

TABLE OF CONTENTS

TABLE OF CONTENTS 1

CHECK SHEET 4

EXPLANATION OF SYMBOLS, REFERENCE MARKS, AND ABBREVIATIONS
OF TECHNICAL TERMS USED IN THIS TARIFF 5

TARIFF FORMAT 5

CONCURRING, CONNECTING AND OTHER PARTICIPATING 6

APPLICATION OF TARIFF 7

Section 1: DEFINITIONS 8

Section 2: REGULATIONS 12

 2.1 Undertaking of the Company 12

 2.1.1 Scope 12

 2.1.2 Shortage of Equipment or Facilities 12

 2.1.3 Terms and Conditions 13

 2.1.4 Liability of the Company 14

 2.1.5 Notification of Service-Affecting Activities 15

 2.1.6 Provision of Equipment and Facilities 16

 2.1.7 Non-routine Installation 17

 2.1.8 Special Construction 17

 2.1.9 Ownership of Facilities 18

 2.2 Prohibited Uses 18

 2.3 Obligations of the Customer 19

 2.3.1 General 19

 2.3.2 Claims 20

 2.4 Customer Equipment and Channels 21

 2.4.1 General 21

 2.4.2 Station Equipment 21

 2.4.3 Interconnection of Facilities 22

 2.4.4 Inspections 23

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11440 Commerce Park Drive
Reston, Virginia 20191

AZ10401

TABLE OF CONTENTS, (CONT'D.)

Section 2: REGULATIONS, (CONT'D.)

2.5 Payment Arrangements23

2.5.1 Payment for Service23

2.5.2 Billing and Collection of Charges24

2.5.3 Advance Payments25

2.5.4 Deposits26

2.5.5 Discontinuance of Service27

2.5.6 Cancellation of Application for Service28

2.5.7 Changes in Service Requested29

2.5.8 Overcharges and Undercharges29

2.6 Allowances for Interruptions in Service30

2.6.1 Credit for Interruptions30

2.7 Use of Customer's Service by Others31

2.7.1 Resale and Sharing31

2.7.2 Joint Use Arrangements31

2.8 Cancellation of Service32

2.9 Transfers and Assignments32

2.10 Notices and Communications33

2.11 Incomplete Calls/Wrong Numbers33

Section 3: APPLICATION OF RATES34

3.1 Introduction34

3.2 Charges Based on Duration of Use34

3.3 Rates Based Upon Distance35

Section 4: SERVICE AREAS36

4.1 Local Exchange Service Areas36

Section 5: DESCRIPTION OF SERVICES37

5.1 Basic Exchange Service37

5.1.1 Application of Rates38

5.1.2 Basic Exchange Service Options39

5.1.3 Rates40

**ADMINISTRATIVELY
APPROVED FOR FILING**

Issued: January 23, 2004

Effective: February 22, 2004

By: Linda Cicco, Manager
11440 Commerce Park Drive
Reston, Virginia 20191

AZI0401

TABLE OF CONTENTS, (CONT'D.)

Section 5: DESCRIPTION OF SERVICES, (CONT'D.)

5.1.4 Trunk Service41

5.2 Directory Listings.....41

5.3 Blocking Service41

Section 6: SPECIAL ARRANGEMENTS42

6.1 Individual Case Basis (ICB) Arrangements42

**ADMINISTRATIVELY
APPROVED FOR FILING**

Issued: January 23, 2004
By:

Linda Cicco, Manager
11440 Commerce Park Drive
Reston, Virginia 20191

Effective: February 22, 2004

AZI0401

CHECK SFTEET

The title page and sheets 1 - 42 inclusive of this Tariff are effective as of the date shown. Original and revised sheets, as named below, comprise all changes from the original Tariff in effect.

Page	Revision	Page	Revision
Title Page	Original	22	Original
1	Original	23	Original
2	Original	24	Original
4	Original	25	Original
5	Original	26	Original
6	Original	27	Original
7	Original	28	Original
8	Original	29	Original
9	Original	30	Original
10	Original	31	Original
11	Original	32	Original
12	Original	33	Original
13	Original	34	Original
14	Original	35	Original
15	Original	36	Original
16	Original	37	Original
17	Original	38	Original
18	Original	39	Original
19	Original	40	Original
20	Original	41	Original
21	Original	42	Original

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**EXPLANATION OF SYMBOLS, REFERENCE MARKS, AND ABBREVIATIONS
OF TECHNICAL TERMS USED IN THIS TARIFF**

The following symbols shall be used in this Tariff for the purpose indicated below:

- (C) To signify changed regulation.
- (R) To signify decreased rate.
- (I) To signify increased rate.
- (T) To signify a change in text but no change in rate or regulation.
- (S) To signify a reissued matter.
- (M) To signify text relocated without change.
- (N) To signify a new rate or regulation.
- (D) To signify a discontinued rate or regulation.
- (Z) To signify a correction.

TARIFF FORMAT

Page Numbering - Page numbers appear in the upper right hand corner of each page. Pages are numbered sequentially, when a new page is added between pages it will be numbered with an additional number preceded by a "." A page inserted between pages 10 and 11 would be page 10.1.

Revision Numbers - Revision numbers also appear in the upper right corner of the page. These numbers are used to determine the most current page version on file. For example, the 4th revised page 34 cancels the 3rd revised page 34. Because of deferrals, notice periods, etc., the most current page revision number on file is not always the Tariff page in effect. Consult check sheets and supplements for the page currently in effect.

Numbering Sequence - There are nine levels of alpha-numeric numbering. Each level is subservient to its next higher level. The following is an example of the numbering sequence used in this Tariff. Alpha-numeric coding is used for paragraph identification. Each level is subservient to the previous higher number/letter. Following is the sequence used in this Tariff.

- 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)Li
- 2.1.1.A.1.(a)Li(l)

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AZ10401

CONCURRING, CONNECTING AND OTHER PARTICIPATING

Concurring:

None

Connecting:

None

Other Participating Carriers:

None

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AZ10401

APPLICATION OF TARIFF

This Tariff sets forth the service offerings, rates, terms and conditions applicable to the furnishing of intrastate end-User local exchange communications services by BT Communications Sales LLC, hereinafter referred to as the Company or BTCS, to Customers within the State of Arizona. In the event of any conflict between the provisions of this Tariff and the provisions of a Service Order submitted by the Customer to the Company, the provisions of this Tariff shall control to the extent required by law.

The provisioning of local telecommunications services are subject to existing regulations and terms and conditions specified in this Tariff and the Company's other related Tariffs, and may be revised by superceding filings.

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AZ10401

SECTION 1 - DEFINITIONS

Certain terms used generally throughout this Tariff are defined below.

Advance Payment - Part or all of a payment required before the start of Service.

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

Availability - The ability of a connection to transmit and receive the Customer's voice, data and other electronic signals between the Network Points at the ordered Bit rate.

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

Commission - The Arizona Corporation Commission.

Communications Channel - A path for the transmission of communications between two or more points.

Communications Services - The Company's intrastate toll and local exchange switched telephone services offered for both intraLATA and interLATA use.

Company or BTCS - BT Communications Sales LLC, the issuer of this Tariff.

Company Equipment - Any telecommunications equipment owned or leased by the Company and that forms part of the Network, including any such Company Equipment situated at any Location, but excluding Customer Premises Equipment. Company Equipment also includes Company Facilities.

Company Facilities - Facilities, equipment, software or wiring supplied by or on behalf of the Company for the purpose of furnishing Service. Company Facilities do not include the facilities, equipment, software or wiring supplied by Other Facilities Suppliers.

Connection - A Communications Channel over which voice, data and other electronic signals can be transmitted by the Customer or User.

Customer - A person, firm, corporation or any other entity that orders Service and is responsible for the payment of charges and compliance with the Company's regulations. A person, firm, corporation or any other entity that reasonably appears to be acting with the Customer's authority shall be deemed to be acting on behalf of the Customer.

Customer Premises - The Customer's or User's place(s) of business, residence or other location for the origination or termination of Service.

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AZ10401

SECTION 1 - DEFINITIONS, (CONT'D.)

Customer-Premises Equipment ("CPE") - Equipment owned or leased by the Customer or Authorized User at a Location and connected to the Network on the Customer's or Authorized User's side of a Network Termination Point. CPE also includes Customer-Provided Equipment.

Customer-Provided Equipment - Facilities, equipment, software or wiring supplied by the Customer or User in connection with Service.

Demarcation Point - The point at which the Company Facilities are interconnected with Customer-Provided Equipment.

Dollars - United States Dollars.

Due Date - The date that has been established for completion of the installation, change or disconnect of a Service component.

Economy Period - 11:00 p.m. to 7:00 a.m. local time at the originating point of a communication.

Entity - Any corporation, public limited Company, limited Company, partnership, trust or other legal entity.

FCC - Federal Communications Commission.

In Case - In the event of a particular occurrence.

Joint User - A person, firm or corporation that is designated by the Customer as a User of Services furnished to the Customer by the Company and to whom a portion of the charges for the service will be billed under a joint User arrangement as specified herein.

Kbps - Kilobits per second, denotes thousands of Bits per second.

Location - The premises owned or occupied by the Customer (or any Authorized User) that forms one end of a Location-Pair and at which a Network Termination Point is located.

Local Access and Transport Area (LATA) - A geographic area established for the provision and administration of communications services. LATA locations can be found in NECA Tariff F.C.C. No. 4 as filed with the Federal Communications Commission in Washington, D.C.

Mbps - Megabits per second, denotes millions of Bits per second.

Minimum Service Period - The minimum period that a Customer may subscribe to Service.

Monthly Charge - A flat charge assessed the Customer each month for the use of the Company's Service.

Network Interface Specifications - The specifications relating to the interface between the Network and any Customer-Premises Equipment attached to the network.

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AZ10401

SECTION 1 - DEFINITIONS, (CONT'D.)

Network Termination Point - A point representing the physical and management boundary between the Network and Customer Premises Equipment. The Network Termination Point is on the Network side of the Customer Premises Equipment.

Nonrecurring Charges - A charge which does not recur or repeat on every billing statement. Nonrecurring Charges typically are a one-time fee assessed when initiating a particular service.

Operational Service Date - The date when any Service, or any part of it, is first made available to the Customer by the Company or the date when the Customer first starts to use such Service (or any part of it), whichever date is the earlier.

Other Facilities Supplier - An entity other than the Company that provides facilities or services in connection with the Service furnished by the Company under this Tariff and not as a part of a joint undertaking with the Company to furnish Service under this Tariff.

Outage - A period during which Availability of a Connection has ceased.

Point of Presence (POP) - A physical location at which a local access channel, the public telephone network, or other Communications Channel interconnects with Company Facilities for the origination or termination of communications.

Rate Center - The specific geographical location used for determining mileage measurements designated by Vertical and Horizontal coordinates.

Rate Center Area - The area encompassed by the central office codes (NNXs) that are assigned to a rate center.

Recurring Charges - The Monthly Charges to the Customer for services, facilities and equipment, that continue for the agreed upon duration of the Service.

Scheduled Service Date - The date upon which Service is scheduled to commence.

Service - The telecommunications service or services offered by the Company under this Tariff.

Service Interruption - A period of time when a Service is interrupted or unavailable for use by the Customer. An interruption or outage scheduled by the Company or beyond the Company's control is not considered a Service Interruption.

Service Order - The written request for Services executed by the Customer and the Company in the format devised by the Company. The signing of a Service Order by the Customer and acceptance by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this Tariff, but the duration of the service is calculated from the Service Commencement Date.

Service Term - The period that the Customer subscribes to Service. The Service Term may be longer than the Minimum Service Period.

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AZ10401

SECTION 1 - DEFINITIONS, (CONT'D.)

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

Subsidiary - Any lower-tiered Entity affiliated with another Entity that (i) holds more than fifty percent of the voting rights, (ii) has the right to appoint or remove a majority of directors or trustees, or (iii) controls, alone or pursuant to an agreement with other shareholders or members, a majority of the beneficial ownership or voting rights of such lower-tiered Entity. Any Subsidiary of an Entity that, in turn, is itself a Subsidiary shall also be a Subsidiary.

Tariff - The Company's Tariff PSC No. 2, Local Exchange Service.

United States - The forty-eight (48) contiguous states and the District of Columbia, Hawaii, Alaska, Puerto Rico, and the U.S. Virgin Islands.

Usage Charge - A charge assessed the Customer for the use of the Company's Service. Usage Charges are assessed per second or minute of use or multiple thereof, as specified in Sections 3.3 and 5 of this Tariff.

User or End User - A Customer, Joint User, or any other person or Entity accessing or utilizing the Services furnished by the Company to the Customer under this Tariff.

Year of Service - The period of twelve (12) months commencing on the Effective Date and, thereafter, each successive period of twelve (12) months from such date.

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SECTION 2 - REGULATIONS**2.1 Undertaking of the Company****2.1.1 Scope**

The Company undertakes to furnish communications service pursuant to the terms of this Tariff in connection with one-way and/or two-way voice transmission between points within the State of Arizona. Service is available only to Customers located in the service areas specified in Section 4 of this Tariff.

Customers and Users may use services and facilities provided under this Tariff to obtain access to services offered by other service providers. The Company is responsible under this Tariff only for the services and facilities provided hereunder, and it assumes no responsibility for any service provided by any other entity that purchases access to the Company's network in order to originate or terminate its own services, or to communicate with its own Customers.

2.1.2 Shortage of Equipment or Facilities

- A) The Company reserves the right to limit or to allocate the use of existing facilities, or of additional facilities offered by the Company, when necessary because of lack of facilities, or due to some other cause beyond the Company's control.
- B) The furnishing of service under this Tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's facilities as well as facilities the Company may obtain from other carriers to furnish service from time to time as required at the sole discretion of the Company.
- C) The Company will provide service only in areas and to the extent that service is made available for resale by the underlying facilities-based carrier from whom the Company purchases underlying transmission services. This Tariff shall not be construed to require the Company to provide any service for which it is unable to obtain the necessary underlying transmission services.
- D) The Company does not provide Customer Premises Equipment under this Tariff, although CPE may be used by the Customer in conjunction with the Company's provision of Service.

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SECTION 2 - REGULATIONS, (CONT'D.)**2.1 Undertaking of the Company, (Cont'd.)****2.1.3 Terms and Conditions**

- A) For the purpose of computing charges in this Tariff, a month is considered to have 30 days.
- B) Business Customers that do not receive service on month-to-month basis may be required to enter into written Service Orders which shall contain or reference a specific description of the Service Ordered, the rates to be charged, the duration of the services, and the terms and conditions in this Tariff. Customers will also be required to execute any other documents as may be reasonably requested by the Company.
- C) The Company shall notify the Customer of the expiration of the initial term specified in the Service Order. The Customer must then notify the Company orally or in writing whether it will continue to receive service on a month-to-month basis at the existing rates, reenter into a new contractual arrangement or terminate service. Any termination shall not relieve the Customer of its obligation to pay any charges incurred under the Service Order and this Tariff prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the Service Order shall survive such termination.
- D) Service may be terminated without written notice to the Customer if:
 - 1) the Customer is using the service in violation of this Tariff; or
 - 2) the Customer is using the service in violation of the law.
- E) Upon suspension of service, the Company shall provide the Customer with a termination notice detailing the termination date and time and how the Customer may have service restored. The termination notice will include a medical emergency restoration notice explaining how Customers with medical emergencies may delay termination of basic service.
- F) This Tariff shall be interpreted and governed by the laws of the State of Arizona regardless of its choice of laws provision.
- G) Notwithstanding the provisions of this Section, the Company will comply with the rules and regulations of the Commission.

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SECTION 2 - REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.4 Liability of the Company

- A) The liability of the Company for damages arising out of the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these services or arising out of the failure to furnish the service, whether caused by acts or omissions, shall be limited to the extension of allowances for interruption as set forth in Section 2.6. The extension of such allowances for interruption shall be the sole remedy of the Customer and the sole liability of the Company.
- B) The Company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes; any law, order, regulation, direction, action, or request of the United States Government, or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state, or local governments, or of any civil or military authority; national emergencies; insurrections; riots; wars; unavailability of rights-of-way or materials; or strikes, lock-outs, work stoppages, or other labor difficulties.
- C) The Company shall not be liable for any act or omission of any entity furnishing to the Company or to the Company's Customers facilities, telecommunications services or equipment used for or with the services the Company offers.
- D) The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of Customer-provided equipment or facilities.
- E) The Company does not guarantee nor make any warranty with respect to installations it provides for use in an explosive atmosphere. The Customer indemnifies and holds the Company harmless against any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal presence, condition, location, or use of any installation so provided. The Company reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this section 2.1.4(E) as a condition precedent to such installations.

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SECTION 2 - REGULATIONS, (CONT'D.)**2.1 Undertaking of the Company, (Cont'd.)****2.1.4 Liability of the Company, (Cont'd.)**

- F) The Company is not liable for any defacement of or damage to Customer Premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof, unless such defacement or damage is caused by negligence or willful misconduct of the Company's agents or employees.
- G) The entire liability for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid the Company by the Customer for the specific services giving rise to the claim. Notwithstanding any other provision of this Tariff, in no event shall the Company's liability for any claim, loss, damage or expense from any carrier whatsoever exceed the service provider's liability described in the applicable Tariffs of the underlying carrier for the telecommunications services resold by Company. No action or proceeding against the Company shall be commenced more than one year after the service is rendered.
- H) Under no circumstances shall this Tariff be construed to make the underlying carrier liable to the Customer for any indirect, special, incidental, consequential, or other damages including, but not limited to, harm to business, lost revenues, lost profits, lost savings, or other commercial or economic loss, whether foreseeable or not and regardless of notification of the possibility of such damages.
- I) **THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.**
- J) The provisions contained in this subsection do not absolve the Company from liability in the event the Company's acts or omissions are determined to be grossly negligent. The remedies available for such liability include monetary damages.

2.1.5 Notification of Service-Affecting Activities

The Company will provide the Customer reasonable notification of service-affecting activities that may occur in the normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventative maintenance. Generally, such activities are not specific to an individual Customer but affect many Customers' services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable notification requirements. With some emergency or unplanned service-affecting conditions, such as an outage resulting from cable damage, notification to the Customer may not be possible.

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SECTION 2 - REGULATIONS, (CONT'D.)**2.1 Undertaking of the Company, (Cont'd.)****2.1.6 Provision of Equipment and Facilities**

- A) The Company, either directly, through its agents or underlying carrier, shall use reasonable efforts to make services available to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with, the regulations contained in this Tariff. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.
- B) The Company shall use reasonable efforts to maintain only the facilities and equipment that it furnishes to the Customer. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.
- C) The Company may substitute, change or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided the Customer.
- D) Equipment the Company provides or installs at the Customer Premises for use in connection with the services the Company offers shall not be used for any purpose other than that for which it was provided by the Company.
- E) The Customer shall be responsible for the payment of service charges as set forth herein for visits by the Company's agents or employees to the Premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.
- F) The Company shall not be responsible for the installation, operation, or maintenance of any Customer-Provided Equipment. Where such equipment is connected to the services furnished pursuant to this Tariff, the responsibility of the Company shall be limited to the furnishing of services offered under this Tariff and to the maintenance and operation of such services. Subject to this responsibility, the Company shall not be responsible for:
- 1) the transmission of signals by Customer-provided equipment or for the quality of, or defects in, such transmission; or
 - 2) the reception of signals by Customer-provided equipment.

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SECTION 2 - REGULATIONS, (CONT'D.)**2.1 Undertaking of the Company, (Cont'd.)****2.1.7 Non-routine Installation**

At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours or in hazardous locations. In such cases, charges based on cost of the actual labor, material, or other costs incurred by or charged to the Company will apply. If installation is started during regular business hours but, at the Customer's request, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

2.1.8 Special Construction

Subject to the agreement of the Company and to all of the regulations contained in this Tariff, the Company may arrange, on a reasonable effort basis, for the special construction of facilities at the request of the Customer. Special construction is that construction undertaken:

- A) where facilities are not presently available, and there is no other requirement for the facilities so constructed;
- B) of a type other than that which the Company would normally utilize in the furnishing of its services;
- C) over a route other than that which the Company would normally utilize in the furnishing of its services;
- D) in a quantity greater than that which the Company would normally provide;
- E) on an expedited basis;
- F) on a temporary basis until permanent facilities are available;
- G) involving abnormal costs; or
- H) in advance of its normal construction.

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SECTION 2 - REGULATIONS, (CONT'D.)**2.1 Undertaking of the Company, (Cont'd.)****2.1.9 Ownership of Facilities**

Title to all facilities provided in accordance with this Tariff remains in the Company, its agents or contractors.

2.2 Prohibited Uses

- A) The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.
- B) The Company may require applicants for service who intend to use the Company's offerings for resale and/or for shared use to file a letter with the Company confirming that their use of the Company's offerings complies with relevant laws and the regulations, policies, orders, and decisions of the relevant regulatory agency.
- C) The Company may require a Customer to immediately shut down its transmission of signals if said transmission is causing interference to others.
- D) A Customer, Joint User, or User may not assign, or transfer in any manner, the service or any rights associated with the service without the written consent of the Company. The Company will permit a Customer to transfer its existing service to another entity if the existing Customer has paid all charges owed to the Company for regulated communications services. Such a transfer will be treated as a disconnection of existing service and installation of new service, and non-recurring installation charges as stated in this Tariff will apply.
- E) Residential services offered by the Company shall not be used by persons not eligible to subscribe to residential services under the applicable tariffs of the Company's underlying service providers. The Company may require the Customer to provide adequate proof of its compliance with any applicable eligibility criteria.

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AZ10401

SECTION 2 - REGULATIONS, (CONT'D.)

2.3 Obligations of the Customer

2.3.1 General

The Customer shall be responsible for:

- A) the payment of all applicable charges pursuant to this Tariff;
- B) damage to or loss of the Company's facilities or equipment caused by the acts or omissions of the Customer; or the noncompliance by the Customer, with these regulations; or by fire or theft or other casualty on the Customer Premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company;
- C) providing at no charge, as specified from time to time by the Company, any needed personnel, equipment space and power to operate Company facilities and equipment installed on the premises of the Customer, and the level of heating and air conditioning necessary to maintain the proper operating environment on such premises;
- D) obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduits necessary for installation of fiber optic cable and associated equipment used to provide Communication Services to the Customer from the cable building entrance or property line to the location of the equipment space described in Section 2.3.1(C). Any and all costs associated with obtaining and maintaining the rights-of-way described herein, including the costs of altering the structure to permit installation of the Company-provided facilities, shall be borne entirely by, or may be charged by the Company to, the Customer. The Company may require the Customer to demonstrate its compliance with this section prior to accepting an order for service;
- E) providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company's employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material prior to any construction or installation work;

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AZ10401

SECTION 2 - REGULATIONS, (CONT'D.)

2.3 Obligations of the Customer, (Cont'd.)

2.3.1 General, (Cont'd.)

- F) complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of Company facilities and equipment in any Customer Premises or the rights-of-way for which Customer is responsible under Section 2.3.1(D); and granting or obtaining permission for Company agents or employees to enter the premises of the Customer at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company;
- G) not creating, or allowing to be placed, any liens or other encumbrances on the Company's equipment or facilities; and
- H) making Company-provided facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the Customer. No allowance will be made for the period during which service is interrupted for such purposes.

2.3.2 Claims

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

- A) any loss, destruction or damage to the property of the Company or any third party, or death or injury to persons, including, but not limited to, employees or invitees of either party, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees; or
- B) any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the Customer, including, without limitation, use of the Company's services and facilities in a manner not contemplated by the agreement between the Customer and the Company.

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11440 Commerce Park Drive
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AZ10401

SECTION 2 - REGULATIONS, (CONT'D.)**2.4 Customer Equipment and Channels****2.4.1 General**

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

2.4.2 Station Equipment

- A) Terminal equipment on the User's premises and the electric power consumed by such equipment shall be provided by and maintained at the expense of the User. The User is responsible for the provision of wiring or cable to connect its terminal equipment to the Company Point of Connection.
- B) The Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or to other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense.

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SECTION 2 - REGULATIONS, (CONT'D.)

2.4 Customer Equipment and Channels, (Cont'd.)

2.4.3 Interconnection of Facilities

- A) Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing Services and the channels, facilities, or equipment of others shall be provided at the Customer's expense.
- B) Communication Services may be connected to the services or facilities of other communications carriers only when authorized by, and in accordance with, the terms and conditions of the Tariffs of the other communications carriers that are applicable to such connections.
- C) Facilities furnished under this Tariff may be connected to Customer-provided terminal equipment in accordance with the provisions of this Tariff. All such terminal equipment shall be registered by the Federal Communications Commission pursuant to Part 68 of Title 47, Code of Federal Regulations; and all User-provided wiring shall be installed and maintained in compliance with those regulations.
- D) Users may interconnect communications facilities that are used in whole or in part for interstate communications to services provided under this Tariff only to the extent that the User is an "End User" as defined in Section 69.2(m), Title 47, Code of Federal Regulations (1995 edition).

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SECTION 2 - REGULATIONS, (CONT'D.)**2.4 Customer Equipment and Channels, (Cont'd.)****2.4.4 Inspections**

- A) Upon suitable notification to the Customer, and at a reasonable time, the Company or its agent may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in Section 2.4.2(B) for the installation, operation, and maintenance of Customer-provided facilities, equipment, and wiring in the connection of Customer-provided facilities and equipment to Company-owned facilities and equipment.
- B) If the protective requirements for Customer-provided equipment are not being complied with, the Company or its agents may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice, the Customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm.

2.5 Payment Arrangements**2.5.1 Payment for Service**

The Customer is responsible for the payment of all charges for facilities and services furnished by the Company to the Customer and to all Users authorized by the Customer, regardless of whether those services are used by the Customer itself or are resold to or shared with other persons.

A) Taxes

The Customer is responsible for payment of any sales, use, gross receipts (to be invoiced as a separate line item), gross revenues, excise, access, universal service or other local, state and federal taxes, charges or surcharges (however designated) (excluding taxes on the Company's net income) including the Federal Subscriber Line Charge (SLC) imposed on or based upon the provision, sale or use of Services.

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AZ10401

SECTION 2 - REGULATIONS, (CONT'D.)**2.5 Payment Arrangements (Cont'd.)****2.5.2 Billing and Collection of Charges**

- A) Non-recurring charges are due and payable from the Customer within 20 days after receipt of the billing statement, unless otherwise agreed to in advance.
- B) The Company shall present invoices for Recurring Charges monthly to the Customer, in advance of the month in which service is provided, and Recurring Charges shall be due and payable 20 days after receipt of the billing statement. When billing is based on Customer usage, charges will be billed monthly for the preceding billing periods.
- C) When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have 30 days.
- D) Billing of the Customer by the Company will begin on the Service Commencement Date, which is the first day following the date on which the Company notifies the Customer that the service or facility is available for use, except that the Service Commencement Date may be postponed by mutual agreement of the parties, or if the service or facility does not conform to standards set forth in this Tariff or the Service Order. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.
- E) If any portion of the payment is received by the Company after the date due, or if any portion of the payment is received by the Company in funds that are not immediately available, then a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment not received by the date due, multiplied by a late factor of 1.5% per month.
- F) The Customer will be assessed a charge of twenty-five dollars (\$25.00) for each check submitted by the Customer to the Company that a financial institution refused to honor.
- G) All bills are presumed accurate, and shall be binding on the Customer unless objection is received orally or in writing. In the case of a billing dispute, the Customer may take the following course of action:
 - 1) First, the Customer may request, and the Company will provide, an in-depth review of the disputed amount. (The undisputed portion and subsequent bills must be paid on a timely basis or the service may be subject to disconnection.) Customers with billing inquiries or complaints may reach the Company collect at (800) XXX-XXXX.

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AZ10401

SECTION 2 - REGULATIONS, (CONT'D.)

2.5 Payment Arrangements, (Cont'd.)

2.5.2 Billing and Collection of Charges, (Cont'd.)

G) (Cont'd.)

- 2) Second, if there is still a disagreement about the disputed amount after investigation and review by the Company, the Customer may file an appropriate complaint with the Arizona Public Utilities Commission. The address and phone number of the Commission is:

Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007
(602) 542-4251

- H) If service is disconnected by the Company in accordance with Section 2.5.5 following and later restored, restoration of service will be subject to all applicable installation charges.

2.5.3 Advance Payments

To safeguard its interests, the Company may require a Customer to make an Advance Payment before services and facilities are furnished. The Advance Payment will not exceed an amount equal to the non-recurring charge(s) and two months' charges for the service or facility. In addition, where special construction is involved, the Advance Payment may also include an amount equal to the estimated non-recurring charges for the special construction and recurring charges (if any) for a period to be set between the Company and the Customer. The Advance Payment will be credited to the Customer's initial bill. An Advance Payment may be required in addition to a deposit.

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AZ10401

SECTION 2 - REGULATIONS, (CONT'D.)

2.5 Payment Arrangements, (Cont'd.)

2.5.4 Deposits

- A) To safeguard its interests, the Company may require a Customer to make a deposit to be held as a guarantee for the payment of charges. A deposit does not relieve the Customer of the responsibility for the prompt payment of bills on presentation. The deposit will not exceed an amount equal to the estimated charges for two months of service.
- B) A deposit may be required in addition to an Advance Payment.
- C) When a service or facility is discontinued, the amount of a deposit, if any, will be applied to the Customer's account and any credit balance remaining will be refunded. Before the service or facility is discontinued, the Company may, at its option, return the deposit or credit it to the Customer's account.
- D) Deposits held for more than six months will accrue interest at a rate of 5.6% per annum for residential and business Customers. Interest is credited to the Customer annually or upon termination of service. Interest will not accrue on any deposit after the date on which reasonable effort has been made by the Company to return the deposit to the Customer. Any deposits collected will be maintained in an Arizona bank in compliance with the Commission's rules.

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Reston, Virginia 20191

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AZ10401

SECTION 2 - REGULATIONS, (CONT'D.)**2.5 Payment Arrangements, (Cont'd.)****2.5.5 Discontinuance of Service**

- A) Upon nonpayment of any amounts owing to the Company, the Company may suspend service by giving 15 days prior written notice to the Customer. In the event payment is not received within 10 days of the suspension of service, the Company may terminate service without incurring any liability. The Company shall provide a final notice of termination of service 2 days before the proposed discontinuance.
- B) Upon violation of any of the other material terms or conditions for furnishing service the Company may, by giving 10 days prior notice in writing to the Customer, discontinue or suspend service without incurring any liability if such violation continues during that period.
- C) Service may be discontinued without notice in the event the Customer tampers with equipment furnished or owned by the Company.
- D) Upon the Customer's insolvency, assignment for the benefit of creditors, filing for bankruptcy or reorganization, or failing to discharge an involuntary petition within the time permitted by law, the Company may discontinue service with 5 days' written notice if necessary to protect the Company's interests.
- E) In the event of unauthorized use of the Company's network, the Company will discontinue service without notice and/or seek legal recourse to recover all costs involved in enforcement of this provision.
- F) Upon the Company's discontinuance of service to the Customer under Section 2.5.5(A) or 2.5.5(B), the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this Tariff, may declare all future monthly and other charges that would have been payable by the Customer during the remainder of the term for which such services would have otherwise been provided to the Customer to be immediately due and payable.

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AZ10401

SECTION 2 - REGULATIONS, (CONT'D.)**2.5 Payment Arrangements, (Cont'd.)****2.5.6 Cancellation of Application for Service**

- A) Applications for service cannot be canceled without the Company's agreement. Where the Company permits a Customer to cancel an application for service prior to the start of service or prior to any special construction, no charges will be imposed except for those specified below.
- B) Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs incurred by the Company shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of services ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service commenced.
- C) Where the Company incurs any expense in connection with special construction, or where special arrangements of facilities or equipment have begun, before the Company receives a cancellation notice, a charge equal to the costs incurred by the Company applies. In such cases, the charge will be based on such elements as the cost of the equipment, facilities, and material, the cost of installation, engineering, labor, and supervision, general and administrative expense, other disbursements, depreciation, maintenance, taxes, provision for return on investment, and any other costs associated with the special construction or arrangements.
- D) The special charges described in Sections 2.5.6(A) through 2.5.6(C) will be calculated and applied on a case-by-case basis.

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AZ10401

SECTION 2 - REGULATIONS, (CONT'D.)**2.5 Payment Arrangements, (Cont'd.)****2.5.7 Changes in Service Requested**

If the Customer makes or requests material changes in circuit engineering, equipment specifications, service parameters, premises locations, or otherwise materially modifies any provision of the application for service, the Customer's installation fee shall be adjusted accordingly.

2.5.8 Overcharges and Undercharges

- A) When a Customer has been overcharged for services because of incorrect application of the rate schedule, inaccurate measuring of services rendered, incorrect calculation of charges or similar reasons, the total overcharge for the period the discrepancy shall be refunded or credited to the Customer.
- B) The Company may recover incorrect or undercharged amounts from Customers as a result of incorrect application of the rate schedule, inaccurate measuring of services rendered, incorrect calculation of charges or for similar reasons. Unless authorized by the Commission, the Company shall not retroactively bill for undercharges which occurred more than 12 months before the discovery of the error. If the total undercharge is more than 35 percent of the Customer's monthly average monthly bill during the preceding 3 months, the Customer shall be allowed to enter into an installment plan to pay the total retroactive amount.

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Reston, Virginia 20191

Effective: February 22, 2004

AZ10401

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SECTION 2 - REGULATIONS, (CONT'D.)**2.6 Allowances for Interruptions in Service**

Interruptions in service that are not due to the negligence of the Customer, or noncompliance with the provisions of this Tariff by the Customer, or the operation or malfunction of the facilities, power or equipment provided by the Customer, will be credited to the Customer as set forth in Section 2.6.1 for the part of the service that the interruption affects.

2.6.1 Credit for Interruptions

- A) When main service is interrupted for a period of at least 24 hours, the Company, after due notice by the Customer, shall apply the following schedule of allowances except in situations provided for in subsection (2).
- 1) One-thirtieth of the Tariff monthly rate of all services and facilities furnished by the Company rendered inoperative, useless or substantially impaired for each of the first three full 24 hour periods during which the interruption continues after notice by the Customer to the Company if the out-of-service extends beyond a minimum of 24 hours.
 - 2) Two-thirtieths of the Tariff monthly rate for each full 24 hour period beyond the first three 24 hour periods, However, in no instance shall the allowance for the out-of-service period exceed the total charges in a billing period for the service and facilities furnished by the Company rendered useless or impaired.
- B) When service is interrupted for a period of at least 24 hours due to storms, fires, floods or other conditions beyond the control of the Company, an allowance of one-thirtieth of the Tariff monthly rate for all services and facilities furnished by the Company rendered inoperative or substantially impaired shall apply for each full 24 hours during which the interruption continues after notice by the Customer to the Company.
- C) The allowance described in this Section shall not be applicable where service is interrupted by the negligence or willful act of the Customer to service or where the Company, pursuant to the terms of the contract for service, suspends or terminates service for non-payment of charges, or for unlawful or improper use of the facilities or service, or for any other reason provided for in the filed and effective Tariff.

The preceding Rule applies only when main telephone service to the Rate Demarcation Point is interrupted.

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Reston, Virginia 20191

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AZ10401

SECTION 2 - REGULATIONS, (CONT'D.)**2.7 Use of Customer's Service by Others****2.7.1 Resale and Sharing**

Any service provided under this Tariff may be resold to or shared with other persons at the option of the Customer, subject to compliance with any applicable laws or Commission regulations governing such resale or sharing. The Customer remains solely responsible for all use of services ordered by it or billed to its telephone number(s) pursuant to this Tariff, for payment for such services, for determining who is authorized to use its services, and for notifying the Company of any unauthorized use.

2.7.2 Joint Use Arrangements

Joint use arrangements will be permitted for all services provided under this Tariff. From each joint use arrangement, one member will be designated as the Customer responsible for the manner in which the joint use of the service will be allocated. The Company will accept orders to start, rearrange, relocate, or discontinue service only from the designated Customer. Without affecting the Customer's ultimate responsibility for payment of all charges for the service, each Joint User shall be responsible for the payment of the charges billed to it.

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Reston, Virginia 20191

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AZ10401

SECTION 2 - REGULATIONS, (CONT'D.)**2.8 Cancellation of Service**

If a Customer cancels a Service Order or terminates services before the completion of the term for any reason whatsoever other than a Service Interruption (as defined in Section 2.6.1 above), the Customer agrees to pay to the Company termination liability charges, as defined below. These charges shall become due and owing as of the effective date of the cancellation or termination and be payable within the period, set forth in Section 2.5.2.

The Customer's termination liability for cancellation of service shall be equal to:

- A) all unpaid Non-Recurring charges and out-of-pocket expenses reasonably expended by the Company to establish service to the Customer; plus
- B) any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by the Company on behalf of the Customer; plus
- C) all Recurring Charges specified in the applicable Service Order or Tariff for the balance of the then current term; minus
- D) a reasonable allowance for costs avoided by the Company as a direct result of the Customer's cancellation.

2.9 Transfers and Assignments

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company without the written consent of the other party, except that the Company may assign its rights and duties:

- A) to any subsidiary, parent Company or affiliate of the Company; or
- B) pursuant to any sale or transfer of substantially all the assets of the Company; or
- C) pursuant to any financing, merger or reorganization of the Company.

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AZ10401

SECTION 2 - REGULATIONS, (CONT'D.)**2.10 Notices and Communications**

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

2.11 Incomplete Calls/Wrong Numbers

The Company will not knowingly charge for incomplete calls or wrong numbers. Upon the Customer's request and proper verification, the Company shall promptly adjust and credit the Customer's account for charges or payment for any unanswered call inadvertently billed.

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AZ10401

SECTION 3 - APPLICATION OF RATES**3.1 Introduction**

The regulations set forth in this section govern the application of rates for services contained in other sections of this Tariff.

3.2 Charges Based on Duration of Use

Where charges for a service are specified based on the duration of use, such as the duration of a telephone call, the following rules apply:

- A) Calls are measured in durational increments identified for each service. All calls that are fractions of a measurement increment are rounded-up to the next whole unit.
- B) Timing on completed calls begins when the call is answered by the called party. Answering is determined by hardware answer supervision in all cases where this signaling is provided by the terminating local carrier and any intermediate carrier(s). Timing for operator service person-to-person calls start with completion of the connection to the person called or an acceptable substitute, or to the PBX station called.
- C) Timing terminates on all calls when the calling party hangs up or the Company's network receives an off-hook signal from the terminating carrier.
- D) Calls originating in one time period and terminating in another will be billed in proportion to the rates in effect during different segments of the call.
- E) All times refer to local time.

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AZ10401

SECTION 3 - APPLICATION OF RATES, (CONT'D.)

3.3 Rates Based Upon Distance

Where charges for a service are specified based upon distance, the following rules apply:

- A) Distance between two points is measured as airline distance between the rate centers of the originating and terminating telephone lines. The rate center is a set of geographic coordinates, as referenced in the Local Exchange Routing Guide issued by Bellcore, associated with each NPA-NXX combination (where NPA is the area code and NXX is the first three digits of a seven-digit telephone number). Where there is no telephone number associated with an access line on the Company's network (such as a dedicated 800 or WATS access line), the Company will apply the rate center of the Customer's main billing telephone number.
- B) The airline distance between any two rate centers is determined as follows:
- 1) Obtain the "V" (vertical) and "H" (horizontal) coordinates for each rate center from the Bellcore Local Exchange Routing guide referenced in Section 3.3(A).
 - 2) Compute the difference between the "V" coordinates of the two rate centers; and the difference between the two "H" coordinates.
 - 3) Square each difference obtained in step (2) above.
 - 4) Add the square of the "V" difference and the square of the "H" difference obtained in step (3) above.
 - 5) Divide the sum of the squares by 10. Round to the next higher whole number if any fraction is obtained.
 - 6) Obtain the square root of the whole number result obtained above. Round to the next higher whole number if any fraction is obtained. This is the airline mileage.
- 7) Formula:

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

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AZ10401

SECTION 4 - SERVICE AREAS

4.1 Local Exchange Service Areas

The Company will provide local exchange services on a resale basis in those areas authorized by the Commission for provision of competitive local services in Arizona.

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AZ10401

SECTION 5 - DESCRIPTION OF SERVICES

5.1 Basic Exchange Service

Basic Exchange Service provide a business Customer with a connection to the Company's switching network which enables the Customer to:

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

Basic Exchange Service is provided via one or more channels terminated at the Customer's premises. Each Basic Exchange Service channel corresponds to one or more analog, voice-grade telephonic Communications Channels that can be used to place or receive one call at a time.

Calls to points within the local exchange area are charged on the basis of the length of completed calls originating from the Customer's service in addition to a base Monthly Charge.

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AZ10401

SECTION 5 - DESCRIPTION OF SERVICES, (CONT'D.)

5.1 Basic Exchange Service, (Cont'd.)

5.1.1 Application of Rates

- A) Business rates apply to service furnished:
 - 1) In office buildings, stores, factories and all other places of a business nature;
 - 2) In hotels, apartment houses, clubs and boarding and rooming houses except when service is within the Customer's domestic establishment and no business listings are provided; colleges, hospitals and other institutions; and in churches except when service is provided to an individual of the clergy for personal use only and business service is already established for the church at the same location;
 - 3) At any location when the listing or public advertising indicates a business or a profession;
 - 4) At any location where the service includes an extension which is at a location where business rates apply unless the extension is restricted to incoming calls;
 - 5) At any location where the Customer resells or shares exchange service;
- B) The use of business service is restricted to the Customer, agents and representatives of the Customer, and joint Users.

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AZ10401

SECTION 5 - DESCRIPTION OF SERVICES, (CONT'D.)

5.1 Basic Exchange Service, (Cont'd.)

5.1.2 Basic Exchange Service Options

The following Basic Exchange Service Options are offered:

Basic Business Line Service
Key Line Service
Trunk Service

All Basic Exchange Service may be connected to Customer-provided terminal equipment such as station sets, key systems, PBX systems, or facsimile machines. Service may be arranged for two-way calling, inward calling only or outward calling only.

Connection charges apply to all service on a one-time basis unless waived pursuant to this Tariff.

Unless otherwise stated in this Tariff, all Business Exchange Services include:

1. Either Per-Minute Usage Charges or Monthly Flat Rate Charges
2. Monthly Recurring Charges
3. Nonrecurring Charges

Optional rate elements may also apply as specified in this Tariff.

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SECTION 5 - DESCRIPTION OF SERVICES, (CONT'D.)

5.1 Basic Exchange Service, (Cont'd.)

5.1.3 Rates

1) Usage Charges, per minute:

	Initial <u>Minute</u>	Ea. Add'l. <u>Minute</u>
Day Rate Period	\$0.25	\$0.25
Evening Rate Period	\$0.20	\$0.20
Night/Weekend/Holiday Rate Period	\$0.15	\$0.15

2) Nonrecurring and Recurring Charges:

Nonrecurring Connection Charge:	<u>Business</u> \$125.00
Monthly Recurring Charges:	\$95.00

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SECTION 5 - DESCRIPTION OF SERVICES, (CONT'D.)

5.1 Basic Exchange Service, (Cont'd.)

5.1.4 Trunk Service

[Reserved for Future Use]

5.2 Directory Listings

A single main listing is provided free of charge for each Customer of record. No charge applies to non-published service. Additional listings are billed based upon the charges of underlying carriers.

5.3 Blocking Service

[Reserved for Future Use]

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SECTION 6 - SPECIAL ARRANGEMENTS

6.1 Individual Case Basis (ICB) Arrangements

Arrangements will be developed on a case-by-case basis in response to a bona fide request from a Customer or prospective Customer to develop a competitive bid for a service offered under this Tariff. Rates quoted in response to such competitive requests may be different than those specified for such services in this Tariff. ICB rates will be offered to the Customer in writing and on a nondiscriminatory basis. All ICB Arrangements shall be filed with the Commission in compliance with applicable rules and regulations.

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