** Local Service Area.

**Local Exchange Carrier (LEC):** A telephone company utility that provides local telecommunications services to a specific geographic area for business and residential customers.

**Local Exchange Service:** Telecommunications services provided to the Company's customers within an exchange for local calling. This service also provides access to and from the telecommunications network for long distance calling.

**Local Service Area:** Area within which a customer may make calls, for a flat monthly rate, without payment of an additional toll charge. A local service area may consist of more than one exchange.

**Non-recurring Charges:** One-time charges that apply for a specific work activity (e.g. installation or change to an existing service).

**Other Common Carrier (OCC):** A common carrier other than the Company.

**Station:** A signaling unit or other equipment at the customer's premises which allows the customer to establish communications.

**Standard Network Interface (SNI):** A standard FCC registration jack or equivalent at the customer's premises. The SNI is located at the point on the customer's premises where all premises services connect to the telecommunications network..

**Subscriber:** Customer.

**Uncompleted Call:** A call where the transmission between the calling and the called station is not established (e.g. busy, no answer, etc.).

**Underlying Carrier:** A provider of telecommunications services whose network the Company uses to provide telecommunications services to the customers.

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## **2 RULES AND REGULATIONS**

### **2.1 Undertaking of the Company**

The Company provides telecommunications services through the resale of services of other authorized carriers to customers for the transmission of voice, data, and facsimile, and other special services. All services are to be provided in accordance with the terms and conditions set forth in this tariff.

The Company installs, operates and maintains the communication services provided hereunder in accordance with the terms and conditions set forth in 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 arrangements.

The Company's services and facilities are available twenty-four (24) hours per day, seven (7) days per week.

### **2.2 Limitations**

- 2.2.1 Service is offered subject to the availability of the necessary facilities and/or equipment, and subject to the terms of this tariff.
- 2.2.2 The Company reserves the right to discontinue service when necessitated by conditions beyond its control, or when the customer uses the service in violation of law or in violation of the terms of this tariff.
- 2.2.3 The customer may not transfer or assign the use of the service or facilities, except with the express consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service or facilities.
- 2.2.4 All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions for service.

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## **2 RULES AND REGULATIONS (CONT.)**

### **2.2 Limitations (Cont.)**

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

2.2.6 The Company reserves the right to refuse service to customers due to insufficient or invalid billing information and/or refusal of a third party to accept billing.

### **2.3 Use**

2.3.1 Customers may only use the services provided under this tariff in a manner consistent with the terms of this tariff and the laws of all governmental authorities having jurisdiction over the service.

2.3.2 Services provided under this tariff shall not be used for unlawful purposes.

### **2.4 Liability of the Company**

2.4.1 Except as stated in section 2.4, the Company shall have no liability for damages of any kind arising out of or related to services, events, acts, rights, or privileges related to this tariff. This tariff does not limit the liability of the Company for gross negligence or willful misconduct.

2.4.2 The Company's liability for damages arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission occurring in the course of furnishing service or facilities shall not exceed the amount that the customer actually paid to the Company for the period of service during which such mistakes, omissions, interruptions, delays, errors or defects in the transmission occur.

2.4.3 THE COMPANY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO ITS SERVICES, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

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## **2 RULES AND REGULATIONS (CONT.)**

### **2.4 Liability of the Company (Cont.)**

- 2.4.4 In no event will the Company be responsible for any indirect, consequential, incidental, or special damages.
- 2.4.5 The Company is not liable for any act or omission of any other company furnishing any part of the service. No agents or employees of other carriers or companies shall be deemed to be agents or employees of the Company.
- 2.4.6 The Company shall be indemnified and held harmless by the customer against:
- A. Claims for libel, slander, or infringement of copyright arising out of the material, data, information, or other content transmitted over the Company's services or facilities;
  - B. Patent infringement claims arising from combining or connecting Company furnished facilities with apparatus and systems of the customer; and
  - C. All other claims arising out of any act or omission of the customer in connection with any service provided by the Company.
- 2.4.7 The customer shall indemnify and hold the Company harmless from all losses, claims, demands, suits and other actions, and any liability whatsoever, whether suffered, made, instituted or asserted by the customer or by any other party or persons, for any personal injury or death of any person, and for any loss, damage, or destruction of any property, whether owned by the customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of such equipment so used.
- 2.4.8 The Company shall not be liable for any defacement or damages to the premises of a customer which is not the direct result of the Company's negligence.

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**2 RULES AND REGULATIONS (CONT.)****2.4 Liability of the Company (Cont.)**

2.4.9 The Company shall not be liable for any failure of performance due to causes beyond its control, including but not limited to: fire, floods, and other catastrophes; acts of God; atmospheric conditions and other natural phenomena; acts of government; court orders; national emergencies; war; civil disturbances; labor problems; third party acts and omissions (including failure of performance for reasons beyond the control of common carriers, interexchange carriers, local exchange carriers, suppliers and subcontractors); and other causes beyond its reasonable control, including failures and fluctuations in any equipment.

**2.5 Responsibilities of the Customer**

2.5.1 The customer is responsible for taking all necessary actions for interconnecting the customer-provided equipment or systems with the Company's facilities or services. The customer shall secure all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection.

2.5.2 The customer shall ensure that the equipment and/or system properly interfaces with the Company's facilities or services; that the signals emitted into the network are of the proper mode, bandwidth, power and signal level for the intended use of the customer and in compliance with the criteria set forth in this tariff, and that the signals do not damage equipment, injure personnel, or degrade service to other customers. If the FCC or other appropriate certifying body certifies equipment as being acceptable for direct connection with telecommunications service, the Company may allow connection of such equipment to its services without the use of protective interface devices.

2.5.3 If the customer fails to maintain the equipment and/or system properly, resulting in potential harm to the Company's equipment, personnel, or quality of service to other customers, the Company may take any immediate action necessary to protect its facilities, personnel, and quality of service. The Company will promptly notify the customer of the need for protective action (this may include requiring the use of protective equipment at the customer's expense). If this fails to produce satisfactory quality and safety, the Company may, upon written notice, take any additional action necessary to protect its facilities and personnel, including termination of the customer's service.

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**2 RULES AND REGULATIONS (CONT.)****2.5 Responsibilities of the Customer (Cont.)**

- 2.5.4 The customer shall be responsible for securing its telephone equipment against fraudulent use of the Company's service. The customer shall be responsible for payment of all applicable charges for services provided by the Company and billed to the customer's accounts, even if those calls originated by fraudulent means from the customer's premises or remote locations. In addition, the customer shall be responsible for all calls charged by fraudulent means to the customer's account.
- 2.5.5 The customer shall indemnify and hold the Company harmless against claims of libel, slander, and infringement of copyrights, trademarks, trade names, and service marks, arising from any transmission over the facility; against all claims for infringement of patents arising from the combination or use of the Company's service with the customer's equipment or system; and against all other claims arising out of any act or omission of the customer in connection with the Company's service.
- 2.5.6 The customer shall be liable for:
- A. Loss or damage of Company equipment or facilities at the customer's premises due to theft, fire, flood, or any other casualty or criminal act.
  - B. Reimbursing the Company for damages to facilities and equipment caused by the negligent or willful acts of the customer or its authorized users, employees, agents, or contractors.
  - C. Charges incurred with other companies for service at the customer's premises or on the customer's equipment.
  - D. Payment of Company charges for calls or service originated at the customer's number; accepted at the customer's number (i.e., collect calls); or placed through the customer's calling card or authorization number.
- 2.5.7 The customer shall provide access to its premises for any installation, repair, maintenance, inspection, testing, or removal of equipment associated with the Company's service.

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**2 RULES AND REGULATIONS (CONT.)****2.5 Responsibilities of the Customer (Cont.)**

2.5.8 The customer shall ensure that authorized users comply with the provisions of this tariff.

**2.6 Interruption of Service**

2.6.1 Upon customer request, the Company will credit a customer's account for service interruptions which are not due to the Company's testing or adjusting, customer's negligence or willful acts, or to the failure of customer provided facilities or equipment. Before requesting a credit, the customer will take reasonable steps to verify that the trouble could not have been prevented by the customer and is not in the customer's wiring or equipment. The Company will credit the customer for interruptions at the rate of 1/720th of the monthly charge for the facility affected for each hour or major fraction thereof that the interruption continues. Calculations of the credit shall be made in accordance with the following formula:

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

"A" = outage time in hours

"B" = total monthly charge for affected facility

2.6.2 Without incurring liability, the Company may interrupt service at any time for inspection, testing, maintenance, or repair. When possible, the Company will notify customers of the cause and expected duration of the interruption at least 24 hours in advance. The Company will not grant any allowances for interruptions for inspection, testing, maintenance, or repair.

2.6.3 The Company may discontinue service, without notice to the customer, by blocking traffic to and from certain countries, cities, NXX's, or by blocking calls that use certain authorization codes or calling card accounts when the Company deems it necessary to prevent fraud or other unlawful use of its services. The Company may restore service as soon as it can be provided without undue risk.

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Issued: May 26, 1998

Effective:

Issued By: Barry Wade, President  
Telstar Telecom Company, L.L.C.  
3923 S. McClintock Dr., Suite 410  
Tempe, AZ 85282-9444

## **2 RULES AND REGULATIONS (CONT.)**

### **2.7 Termination of Service**

Without incurring any liability, the Company may terminate or withhold service for any of the following reasons:

- A. Failure to timely pay any charges applicable under this tariff.
- B. Violation of any provision of this tariff.
- C. Violation of any law, rule, regulation, or policy of a government authority having jurisdiction over the service.
- D. An order or decision of a court, commission, federal regulatory body, or other government authority prohibiting the Company from providing service.
- E. Improper use of the Company's services, or use that unreasonably interferes with Company's equipment or service to other Customers.
- F. Dangerous conditions which may cause imminent harm to persons or substantial damage to property.
- G. Illegal use, unauthorized use, or theft of service.
- H. For neglect or refusal to provide reasonable access to Company or its agents for the purpose of inspection and maintenance of equipment owned by Company or its agents.

### **2.8 Restoration of Service**

A reconnection charge shall apply if the Company restores service for a customer disconnected under section 2.7.

### **2.9 Cancellation of Service by the Customer**

A customer may cancel service by providing written or verbal notice to the Company. Service will terminate upon the customer's cancellation.

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## **2 RULES AND REGULATIONS (CONT.)**

### **2.10 Payment for Service**

- 2.10.1 All charges due from the customer are payable to any agency duly authorized to receive such payments. The agency may be a credit card company, or other billing or collection service.
- 2.10.2 The customer must present any disputed amounts or claims in writing within 30 days from the date of the invoice. The customer may not withhold undisputed amounts.
- 2.10.3 An account becomes past due if the customer fails to pay within 15 days after the invoice date.
- 2.10.4 [Reserved for Future Use]
- 2.10.5 A past due account may subject the customer's service to disconnection as of 22 days after the invoice date.
- 2.10.6 Failure to receive a bill will not exempt a customer from prompt payment of any sums due.
- 2.10.7 Charges are billed one (1) month in advance.
- 2.10.8 The Company will assess a returned check charge of \$20.00 for dishonored checks.

### **2.11 Deposits**

The Company does not require a deposit from the customer.

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**2 RULES AND REGULATIONS (CONT.)****2.12 Advance Payments**

The Company reserves the right to collect an amount not to exceed one (1) month's estimated charges as an advance payment for service. This will be applied against the next month's charges and if necessary a new advance payment will be collected for the month.

**2.13 Taxes**

The customer is responsible for payment of all applicable federal, state, and local taxes, charges, and assessments. All taxes (e.g., gross receipts tax, sales tax, municipal utilities tax, etc.) are listed as separate line items and are not included in the quoted rates. The Company may allocate the taxes, charges, and assessments on a prorated basis among customers within a taxing jurisdiction.

**2.14 Right to Backbill for Improper Use**

Any person or entity which uses or appropriates the Company's services, whether directly or indirectly, in any unlawful manner or by providing misleading or false information to the Company shall be liable for an amount equal to the charges that would have applied to a customer's actual use of services.

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**3 DESCRIPTION OF SERVICES**

**3.1 [Reserved for Future Use]**

**3.2 [Reserved for Future Use]**

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**3 DESCRIPTION OF SERVICES (CONT.)**

**3.3 [Reserved for Future Use]**

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**3 DESCRIPTION OF SERVICES (CONT.)****3.4 [Reserved for Future Use]****3.5 [Reserved for Future Use]****3.6 Promotions and Discounts**

The Company may, from time to time, offer limited duration promotions. The promotions may include, but are not limited to, discounts and waivers of charges. Such promotions are designed to attract new customers or to increase customer awareness of a particular service. The Company will notify the Commission Staff 30 days in advance of any promotion valued at \$25.00 or more per customer. For other promotions, Company will notify the Commission Staff at the time of the promotion.

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**3 DESCRIPTION OF SERVICES (CONT.)**

**3.7 Service Offerings**

**3.7.1 Flat Rate Service**

This service allows an unlimited number of calls within the local calling area.

**3.7.2 Custom Calling Services**

**3.7.2.A Call Waiting**

Notifies the end-user of incoming calls while on another call. A short spurt of tones indicates that another call waits. Only the Call Waiting customer hears the tones. Flashing the switchhook holds the first call while answering the second call. The customer can alternate between calls by flashing the switchhook.

**3.7.2.B Caller Identification**

Allows the display of the calling party's telephone number to the called customer. This service requires customer-provided equipment for displaying the telephone number.

**3.7.2.C Call Forwarding**

Allows a customer to forward incoming calls to another predetermined number.

**3.7.3 Non-Published Service**

The telephone numbers of Non-Published Service are not listed under the current subscriber's name in the telephone directory or in the information records available to the general public.

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**4 RATES AND CHARGES**

This section sets forth the rates and charges applicable to the Company's services. The rates and charges apply to local telecommunications services and facilities. All rates and charges are expressed in U.S. dollars. All charges apply per line, unless stated otherwise.

**4.1 Flat Rate Service**

<b>Set-Up Charge</b>	<b>Monthly Rate</b>
40.00	49.95

The FCC imposes a \$3.50 per line, monthly-recurring charge.

A \$40.00 per line, non-recurring charge applies for restoring service after disconnection under section 2.7.

A \$15.00 per line, non-recurring charge applies for changing a telephone number. No charge applies to change a telephone number due to annoyance calls, or Company initiated number changes.

**4.2 Custom Calling Services**

	<b>Set-Up Charge</b>	<b>Monthly Rate</b>
Call Waiting	20.00	10.00
Caller Identification	20.00	10.00
Call Forwarding	20.00	10.00

The non-recurring Set-Up Charge applies per line, per customer request to establish or change one or more custom calling features.

**4.3 Non-Published Service**

<b>Set-Up Charge</b>	<b>Monthly Rate</b>
15.00	5.00

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# ATTACHMENT C

## Resale Agreement

**AGREEMENT  
FOR SERVICE RESALE  
Between  
Telestar Telecom, LLC  
and  
U S WEST Communications, Inc.**

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## AGREEMENT FOR SERVICE RESALE

This is an Agreement for Service Resale ("Agreement"), between Telestar Telecom, LLC ("Reseller"), a Certified Reseller, and U S WEST Communications, Inc. ("USWC") (collectively, "the Parties") in which USWC will provide certain services to Reseller within the state of Arizona and such additional states as the Parties may mutually agree upon. Where required, this Agreement or the portions of this Agreement relative to a particular state, will be submitted to the appropriate Public Utilities Commission ("Commission") and the Parties will specifically request that the Commission promptly approve this Agreement and refrain from taking any action to change, suspend or otherwise delay implementation of this Agreement. The Parties enter into this Agreement without prejudice to any positions they have taken previously, or may take in the future in any legislative, regulatory, or other public forum addressing any matters, including matters related to the types of arrangements prescribed by this Agreement.

The Parties agree and understand that USWC is proposing certain provisions in this Agreement based, in large part, on the FCC's First Report and Order, In the Matter of Implementing of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98, rel. Aug. 8, 1996 ("FCC 1<sup>st</sup> Order") and the Second Report and Order and Memorandum Opinion and Order, In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, rel. Aug. 8, 1996 ("FCC 2<sup>nd</sup> Order"). To the extent that certain of the rules contained in the FCC 1<sup>st</sup> Order and the FCC 2<sup>nd</sup> Order are deemed by the courts to be not effective, this Agreement shall be modified to comport with the final court decisions and subsequent FCC or state Commission decisions or rules issued to comply with the courts' decisions.

### I. RECITALS & PRINCIPLES

WHEREAS, the Telecommunications Act of 1996 (the "Act") was signed into law on February 8, 1996; and

WHEREAS, the Act places certain duties and obligations upon, and grants certain rights to, Telecommunications Carriers; and

WHEREAS, USWC is an Incumbent Local Exchange Carrier or has a majority ownership interest in local exchange companies which are Incumbent Local Exchange Carriers; and

WHEREAS, the Telecommunications Act of 1996 has specific requirements for service resale, commonly referred to as a part of the "checklist" and USWC desires that this Agreement meet those checklist requirements; and

WHEREAS, USWC, for itself and its Affiliates, is willing to sell services for resale, on the terms and subject to the conditions of this Agreement; and

WHEREAS, Reseller is a Telecommunications Carrier and has requested that USWC negotiate an Agreement with Reseller for the provision of USWC services for resale pursuant to the Act and in conformance with USWC's duties under the Act; and

WHEREAS, the Parties have arrived at this Agreement through voluntary negotiations undertaken pursuant to the Act.

NOW, THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Reseller and USWC hereby covenant and agree as follows:

### II. SCOPE OF AGREEMENT

- A. This Agreement sets forth the terms, conditions and prices under which USWC agrees to provide telecommunications services for resale. Unless otherwise

provided in this Agreement, USWC will perform all of its obligations hereunder to the extent provided in the Appendices attached hereto. The Agreement includes all accompanying appendices.

- B. In the performance of their obligations under this Agreement, the Parties shall act in good faith and consistently with the intent of the Act. Where notice, approval or similar action by a Party is permitted or required by any provision of this Agreement, the Act, FCC 1<sup>st</sup> and 2<sup>nd</sup> Orders, or a state Commission, (including, without limitation, the obligation of the Parties to further negotiate the resolution of new or open issues under this Agreement) such action shall not be unreasonably delayed, withheld or conditioned.
- C. The Parties have agreed to certain provisions in this Agreement, based, in large part, on the existing state of the law, rules, regulations and interpretations thereof, as of the date hereof (the "Existing Rules"). To the extent that certain of the Existing Rules are changed and modified, and it reasonably appears that the Parties would have negotiated and agreed to different term(s), condition(s), or covenant(s) than as contained herein had such change or modification been in existence before execution hereof, then this Agreement shall be amended to reflect such different term(s), condition(s), or covenant(s). Where the Parties fail to agree upon such an amendment, it shall be resolved in accordance with the Dispute Resolution provision of this Agreement.
- D. This Agreement is entered into as a result of both private negotiations between the Parties and the incorporation of some of the results of arbitrated decisions by the Commission, acting pursuant to Section 252 (b) of the Act, and involving interconnection/resale agreements of other parties. The Parties have included for convenience certain rates, terms or conditions in this Agreement which reflect rates, terms or conditions established in some or all of those other arbitrations. Reseller acknowledges: (1) that those rates, terms or conditions are extended only because of the arbitrated results in other dockets, (2) that USWC intends to appeal certain of those decisions, and (3) that any negotiations, appeal, stay, injunction or similar proceeding impacting the applicability of those rates, terms or conditions to the local service providers who were parties to those arbitrations will similarly impact the applicability of those rates, terms or conditions to Reseller. The Parties further recognize that this Agreement is subject to the generic proceedings by the Commission addressing the services in this Agreement.

### III. DEFINITIONS

- A. "Basic Exchange Telecommunications Service" means a service offered to end users which provides the end user with a telephonic connection to, and a unique local telephone number address on, the public switched telecommunications network, and which enables such end user to generally place calls to, or receive calls from, other stations on the public switched telecommunications network. Basic residence and business line services are Basic Exchange Telecommunication Services. As used solely in the context of this Agreement and unless otherwise agreed, Basic Exchange Telecommunication Services includes access to ancillary services such as 911, directory assistance and operator services.

- B. "Basic Exchange Switched Features" are optional end user switched service features which include, but are not necessarily limited to: Automatic Call Back; Call Trace; Caller ID and Related Blocking Features; Distinctive Ringing/Call Waiting; Selective Call Forward; Selective Call Rejection.
- C. "Commission" means the Corporation Commission in the state of Arizona.
- D. "Enhanced Services" means any service offered over common carrier transmission facilities that employ computer processing applications that act on format, content, code, protocol or similar aspects of the subscriber's transmitted information; that provide the subscriber with additional, different or restructured information; or involve end user interaction with stored information.
- E. "Reseller" is a category of Local Exchange service providers that are certified to obtain dial tone and associated telecommunications services from another provider through the purchase of bundled finished services for resale to its end users.
- F. "Tariff" as used throughout this Agreement refers to USWC state tariffs, price lists, price schedules and catalogs.
- G. "Telecommunications Carrier" means any provider of telecommunications services, except that such term does not include aggregators of telecommunications services (as defined in Section 226 of the Act). A Telecommunications Carrier shall be treated as a common carrier under the Act only to the extent that it is engaged in providing telecommunications services, except that the Commission shall determine whether the provision of fixed and mobile satellite service shall be treated as common carriage.

#### IV. RESALE SERVICES

- A. Description.
  - 1. USWC services (as defined in Section III.A. and B.) and intraLATA toll originating from USWC exchanges (hereinafter "intraLATA toll") will be available for resale by USWC pursuant to the Act and will reference terms and conditions (except prices) in USWC tariffs, where applicable. Appendix A lists services which are available for resale under this Agreement and the applicable discounts, and is attached and incorporated herein by this reference.
  - 2. The Parties agree that, at this time, certain USWC services are not available for resale under this Agreement, and certain other USWC services are available for resale but at no discount, as identified in Appendix A or in individual state tariffs. The availability of services and applicable discounts identified in Appendix A or in individual tariffs are subject to change pursuant to Section IV E.1.
- B. Scope.
  - 1. Basic Exchange Telecommunications Service, Basic Exchange Switched Features and IntraLATA toll may be resold only for their intended or disclosed use and only to the same class of end user to whom USWC sells such services; e.g., residence service may not be resold to business end users.

2. USWC shall provide to Reseller services for resale that are equal in quality, subject to the same conditions (including the conditions in USWC's effective tariffs), within provisioning time intervals that are substantially equal to the intervals USWC provides these services to others, including end users, and in accordance with any applicable state Commission service quality standards, including standards a state Commission may impose pursuant to Section 252 (e)(3) of the Act.

C. Ordering and Maintenance.

1. Reseller or Reseller's agent shall act as the single point of contact for its end users' service needs, including without limitation, sales, service design, order taking, provisioning, change orders, training, maintenance, trouble reports, repair, post-sale servicing, billing, collection and inquiry. Reseller shall make it clear to its end users that they are end users of the Reseller for resold services. Reseller's end users contacting USWC will be instructed to contact the Reseller; however, nothing in this Agreement, except as provided in Section IV.C.7(e), shall be deemed to prohibit USWC from discussing its products and services with Reseller's end users who call USWC for any reason.
2. Reseller shall transmit to USWC all information necessary for the installation (billing, listing and other information), repair, maintenance and post-installation servicing according to USWC's standard procedures, as described in the USWC resale operations guide that will be provided to Reseller.

When USWC's end user or the end user's new service provider discontinues the end user's service in anticipation of moving to another service provider, USWC will render its closing bill to end user effective with the disconnection. If USWC is not the local service provider, USWC will issue a bill to Reseller for that portion of the service provided to the Reseller should Reseller's end user, a new service provider, or Reseller request service be discontinued to the end user. USWC will notify Reseller by FAX, OSS, or other processes when end user moves to another service provider. USWC will not provide Reseller with the name of the other reseller or service provider selected by the end user.

3. Reseller shall provide USWC and USWC shall provide Reseller with points of contact for order entry, problem resolution and repair of the resold services.
4. Prior to placing orders on behalf of the end user, Reseller shall be responsible for obtaining and have in its possession Proof of Authorization ("POA"). POA shall consist of documentation acceptable to USWC of the end user's selection of Reseller. Such selection may be obtained in the following ways:
  - a. The end user's written Letter of Authorization or LOA.
  - b. The end user's electronic authorization by use of an 800 number.
  - c. The end user's oral authorization verified by an independent third party (with third party verification as POA).

- d. A prepaid returnable postcard supplied by Reseller which has been signed and returned by end user. Reseller will wait fourteen (14) days after mailing the postcard before placing an order to change.

Reseller shall make POAs available to USWC upon request. Prior to placing orders that will disconnect a line from another reseller's account, the Reseller is responsible for obtaining all information needed to process the disconnect order and re-establish the service on behalf of the end user. Should an end user dispute or a discrepancy arise regarding the authority of Reseller to act on behalf of the end user, the Reseller is responsible for providing written evidence of its authority to USWC within three (3) business days. If there is a conflict between the end user designation and Reseller's written evidence of its authority, USWC shall honor the designation of the end user and change the end user back to the previous service provider. If the Reseller does not provide the POA within three (3) business days, or if the end user disputes the authority of the POA, then the Reseller must, by the end of the third business day:

- notify USWC to change the end user back to the previous reseller or service provider,
- provide any end user information and billing records the Reseller has obtained relating to the end user to the previous reseller,
- notify the end user and USWC that the change has been made, and
- remit to USWC a charge of \$100.00 ("slamming charge") as compensation for the change back to the previous reseller or service provider.

If an end user is switched from Reseller back to USWC and there is a dispute or discrepancy with respect to such change in service provider, Reseller may request to see a copy of the individual end user documentation which USWC has obtained from the end user to effectuate a return to USWC as the end user's service provider. If USWC is unable to produce such documentation within three (3) business days or if the end user disputes the authority of the documentation, USWC shall change the end user back to Reseller (or other previous reseller) without imposition of any Customer Transfer Charge and by the end of the third business day:

- provide the Reseller with any end user information and billing records USWC has obtained relating to the end user,
- notify the Reseller that the change has been made, and
- remit to Reseller a charge of \$57.00 ("slamming charge") as compensation for the change back to the Reseller.

5. Reseller shall designate Primary Interexchange Carrier (PIC) assignments on behalf of its end-users for interLATA services and intraLATA services when intraLATA presubscription is implemented.
6. When end users switch from USWC to Reseller, or to Reseller from any other reseller, such end users shall be permitted to retain their current telephone numbers if they so desire and do not change their service address to an address served by a different central office. USWC shall take no action to prevent Reseller end users from retaining their current telephone numbers.

7. Reseller and USWC will employ the following procedures for handling misdirected repair calls:
  - a. Reseller and USWC will provide their respective end users with the correct telephone numbers to call for access to their respective repair bureaus.
  - b. End users of Reseller shall be instructed to report all cases of trouble to Reseller. End users of USWC shall be instructed to report all cases of trouble to USWC.
  - c. To the extent the correct provider can be determined, misdirected repair calls will be referred to the proper provider of Basic Exchange Telecommunications Service.
  - d. Reseller and USWC will provide their respective repair contact numbers to one another on a reciprocal basis.
  - e. In responding to repair calls, neither Party shall make disparaging remarks about each other, nor shall they use these repair calls as the basis for internal referrals or to solicit end users to market services. Either Party may respond with accurate information in answering end user questions.

D. Reseller Responsibilities.

1. Reseller must send USWC complete and accurate end-user listing information for directory assistance, directory listings, and 911 Emergency Services using USWC's resale order form and process. Reseller must provide to USWC accurate end-user information to ensure appropriate listings in any databases in which USWC is required to retain and/or maintain end-user information. USWC assumes no liability for the accuracy of information provided by Reseller.
2. Reseller may not reserve blocks of USWC telephone numbers, except as allowed by tariffs.
3. Reseller is liable for all fraud associated with service to its end-users and accounts. USWC takes no responsibility, will not investigate, and will make no adjustments to Reseller's account in cases of fraud unless such fraud is the result of any intentional act or gross negligence of USWC. Notwithstanding the above, if USWC becomes aware of potential fraud with respect to Reseller's accounts, USWC will promptly inform Reseller and, at the direction of Reseller, take reasonable action to mitigate the fraud where such action is possible.
4. Reseller will indicate the date it will offer to residential and business subscribers telephone exchange services. The Reseller will provide a two year forecast within ninety (90) days of signing this Agreement. During the first year of the term of this Agreement, the forecast shall be updated and provided to USWC on a quarterly basis. Thereafter, during the term of this Agreement, Reseller will provide updated forecasts from time to time, as requested by USWC. The initial forecast will provide:
  - The date service will be offered (by city and/or state)
  - The type and quantity of service(s) which will be offered
  - Reseller's anticipated order volume

- Reseller's key contact personnel

The information provided pursuant to this paragraph shall be considered Proprietary Information under Section VII. O. of this Agreement.

5. In the event USWC terminates the provisioning of any resold services to Reseller for any reason, Reseller shall be responsible for providing any and all necessary notice to its end users of the termination. In no case shall USWC be responsible for providing notice to Reseller's end users. USWC will provide notice to Reseller of its termination of a resold service on a timely basis consistent with Commission rules and notice requirements.

E. Rates and Charges

1. Resold services as listed in Appendix A are available for resale at the applicable discount percentage or rate per minute set forth in Appendix A or at the retail tariff rates for services available for resale.

The wholesale discount rates (the "Rates") in Appendix A were established in Docket Nos. U-3021-96-448, et al., Opinion and Order, Decision No. 60635, "In the Matter of the Petition of MCIMetro Access Transmission Services, Inc. for Arbitration of the Rates, Terms, and Conditions of Interconnection with US WEST Communications, Inc. Pursuant to 47 U.S.C. Sec. 252(b) of the Telecommunications Act of 1996." The Parties agree that the Rates in this Agreement will remain in effect as described below until the exhaustion of all appeals, if any, of the final order in this docket.

If the Rates or the applicability of the Rates to the services in Appendix A are changed by a nonappealable administrative or judicial order following a decision on rehearing or appeal or other similar proceeding, such changed rate(s) will be available to Reseller, effective as of the date of the order. No true-up of the Rates will occur unless ordered as a part of the nonappealable administrative or judicial order.

USWC shall have a reasonable time necessary to make the system changes necessary to implement and bill the changed rates.

2. If the resold services are purchased pursuant to Tariffs and the Tariff rates change, charges billed to Reseller for such services will be based upon the new Tariff rates less the applicable wholesale discount as agreed to herein or established by resale Tariff. The new rate will be effective upon the Tariff effective date.
3. A Customer Transfer Charge (CTC) as specified in Appendix A applies when transferring any existing account or lines to a Reseller. Tariffed non-recurring charges will apply to new installations.
4. A Subscriber Line Charge (SLC) will continue to be paid by the Reseller without discount to USWC for each local exchange line resold under this Agreement. All federal and state rules and regulations associated with SLC as found in the applicable tariffs also apply.
5. Reseller will pay to USWC the PIC change charge without discount associated with Reseller end user changes of inter-exchange or intraLATA carriers.

6. Reseller agrees to pay USWC when its end user activates any services or features that are billed on a per use or per activation basis subject to the applicable discount in Appendix A as such may be amended pursuant to Section IV.E.1 (e.g., continuous redial, last call return, call back calling, call trace, etc.).
7. Resold services are available only where facilities currently exist and are capable of providing such services without construction of additional facilities or enhancement of existing facilities. However, if Reseller requests that facilities be constructed or enhanced to provide resold services, USWC will review such requests on a case-by-case basis and determine, in its sole discretion, if it is economically feasible for USWC to build or enhance facilities. If USWC decides to build or enhance the requested facilities, USWC will develop and provide to Reseller a price quote for the construction. If the quote is accepted, Reseller will be billed the quoted price and construction will commence after receipt of payment.
8. Nonrecurring charges will not be discounted and will be billed at the applicable Tariff rates.
9. As part of the resold line, USWC provides and Reseller accepts, at this time, operator services, directory assistance, and IntraLATA long distance with standard USWC branding. Reseller is not permitted to alter the branding of these services in any manner when the services are a part of the resold line without the prior written approval of USWC. However, at the request of Reseller and where technically feasible, USWC will rebrand operator services and directory assistance in the Reseller's name, provided the costs associated with such rebranding are paid by Reseller.

F. Collateral and Training.

The Parties will jointly develop procedures regarding Reseller's use of USWC's retail product training materials. Except for any rights granted by USWC to Reseller for the use or copying of product training material, product training provided under this Agreement shall be considered "Proprietary Information" as described in Section VII. O., and shall be subject to the terms and conditions specified therein.

V. ACCESS TO OPERATIONAL SUPPORT SYSTEMS (OSS)

Access to OSS is described in Appendix C to this Agreement, which Appendix is attached hereto and incorporated herein by this reference.

VI. DIRECTORY LISTING.

USWC will accept at no charge one primary listing for each main telephone number belonging to Reseller's end user based on end user information provided to USWC by Reseller. USWC will place Reseller's listings in USWC's directory listing database for directory assistance purposes and will make listings available to directory publishers and other third parties. Additional terms and conditions with respect to directory listings are described in Appendix B which by this reference is incorporated and made a part of this Agreement.

## VII. GENERAL PROVISIONS

### A. Term.

This Agreement shall become effective upon Commission approval, pursuant to Sections 251 and 252 of the Act, and shall terminate on September 1, 2000, and shall be binding upon the Parties during that term, notwithstanding Section 252(i) of the Act. The Parties agree to commence negotiations on a new agreement no later than 135 calendar days prior to the termination date specified above; provided that Reseller, consistent with Section 252(i) of the Act, may opt into a then-existing, valid interconnection or resale agreement, in its entirety, at the conclusion of the said term of this Agreement. In the event that negotiations are not concluded as of the termination date specified above, the window of opportunity to file for arbitration to resolve outstanding contractual issues in accordance with the Act will open upon the termination date specified above.

### B. Billing.

1. USWC shall bill Reseller and Reseller is responsible for all applicable charges for the resold services as provided herein. The Reseller shall also be responsible for all tariffed charges and charges separately identified in this Agreement associated with services that the Reseller resells to an end user under this Agreement.
2. USWC shall provide Reseller, on a monthly basis, within 7-10 days of the last day of the most recent billing period, in an agreed upon standard electronic billing format, billing information including (1) a summary bill, and (2) individual end user sub-account information consistent with the samples provided to Reseller for Reseller to render end user bills indicating all recurring and nonrecurring charges associated with each individual end user's account for the most recent billing period.

### C. Payment.

1. Amounts payable under this Agreement are due and payable within thirty (30) days after the bill date of USWC's invoice. During the initial three billing cycles of this Agreement, Reseller and USWC agree that undisputed amounts shall be paid as provided herein. Reseller and USWC further agree that, during said three billing cycle period, they will cooperate to resolve amounts in dispute or billing process issues in a timely manner but no later than sixty (60) days after the bill date of USWC's invoice or identification and notice of the billing process issue. Disputed amounts will be paid within thirty (30) days following resolution of the dispute.
2. After the three (3) month period outlined in Section C.1. above, the Reseller will pay the bill in full within 30 days after the bill date of the invoice. Billing disputes will be processed and jointly resolved. Any disputed amounts that USWC remits to the Reseller will be credited on the next billing cycle including an interest credit of 1.5% per month compounded.
3. A late payment charge of 1.5% applies to all billed balances which are not paid by 30 days after the bill date shown on the invoice. USWC agrees, however, that the application of this provision will be suspended for the initial three billing cycles of this Agreement and will not apply to amounts billed during those three cycles.

4. USWC may discontinue processing orders for the failure by Reseller to make full payment for the resold services provided under this Agreement within thirty (30) days of the due date on Reseller's bill. USWC agrees, however, that the application of this provision will be suspended for the initial three billing cycles of this Agreement and will not apply to amounts billed during those three cycles.
5. USWC may disconnect for the failure by Reseller to make full payment for the resold services provided under this Agreement within sixty (60) days of the due date on Reseller's bill. Reseller will pay the tariff charge required to reconnect each end user line disconnected pursuant to this paragraph. USWC agrees, however, that the application of this provision will be suspended for the first three billing cycles under this Agreement and will not apply to amounts billed during those three cycles.
6. Collection procedures and the requirements for deposit are unaffected by the application of a late payment charge.
7. USWC shall credit Reseller's account the amount due for any trouble or out-of-service conditions in the same manner that USWC credits the accounts of its own end-user and pursuant to any applicable provisions in USWC's tariffs. USWC shall reflect the amount of such credits on an individual end user telephone number basis in the billing information USWC provides Reseller.
8. In the event billing disputes relate to service quality issues, the dispute shall be referred to the USWC account executive assigned to Reseller who will evaluate the facts and circumstances of the service quality issues and will work with Reseller to resolve the dispute.

D. Deposit.

1. USWC may require Reseller to make a suitable deposit to be held by USWC as a guarantee of the payment of charges. Any deposit required of an existing reseller is due and payable within ten days after the requirement is imposed. The amount of the deposit shall be the estimated charges for the resold Service which will accrue for a two-month period.
2. When the service is terminated, or when Reseller has established satisfactory credit, the amount of the initial or additional deposit, with any interest due as set forth in applicable tariffs, will, at Reseller's option, either be credited to Reseller's account or refunded. Satisfactory credit for a reseller is defined as twelve consecutive months service as a reseller without a termination for nonpayment and with no more than one notification of intent to terminate Service for nonpayment. Interest on the deposit shall be accumulated by USWC at a rate equal to the federal discount rate, as published in the Wall Street Journal.

E. Taxes.

Each party purchasing services hereunder shall pay or otherwise be responsible for all federal, state, or local sales, use, excise, gross receipts, transaction or similar taxes, fees or surcharges levied against or upon such purchasing Party (or the providing Party when such providing Party is permitted to pass along to the purchasing Party such taxes, fees or surcharges), except for any tax on either

Party's corporate existence, status or income. Whenever possible, these amounts shall be billed as a separate item on the invoice. To the extent a sale is claimed to be for resale tax exemption, the purchasing Party shall furnish the providing Party a proper resale tax exemption certificate as authorized or required by statute or regulation by the jurisdiction providing said resale tax exemption. Failure to timely provide said resale tax exemption certificate will result in no exemption being available to the purchasing Party.

F. Force Majeure.

Neither Party shall be responsible for delays or failures in performance resulting from acts or occurrences beyond the reasonable control of such Party, regardless of whether such delays or failures in performance were foreseen or foreseeable as of the date of this Agreement, including, without limitation: fire, explosion, power failure, acts of God, war, revolution, civil commotion, or acts of public enemies; any law, order, regulation, ordinance or requirement of any government or legal body; or labor unrest, including, without limitation, strikes, slowdowns, picketing or boycotts; or delays caused by the other Party or by other service or equipment vendors; or any other circumstances beyond the Party's reasonable control. In such event, the Party affected shall, upon giving prompt notice to the other Party, be excused from such performance on a day-to-day basis to the extent of such interference (and the other Party shall likewise be excused from performance of its obligations on a day-for-day basis to the extent such Party's obligations relate to the performance so interfered with). The affected Party shall use its best 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.

G. Responsibility of Each Party.

Each Party is an independent contractor, and has and hereby retains the right to exercise full control of and supervision over its own performance of its obligations under this Agreement and retains full control over the employment, direction, compensation and discharge of all employees assisting in the performance of such obligations. Each Party will be solely responsible for all matters relating to payment of such employees, including compliance with social security taxes, withholding taxes and all other regulations governing such matters. Each Party will be solely responsible for proper handling, storage, transport and disposal at its own expense of all (i) substances or materials that it or its contractors or agents bring to, create or assume control over at work locations or, (ii) waste resulting therefrom or otherwise generated in connection with its or its contractors' or agents' activities at the work locations. Subject to the limitations on liability and except as otherwise provided in this Agreement, each Party shall be responsible for (i) its own acts and performance of all obligations imposed by applicable law in connection with its activities, legal status and property, real or personal and, (ii) the acts of its own affiliates, employees, agents and contractors during the performance of that Party's obligations hereunder.

H. Limitation of Liability.

Except for indemnity obligations, each Party's liability to the other Party for any loss relating to or arising out of any negligent act or omission in its performance of this Agreement, whether in contract or in tort, shall be limited to the total amount that is or would have been charged to the other Party by such negligent or

breaching Party for the service(s) or function(s) not performed or improperly performed.

Neither Party shall be liable to the other under this Agreement for indirect, incidental, consequential, or special damages, including (without limitation) damages for lost profits, lost revenues, lost savings suffered by the other Party regardless of the form of action, whether in contract, warranty, strict liability, tort, including (without limitation) negligence of any kind and regardless of whether the Parties know the possibility that such damages could result.

Nothing contained in this Section shall limit either Party's liability to the other for intentional, malicious misconduct.

I. Indemnification.

1. With respect to third party claims, each of the Parties agrees to release, indemnify, defend and hold harmless the other Party and each of its officers, directors, employees and agents (each an "Indemnitee") from and against and in respect of any loss, debt, liability, damage, obligation, claim, demand, judgment or settlement of any nature or kind, known or unknown, liquidated or unliquidated including, but not limited to, costs and attorneys' fees, whether suffered, made, instituted, or asserted by any other party or person, for invasion of privacy, personal injury to or death of any person or persons, or for loss, damage to, or destruction of property, whether or not owned by others, resulting from the indemnifying Party's performance, breach of applicable law, or status of its employees, agents and subcontractors; or for failure to perform under this Agreement, regardless of the form of action.
2. The indemnification provided herein shall be conditioned upon:
  - a. The indemnified Party shall promptly notify the indemnifying Party of any action taken against the indemnified Party relating to the indemnification. Failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of any liability that the Indemnifying Party might have, except to the extent that such failure prejudices the Indemnifying Party's ability to defend such claim.
  - b. The indemnifying Party shall have sole authority to defend any such action, including the selection of legal counsel, and the indemnified Party may engage separate legal counsel only at its sole cost and expense.
  - c. In no event shall the indemnifying Party settle or consent to any judgment pertaining to any such action without the prior written consent of the indemnified Party.

J. Intellectual Property

1. Each Party hereby grants to the other Party the limited, personal and nonexclusive right and license to use its patents, copyrights and trade secrets but only to the extent necessary to implement this Agreement or specifically required by the then applicable federal and state rules and regulations relating to Resale and access to telecommunications facilities and services, and for no other purposes. Nothing in this Agreement shall

be construed as the grant to the other Party of any rights or licenses to trademarks.

2. The rights and licenses above are granted "AS IS" and the other Party's exercise of any such right and license shall be at the sole and exclusive risk of the other Party. Neither Party shall have any obligation to defend, indemnify or hold harmless, or acquire any license or right for the benefit of, or owe any other obligation or have any liability to, the other based on or arising from any claim, demand, or proceeding (hereinafter "claim") by any third party alleging or asserting that the use of any circuit, apparatus, or system, or the use of any software, or the performance of any service or method, or the provision of any facilities by either Party under this Agreement constitutes infringement, or misuse or misappropriation of any patent, copyright, trade secret, or any other proprietary or intellectual property right of any third party.
3. As a condition to the access or use of patents, copyrights, trade secrets and other intellectual property (including software) owned or controlled by a third party to the extent necessary to implement this Agreement or specifically required by the then applicable federal and state rules and regulations relating to resale and access to telecommunications facilities and services, the Party providing access may require the other upon written notice, from time to time, to obtain a license or permission for such access or use, make all payments in connection with obtaining such license, and provide evidence of such license.
4. Except as expressly provided in this Intellectual Property Section, nothing in this Agreement shall be construed as the grant of a license, either express or implied, with respect to any patent, copyright, logo, trademark, tradename, trade secret or any other intellectual property right now or hereafter owned, controlled or licensable by either Party. Reseller may not use any patent, copyright, logo, trademark, tradename, trade secret or other intellectual property right of USWC or its affiliates without execution of a separate agreement between the Parties.
5. Reseller shall not, without the express written permission of USWC, state or imply that; 1) Reseller is connected, or in any way affiliated with USWC or its affiliates or, 2) Reseller is part of a joint business association or any similar arrangement with USWC or its affiliates or, 3) USWC and its affiliates are in any way sponsoring, endorsing or certifying Reseller and its goods and services or, 4) with respect to Reseller advertising or promotional activities or materials, that the resold goods and services are in any way associated with or originated from USWC or any of its affiliates. Notwithstanding the above, Reseller may state in response to a specific end user inquiry concerning the origin of the resold services that "Reseller is reselling USWC services." No other statements may be made.
6. Notwithstanding the above, unless otherwise prohibited by USWC pursuant to an applicable provision herein, Reseller may use the phrase "(Name of Reseller) is a reseller of U S WEST Communications services" (the "Authorized Phrase") in Reseller's printed materials provided:
  - a) The Authorized Phrase is not used in connection with any goods or services other than USWC services resold by Reseller.

- b) Reseller's use of the Authorized Phrase does not, in USWC's sole discretion, cause end users to believe that Reseller is USWC.
  - c) The Authorized Phrase, when displayed, appears only in text form (Reseller may not use the U S WEST logo) with all letters being the same font and point size. The point size of the Authorized Phrase shall be no greater than one fourth the point size of the smallest use of Reseller's name and in no event shall exceed 8 point size.
  - d) Reseller shall provide all printed materials to USWC for its prior written approval.
  - e) If USWC determines that Reseller's use of the Authorized Phrase causes end user confusion, USWC may in its sole discretion, immediately terminate Reseller's right to use the Authorized Phrase.
  - f) Upon termination of the Reseller's right to use the Authorized Phrase or termination of this Agreement, all permission or right to use the Authorized Phrase shall immediately cease to exist and Reseller shall immediately cease any and all such use of the Authorized Phrase. Reseller shall either promptly return to USWC or destroy all materials in its possession or control displaying the Authorized Phrase.
7. Reseller acknowledges the value of the marks "U S WEST" and "U S WEST Communications" (the "Marks") and the goodwill associated therewith and acknowledges that such goodwill is a property right belonging to U S WEST, Inc. and USWC respectively (the "Owners"). Reseller recognizes that nothing contained in this Agreement is intended as an assignment or grant to Reseller of any right, title or interest in or to the Marks and that this Agreement does not confer any right or license to grant sublicenses or permission to third parties to use the Marks and is not assignable. Reseller will do nothing inconsistent with the Owners' ownership of the Marks, and all rights, if any, that may be acquired by use of the Marks shall inure to the benefit of the Owners. Reseller will not adopt, use (other than as authorized in Section 3 herein), register or seek to register any mark anywhere in the world which is identical or confusingly similar to the Marks or which is so similar thereto as to constitute a deceptive colorable imitation thereof or to suggest or imply some association, sponsorship, or endorsement by the Owners. The Owners make no warranties regarding its ownership of any rights in or the validity of the Marks.

K. Warranties.

NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, THE PARTIES AGREE THAT NEITHER PARTY HAS MADE, AND THAT THERE DOES NOT EXIST, ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

L. Assignment.

Neither Party may assign or transfer (whether by operation of law or otherwise) this Agreement (or any rights or obligations hereunder) to a third party without the prior written consent of the other Party provided that each Party may assign this

Agreement to a corporate affiliate or an entity under its common control or an entity acquiring all or substantially all of its assets or equity by providing prior written notice to the other Party of such assignment or transfer. Any attempted assignment or transfer that is not permitted is void ab initio. Without limiting the generality of the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the Parties' respective successors and assigns.

M. Default.

If either Party defaults in the payment of any amount due hereunder, or if either Party violates any other provision of this Agreement, and such default or violation shall continue for thirty (30) days after written notice thereof, the other Party may seek legal and/or regulatory relief. The failure of either Party to enforce any of the provisions of this Agreement or the waiver thereof in any instance shall not be construed as a general waiver or relinquishment on its part of any such provision, but the same shall, nevertheless, be and remain in full force and effect.

N. Severability.

In accordance with this Agreement, if one or more of the provisions contained herein must be modified because of changes in Existing Rules or modifications to arbitration proceedings, the Parties will negotiate in good faith for replacement language. If replacement language cannot be agreed upon, either Party may seek regulatory intervention, including negotiations pursuant to Sections 251 and 252 of the Act. In all other respects, the provisions of this Agreement are not severable.

O. Nondisclosure.

1. All information including, but not limited to, specifications, microfilm, photocopies, magnetic disks, magnetic tapes, drawings, sketches, models, samples, tools, technical information, data, employee records, maps, financial reports, and market data, (i) furnished by one Party to the other Party dealing with end user specific, facility specific, or usage specific information other than end user information communicated for the purpose of publication of directory database inclusion, or (ii) in written, graphic, electromagnetic, or other tangible form and marked at the time of delivery as "Confidential", "Proprietary", or (iii) communicated and declared to the receiving Party at the time of delivery, or by written notice given to the receiving Party within ten (10) days after delivery, to be "Confidential" or "Proprietary" (collectively referred to as "Proprietary Information"), shall remain the property of the disclosing Party. A Party who receives Proprietary Information via an oral communication may request written confirmation that the material is Proprietary Information. A Party who delivers Proprietary Information via an oral communication may request written confirmation that the Party receiving the information understands that the material is Proprietary Information.
2. Upon request by the disclosing Party, the receiving Party shall return all tangible copies of Proprietary Information, whether written, graphic or otherwise, except that the receiving Party may retain one copy for archival purposes.
3. Each Party shall keep all of the other Party's Proprietary Information confidential and shall use the other Party's Proprietary Information only in connection with this Agreement. Neither Party shall use the other Party's

Proprietary Information for any other purpose except upon such terms and conditions as may be agreed upon between the Parties in writing.

4. Unless otherwise agreed, the obligations of confidentiality and non-use set forth in this Agreement do not apply to the extent that such Proprietary Information:
- a. was at the time of receipt already known to the receiving Party free of any obligation to keep it confidential (evidenced by written records prepared prior to delivery by the disclosing Party); or
  - b. is or becomes publicly known through no wrongful act of the receiving Party; or
  - c. is rightfully received from a third person having no direct or indirect secrecy or confidentiality obligation to the disclosing Party with respect to such information; or
  - d. is independently developed by an employee, agent, or contractor of the receiving Party which individual is not involved in any manner with the provision of services pursuant to the Agreement and does not have any direct or indirect access to the Proprietary Information; or
  - e. is disclosed to a third person by the disclosing Party without restrictions on such third person's rights; or
  - f. is approved for release by written authorization of the disclosing Party; or
  - g. is required to be made public by the receiving Party pursuant to applicable law or regulation provided that the receiving Party shall give sufficient notice of the requirement to the disclosing Party to enable the disclosing Party to seek protective orders where possible.
  - h. **Effective Date Of This Section.** Notwithstanding any other provision of this Agreement, the Proprietary Information provisions of this Agreement shall apply to all information furnished by either Party to the other in furtherance of the purpose of this Agreement, even if furnished before the date of this Agreement.

P. Survival.

The Parties' obligations under this Agreement which by their nature are intended to continue beyond the termination or expiration of this Agreement shall survive the termination or expiration of this Agreement.

Q. Dispute Resolution.

If any claim, controversy or dispute between the Parties, their agents, employees, officers, directors or affiliated agents ("Dispute") cannot be settled through negotiation, it shall be resolved by arbitration conducted by a single arbitrator engaged in the practice of law, under the then current rules of the American Arbitration Association ("AAA"). The Federal Arbitration Act, 9 U.S.C. Secs. 1-16, not state law, shall govern the arbitrability of all Disputes. The arbitrator shall not have authority to award punitive damages. All expedited procedures prescribed by the AAA rules shall apply. The arbitrator's award shall be final and binding and

may be entered in any court having jurisdiction thereof. The prevailing Party, as determined by the arbitrator, shall be entitled to an award of reasonable attorneys' fees and costs. The arbitration shall occur in Denver, Colorado. Nothing in this Section shall be construed to waive or limit either Party's right to seek relief from the Commission or the Federal Communications Commission as provided by state or federal law.

No Dispute, regardless of the form of action, arising out of this Agreement, may be brought by either Party more than two (2) years after the cause of action accrues.

R. **Controlling Law.**

This Agreement was negotiated by the Parties in accordance with the terms of the Act and the laws of the state where service is provided hereunder. It shall be interpreted solely in accordance with the terms of the Act and the applicable state law in the state where the service is provided.

S. **Joint Work Product.**

This Agreement is the joint work product of the Parties and has been negotiated by the Parties and their respective counsel and shall be fairly interpreted in accordance with its terms and, in the event of any ambiguities, no inferences shall be drawn against either Party.

T. **Notices.**

Any notices required by or concerning this Agreement shall be sent to the Parties at the addresses shown below:

<u>USWC</u>	<u>Reseller</u>
USWC	Marc Troup
Director - Interconnection Compliance	Regulatory Counsel
1801 California Street, Room 2410	500 Grapevine Highway
Denver, Colorado 80202	Suite 300
	Hurst, Texas 76054
	(817) 281-4727 phone
	(817) 281-4827 fax

Copy to:  
U S WEST Law Department  
General Counsel  
1801 California Street, Room 5100  
Denver, Colorado 80202

Each Party shall inform the other of any changes in the above addresses.

U. **No Third-Party Beneficiaries.**

Except as may be specifically set forth in this Agreement, this Agreement does not provide and shall not be construed to provide third parties with any remedy, claim, liability, reimbursement, cause of action, or other privilege.

V. **Publicity and Advertising.**

Neither party shall publish or use any advertising, sales promotions or other publicity materials that use the other party's name, logo, trademarks or service marks without the prior written approval of the other party.

W. Amendment

Reseller and USWC may mutually agree to amend this Agreement in writing. Since it is possible that amendments to this Agreement may be needed to fully satisfy the purposes and objectives of this Agreement, the Parties agree to work cooperatively, promptly and in good faith to negotiate and implement any such additions, changes and corrections to this Agreement.

X. Executed in Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original; but such counterparts shall together constitute one and the same instrument.

Y. Headings of No Force or Effect

The headings of Sections of this Agreement are for convenience of reference only, and shall in no way define, modify or restrict the meaning or interpretation of the terms or provisions of this Agreement.

Z. Cooperation

The Parties agree that this Agreement involves the provision of USWC services in ways such services were not previously available and the introduction of new processes and procedures to provide and bill such services. Accordingly, the Parties agree to work jointly and cooperatively in testing and implementing processes for pre-ordering, ordering, maintenance, provisioning and billing and in reasonably resolving issues which result from such implementation on a timely basis.

AA. Entire Agreement.

This Agreement constitutes the entire agreement between the Parties and supersedes all prior oral or written agreements, representations, statements, negotiations, understandings, proposals and undertakings with respect to the subject matter hereof. This Agreement shall prevail in the event of any conflict between the "Resale Resource Guide" and the terms and conditions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives.

Telestar Telecom, LLC

U S WEST Communications, Inc.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Barry Wade  
Name Printed/Typed

Katherine L. Fleming  
Name Printed/Typed

President  
Title

Executive Director-Interconnection  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

Signature does not waive any rights of either Party to seek administrative/judicial review of all or part of this Agreement or to reform this Agreement as a result of successful administrative/judicial review and/or future settlement agreements between the Parties to this Agreement.

**APPENDIX A - ARIZONA  
LOCAL EXCHANGE SERVICES  
RESALE OF SERVICES**

The Parties agree the following charges apply to the Resale of Local Services:

1. Nonrecurring Charges.

a. Customer Transfer Charge (CTC): The following nonrecurring charges apply when converting a USWC account to a Reseller account or when changing an end user from one reseller to another.

Category of Service	USOC	Per Line Nonrecurring Charge
• Residence		\$5.00
• Business		\$5.00
• ISDN		\$5.00

b. Product Specific Nonrecurring Charge: As set forth in USWC tariffs, the product specific nonrecurring charges, discounted by 18%, will apply when additional lines or trunks are added or when the end user adds features or services to existing lines or trunks.

2. Basic Residential Line service 12%, Basic Business Line Service 18%. Except as qualified below, all other USWC telecommunications services shall be available for resale at an 18% discount.

(a) The following services are not available for resale:

- Customer Premises Equipment (separately or in a package)
- Enhanced Services
- Inside Wire (including installation, sale or maintenance)
- USWC Calling Card
- Concession Service
- Promotions of less than 90 days

(b) The following services are available only to the same class of customer eligible to purchase that service from USWC:

- Grandfathered
- Residence
- Lifeline/Link-up

(c) The following services are available for resale under this Agreement but are not included in the wholesale pricing reflected above:

- Public Access Lines
- Private Line Used For Special Access

(c) IntraLATA Toll Charges: Reseller shall have their choice of obtaining USWC provided intraLATA toll for resale at an 18% discount or, in Arizona, providing their own IntraLATA toll. Whichever toll provisioning arrangement Reseller selects (either USWC provided or IntraLATA toll self provisioned by the Reseller) shall apply uniformly to all lines resold by the Reseller.

AZ 1/30/98

**APPENDIX B  
DIRECTORY LISTINGS**

1. Scope.

- a. Reseller White Pages Listing Service ("Listings") consists of USWC placing the names, addresses and telephone numbers of Reseller's end users in USWC's listing database, based on end user information provided to USWC by Reseller. USWC is authorized to use Listings in Directory Assistance (DA) and as noted in 1.D.i or 1.D.ii.
- b. Reseller will provide in standard, format, and USWC will accept at no charge, one primary listing for each main telephone number belonging to Reseller's end users. Primary listings are as defined for USWC end users in USWC's general exchange tariffs. Reseller will be charged for privacy listings and premium listings, e.g., additional, foreign, cross reference, informational, etc., at USWC's general exchange listing tariff rates minus the applicable standard resale discount in each state.
- c. USWC will furnish Reseller the Listings format specifications. USWC cannot accept Listings with advance completion dates.
- d. Reseller grants USWC a non-exclusive license to incorporate Listings information into its directory assistance database. Reseller hereby selects one of two options for USWC's use of Listings and dissemination of Listings to third parties.

EITHER:

i. **Treat the same as USWC's end user listings** -- No prior authorization is needed for USWC to release Listings to directory publishers or other third parties. USWC will incorporate Listings information in all existing and future directory assistance applications developed by USWC. Reseller will authorize USWC to sell and otherwise make Listings available to directory publishers including USWC's publisher affiliate for inclusion in white pages published on USWC's behalf. USWC shall be entitled to retain all revenue associated with any such sales. Listings shall not be provided or sold in such a manner as to segregate end users by carrier.

OR:

ii. **Restrict to USWC's directory assistance** -- Prior authorization required by Reseller for all other uses. Reseller makes its own, separate agreements with USWC, third parties and directory publishers for all uses of its listings beyond DA. USWC will sell Listings to directory publishers (including USWC's publisher affiliate for inclusion in white pages published on USWC's behalf), other third parties and USWC products only after third party presents proof of Reseller's authorization. USWC shall be entitled to retain all revenue associated with any such sales. Listings shall not be provided or sold in such a manner as to segregate end users by carrier.

**Reseller hereby selects Option: i or ii**

e. To the extent that state tariffs limit USWC's liability with regard to Listings, the applicable state tariff(s) is incorporated herein and supersedes Section VII.G., "Limitation of Liability", of this Agreement with respect to Listings only.

2. USWC Responsibilities.

USWC is responsible for maintaining Listings, including entering, changing, correcting, rearranging and removing Listings in accordance with Reseller orders. USWC will take

reasonable steps in accordance with industry practices to accommodate non-published and non-listed listings provided that Reseller has supplied USWC the necessary privacy indicators on such Listings.

USWC will include Reseller's Listings in USWC's Directory Assistance service to ensure that callers to USWC's Directory Assistance service have non-discriminatory access to Reseller's Listings.

USWC will incorporate Reseller's Listings provided to USWC in the white pages directory published on USWC's behalf, in accordance with Reseller's selection under Section 1.d. above.

### 3. Reseller Responsibilities.

a. Reseller agrees to provide to USWC its end user names, addresses and telephone numbers in a standard format, as specified by USWC.

b. Reseller will supply its ACNA/CIC or CLCC/OCN, as appropriate, with each order to provide USWC the means of identifying Listings ownership.

c. Reseller represents and warrants the end user information provided to USWC is accurate and correct. Reseller further represents and warrants that it has reviewed all Listings provided to USWC, including end user requested restrictions on use such as non-published and non-listed. Reseller shall be solely responsible for knowing and adhering to state laws or rulings regarding Listings (e.g., no solicitation requirements in the states of Arizona and Oregon, privacy requirements in Colorado), and for supplying USWC the applicable Listing information.

d. Reseller is responsible for all dealings with and on behalf of Reseller's end users, including:

i. All end user account activity, e.g., end user queries and complaints.

ii. All account maintenance activity, e.g., additions, changes, issuance of orders for Listings to USWC.

iii. Determining privacy requirements and accurately coding the privacy indicators for Reseller's end user information. If end user information provided by Reseller to USWC does not contain a privacy indicator, no privacy restrictions will apply.

iv. Any additional services requested by Reseller's end users.

## APPENDIX C ACCESS TO OPERATIONAL SUPPORT SYSTEMS (OSS)

USWC is developing a proposal for access to its Operational Support Systems (OSS) to meet the requirements of the FCC's 1st and 2nd Orders and to provide Reseller with electronic interfaces for pre-ordering, ordering, demand repairs and billing functions for Plain Old Telephone Services (POTS). These interfaces will also have the necessary mediation to protect the integrity of the network as well as allay any privacy concerns for end user information. The components described in this section are conceptual in nature and will be subject to change as the implementation process proceeds. There will be charges associated with the introduction of the interface and ongoing access to OSS operations which will include an initial access fee and an ongoing charge as described more fully below.

### C.1 Operational Systems Interfaces - Interface Implementation Timetable

USWC's initial operational systems interfaces have been deployed and will support Pre-ordering, Ordering, Provisioning and Repair capabilities for POTS (non-design) services and Billing capabilities for most USWC product offerings. Subsequent phases of the plan incorporate the capabilities to support designed services for Pre-ordering, Ordering, Provisioning, and Maintenance and Repair. The specific features and functions are not discussed in this Agreement.

### C.2 OSS Interface Design

C.2.1 USWC will develop OSS interfaces using an electronic gateway solution consistent with the design prescribed by the FCC, Docket 96-98, FCC 96-325, paragraph 527. These gateways will act as a mediation or control point between Reseller's and USWC's Operations Systems. Additionally, these gateways will provide security for the interface, protecting the integrity of the USWC network and its databases.

C.2.2 USWC proposes the use of the existing Electronic Data Interchange ("EDI") standard for the transmission of monthly local billing information. EDI is an established standard under the auspices of the American National Standards Institute/Accredited Standards Committee (ANSI/ASC) X12 Committee. A proper subset of this specification has been adopted by the Telecommunications Industry Forum (TCIF) as the "811 Guidelines" specifically for the purposes of telecommunications billing.

C.2.3 For the exchange of daily usage data, including third party billed, collect, and card calls, USWC will use the Bellcore EMR format for the records, using the Network Data Mover ("NDM"), otherwise also known as the Connect:Direct method to transmit the information to carriers.

### C.3 Accessible OSS Functions

#### C.3.1 Pre-ordering

"Pre-Ordering" refers to the set of activities whereby a service representative dialogs with Reseller in order to obtain service availability. In today's environment, the pre-order process is performed in conjunction with placing an order. Packaged as a separate activity, pre-order consists of the following functions: verify an address, check service availability, and return end user service information. USWC will provide on-line capabilities to perform these functions. These functions are described as follows.

### C.3.1.1 Address Verification

This transaction will verify the end user's address.

If the address does not match USWC records, the AVR transaction will return "partial match" addresses and/or help as appropriate to assist Reseller to properly identify the end user's address for verification.

Once the address is verified, the AVR transaction will return the valid address and the current status (working, non-working, or pending out) and the date the status was posted for each line at the address.

If USWC does not have a record of the address, Reseller will have to contact USWC to input the record before the order can be submitted.

Note:

C.3.1.1.1 No detailed facility information (i.e., cable pair) will be returned as part of this transaction.

C.3.1.1.2 Rural addresses will not be supported.

C.3.1.1.3 The AVQ/AVR transaction attributes currently don't reflect the attributes required to support the error scenarios.

### C.3.1.2 Service Availability

This transaction will return the list of products and services available for resale in the central office serving a particular end user address. The USWC rates for the products and services will also be returned, but the Reseller discount will not be applied.

### C.3.1.3 End User Service Information Request

Gives Reseller the ability to request a listing of services and features USWC is currently providing to an end user and the rates USWC is charging for such services.

### C.3.1.4 View/Update Service Query/Service Request Response

Gives Reseller the ability to view or update an existing Service Request (SR).

### C.3.1.5 Store Service Request

This transaction allows an Reseller user to store a new or existing SR.

This SR can be stored for the number of days specified in USWC's methods and procedures before the SR must be submitted to USWC as a Work Order.

USWC will store the SR on-line until the associated Work Order is canceled by Reseller or completed by USWC.

### C.3.2 Ordering

With the pre-ordering steps completed, the requisite information will have been obtained from Reseller and the initiation of a service order can begin. Submitting a service order will result in the provisioning and installation, if necessary, of an end user's service. The functional set required to order service is: open a service order, check facility availability, reserve an appointment if technician work is required in the field or at the end user's premises, reserve a telephone number if appropriate, cancel a service order, change a service order, send a firm order confirmation, support for work order status queries, and send notification of order completion.

### C.3.2.1 Facility Availability

For each new line requested, this transaction will indicate if existing facilities are available or if new facilities are required, and if a technician must be dispatched to provide the facilities requested at the end user's address.

This transaction must be executed for any new line(s) requested.

#### Note:

C.3.2.1.1 This transaction does not reserve facilities and does not guarantee that facilities will be available when the work order is submitted.

C.3.2.1.2 USWC will automatically execute this transaction as part of order processing, any time a new line or transfer line is requested.

### C.3.2.2 Telephone Number Availability

Enables a telephone number (TN) to be assigned to a line. Reseller will be able to accept the TN or exchange the TN for two other TNs. If the end user requests a specific number or a vanity number, Reseller must call the USWC Number Assignment Center (NAC) and the request will be handled manually. Reseller will not have direct access to the telephone number assignment system.

### C.3.2.3 Exchange Telephone Numbers/Response

Enables Reseller to exchange the TN returned by the Telephone Number Availability Transaction for two more TNs. Reseller must select one of the three TNs to proceed with the Work Order.

### C.3.2.4 Return Telephone Numbers

Enables Reseller to reject the TNs returned by the Telephone Number Availability transaction and the TNs will be returned to the pool.

### C.3.2.5 Telephone Number Accept

Allows Reseller to reserve one telephone number returned by the Telephone Number Availability transaction for a period of one (1) day so that the end user can be informed of the TN(s) prior to the actual submission of a Work Order. The Work Order must be submitted before the TN expires, otherwise the TN will be returned to the available pool of TNs.

### C.3.2.6 Appointment Availability

Allows Reseller to select an appointment from a calendar of available appointments. Reseller will not have direct access to the system but USWC will automatically execute this transaction after the Work Order has been submitted and a technician must be dispatched.

### C.3.2.7 Appointment Reservation

Enables Reseller to reserve an available appointment after the appointment availability calendar has been returned to Reseller by USWC. USWC will return a confirmation number.

### C.3.2.8 Work Order/Firm Order Completion

The work order provides the information and actions required for USWC to provision products, services and features. This transaction will also be used to cancel and change existing work orders. The information contained in a work order identifies Reseller, the end user desired due date, the service

being requested, the order type (only change and migration to Reseller), POA (Proof of Authorization), class of service, telephone number and additional information needed to successfully provision the requested service to the end user.

Once a work order is accepted by USWC, the assigned service order number will be returned to Reseller. This may not happen in real time. Reseller can then use the service order number to status the work order. Firm Order Confirmation means that USWC has received the order and assigned an order number for tracking. It does not mean that edits have been applied, so errors may still exist on the order.

#### C.3.2.9 Status Query/Response

This transaction will allow Reseller to obtain the status of a work order. USWC will return the current status, remarks and due date for specified work order.

Note: This status request is issued by Reseller on demand. Real Time Order Completion and Jeopardy Notification is not proactively issued by USWC.

#### C.3.2.10 Order Completion Report

Provides Reseller with a daily (Monday - Saturday) report, electronically, that identifies all work orders that were completed by USWC on that date. This report is called the Co-Provider Completion Report.

#### C.3.3 Repair

Repair functions allow Reseller to report trouble with communications circuits and services provided by USWC. The functions, processes and systems used in repair are based on a Trouble Report (TR), which is an electronic document maintained in one or more Operations Systems. A TR contains information about the end user, the trouble, the status of the work on the trouble and the results of the investigation and resolution efforts. These business processes have been summarized and will be made available to Reseller in the following functional set: open a trouble report, cancel a trouble report, send notification of status change and close a trouble report.

##### C.3.3.1 Verify Request

This transaction will be used to verify vertical features the end user currently owns. Technical discussions (e.g., Security) are currently ongoing within USWC as to how to provide this capability.

##### C.3.3.2 Open Trouble Report

Gives Reseller the capability to open a TR with USWC.

##### C.3.3.3 Open Trouble Report Response

Gives Reseller the capability to the Open TR request and contains information about the TR that Reseller needs to track or to convey to Reseller's end user.

##### C.3.3.4 Completion Notification

Provides notification to Reseller that a TR has been closed because the trouble was resolved.

#### C.3.3.5 Cancel Trouble Report Instruction

Allows Reseller to cancel a previous opened TR.

#### C.3.3.6 Status Change Notification

Provides Notification to Reseller that the status of a previously opened TR has changed.

### C.4 Billing Interfaces

USWC offers interfaces for the exchange of several types of billing data:

- Monthly Billing Information,
- Daily Usage Data,
- Local Account Maintenance Report,
- Centralized Message Distribution System (CMDS) messages,
- Routing of in-region intraLATA collect, calling card, and third number billed messages.

#### C.4.1 Monthly Billing Information

Includes all connectivity charges, credits, and adjustments related to network elements and USWC-provided local service.

#### C.4.2 Daily Usage Data

The accumulated set of call information for a given day as captured, or "recorded," by the network switches. USWC will provide this data to Reseller with the same level of precision and accuracy it provides itself. Such precision cannot and will not exceed the current capabilities of the software in the switches today.

#### C.4.3 Local Account Maintenance Report

The list of phone numbers to which the carrier is no longer providing service since the last report.

#### C.4.4 Centralized Message Distribution System ("CMDS")

Distribution of CMDS messages for Reseller end users.

#### C.4.5 Routing of In-region IntraLATA Collect, Calling Card, and Third Number Billed Messages

USWC will distribute in-region intraLATA collect, calling card, and third number billed messages to Reseller and exchange with other Co-Providers operating in region in a manner consistent with existing inter-company processing agreements. Whenever the daily usage information is transmitted to a carrier, it will contain the records for these types of calls as well.

### C.5 Compensation

- #### C.5.1 Compensation for OSS access will consist of an initial access fee which will be determined based on the specific access engineered and implemented for Reseller and is a function of the numbers of Reseller business office and repair service representatives accessing the system. The fee will include costs for hardware (if purchased through USWC), software (which must be purchased through USWC), telecommunications links and labor incurred to establish the interfaces to USWC's OSS for Reseller. The costs will be substantiated by purchasing invoices for the communications and computing hardware and software, and by time reports for the labor expended in their design and

implementation. Labor will be billed at the prevailing rates for contract labor for similar services.

C.5.2 The ongoing charge will be billed at a rate to be specified by the Commission at the completion of an appropriate cost study hearing.

DEPOSIT SYSTEM ONLINE ACCOUNT STATEMENT INQUIRY PAGE REQ: =>1  
ACCOUNT: ██████████ CYCLE REQ: C AUTHORITY: 0 SEARCH PAGE: 000 INQ: N  
NAME: TELSTAR TELECOM COMPANY, LAST SIMT: 05/20/98 THRU: 06/12/98  
PRA LINE: LST SIMT BAL: 310.22  
PRA AVAIL: CURR BAL: 16157.12 PND EFT: .00

TRANS	POST	TC	DESCRIPTION	SER NO	AMOUNT	BALANCE
05/22	05/22	946	SERVICE CHARGE		10.56	299.66
05/27	05/27	600	TELLER DEPOSIT		2000.00	2299.66
06/01	06/01	800	CHECK	1005	75.00	2224.66
06/03	06/04	796	FORCE POST DEBIT	1003	1250.00	974.66
06/04	06/04	600	TELLER DEPOSIT		14000.00	14974.66
06/04	06/04	941	AUTOMATIC W/D		2304.90	12669.76
06/05	06/05	823	PRIORITY POST CK	10002	892.56	11777.20
06/05	06/05	210	CHECK	10003	1616.37	10160.83
06/05	06/05	210	CHECK	10004	1966.59	8194.24
06/08	06/08	743	AUTO DEP PRENOTE	7000000001	.00	8194.24
06/08	06/08	943	AUTO W/D PRENOTE	7000000001	.00	8194.24
06/09	06/09	210	CHECK	1010	1397.16	6797.08
06/09	06/09	800	CHECK	1008	76.75	6720.33
06/09	06/09	800	CHECK	1009	2447.96	4272.37
06/10	06/10	600	TELLER DEPOSIT		2000.00	6272.37
06/10	06/10	941	AUTOMATIC W/D		37.25	6235.12

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*Allen*

*James*

DEPOSIT SYSTEM ONLINE ACCOUNT STATEMENT INQUIRY PAGE REQ:  
 ACCOUNT: ██████████ CYCLE REQ: C AUTHORITY: 0 SEARCH PAGE: 000 INQ: N  
 NAME: TELSTAR TELECOM COMPANY, LAST SIMT: 05/20/98 THRU: 06/12/98  
 PRA LINE: LST SIMT BAL: 310.22  
 PRA AVAIL: CURR BAL: 16157.12 PND EFT: .00

TRANS	POST	TC	DESCRIPTION	SER NO	AMOUNT	BALANCE
06/11	06/11	600	TELLER DEPOSIT		10000.00	16235.12
06/11	06/11	800	CHECK	1014	78.00	16157.12

NO PENDING TRANS PAGE 002 - LAST PAGE