

ORIGINAL  
FILE COPY



PREFERRED CARRIER SERVICES, INC.

November 6, 1996

Florida Public Service Commission  
Division of Administration, Room G-50  
101 East Gaines Street  
Tallahassee, Florida 32399-0850

961345-TL

RE: International Telecom Ltd.'s application for authority to provide interexchange telecommunications service within the State of Florida.

Dear Sir/Madam:

International Telecom Ltd. respectfully submits its application for authority to provide interexchange telecommunications service within the State of Florida. I have enclosed an original and six copies of the application along with the \$250 filing fee.

Please date-stamp the attached copy of this letter and return it in the self-addressed stamped envelope. If I can be of any assistance, contact me at (972) 753-1378. Thanks for your help.

Sincerely,

PREFERRED CARRIER SERVICES, INC.  
Consultant to International Telecom Ltd.

Andrew Kang  
Regulatory Counsel

ENC.

Check received with filing and forwarded to Fiscal for deposit.  
Fiscal to forward a copy of check to RAR with proof of deposit.

Initials of person who forwarded check:  
\_\_\_\_\_

RECEIVED  
FLORIDA PUBLIC SERVICE COMMISSION  
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Professional  
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- IRV \_\_\_\_\_
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- FEC \_\_\_\_\_
- WAS \_\_\_\_\_
- QTH \_\_\_\_\_

1425 GREENWAY DR.  
SUITE 210  
IRVING, TEXAS 75038  
TEL: (214) 753-1378  
FAX: (214) 756-6015

DOCUMENT NUMBER-DATE

11972 NOV 12

FPSC-RECORDS/REI

**\*\* FLORIDA PUBLIC SERVICE COMMISSION \***

**DIVISION OF COMMUNICATIONS**  
**BUREAU OF SERVICE EVALUATION**

**APPLICATION FORM**

for

**AUTHORITY TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICE**  
**WITHIN THE STATE OF FLORIDA**

---

Instructions

- A. This form is used for an original application for a certificate and for approval of sale, assignment or transfer of an existing certificate. In case of a sale, assignment or transfer, the information provided shall be for the purchaser, assignee or transferee (See Appendix A).
- B. Respond to each item requested in the application and appendices. If an item is not applicable, please explain why.
- C. Use a separate sheet for each answer which will not fit the allotted space.
- D. If you have questions about completing the form, contact:
- E. Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$250.00 to:

Florida Public Service Commission  
Division of Communications  
Bureau of Service Evaluation  
2540 Shumard Oak Blvd.  
Gunter Building  
Tallahassee, Florida 32399-0850  
(904) 413-6600

Florida Public Service Commission  
Division of Administration  
2540 Shumard Oak Blvd.  
Gunter Building  
Tallahassee, Florida 32399-0850  
(904) 413-6251

FORM PSC/CMU 31 (3/96)  
Required by Commission Rule Nos. 25-24.471 and 25-24.473.

DOCUMENT NUMBER-DATE

11972 NOV 12 88

FPSC-RECORDS/REPORTING

1. This is an application for (check one):
- Original Authority (New company).
  - Approval of Transfer (To another certificated company).
  - Approval of Assignment of existing certificate (To an uncertificated company).
  - Approval for transfer of control (To another certificated company).
2. Select what type of business your company will be conducting (check all that apply):
- Facilities based carrier - company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.
  - Operator Service Provider - company provides or plans to provide alternative operator services for IXCs; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.
  - Reseller - company has or plans to have one or more switches but primarily leases the transmission facilities of other carriers. Bills its own customer base for services used.
  - Switchless Rebiller - company has no switch or transmission facilities but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carrier. Rebills end users at a rate above its discount but generally below the rate end users would pay for unaggregated traffic.
  - Multi-Location Discount Aggregator - company contracts with unaffiliated entities to obtain bulk/volume discounts under multi-location discount plans from certain underlying carriers. Then offers the resold service by enrolling unaffiliated customers.

3. Name of corporation, partnership, cooperative, joint venture or sole proprietorship:

International Telcom, Ltd.

4. Name under which the applicant will do business (fictitious name, etc.):

5. National address (including street name & number, post office box, city, state and zip code).

417 2nd Avenue West, Seattle, WA 98119

6. Florida address (including street name & number, post office box, city, state and zip code):

7. Structure of organization;

- |   |  |
|---|--|
| <input type="checkbox"/> Individual                     | <input type="checkbox"/> Corporation         |
| <input checked="" type="checkbox"/> Foreign Corporation | <input type="checkbox"/> Foreign Partnership |
| <input type="checkbox"/> General Partnership            | <input type="checkbox"/> Limited Partnership |
| <input type="checkbox"/> Other, _____                   |  |

8. If applicant is an individual or partnership, please give name, title and address of sole proprietor or partners.

(a) Provide proof of compliance with the foreign limited partnership statute (Chapter 620.169 FS), if applicable.

(b) Indicate if the individual or any of the partners have previously been:

(1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings.

(2) officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.



9. If incorporated, please give:

- (a) Proof from the Florida Secretary of State that the applicant has authority to operate in Florida.

Corporate charter number: F96000003678

- (b) Name and address of the company's Florida registered agent.
- (c) Provide proof of compliance with the fictitious name statute (Chapter 865.09 FS), if applicable.

Fictitious name registration number: \_\_\_\_\_

- (c) Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

(1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings.

(2) officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

10. Who will serve as liaison with the Commission in regard to (please give name, title, address and telephone number):

see attached sheet

- (a) The application;
- (b) Official Point of Contact for the ongoing operations of the company;
- (c) Tariff;

(d) Complaints/Inquiries from customers;

11. List the states in which the applicant:

(a) Has operated as an interexchange carrier.  
Washington

(b) Has applications pending to be certificated as an interexchange carrier.  
None

(c) Is certificated to operate as an interexchange carrier.  
Washington

(d) Has been denied authority to operate as an interexchange carrier and the circumstances involved.  
None

(e) Has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.  
None

(f) Has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.  
None

12. What services will the applicant offer to other certificated telephone companies:

- Facilities.  Operators.  
 Billing and Collection.  Sales.  
 Maintenance.  
 Other: \_\_\_\_\_

13. Do you have a marketing program?

No. ITL markets its services through its own in-house marketing department.

14. Will your marketing program:

- Pay commissions?
- Offer sales franchises?
- Offer multi-level sales incentives?
- Offer other sales incentives?

15. Explain any of the offers checked in question 14 (To whom, what amount, type of franchise, etc.).

16. Who will receive the bills for your service (Check all that apply)?

- Residential customers.  Business customers.
- PATS providers.  PATS station end-users.
- Hotels & motels.  Hotel & motel guests.
- Universities.  Univ. dormitory residents.
- Other: (specify) \_\_\_\_\_.

17. Please provide the following (if applicable):

- (a) Will the name of your company appear on the bill for your services, and if not who will the billed party contact to ask questions about the bill (provide name and phone number) and how is this information provided?

Yes.

- (b) Name and address of the firm who will bill for your service.  
Integretel (IGT)  
5883 Rue Ferrari  
San Jose, CA 95138

18. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide interexchange telecommunications service in Florida.

see attached sheets

A. Financial capability.

Regarding the showing of financial capability, the following applies:

The application should contain the applicant's financial statements, including:

1. the balance sheet
2. income statement
3. statement of retained earnings for the most recent 3 years.

If available, the financial statements should be audited financial statements.

If the applicant does not have audited financial statements, it shall be so stated. The unaudited financial statements should then be signed by the applicant's chief executive officer and chief financial officer. The signatures should affirm that the financial statements are true and correct.

B. Managerial capability.

C. Technical capability.

19. Please submit the proposed tariff under which the company plans to begin operation. Use the format required by Commission Rule 25-24.485 (example enclosed).



20. The applicant will provide the following interexchange carrier services (Check all that apply):

- MTS with distance sensitive per minute rates
- Method of access is FGA
- Method of access is FGB
- Method of access is FGD
- Method of access is 800

- MTS with route specific rates per minute
- Method of access is FGA
- Method of access is FGB
- Method of access is FGD
- Method of access is 800

- MTS with statewide flat rates per minute (i.e. not distance sensitive)
- Method of access is FGA
- Method of access is FGB
- Method of access is FGD
- Method of access is 800

MTS for pay telephone service providers

Block-of-time calling plan (Reach out Florida, Ring America, etc.).

800 Service (Toll free)

- WATS type service (Bulk or volume discount)
- Method of access is via dedicated facilities
- Method of access is via switched facilities

Private Line services (Channel Services)  
(For ex. 1.544 mbs., DS-3, etc.)

- Travel Service
  - Method of access is 950
  - Method of access is 800

900 service

- Operator Services
  - Available to presubscribed customers
  - Available to non presubscribed customers (for example to patrons of hotels, students in universities, patients in hospitals.
  - Available to inmates

**Services included are:**

- Station assistance
- Person to Person assistance
- Directory assistance
- Operator verify and interrupt
- Conference Calling

21. What does the end user dial for each of the interexchange carrier services that were checked in services included (above).  
1+, 10XXX, 1-800 for MTS and WATS  
1-800 or 1-888 for "800" service
22.  Other: 1+(area code)+555-1212 for directory assistance  
1+ for Private Line services

**\*\* APPLICANT ACKNOWLEDGEMENT STATEMENT \*\***

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of its gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
4. **APPLICATION FEE:** A non-refundable application fee of \$250.00 must be submitted with the application.
5. **RECEIPT AND UNDERSTANDING OF RULES:** I acknowledge receipt and understanding of the Florida Public Service Commission's Rules and Orders relating to my provision of interexchange telephone service in Florida. I also understand that it is my responsibility to comply with all current and future Commission requirements regarding interexchange service.
6. **ACCURACY OF APPLICATION:** By my signature below, I the undersigned owner or officer of the named utility in the application, attest to the accuracy of the information contained in this application and associated attachments. I have read the foregoing and declare that to the best of my knowledge and belief, the information is a true and correct statement. Further, I am aware that pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083".

**UTILITY OFFICIAL:**

John Arnold  
Signature

AUG 14, 1996  
Date

John Arnold

Network Provisioner  
Title

(206) 301-7001  
Telephone No.

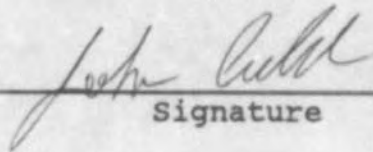
**\*\* APPENDIX B \*\***

**CUSTOMER DEPOSITS AND ADVANCE PAYMENTS**

A statement of how the Commission can be assured of the security of the customer's deposits and advance payments may be responded to in one of the following ways (applicant please check one):

- ( X )            The applicant will not collect deposits nor will it collect payments for service more than one month in advance.
- (   )            The applicant will file with the Commission and maintain a surety bond in an amount equal to the current balance of deposits and advance payments in excess of one month. (Bond must accompany application.)

**UTILITY OFFICIAL:**

  
\_\_\_\_\_  
Signature

Aug 14, 1996  
Date

John Arnold

Network Provisioner  
Title

(206) 301-7001  
Telephone No.



**\*\* APPENDIX C \*\***

**INTRASTATE NETWORK**

1. **POP:** Addresses where located, and indicate if owned or leased.

ITL has no facilities in Florida

1) 2)

3) 4)

2. **SWITCHES:** Address where located, by type of switch, and indicate if owned or leased.

ITL has no facilities in Florida

1) 2)

3) 4)

3. **TRANSMISSION FACILITIES:** Pop-to-Pop facilities by type of facilities (microwave, fiber, copper, satellite, etc.) and indicate if owned or leased.

ITL has no facilities in Florida

1) POP-to-POP                      TYPE                      OWNERSHIP

2)

4. **ORIGINATING SERVICE:** Please provide the list of exchanges where you are proposing to provide originating service within thirty (30) days after the effective date of the certificate (Appendix D).

ITL intends to offer service in all exchanges

5. **TRAFFIC RESTRICTIONS:** Please explain how the applicant will comply with the EAEA requirements contained in Commission Rule 25-24.471 (4) (a) (copy enclosed). IntraLATA toll service will be provided only to end users with whom ITL has a prior or ongoing relationship or who uses the the appropriate access code.

6. **CURRENT FLORIDA INTRASTATE SERVICES:** Applicant has ( ) or has not (  ) previously provided intrastate telecommunications in Florida. If the answer is has, fully describe the following:

a) What services have been provided and when did these services begin?

b) If the services are not currently offered, when were they discontinued?

UTILITY OFFICIAL:

*John Arnold*  
Signature

Aug 14, 1996  
Date

John Arnold

Network Provisioner  
Title

(206) 301-7001  
Telephone No.

\*\* APPENDIX D \*\*

FLORIDA TELEPHONE EXCHANGES

AND

EAS ROUTES

Describe the service area in which you hold yourself out to provide service by telephone company exchange. If all services listed in your tariff are not offered at all locations, so indicate. ITL intends to offer all services throughout Florida

In an effort to assist you, attached is a list of major exchanges in Florida showing the small exchanges with which each has extended area service (EAS).

\*\* FLORIDA EAS FOR MAJOR EXCHANGES \*\*

<u>Extended Service</u> <u>Area</u>	<u>with</u>	<u>These Exchanges</u>
PENSACOLA:		Cantonment, Gulf Breeze Pace, Milton Holley-Navarre.
PANAMA CITY:		Lynn Haven, Panama City Beach, Youngstown-Fountain and Tyndall AFB.
TALLAHASSEE:		Crawfordville, Havana, Monticello, Panacea, Sopchoppy and St. Marks.
JACKSONVILLE:		Baldwin, Ft. George, Jacksonville Beach, Callahan, Maxville, Middleburg Orange Park, Ponte Vedra and Julington.
GAINESVILLE:		Alachua, Archer, Brooker, Hawthorne, High Springs, Melrose, Micanopy, Newberry and Waldo.
OCALA:		Belleview, Citra, Dunnellon,

FORM PSC/CMU 31 (3/96)

Required by Commission Rule Nos. 25-24.471 and 25-24.473.

Forest Lady Lake (B21),  
McIntosh, Oklawaha,  
Orange Springs, Salt Springs and  
Silver Springs Shores.

DAYTONA BEACH: New Smyrna Beach.

TAMPA: Central None  
East Plant City  
North Zephyrhills  
South Palmetto  
West Clearwater

CLEARWATER: St. Petersburg, Tampa-West and  
Tarpon Springs.

ST. PETERSBURG: Clearwater.

LAKELAND: Bartow, Mulberry, Plant City,  
Polk City and Winter Haven.

ORLANDO: Apopka, East Orange, Lake Buena  
Vista, Oviedo, Windermere,  
Winter Garden,  
Winter Park, Montverde, Reedy  
Creek, and Oviedo-Winter  
Springs.

WINTER PARK: Apopka, East Orange, Lake Buena Vista,  
Orlando, Oviedo, Sanford, Windermere,  
Winter Garden, Oviedo-Winter Springs  
Reedy Creek, Geneva and Montverde.

TITUSVILLE: Cocoa and Cocoa Beach.

COCOA: Cocoa Beach, Eau Gallie,  
Melbourne and Titusville.

MELBOURNE: Cocoa, Cocoa Beach, Eau Gallie  
and Sebastian.

SARASOTA: Bradenton, Myakka and Venice.

FT. MYERS: Cape Coral, Ft. Myers Beach, North Cape  
Coral, North Ft. Myers, Pine Island, Lehigh  
Acres and Sanibel-Captiva Islands.

NAPLES: Marco Island and North Naples.

WEST PALM BEACH: Boynton Beach and Jupiter.



POMPANO BEACH:

Boca Raton, Coral Springs,  
Deerfield Beach and Ft.  
Lauderdale.

FT. LAUDERDALE:

Coral Springs, Deerfield Beach,  
Hollywood and Pompano Beach.

HOLLYWOOD:

Ft. Lauderdale and North Dade.

NORTH DADE:

Hollywood, Miami and Perrine.

MIAMI:

Homestead, North Dade and  
Perrine

9(a). Proof of authority to operate in Florida



FLORIDA DEPARTMENT OF STATE  
Sandra B. Mortham  
Secretary of State

July 22, 1996

CHRISTINE JEANDELL  
THE COMPANY CORPORATION  
1313 N. MARKET STREET  
WILMINGTON, DE 19801-1151

Qualification documents for INTERNATIONAL TELCOM LTD., INC. were filed on July 22, 1996 and assigned document number F96000003678. Please refer to this number whenever corresponding with this office.

Your corporation is now qualified and authorized to transact business in Florida as of the file date.

A corporation annual report will be due this office between January 1 and May 1 of the year following the calendar year of the file date. A Federal Employer Identification (FEI) number will be required before this report can be filed. If you do not already have an FEI number, please apply NOW with the Internal Revenue by calling 1-800-829-3676 and requesting form SS-4.

Please be aware if the corporate address changes, it is the responsibility of the corporation to notify this office.

Should you have any questions regarding this matter, please telephone (904) 487-6091, the Foreign Qualification/Tax Lien Section.

Lee Rivers  
Document Examiner  
Division of Corporations

Letter Number: 496A00035215

9(b). Name and address of the Company's Florida registered agent.

Larry Wolfe  
200A John Knox Road  
Tallahassee, FL 32303-6643

9(c) Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

(1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings.

No.

(2) officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

No.

10. Who will serve as liaison with the Commission in regard to (please give name, title, address and telephone number):

(a) **The application;**  
Andrew Kang  
Regulatory Counsel  
Preferred Carrier Services, Inc.  
1425 Greenway Drive, Suite 210  
Irving, TX 75038  
(972)753-1378

(b) **Official Point of Contact for the ongoing operations of the company;**  
John Arnold  
Network Provisioner  
417 2nd Avenue West  
Seattle, WA 98119  
(206) 301-7001

(c) **Tariff;**  
Andrew Kang  
Regulatory Counsel  
Preferred Carrier Services, Inc.  
1425 Greenway Drive, Suite 210  
Irving, TX 75038  
(972)753-1378



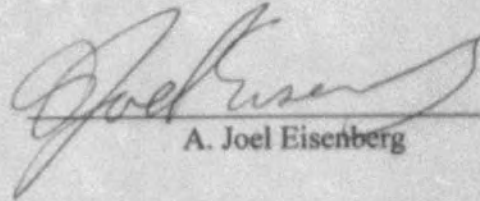
(d) **Complaints/Inquiries from customers;**  
Mike Savage  
Customer Care Manager  
417 2nd Avenue West  
Seattle, WA 98119  
(206) 301-7019  
(800) 959-5255

## 18A. Financial Capability

ITL has experienced substantial growth, with current monthly billing increasing approximately 15% per month. Annualized gross revenues in December 1995 exceeded \$36 million. The primary engines of this growth have been an expanding international telecommunications market, rapidly advancing technologies, an aggressive marketing campaign, referrals from satisfied customers and a network of affiliates around the world. ITL has also earned a reputation as a determined negotiator with the major international carriers, permitting the company to offer its customers advantageous rates with ample profit margins.

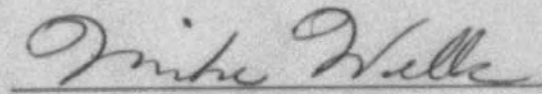
AFFIRMATION

I, A. Joel Eisenberg, President and Chairman of International Telcom, Ltd., affirm that the attached financial statements are true and correct to the best of my knowledge and belief.

  
A. Joel Eisenberg

Aug 16, 1996  
Date

I, Michael Wells, Chief Financial Officer of International Telcom, Ltd., affirm that the attached financial statements are true and correct to the best of my knowledge and belief.

  
Michael Wells

Aug 16, 1996  
Date

INTERNATIONAL TELCOM, LTD.  
DBA KALLBACK

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 1995 AND 1994

WITH

INDEPENDENT AUDITORS' REPORT

---

KENNETH L. WALL & CO. P. S.

CERTIFIED PUBLIC ACCOUNTANTS

1801 WESTIN BUILDING

2001 SIXTH AVENUE

SEATTLE, WASHINGTON 98121



INTERNATIONAL TELCOM, LTD.  
DBA KALLBACK  
For the Years Ended December 31, 1995 and 1994

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NEAL D. OTTMAR  
CALVIN L. OTT  
DAVID R. HLEBASKO

KENNETH L. WALL & CO., P.S.  
CERTIFIED PUBLIC ACCOUNTANTS  
1801 WESTIN BUILDING  
2001 SIXTH AVENUE  
SEATTLE, WASHINGTON 98121-2571

TELEPHONE (206) 441-1055  
FAX (206) 441-1058

June 19, 1996

INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
International Telcom Ltd. dba Kallback  
Seattle, Washington

We have audited the accompanying balance sheets of International Telcom Ltd. dba Kallback (a corporation) as of December 31, 1995 and 1994, and the related statements of income, stockholders' deficit, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of International Telcom Ltd. dba Kallback as of December 31, 1995 and 1994, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

*Kenneth L. Wall & Co., P.S.*  
KENNETH L. WALL & CO., P.S.



The CPA. Never Underestimate The Value.™

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LIABILITIES AND STOCKHOLDERS' DEFICIT

	<u>1995</u>	<u>1994</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable - trade	\$ 2,626,545	\$ 875,865
Accounts payable - related party (Note 12)	233,271	233,271
Accrued liabilities		
Payroll and payroll taxes	81,584	27,419
Business taxes	110,848	7,257
Deferred carrier credits, current portion (Note 6)	69,350	-
Notes payable - related party (Note 7)	40,000	40,000
Capital lease obligations, current portion (Notes 1 and 11)	69,350	58,432
Security deposits - current portion (Note 8)	1,800,000	354,500
Security deposit, related party (Notes 8 and 12)	199,988	199,988
<b>TOTAL CURRENT LIABILITIES</b>	<u>\$ 5,230,936</u>	<u>\$ 1,796,732</u>
 <b>OTHER LIABILITIES</b>		
Capital lease obligations, net of current portion (Notes 1 and 11)	\$ 62,354	\$ 131,704
Deferred carrier credits, net of current portion (Note 6)	51,974	-
Security deposits, net of current portion (Note 8)	3,215,790	3,829,852
	<u>\$ 3,330,118</u>	<u>\$ 3,961,556</u>
 <b>COMMITMENTS AND CONTINGENCIES (Note 11)</b>		
 <b>STOCKHOLDERS' DEFICIT</b>		
Common stock, \$10 par, 100 shares authorized, issued and outstanding	\$ 1,000	\$ 1,000
Capital in excess of par	10,000	10,000
Retained deficit	(556,785)	(391,438)
	<u>\$ (545,785)</u>	<u>\$ (380,438)</u>
	<u>\$ 8,015,269</u>	<u>\$ 5,377,850</u>



INTERNATIONAL TELCOM, LTD.  
DBA KALLBACK

STATEMENTS OF INCOME  
For the Years Ended December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
REVENUES	\$ 24,819,410	\$ 12,676,283
DIRECT COSTS OF REVENUE	<u>18,209,768</u>	<u>8,589,733</u>
Gross Operating Profit	\$ 6,609,642	\$ 4,086,550
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>6,883,180</u>	<u>3,777,506</u>
Operating Income (Loss)	\$ (273,538)	\$ 309,044
OTHER INCOME (EXPENSES)		
Interest income	39,668	-
Investment income (losses) (Note 2)	7,158	(19,744)
Miscellaneous income	8,609	-
Interest expense	<u>(19,214)</u>	<u>(16,772)</u>
	\$ 36,221	\$ (36,516)
INCOME (LOSS) BEFORE INCOME TAX BENEFITS	\$ (237,317)	\$ 272,528
BENEFIT OF INCOME TAXES (Note 10)	<u>71,970</u>	<u>197,530</u>
NET INCOME (LOSS)	\$ (165,347)	\$ 470,058

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL TELCOM, LTD.  
DBA KALLBACK

STATEMENTS OF STOCKHOLDERS' DEFICIT  
For the Years Ended December 31, 1995 and 1994

	<u>Shares Issued</u>	<u>Common Stock</u>	<u>Capital in Excess of Par</u>	<u>Retained Deficit</u>
BALANCE, December 31, 1993	100	\$ 1,000	\$ 10,000	\$ (861,496)
Net Income	—	—	—	470,058
BALANCE, December 31, 1994	100	\$ 1,000	\$ 10,000	\$ (391,438)
Net Loss	—	—	—	(165,347)
BALANCE, December 31, 1995	<u>100</u>	<u>\$ 1,000</u>	<u>\$ 10,000</u>	<u>\$ (556,785)</u>

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL TELCOM, LTD.  
DBA KALLBACK

STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 1995 and 1994

	1995	1994
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss)	\$ (165,347)	\$ 470,058
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	584,576	181,037
Intangible assets	(5,000)	-
Provision for bad debts	876,561	296,025
Investment income (losses)	(4,528)	19,744
Increase in deferred income tax assets	(78,000)	(197,530)
Increase in deferred carrier credits	121,324	-
Changes in operating assets and liabilities:		
Decrease in cash reserves	477	79,887
Increase in accounts receivable	(1,560,256)	(2,403,009)
Increase in federal income taxes refundable	(6,030)	-
Increase in prepaid expenses	(45,587)	-
Increase in carrier deposits	(1,599)	(178,149)
Increase in accounts payable	1,750,680	616,593
Increase (decrease) in accrued liabilities	157,757	(23,811)
Increase in security deposits	831,437	3,341,506
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 2,456,465</b>	<b>\$ 2,202,351</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of fixed assets	\$ (1,695,813)	\$ (681,907)
Purchases of marketable securities	(154,284)	(188,599)
Proceeds from sale of marketable securities	120,566	-
Issuance of notes receivable - related party	(819,938)	(137,133)
Proceeds from repayment on notes receivable - related party	156,907	-
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>\$ (2,392,562)</b>	<b>\$ (1,007,639)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on notes payable - related party	\$ -	\$ (301,470)
Payments on capital lease obligations	(58,432)	(5,555)
<b>NET CASH USED BY FINANCING ACTIVITIES</b>	<b>\$ (58,432)</b>	<b>\$ (307,025)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>\$ 5,471</b>	<b>\$ 887,687</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEARS</b>	<b>990,176</b>	<b>102,489</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEARS</b>	<b>\$ 995,647</b>	<b>\$ 990,176</b>

The accompanying notes are an integral part of these financial statements.

18B. Managerial Capability  
and  
18C. Technical Capability



#### **A. Joel Eisenberg, President/Chairman**

Mr. Eisenberg founded International Telcom in early 1993 as a successor to Telcom Design. He is the principal creative influence at ITL. He conceived Kallback in 1992, and has been the driving force behind most of the company's new ideas.

Prior to Kallback's success, Mr. Eisenberg was an entrepreneur who achieved significant financial success in the pay-per-call and audiotext segments of the telecommunications industry. In the 1970's, prior to airline deregulation, he founded AeroAmerica, an international charter airline operating a fleet of Boeing 707s based in Las Vegas and Berlin, with extensive operations in the Middle East and Africa. AeroAmerica was one of the first charter airlines to be granted scheduled routes after deregulation.

Mr. Eisenberg is a member of the Telecommunications Resellers Association and the International Resale Council. He is a graduate of Columbia University, and studied at M.I.T. and the University of Washington.

#### **Mike Wells, Chief Financial Officer**

Mr. Wells is directly responsible for the Accounting Department, Billing Department and Management Information Systems. In addition, he works with the computer hardware specialists and programmers in reviewing the capital needs for continued growth of the company. Mr. Wells is also responsible for financial forecasting, cash flow and banking relations. As new products come on line, he takes the point in setting up systems, budgets and procedures.

Mr. Wells brought to the company a wide range of accounting and management experience, including several years as a CFO in a developing nation. Mr. Wells has a base of four years as an Audit senior and eleven years as a Controller both for startup and entrepreneurial companies, as well as companies that needed accounting and management controls established.

Mr. Wells graduated in 1980 from San Diego State University with a Business Degree in Accounting and a minor in Data Processing. He received his CPA certificate in 1985 from California. Mr. Wells' interest in accounting and data processing began during his term in the Marine Corps, while instructing and setting up the automated military pay system.

**Martin Durbec, Chief Operating Officer**

Mr. Durbec oversees the day to day operations of International Telcom, Ltd. He also assists Mr. Eisenberg in all aspects of ITL's business.

Mr. Durbec has extensive experience in telecommunications as well as in other industries. His background includes being President or Vice President of several firms as well as being the founder and President of Operator Assisted Systems, Inc. In the past two decades, Mr. Durbec has been instrumental in the operation and development of multimillion dollar companies. At Telephone Broadcasting Systems, Inc. his development and implementation of key strategies contributed to revenues in excess of \$10 million per year.

Mr. Durbec has an educational background in civil engineering from Leeds University with subsidiary studies in accounting and economics.

**Barb Silverman, Vice President, Operations**

Ms. Silverman is a member of the original team recruited in 1993 to launch Kallback. In her current position she manages the Affiliate Support Department, Customer Service Department, and Human Resources Department.

Before arriving at International Telcom, Ms. Silverman spent fifteen years in international management and product management, in Europe and the United States. She worked in Market Research at Continental Can in Brussels, identifying strategic acquisitions for expanding the business. Later, at Welch Foods, she was senior product manager for Bottled Grape Juice, the flagship product for the company.

Ms. Silverman has a BA in German from the University of Washington; a Master of International Management degree from the American Graduate School of International Management (Thunderbird), and a Masters degree in Leisure and Recreation Management from Boston University.

### **Ken Davis, Technical Director**

Mr. Davis is in charge of the technical operations of International Telcom, and another member of the original Kallback startup team. Mr. Davis is the senior supervising engineer for all of ITL's design and development activities. His staff consists of 20 programmers, hardware engineers, technicians and analysts.

Mr. Davis has been in the employ of ITL and its predecessor companies for over ten years. Prior to joining ITL, he had his own company, InTelephone Systems, providing consulting services in telecommunications to Seattle businesses for five years. He also spent seven years as a Mechanical Engineer at Centex, where he advanced his interest in developing software.

Mr. Davis received a BA in Electronic Engineering Technology from RETS, in Rock Island, Illinois.

### **Eric Doescher, Director of Marketing**

Mr. Doescher oversees the international communications, advertising and press relations of the International Telcom. During his two-year tenure, the company has been featured in virtually every major international publication, including the New York Times, the Financial Times, the International Herald Tribune, The Wall Street Journal, USA Today, The Economist, CBS News, RTHK in Hong Kong, the BBC, KTLA in Los Angeles, and many other important media. He has developed an international advertising campaign in various media targeting international businesses and expatriates. Additionally, he supervises a creative staff to support the company's activities for trade shows, events, direct mail, customer communications and documentation.

Prior to his arrival at International Telcom, Mr. Doescher spent most of his career in advertising agencies in New York City, notably with Omnicom and The Interpublic Group. In various roles he developed marketing campaigns for such companies and products as Coca-Cola, Smirnoff, Citicorp, Sony, Philips, Sharp Electronics, Siemens, NEC, Okidata, Hewlett-Packard and Ziff-Davis Publications. He also worked as a International Marketing Manager for Rémy Martin in France.

Mr. Doescher is a graduate of Brown University in Providence, R.I. and received an MBA from L'Institut Européen d'Administration des Affaires (INSEAD) in Fontainebleau, France.

### **Chuck Briggs, Telecommunications Manager and Director of Network Services**

Mr. Briggs is the primary technical supervisor of ITL's telephone switching equipment and Telecom Tech Support Staff. He is responsible for switch planning and provisioning, network monitoring and design, and the development and implementation of Network Control Center procedures. His major contribution to ITL has been the acquisition and implementation of a Northern Telecom DMS250 Tandem Central Office, and a private voice network consisting of switches in London, New York, Los Angeles and Vancouver, B.C.

Mr. Briggs is a veteran of 17 years in the telecommunications industry. He worked as a Senior Design Engineer at Rep-Sac, Senior Applications Manager at Leviton Telecom, and as a Director of Technical Services at STS.

Mr. Briggs is a graduate of BCC, and officially certified by almost every major telecom and datacom manufacturer for network design and installation.

### **Richard Belin, Director of Customer Services**

Mr. Belin is in charge of the Customer Services Department, which includes both Kallback Customer Care and Direct Tele Sales departments, which is staffed twenty-four hours a day. Customer Service is a point of pride in the International Telcom organization, and is the largest single department.

Mr. Belin has over twenty years of experience in the telecommunications industry. He has held sales and marketing positions with Pacific Northwest Bell (US West), AT&T, and Shared Technologies, where he developed the Seattle regional office from start-up to annual revenues exceeding \$3.5 million.

Mr. Belin earned his undergraduate degree at Lakeland College in Wisconsin and has pursued graduate studies in Computer Science at M.I.T. and North Dakota State University at Fargo.



**Colin Hayes, Faxaway Group Manager**

Mr. Hayes is responsible for all aspects of marketing Faxaway services, strategically and executionally. Faxaway is currently the fastest growing service in the International Telcom portfolio.

Mr. Hayes' background includes seven years in the personal computer industry, having worked previously as a project manager for Microsoft and Apple Computer.

Mr. Hayes received a bachelor's degree in economists from the University of Washington in 1984, and is completing an MBA at Seattle University.

**Veronica Crellin, Billing Manager**

Ms. Crellin is responsible for the accurate processing and distribution of all account billing information, the processing of affiliate commissions, and Kallback's accounts receivable collection efforts. She manages a staff of twenty-to in her effort to administer customer payments by cash, credit card, electronic funds transfer or wire.

Before joining International Telcom, Ms. Crellin was employed at PacNet, Inc., a subsidiary of MidCom Telecommunications as the Manager of Support Services for this regional carrier.

Ms. Crellin is a graduate of City University in Bellevue and has a Bachelor of Science degree in Business Administration.

**Rich Whitaker, Controller**

Mr. Whitaker is responsible for the company's current account ledger and Accounts Payable Department. He works with the company's outside auditors on their periodic reviews.

Most recently, Mr. Whitaker spend eight years as Division Controller for Bell Industries, with responsibility for a \$50 million unit of the company.

Mr. Whitaker is a graduate of the University of Utah, College of Business, with a BS in Accounting.

19. Proposed Tariff

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**FLORIDA TELECOMMUNICATIONS TARIFF**

This tariff applies to the descriptions, regulations, and rates for telecommunications services furnished by International Telcom Ltd. between one or more points in the State of Florida. This tariff is on file with the Florida Public Service Commission (FPSC) and at the Company's office at 417 Second Avenue West, Seattle, Washington 98119. Copies may be inspected during normal business hours.

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**CHECK SHEET**

Sheets 1 through 30 inclusive of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>
1	Original	16	Original
2	Original	17	Original
3	Original	18	Original
4	Original	19	Original
5	Original	20	Original
6	Original	21	Original
7	Original	22	Original
8	Original	23	Original
9	Original	24	Original
10	Original	25	Original
11	Original	26	Original
12	Original	27	Original
13	Original	28	Original
14	Original	29	Original
15	Original	30	Original

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**EXPLANATION OF SYMBOLS**

The following are the only symbols used for the purposes indicated below:

- R - to signify a rate reduction.
- I - to signify a rate increase.
- C - to signify a changed regulation.
- T - to signify a change in text but no change in rate or regulation
- S - to signify reissued matter
- M - to signify matter moved without change
- N - to signify a new rate or regulation
- D - to signify discontinued rate or regulation
- Z - to signify a correction
- Y - to signify reference to other published tariffs.

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**TARIFF FORMAT**

- A. Sheet Numbering - Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 10 and 11 would be 10.1.
- B. Sheet Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet revision on file with the FPSC. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc., the FPSC follows in their tariff approval process, the most current sheet number on file with the FPSC is not always the tariff page in effect. Consult the Check Sheet for the sheet currently in effect.
- C. Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to 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. Check Sheets - When a tariff filing is made with the FPSC, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (\*). There will be no other symbols used on this page if there are only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the FPSC.

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**SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS**

Access Line - A circuit which connects the calling customer's location to an interexchange switching center.

Access Code - A numeric code that, when dialed, connects the caller to the provider of services associated with that sequence

Authorization Number - A four to twelve digit security number, one or more of which are available to a customer to enable him/her to access the carrier, and which are used by the carrier both to prevent unauthorized access to its facilities and to identify the customer for billing purposes. All authorization codes shall be the sole property of the Company and no Customer shall have any property or other right or interest in the use of any particular authorization code.

Authorized User - A user who is a customer, or a person authorized by a customer that uses the Company's services. An Authorized User is responsible for compliance with this tariff.

Billed Party - The person or entity responsible for payment for use of the Company's service(s).

Called Station - The termination point of a call (i.e. the called number).

Calling Station - The origination point of a call (i.e. the calling number).

Carrier - International Telcom Ltd.

Central Office - A Local Exchange Carrier switching system where Local Exchange Carrier customer station loops are terminated for purposes of interconnection to each other and to trunks.

Channel - A path for electrical transmission between two or more points, the path having a band width designed to carry voice grade transmission.

Common Carrier - A company or entity providing telecommunications services to the public.

Company - International Telcom Ltd.

Credit Card Calls (Calling Card Calls) - A call for which charges are billed not to the originating telephone number, but to a credit card, such as Visa or Master Card, or to a LEC or interexchange carrier calling card, including calling cards issued by the Company.

Customer - Any person, firm, partnership, association, joint stock company, trust, corporation, governmental entity or any other entity ordering service, that is responsible for payment of charges and for compliance with this tariff.

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**SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (Continued)**

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Customer Dialed Calling Card Call - A call that is billed to a Calling Card that does not require intervention by an attended operator position to complete.

Customer Provided Equipment - Telecommunications equipment provided by a customer or authorized user used to originate calls using the Company's service.

Day - From 8:00 AM up to but not including 5:00 PM local time Monday through Friday.

Dedicated Line Service - A service where the Customer is connected to Carrier's network with a private line, into machine trunk or high capacity T-1 circuit.

Dial-up - A method of using Carrier where a Customer dials 950-xxxx, enters a code and places a call.

Direct Dialed Call - An intrastate telephone call that is automatically completed and billed to the telephone number from which the call originated without the assistance of a live or automated operator. This includes calls forwarded by call forwarding equipment.

Evening - From 5:00 PM up to but not including 11:00 PM local time Sunday through Friday.

Exchange - A geographic area established by the tariff of Local Exchange Carriers for the administration of communications service in a specified area that usually embraces a city, town or village and its environs. It consists of one or more Central Offices together with the associated facilities used in furnishing communications service within that area.

FCC - The Federal Communication Commission.

Local Exchange Carrier (LEC) - A telephone company utility which provides local telecommunications services to a specific geographical area for business and residential customers.

Night/Weekend - From 11:00 PM up to but not including 8:00 AM Sunday through Friday, and 8:00 AM Saturday up to but not including 5:00 PM Sunday.

Non-recurring Charges - Non-recurring charges are one-time charges that apply for a specific work activity (i.e., installation or change to an existing service). The types of non-recurring charges that apply for Switched Service are: installation of service and service rearrangements.

One-Plus - A method of accessing service where a Customer selects the Company as an equal access provider of long distance.

Other Common Carrier - A common carrier, other than the Company, providing intrastate communications service(s) to the public.

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**SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (Continued)**

Personal Identification Number (PIN) - A numeric code, one or more of which may be assigned to a Customer, to enable the Company to identify the origin of the service user for security and/or billing purposes. All PIN codes shall be the sole property of the Company and no Customer shall have any property or other right or interest in the use of any particular PIN code.

Point of Presence - The site(s) where the Company provides a network interface with facilities provided by the Other Common Carrier, Local Exchange Carriers or Customers for Access to the Company's network configuration.

POTS - Plain Old Telephone Service. Basic service supplying standard single line access to the public switched network.

Premises - A building or buildings on contiguous property (except railroad rights-of-way, etc.) not separated by a public highway.

Project Code - A two to twelve digit number a Customer dials when using the Carrier switch to provide enhanced accounting and billing features.

Subscriber - The person or legal entity which enters into an arrangement for the Company's telecommunications services.

Switched Service - A network that uses SCAN and/or CCSA type common control switching, connecting the calling party to the called party.

T-1 Service - A method of using Carrier where access is provided by installing a high capacity circuit from Carrier to Customer.

Uncompleted Call - Any call where the communication path between the calling and the called station is not established (i.e., busy, no answer, etc.).

United States - The forty-eight (48) contiguous states and the District of Columbia, Hawaii, Alaska, Puerto Rico, the U. S. Virgin Islands, as well as the off-shore areas outside the boundaries of the coastal states of the forty-eight contiguous states to the extent that such areas appertain to and are subject to the jurisdiction and control of the United States.

User - The person at the Subscriber's location who actually places the call through the Company's service.

Wats Access Line (WAL) - A method of using Carrier where access is provided by installing a special line that is a partially switched and partially dedicated access line.

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**SECTION 2 - RULES AND REGULATIONS****2.1. Undertaking of the Company**

International Telcom Ltd. (hereinafter "the Company" or "ITL") services are furnished for communications originating at specified points within the State of Florida under terms of this tariff. Service is furnished subject to the availability of facilities and subject to transmission, atmospheric and like conditions.

The Company operates and maintains the communications services provided herein in accordance with the terms and conditions set forth under this tariff. All terms, conditions and limitations of liability contained in this tariff apply to all Florida intrastate services provided by the Company, including those where charges are established pursuant to contract, unless the contract explicitly provides otherwise. The Company may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the Customer, to allow connection of a Customer's location to the Company's network. The Customer shall be responsible for all charges due for such service arrangement.

The Company's services are provided on a monthly basis unless ordered on a longer term basis, and are available twenty-four hours per day, seven days per week

**2.2. Interconnection with Other Common Carriers**

The Company reserves the right to interconnect its services with those of any Other Common Carrier, Local Exchange Carrier, or alternate access provider of its election, and to utilize such services concurrently with its own facilities for the provision of Service offered in this tariff.

Interconnection with the facilities or services of other Carriers shall be under the applicable terms and conditions of the Company's tariffs. The Customer is responsible for taking all necessary legal steps for interconnecting Customer-provided terminal equipment or communications systems with Carrier's facilities. Customer shall secure all licenses, permits, right-of-way, and other arrangements necessary for such interconnection.

**2.3. Limitations of Service**

All service is subject to the availability of suitable facilities. The Company reserves the right to limit the length of communications or to discontinue furnishing service when necessary because of the lack of satellite or other transmission medium capacity or due to any causes beyond its control.

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**SECTION 2 - RULES AND REGULATIONS (Continued)**

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**2.3. Limitation of Service (Continued)**

Customer shall not assign or transfer the service or any rights associated with the service except with prior written consent of the Company. The Company may at the Company discretion, 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 access 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.

**2.4. Uses of Services**

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

2.4.2. Services provided in this tariff shall not be used for unlawful purposes.

2.4.3. The use of the Company's Service(s) without payment for Service or attempting to avoid payment for Service(s) by fraudulent means or devices, schemes, false or invalid numbers of false calling or credit cards is prohibited.

**2.5. Liability of the Company**

2.5.1. Except as stated in Section 2.5., the Company shall have no liability for damages of any kind arising out of or related to events, acts, rights or privileges contemplated in this tariff. This tariff does not limit the liability of the Company for gross negligence or willful misconduct. In any action between the parties to enforce any provision of this tariff, the prevailing party shall be entitled to recover its legal fees and court costs from the non-prevailing party in addition to other relief a court may award.

2.5.2. The entire liability for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid the Carrier by the Customer for the specific services in the month in which the event giving rise to the liability occurred. No action or proceeding against the Carrier shall be commenced more than one year after the event giving rise to the liability occurred. However, any mistake, omission, interruption, delay, error, or defect in transmission or Service(s) that are caused by or contributed to by the negligence or willful act of the Customer, or which arise from the use of Customer-Provided Facilities or equipment shall not result in any liability of the Company.

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**SECTION 2 - RULES AND REGULATIONS (Continued)**

**2.5. Liability of the Company (Continued)**

- 2.5.3. THE COMPANY DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE SERVICES, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
- 2.5.4. The Company is not liable for any act, omission or negligence of any Local Exchange Carrier or other provider whose facilities are used concurrently in furnishing any portion of the Service(s) received by Customer, or for the unavailability of or any delays in the furnishing of any Service(s) or facilities that are provided by any Local Exchange Carrier. Should the Company employ the service of any Other Common Carrier in furnishing the Services provided to Customer, the Company's liability shall be limited according to the provisions of Section 2.5.2. above and elsewhere in this tariff.
- 2.5.5. The Company shall not be liable for any failure of performance due to causes beyond its control, including but not limited to fire, flood, or other catastrophes; Acts of God; atmospheric conditions or other phenomena of nature; federal, state or local governments having jurisdiction over the Company or the Services provided within this tariff; national emergencies; civil disorder, insurrections, riots, wars, strikes, lockouts, work stoppages, or other labor problems or regulations established or actions taken by any court or government agency having jurisdiction over the Company.
- 2.5.6. The Company shall be indemnified and held harmless by the Customer and Authorized User from and against all loss, liability, damage, and expense, including reasonable attorney's fees and court costs, due to:
- (A) Claims for libel, slander, infringement of copyright or unauthorized use of any trade mark, trade name or service mark arising out of the material, data, information, or other content over the Carrier's facilities.
  - (B) Claims for patent infringement arising from combining or connecting the Carrier's facilities with apparatus and systems of the Customer.
  - (C) All other claims arising out of any act or omission of the customer in connection with any service or facilities provided by the Carrier.
- 2.5.7. The Company shall not be responsible for the installation, operation or maintenance of any Customer-provided communications equipment.

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**SECTION 2 - RULES AND REGULATIONS (Continued)****2.5. Liability of the Company (Continued)**

- 2.5.8. Where Customer-provided equipment is connected to service furnished pursuant to this tariff, the responsibility of the Company shall be limited to the maintenance and operation of such services in the proper manner; subject to this responsibility, the Company shall not be responsible for the through transmission of signals generated by Customer-provided equipment or for the quality of, or defects in, such transmission; or the reception of signals by Customer-provided equipment; or network control signaling where such signaling is performed by Customer-provided network control signaling equipment.
- 2.5.9. Under no circumstances whatsoever shall the Company or its officers, directors, agents, or employees be liable for any indirect, incidental, special, or consequential damages.

**2.6. Responsibilities of the Customer**

- 2.6.1. The Customer is responsible for placing any necessary orders, and for complying with tariff Regulations, and for ensuring that Authorized users comply with tariff regulations. The Customer is also responsible for the payment of charges for calls originated at the Customer's premises. This includes payment for calls or services originated at the Customer's number(s); accepted at the Customer's number(s) (i.e., collect calls); billed to the Customer's number via Third Number Billing if the Customer is found to be responsible for such call or service, the use of a Calling Card, the use of a Company assigned Special Billing Number and incurred at the specific request of the Customer.
- 2.6.2. The Customer is responsible for charges incurred for special construction and/or special facilities that the Customer requests and which are ordered by the Company on the Customer's behalf.
- 2.6.3. If required for the provision of the Company's Services, the Customer must provide any equipment space, supporting structure, conduit, and electrical power without charge to the Company.
- 2.6.4. The Customer is responsible for arranging access to its premises at times mutually acceptable to the Customer and the Company when required for the Company personnel to install, repair, maintain, program, inspect, or remove equipment associated with the provision of the Company's Service(s).
- 2.6.5. The Customer shall ensure that its terminal equipment and system are properly interfaced with the Company's facilities and Services, that the signals and voltages emitted into the Company's facilities are of the proper mode, bandwidth, power, and signal level of the intended use of the Customer and in compliance with the criteria set forth in the rules of the FCC, and that the signals do not damage equipment, injure personnel or degrade Service to other Customers.

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**SECTION 2 - RULES AND REGULATIONS (Continued)****2.6. Responsibilities of the Customer (Continued)**

- 2.6.6. Interconnection between the Customer's equipment and Company-provided service must be made by the Customer by leased channel or dial-up service. Where interconnection between Customer's equipment and Company-provided service is not made by lease of Company facilities, interconnection must be made by the Customer at the Company's operating offices. Any special interface equipment necessary to achieve the compatibility between facilities of the Company and the channels or facilities of others shall be provided at the Customer's expense.
- 2.6.7. If the protective requirements in connection with Customer-provided equipment are not being complied with, the Company may take such immediate action as necessary to protect its facilities and personnel and will promptly notify the Customer of the need for protective action. In the event that the Customer fails to advise the Company within 10 days after such notice is received that corrective action has been taken, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities and personnel from harm. The Carrier will, upon 24 hours advance request, provide Customer with a statement of technical parameters that the Customer's equipment must meet.
- 2.6.8. The Customer is liable to the Company for replacement and repair of damage to the equipment and facilities of the Company caused by negligence and willful act of the Customer, its Authorized Users, and others, and for improper use of equipment provided by the Customer, its Authorized Users, and others.
- 2.6.9. The Customer is liable for any loss of Company equipment installed at the Customer's premises caused by: theft, fire, flooding, or any other casualty or criminal act.
- 2.6.10. Customers may be required to enter into written service orders which shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this tariff. Customers will also be required to execute any other documents as may be reasonably requested by the Carrier.
- 2.6.11. Customers are responsible for the security and usage of all authorization numbers assigned, and for payment of all charges placed against them. Customers are allowed 30 days after each statement posting date to notify Carrier of calls believed to be incorrectly charged to Customer's account. Credit for such calls, if allowed, will be made on the statement posted not later than sixty days after receipt by Carrier of such notification. Customers claiming not to be responsible for more than five calls on any one statement may be required to accept a number change.

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**SECTION 2 - RULES AND REGULATIONS (Continued)****2.7. Responsibilities of Authorized Users**

- 2.7.1. The Authorized User is responsible for compliance with applicable regulations set forth in this tariff.
- 2.7.2. The Authorized User is responsible for establishing its identity as often as necessary during the course of a call.
- 2.7.3. The Authorized User is responsible for identifying the station, party, or person with whom communication is desired and/or made at the called number.
- 2.7.4. The Authorized User is responsible for providing the Company with a valid method of billing for each call. The Company reserves the right to validate the credit worthiness of Users through available Credit Card, Called Number, Third Party telephone number and Room Number verification procedures. Where a requested billing method cannot be validated, the User may be required to provide an acceptable alternate billing method or the Company may refuse to place the call.

**2.8. Termination or Interruption of Services**

- 2.8.1. Without incurring liability, the Company may discontinue Service(s) under the following conditions (the Company will give prior written notice unless otherwise specified):
- (i) For past due balances or when usage has exceeded the credit limit established by the Company.
  - (ii) For violation of the terms or conditions governing the furnishing of services under this tariff.
  - (iii) For violation of any law, rule, regulation, or policy of any governing authority having jurisdiction over the Company's Service(s).
  - (iv) Upon any governmental prohibition or required alteration of the services to be provided or any violation of an applicable law or regulation, the Carrier may immediately discontinue suspend service without incurring any liability.
  - (v) Upon condemnation of any material portion of the facilities used by the Carrier to provide service to a Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Carrier, by notice to the Customer, may discontinue or suspend service without incurring any liability.

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**SECTION 2 - RULES AND REGULATIONS (Continued)****2.8. Termination or Interruption of Services (Continued)**

(vi) 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 Carrier may immediately discontinue or suspend service without incurring any liability.

(vii) In the event of fraudulent use of the Carrier's network, the Carrier may without notice suspend or discontinue service. The Customer will be liable for all related costs. The Customer will also be responsible for payment of any reconnection charges.

Upon the Carrier's discontinuance of service to the Customer under Section 2.8.1 (i) or (ii), the Carrier, in addition to all other remedies that may be available to the Carrier at law or in equity or under any other provision of this tariff, may declare all future monthly and other charges which would have been payable by the Customer during the remainder of the term for which such services would have otherwise been provided to the Customer to be immediately due and payable (discounted to present value at 6%).

If service is disconnected by the Carrier in accordance with section 2.8.1., and later restored, restoration of service will be subject to all applicable installation charges.

- 2.8.2. Without incurring liability, the Company may temporarily interrupt the provision of Service(s) at any time in order to perform test(s) and inspection(s) to assure compliance with tariff regulations and the proper installation and operation of Customer and the Company's equipment and facilities.
- 2.8.3. In the event that the Company incurs attorneys fees or other costs to recover any sums then due and the Company prevails, the Company shall be entitled to recover its costs of collection, legal costs, court costs, and reasonable attorneys' fees, in addition to whatever other relief the court may award. The Company may assign or sell receivables to Local Exchange Carriers, collection agencies or other parties and the amounts owed to the Company shall then become due and payable to that third party.
- 2.8.4. Service(s) may be discontinued by the Company, without notice to the Customer, by blocking traffic to and from certain countries, cities, NXX's, or by blocking calls using certain Customer Authorization Codes or Calling Card Account Numbers when the Company deems it necessary to take such action to prevent fraud or other unlawful use of its Service(s). The Company may restore Service(s) as soon as it can be provided without undue risk.
- 2.8.5. If, for any reason, Service(s) is interrupted, the Customer will only be charged for the Service(s) that was actually used.

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**SECTION 2 - RULES AND REGULATIONS (Continued)****2.8. Termination or Interruption of Services (Continued)**

2.8.6. The Company reserves the right to refuse or honor RESPOG (800 Responsible Organization) change requests when an unsatisfied business relationship exists between the Customer and the Company.

**2.9. Allowances for Interruption of Service**

Credit allowance for interruptions of service which are not due to the Carrier's testing or adjusting, to the negligence of the Customer, or the failure of channels, equipment and/or communications systems provided by the Customer or due to vendor failures, are subject to the general liability provisions set forth in Sections 2.5. It shall be the obligation of the Customer to notify the Carrier of any interruptions in service. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission of the Customer, not within his control, or is not in wiring or equipment connected to the terminal or the Carrier.

2.9.1. A credit allowance will be made when an interruption occurs because of a failure of any component furnished by the Carrier under this Tariff. An interruption period begins when the Customer reports a services, facility or circuit to be interrupted and release it for testing and repair. An interruption period ends when the service, facility or circuit is operative. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.

For calculating credit allowances, every month is considered to have 30 days. Credit allowances are applied on a pro rate basis against the rate specified hereunder and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit. A credit allowance will be given for interruptions of thirty (30) minutes or more. Credit allowances for service outages that exceed 24 hours in duration will be rounded up to the next whole 24 hours.

2.9.2. No credit allowance will be made for:

- (A) interruptions due to the negligence of, or noncompliance with this tariff by the Customer, authorized user, joint user, or other common carrier providing service connected to the service of the Carrier;
- (B) interruptions due to the negligence of any person other than the Carrier, including but not limited to the Customer or other common carriers connected to the Carrier's facilities;
- (C) interruptions due to the failure of malfunction of non-Carrier equipment;

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**SECTION 2 - RULES AND REGULATIONS (Continued)****2.9. Allowances for Interruption of Service (Continued)**

- (D) interruptions of service during any period in which the Carrier is not given full and free access to its facilities and equipment for the purpose of investigating and correcting interruptions;
- (E) interruptions of service during a period in which the Customer continues to use the service on an impaired basis;
- (F) interruptions of service during any period when the Customer has released service to the Carrier for maintenance purposes or for implementation of a Customer order for a change in service arrangements; or
- (G) interruption of service due to circumstances or causes beyond the control of Carrier.

**2.10. Payment for Service**

The Customer is responsible for payment of all charges for facilities and Service(s) furnished by the Company, including charges for Service(s) originated or charges accepted at the Customer's service point.

- 2.10.1. Charges for Third Party calls will be included on the Billed Party's local exchange telephone company bill pursuant to billing and collection agreements established by the Company or its intermediary with the applicable telephone company.
- 2.10.2. Charges for Credit Card Calls will be included on the Billed Party's regular monthly statement from the card-issuing company.
- 2.10.3. Dedicated access circuits may be provided and billed by the local exchange company (LEC). Dedicated access channels may be purchased from carriers other than the LEC only in accordance with FPSC rules or if the special access channel is jurisdictionally interstate. Charges for the dedicated access channel are determined by the access provider.
- 2.10.4. The Customer will be billed for and is liable for payment of all applicable federal, state and local use, assessments, surcharges, sales and/or privilege taxes and/or similar liabilities chargeable to or against the Company as a result of the provision of the Company's Service(s), in addition to the rates indicated in this tariff. Taxes or surcharges may be passed through to customers of a taxing jurisdiction on a prorated basis such that the total of all such charges aggregated among all customers in the taxing jurisdiction shall approximately equal the total amount of tax due in that jurisdiction.

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**SECTION 2 - RULES AND REGULATIONS (Continued)****2.10. Payment for Service (Continued)**

## 2.10.4 (Continued)

A surcharge is imposed on all charges for service originating at addresses in states which levy, or assert a claim of right to levy, a gross receipts tax on the Carrier's operations in any such state, or a tax on interstate access charges incurred by the Carrier for originating access to telephone exchanges in that state. This surcharge is based on the particular state's receipts tax and other state taxes imposed directly or indirectly upon the Carrier by virtue of, and measured by, the gross receipts or revenues of the Carrier in that state and/or payment of interstate access charges in that state. The surcharge will be shown as a separate line item the Customer's monthly invoice.

- 2.10.5. The Customer shall remit payment of all charges to the Company or to any agency authorized by the Company to receive such payment. Customers have up to 90 days (commencing five days after remittance of the bill) to initiate a dispute over charges or to received credits. Undisputed amounts may not be withheld.
- 2.10.6. If the bill is not paid within fifteen (15) calendar days following issuance of the bill, the account will be considered past due.
- 2.10.7. Bills are due and payable upon receipt. Interest at the lesser of (1) the rate of one and one-half (1.5%) percent per month, or (2) the highest rate allowed by law per month shall accrue upon any unpaid amount commencing thirty (30) days after the date of the bill for the amount first sent.
- 2.10.8. A delinquent account may subject the Customer's Service(s) to temporary disconnection.
- 2.10.9. Failure to receive a bill will not exempt a Customer from prompt payment of any sum(s) due the Company.
- 2.10.10 Charges for recurring fees will be billed one (1) month in advance. Usage charges will be billed one (1) month in arrears.
- 2.10.11. The Customer will be assessed a charge of twenty dollars (\$20.00) or 5% of the amount of the check whichever is greater for each check submitted by the Customer to the Carrier which a financial institution refuses to honor. The charge will be applied to the Customer's monthly billing in addition to any other charges which may apply under this tariff. Payment rendered by check, subsequently dishonored, shall not constitute payment until the customer makes a valid repayment.

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**SECTION 2 - RULES AND REGULATIONS (Continued)****2.11. Deposits**

The Company does not require a deposit from the customer. However, in the event the Company requires deposits in the future, the following rules shall apply:

To safeguard its interests, the Carrier may require a Customer to make a deposit before services and facilities are furnished. The deposit will not exceed an amount equal to two months of estimated monthly usage charges. In addition, where special construction is involved, the deposit 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 Carrier and the Customer. The deposit will be credited to the Customer's initial bill.

Applicants for service or existing Customers who have failed to establish credit may be required at any time to provide the Carrier a security deposit. The deposit required will be in cash or the equivalent of cash, and will 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 two-twelfths of estimated annual billings.

In addition, the Carrier shall be entitled to require such an applicant or Customer to pay all bills within a specified period of time, and to make such payments in cash or the equivalent of cash. At the Carrier's option, such deposit may be refunded to the Customer's account at any time. Also, the Carrier reserves the right to cease accepting and processing Service Orders after it has requested a security deposit and prior to the Customer's compliance with this request.

When a service or facility is discontinued, the amount of 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 Carrier may, at its option, return the deposit or credit it to the Customer's account. If the amount of the deposit is insufficient to cover the balance due to the Customer's account, the Carrier retains the right to collect any amounts owing after the deposit has been applied plus any costs related to the collection of any remaining balance.

**2.12. Billing Entity Conditions**

When billing functions on behalf of the Company are performed by local exchange telephone companies, credit card companies or others, the payment conditions and regulations of such companies apply, including any applicable interest and/or late payment charges. In case of any disputed charges that cannot be resolved by the billing company, the Billed Party may contact the Company directly.

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**SECTION 2 - RULES AND REGULATIONS (Continued)**

**2.13. Discontinuation of Service(s)**

The Customer's Service(s) shall automatically terminate upon discontinuation of the Customer's subscription to the Company's Service(s).

2.13.1. Special Facilities - If a Customer orders service requiring special facilities dedicated to the Customer's use and then cancels his order before the service begins, before completion of the minimum period, or before completion of some other period mutually agreed upon, the Customer shall pay the Carrier the non-recoverable portions of expenditures or liabilities incurred expressly on behalf of the Customer by the Carrier and not fully reimbursed by installation and monthly charges. If, based on such an order, construction has either begun or been completed, but no service provided, the non-recoverable cost of such construction shall be paid by the Customer.

**2.14. Right to Backbill for Improper Use of the Company's Services**

Any person or entity which uses, appropriates or secures the use of Service(s) from the Company, whether directly or indirectly, in any unlawful manner or through the providing of any misleading or false information to the Company shall be liable for an amount equal to the accrued and unpaid charges that would have been applicable to the use of the Company's Service(s) actually made by Customer.

**2.15. Minimum Service Period**

The minimum period for service is one month (30) days unless shorter period is expressly approved by Carrier. When Access Service is disconnected prior to the expiration of the minimum period, charges are applicable for the balance of the minimum period.

The Minimum Period Charge for monthly billed services will be determined as follows:

For Switched Access Service, the charge for a month or fraction thereof is equal to the applicable minimum monthly charge for the capacity.

All applicable non-recurring charges for the service will be billed in addition to the Minimum Period Charge.

**2.16. Employee Concessions**

After a 90 day probationary period, employees are eligible to utilize up to \$50.00 a month in personal long distance services, and an additional \$50.00 at 50% of standard rates.

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**SECTION 2 - RULES AND REGULATIONS****2.17 Discounts for Hearing Impaired Customers**

Intrastate toll message rates for TDD users, which is communicated using a telecommunications device for the deaf (TDD) by properly certified business establishments or individuals equipped with TDDs for communications with hearing or speech impaired persons, shall be evening rates for daytime calls and night rates for evening and night calls.

**2.18 Directory Assistance Charges For Handicapped Persons**

Pursuant to Florida Public Service Commission Rules and regulations the Company will not charge for the first fifty (50) directory assistance calls made each month by a handicapped person.

**2.19 Operation of Telecommunications Relay Service**

Intrastate toll calls received from the relay service, each local exchange and interexchange telecommunications company billing relay call will be discounted by 50 percent of the applicable rate for a voice nonrelay call except that where either the calling or called party indicates that either party is both hearing and visually impaired, the call will be discounted 60 percent off the applicable rate for voice nonrelay call. The above discounts apply only to per call charges such as a credit surcharge.

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**SECTION 3 - DESCRIPTION OF SERVICES****3.1. Service Offerings**

The information in this section applies to all types of telecommunications services offered pursuant to this tariff unless otherwise noted. Florida Intrastate Long Distance Service is offered on a per call basis to Customers originating calls within the State of Florida. Such service is available twenty-four (24) hours per day seven (7) days per week. Service is provided on the basis of a one month minimum period, 24-hours per day. For the purpose of computing charges in this tariff, a month is considered to have 30 days.

**3.1.1. iWATS<sup>SM</sup>**

iWATS is ITL's standard business long distance service. ITL offers iWATS through two different methods: the customer can presubscribe to ITL (1+ service); or the caller can access iWATS by dialing 10404 (10XXX service). iWATS is also available for callers using the 1-800-919-1919 access number ("800" dial through).

**3.1.2. Dedicated Line Service**

Dedicated Line Service Provides a special access line directly connecting the Customer's premises to the Carrier's Network.

The Customer's charges for Carrier's services consist of the total of applicable network usage charges, and charges for access lines between the Customer's premises and the Carrier Network access point. All completed calls are billed for an initial thirty (30) seconds with six (6) second increments thereafter.

Access lines or tie-trunks required to connect a Customer's telephone system to the Carrier Network for dedicated line service will be ordered by Carrier as agent for the Customer, upon receipt of Customer's application and applicable fees as set forth in Section 4.2.2. Carrier's Operations Center will be the first point of contact for trouble reports on any portion of the service, and will pass such reports on the applicable telephone Carrier where appropriate.

A Customer of dedicated service may also subscribe to one plus service using a single authorization code or multiple codes assigned to the same service location. When this is done, all of the regulations pertaining to one plus service apply.

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**SECTION 3 - DESCRIPTION OF SERVICES (Continued)****3.1.3. 800 iWATS<sup>SM</sup> Service**

800 iWATS service is available to a customer when issued an 800 number upon joining the service. The 800 number is unique to the Customer and will ring to a number designated by the Customer.

**3.1.4. Feature Group D (FGD) Access**

FGD Access, which is available to all Customers, is provisioned at the DSI level and provides trunk side access to Carrier Local Switching Center switches, with an associated uniform 10XXX access code for the Customer's use in originating and terminating communications. Basic FGD service will be provided with Multi-Frequency In Band Signaling (SS7 is also available as a Common Switching Option for Feature Group D). In addition, Conventional Signaling for direct Carrier trunk groups is available at the Customer's option. End Users of the Customer's service may also originate calls to certain FGD Access Customers without dialing the 10XXX access code if the End User is presubscribed, as described herein. The access code for FGD switching is a uniform access code of the form 10XXX. A single access code will be the assigned number of all FGD access provided to the Customer by the Carrier. No access code is required for calls to a Customer over FGD Switched Access Service if the End User's telephone exchange service is arranged for Presubscription to that Customer, as set forth herein.

Where no access code is required, the number dialed by the Customer's End User shall be a seven or ten digit number for calls in the North American Numbering Plan (NANP), except for 00- dialed calls which are routed to the designated Customer. For international calls outside the NANP, a seven to twelve digit number may be dialed. The form of the numbers dialed by the Customer's End User is NXX-XXXX, 0 or 1 + NXX-XXXX, NPA + NXX-XXXX 0 or 1 + NPA + NXX-XXXX, and, when the Local Switching Center is equipped for International Direct Distance Dialing (IDDD), 01 + CC + NN or 011 + CC + NN.

When the 10XXX Access Code is used, FGD switching also provides for dialing the digit 0 for access to the Customer's operator, 911 for access to the Carrier' emergency service, or the end-of-dialing digit (#) for cut-through access to the Customer's premises.

In addition, End Users may originate calls by dialing the 950-XXXX Access Code specific to a particular Interexchange Carrier, provided that the Interexchange Carrier has subscribed to the Carrier's Feature Group D with 950 Access Common Switching Optional Feature. If the End User is presubscribed to that Interexchange Carrier, no access code is necessary.

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**SECTION 3 - DESCRIPTION OF SERVICES (Continued)****3.1. Service Offerings (Continued)****3.1.5. 800 and 888 Data Base Access Services**

800 and 888 Data Base Access Service is a service utilizing originating trunk side Switched Access Service. The service provides for the forwarding of end user dialed 800 or 888 calls to a Company Service Switching Point which will initiate a query to the data base to perform the Customer identification and delivery function. The call is forwarded to the appropriate Customer based on the dialed 800/888 number. In addition, the Customer has the option of selecting the 800/888 Optional Features Package.

Customer identification charge - The 800/888 Data Base Access Service Customer Identification Charge applies to the identification and delivery of the appropriate Customer. The charge is assessed to the Customer on a per query basis and may include an area of service which may range from a single NPA/NXX to an area consisting of all LATAs and NPAs in the State. The 800/888 Carrier Identification Charge is set forth in Section 4.

POTS translation charge - The POTS Translation provides the option of having the ten digit POTS number NPA + NXX-XXXX delivered instead of the 800 dialed number 800 + NXX-XXXX delivered to the service provider. A POTS Translation charge is assessed per call, in addition to the 800 Carrier Identification Charge as set forth in Section 4.

Call handling and destination feature - The 800 Optional Features Package, available only with 800 Data Base Access Service, provides feature functionality in addition to the basic query. The feature package may include various destination options such as Carrier selection, time of day routing, day of week routing, specific date routing, geographic routing, routing based on percent of allocation, and emergency routing profiles.

A Call Handling and Destination Feature Charge is assessed on a per-query basis, in addition to the Carrier Identification Charge and the POTS Translation Charge as set forth in Section 4.

**3.1.6. Faxaway<sup>SM</sup> Service**

Faxaway allows a customer with an e-mail account to send a facsimile message by sending an e-mail message to the Company's Internet node, which is subsequently transmitted by the Company via facsimile over the Company's network to the customer's intended destination.

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**SECTION 3 - DESCRIPTION OF SERVICES (Continued)****3.1. Service Offerings (Continued)****3.1.7. Long Distance Directory Assistance**

Service offered on a per call basis to all Commercial and Residential Customers whereby the customer may obtain telephone numbers by dialing 1 + area code + 555-1212. Such service is available twenty-four (24) hours per day, seven (7) days a week (note: the Company does not provide intraLATA directory assistance).

**3.1.8. Internet Service**

Long distance service for internet use.

**3.1.9. Residential Service**

Basic long distance service for residential subscribers.

**3.2. Billing Periods**

Service is billed on a monthly (30) day basis or more frequently, if requested by Customer. Service continues to be provided until canceled by Customer. The Customer's monthly charges for Carrier's service are based upon the total time the Customer actually used the service. For billing purposes, the duration of each call will be rounded to the nearest six seconds (unless otherwise specified). Customers receive tenth minute or full minute charges depending on the rate program to which they have subscribed. Carrier will provide a listing of each individual call made during the proceeding billing period. Timing on completed calls begins when the called party answers. Timing ends when either party hangs up.

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417 2nd Avenue West  
Seattle, Washington 98119

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**SECTION 3 - DESCRIPTION OF SERVICES (Continued)****3.3. Timing of Calls**

Customer traffic to end offices will be measured by the Carrier at end office switches. Originating and terminating calls will be measured by the Carrier to determine the basis for computing chargeable access minutes.

For originating calls over Feature Group D, usage measurement begins when the originating Feature Group D switch receives the first wink supervisory signal forwarded from the Customer's point of termination.

The measurement of originating call usage ends when the originating Feature Group D switch receives disconnect supervision from either the originating end user's end office, indicating the originating end user has disconnected, or the Customer's point of termination, whichever is recognized first by the switch.

For terminating calls over Feature Group D, the measurement of access minutes begins when the terminating Feature Group D switch receives answer supervision from the terminating end user's end office indicating the terminating end user has answered.

The measurement of terminating call usage over Feature Group D ends when the terminating Feature Group D switch receives disconnect supervision from either the terminating end user's end office, indicating the terminating end user has disconnected, or the Customer's point of termination, whichever is recognized first by the switch.

Access minutes or fractions thereof are accumulated over the billing period for each end office and are then rounded up to the nearest access minute for each end office.

**3.4. Minimum Call Completion Rate**

The customer can expect a call completion rate (number of calls completed / number of calls attempted) of not less than 99% during peak use periods for all FGD services.

**3.5. Uncompleted Calls**

There shall be no charge for uncompleted calls.

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**SECTION 3 - DESCRIPTION OF SERVICES (Continued)****3.6. Calculation of Distance**

In the event the Company provides mileage sensitive products, then usage charges are based on the airline distance between rate centers associated with the originating and terminating points of the call.

The airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. The Company uses the rate centers and associated vertical and horizontal coordinates that are produced by Bell Communications Research in their NPA-NXX V & H Coordinates Tape and Bell's NECA Tariff No. 4.

FORMULA:

$$\sqrt{\frac{(V1-V2)^2 + (H1-H2)^2}{10}}$$

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**SECTION 4 - RATES AND CHARGES**

This section sets forth the rates and charges applicable to the Company's services. All rates and charges are expressed in U.S. dollars. Calls which overlap rate periods will be charged according to the rates applicable to the time recorded in each period. The Customer's total monthly use of the Carrier's service is charged at the applicable rate per minute set forth below. The duration of each call will be rounded to the nearest 6 seconds.

**Application Periods: For all services**

Day Rate - D, Evening Rate - E, Night/Weekend/Holiday - N

	MON.	TUE.	WED.	THU.	FRI.	SAT.	SUN.	HOLIDAYS
8 AM to 5 PM	D	D	D	D	D	N	N	N
5 PM to 11 PM	E	E	E	E	E	N	E	N
11 PM to 8 AM	N	N	N	N	N	N	N	N

**4.1. Service Rates****4.1.1. iWATS<sup>SM</sup> RATES**

intra LATA: day/evening/night \$0.129 per minute  
inter LATA: day/evening/night \$0.159 per minute  
800 iWATS: day/evening/night \$0.159 per minute  
Billing Increments: 6 second increments after a 30 second minimum.

No monthly service charge.

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**SECTION 4 - RATES AND CHARGES (Continued)****4.1. Service Rates (Continued)****4.1.2. Dedicated Line Rates (T-1 Access)**

Non-recurring (Installation) charge	\$275.00
intra LATA: day/evening/night	\$0.125 per minute
inter LATA: day/evening/night	\$0.155 per minute
800 iWATS: day/evening/night	\$0.155 per minute

Billing Increments: 6 second increments after a 30 second minimum.

No monthly service charge.

**4.1.3. Feature Group D**

Non-recurring (Installation) charge	TBA
Monthly recurring access charges	TBA

**4.1.4. 800 and 888 Data Base Access Service**

Customer identification charge	
-per query	TBA
POTS translation charge	
-per query	TBA
Call handling and destination	
Feature group charge	
-per query	TBA

**4.1.5. Presubscription**

Initial selection	No charge
Change in selection, non-recurring charge	\$5.35
-Per telephone exchange service, line or trunk	

**4.1.6. Faxaway<sup>SM</sup> Service**

\$0.10 per minute

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**SECTION 4 - RATES AND CHARGES (Continued)****4.1. Service Rates (Continued)****4.1.7. Long Distance Directory Assistance**

Per Inquiry - \$0.65. There will be no charge for the first fifty (50) directory assistance call made per billing cycle from lines or trunks serving individuals with disabilities.

**4.1.8. Internet Rates**

intra LATA: Day/Evening/Night	\$0.129 per minute
inter LATA: Day/Evening/Night	\$0.129 per minute

Billing Increments: 6 second increments after a 1 minute minimum.

No monthly service charge.

**4.1.9. Residential Rates**

intra LATA: Day/Evening/Night	\$0.29 per minute
inter LATA: Day/Evening/Night	\$0.29 per minute

Billing Increments: 1 minute increments after a 3 minute minimum.

Monthly service charge: \$4.89

**4.2. 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 non-discriminatory basis.

**4.3. Special Promotions and Discounts**

From time to time, the Company may offer special limited-duration promotions and discounts. Such promotions and discounts are designed to attract new subscribers or to increase subscriber awareness of a particular service.

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# PCS

PREFERRED CARRIER SERVICES, INC.

November 6, 1996

Florida Public Service Commission  
Division of Administration, Room G-50  
101 East Gaines Street  
Tallahassee, Florida 32399-0850

RE: International Telcom Ltd.'s application for authority to provide interexchange telecommunications service within the State of Florida.

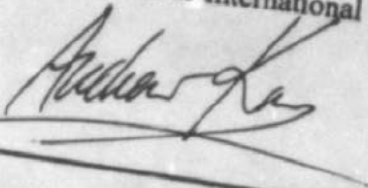
Dear Sir/Madam:

International Telcom Ltd. respectfully submits its application for authority to provide interexchange telecommunications service within the State of Florida. I have enclosed an original and six copies of the application along with the \$250 filing fee.

Please date-stamp the attached copy of this letter and return it in the self-addressed stamped envelope. If I can be of any assistance, contact me at (972) 753-1378. Thanks for your help.

Sincerely,

PREFERRED CARRIER SERVICES, INC.  
Consultant to International Telcom Ltd.



**KALLBACK**  
**INTERNATIONAL TELCOM LTD.**  
417 2ND AVE. W. (206) 286-5293  
SEATTLE, WA 98119-4012 USA

US BANK OF WASHINGTON, NA  
SEATTLE MAIN OFFICE  
1420 FIFTH AVE.  
SEATTLE, WA 98111-0720  
19-10/1250

23641

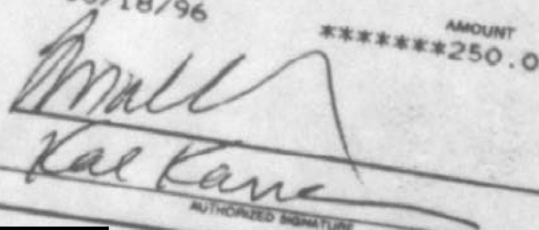
CHECK NO. 023641

\*TWO HUNDRED FIFTY DOLLARS AND NO CENTS

PAY TO THE ORDER OF FLORIDA PUBLIC SERVICE COMM

DATE 08/18/96

AMOUNT \*\*\*\*\*250.00\*



AUTHORIZED SIGNATURE

# 23641  
\$ 250.00  
11/12/96  
no postmark  
JAF

MEMBER  
COMPTEL

MEMBER  
ACTA

MEMBER  
tra

Professional  
Certification  
Services

96  
NOV 1

00-FLORIDA

# PCS

PREFERRED CARRIER SERVICES, INC.

# 23641  
\$ 250.00  
11/12/96  
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JAF

MEMBER  
COMPTEL

November 6, 1996

Florida Public Service Commission  
Division of Administration, Room G-50  
101 East Gaines Street  
Tallahassee, Florida 32399-0850

RE: International Telcom Ltd 's application for authority to provide interexchange telecommunications service within the State of Florida.

MEMBER  
ACTA

DEPOSIT TRES. REC. DATE

Dear Sir/Madam:

D400

NOV 13 '96

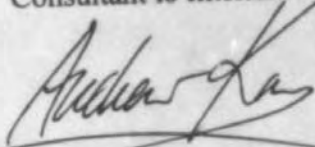
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Thanks for your help.

MEMBER  
tra

Sincerely,

PREFERRED CARRIER SERVICES, INC.  
Consultant to International Telcom Ltd.



Andrew Kang  
Regulatory Counsel

ENC.

Order to file and  
stamp to forward a copy of check  
to RAR with proof of deposit.  
Initials of person who forwarded check

96 NOV 12 11 8 15

1425 GREENWAY DR.  
SUITE 210  
IRVING, TEXAS 75038  
TEL: (214) 753-1378  
FAX: (214) 756-8015

Professional  
Certification  
Services