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Sam F. Smith	Robert A. Jones	William F. Thayer III	J. Stephen Kever	Mark J. Kasper	James M. Patterson
Carlton Kever	Ralph Wood	James W. Winters	Chris Lee Jones	Ann A. Parker	John R. Smith
Carole E. Sostinar	Margaret J. Wender	Deborah Heratling-Cox	Eric H. Drummond	Ann Marie Smith	Mark J. Smith
Christopher J. Thayer	Stephen W. Webb	Larry Ray Stewart	Sara Hartman	Mark J. Smith	

December 18, 1997

VIA FEDERAL EXPRESS

DEPOSIT DATE
D 6 7 6 **DEC 23 1997**

Florida Public Service Commission
 Division of Communications
 Certification & Compliance Section
 2540 Schumard Oak Blvd.
 Tallahassee, FL 32399-0850
 (904) 413-6600

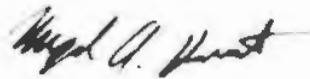
RE: Application of U.S. Dial Tone, Inc. for Authority to Provide Local Exchange Telecommunications Service Within the State of Florida

Dear Filing Clerk:

Enclosed is the original and six copies of U.S. Dial Tone, Inc.'s Application for Authority to Provide Local Exchange Telecommunications Service Within the State of Florida. Also enclosed is the \$250.00 filing fee.

Please file stamp the extra copy and return to me in the enclosed self-addressed envelope.

Sincerely,



Miguel A. Huerta

enclosures

Check received with filing and forwarded to Fiscal for deposit
 Fiscal Dept. has a copy of check to file
 Ingrid... with forwarded check

MAIL ROOM
 97 DEC 19 6 11 AM '97

12998-97

FLORIDA PUBLIC SERVICE COMMISSION
CAPITAL CIRCLE OFFICE CENTER - 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

APPLICATION FORM
for

AUTHORITY TO PROVIDE ALTERNATIVE LOCAL EXCHANGE SERVICE
WITHIN THE STATE OF FLORIDA

INSTRUCTIONS

1. This form is used for an original application for a certificate and for approval of sale, assignment or transfer of an existing alternative local exchange certificate. In case of a sale, assignment or transfer, the information provided shall be for the purchaser, assignee or transferee.
2. Respond to each item requested in the application and appendices. If an item is not applicable, please explain why.
3. Use a separate sheet for each answer which will not fit the allotted space.
4. If you have questions about completing the form, contact:

Florida Public Service Commission
Division of Communications, Certification & Compliance Section
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0856
(904) 413-6600

5. Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$250 made payable to the Florida Public Service Commission at the above address.
-

1. This is an application for (check one):

Original authority (new company)

Approval of transfer (to another certificated company)

Example, a certificated company purchases an existing company and desires to retain the original certificate authority.

Approval of assignment of existing certificate (to a noncertificated company)

Example, a non-certificated company purchases an existing company and desires to retain the certificate of authority rather than apply for a new certificate.

Approval for transfer of control (to another certificated company)

Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of applicant: U.S. Dial Tone, Inc.

3. Name under which the applicant will do business (d/b/a):

U.S. Dial Tone, Inc.

4. If applicable, please provide proof of fictitious name (d/b/a) registration.

Fictitious name registration number: Not Applicable

5. A. National mailing address including street name, number, post office box, city, state, zip code, and phone number.

23705 I.H. 10 West, Suite 210
San Antonio, Texas 78257
(210) 698-4141

B. Florida mailing address including street name, number, post office box, city, state, zip code, and phone number.

6. Structure of organization:

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

7. If applicant is an individual, partnership, or joint venture, please give name, title and address of each legal entity.

N/A

8. State whether any of the officers, directors, or any of the ten largest stockholders have previously been adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. If so, please explain.

No

9. If incorporated, please provide proof from the Florida Secretary of State that the applicant has authority to operate in Florida.

Corporate charter number: 01440291 (Texas)
097A00054602 (Florida)

Please see Exhibit A

10. Please provide the name, title, address, telephone number, internet address, and facsimile number for the person serving as ongoing liaison with the Commission, and if different, the liaison responsible for this application. Miguel A. Huerta
Bickerstaff, Heath, Smiley, Pollan, Kever & McDaniel, L.L.P.
1700 Frost Bank Plaza, 816 Congress Avenue
Austin, Texas 78701-2443
11. Please list other states in which the applicant is currently providing or has applied to provide local exchange or alternative local exchange service. Texas, Tennessee, Georgia
12. Has the applicant been denied certification in any other state? If so, please list the state and reason for denial. No
13. Have penalties been imposed against the applicant in any other state? If so, please list the state and reason for penalty. No

14. Please indicate how a customer can file a service complaint with your company. Call our customer service "800" number or write to our office in San Antonio, Texas.
15. Please complete and file a price list in accordance with Commission Rule 25-24.825. Please see Exhibit B
16. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide alternative local exchange service in Florida.

A. Financial capability.

Regarding the showing of financial capability, the following applies:

The application should contain the applicant's financial statements for the most recent 3 years, including:

1. the balance sheet
2. income statement
3. statement of retained earnings.

Further, a written explanation, which can include supporting documentation, regarding the following should be provided to show financial capability.

1. Please provide documentation that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.
2. Please provide documentation that the applicant has sufficient financial capability to maintain the requested service.
3. Please provide documentation that the applicant has sufficient financial capability to meet its lease or ownership obligations.

NOTE: This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.

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 attest that the financial statements are true and correct.

Please see Exhibit C

B. Managerial capability.

Please see Exhibit D

C. Technical capability.

(If you will be providing local intra-exchange switched telecommunications service, then state how you will provide access to 911 emergency service. If the nature of the emergency 911 service access and funding mechanism is not equivalent to that provided by the local exchange companies in the areas to be served, described in detail the difference.)

Please see Exhibit D

EXHIBIT A

**Proof From Florida Secretary Of State That U.S. Dial Tone, Inc.
Is Authorized To Transact Business In Florida**



FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

November 7, 1997

UCC FILING & SEARCH

Qualification documents for U.S. DIAL TONE, INC. were filed on November 7, 1997 and assigned document number F9700000591C. 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 3576 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 (850) 487-6091, the Foreign Qualification/Tax Lien Section.

Jennifer Sindt
Document Examiner
Division of Corporations

Letter Number: 097A00054002

**APPLICATION BY FOREIGN CORPORATION FOR AUTHORIZATION
TO TRANSACT BUSINESS IN FLORIDA**

**IN COMPLIANCE WITH SECTION 607.1503, FLORIDA STATUTES, THE FOLLOWING IS
SUBMITTED TO REGISTER A FOREIGN CORPORATION TO TRANSACT BUSINESS IN THE
STATE OF FLORIDA:**

1. U.S. DIAL TONE, INC.
(Name of corporation: must include the word "INCORPORATED", "COMPANY", "CORPORATION" or words or abbreviations of like import in language as well clearly indicate that it is a corporation instead of a natural person or partnership if not so contained in the name at present.)

2. TEXAS
(State or country under the law of which it is incorporated)

3. 74-2823932
(FEI number, if applicable)

4. April 2, 1997
(Date of incorporation)

5. Perpetual
(Duration Year corp will cease to exist or "perpetual")

6. January 1, 1998
(Date first transacted business in Florida. (SEE SECTIONS 607.1501, 607.1502, AND 817.155, F.S.)

7. 23705 I.H. 10 West, Suite 210
San Antonio, Texas 78257
(Current mailing address)

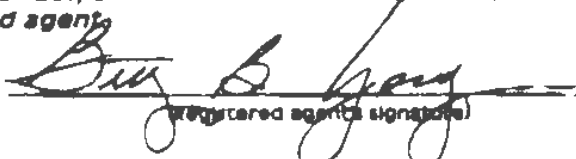
8. Telecommunications, and any and all lawful business
(Purposes of corporation authorized in home state or country to be carried out in the state of Florida)

9. **Name and street address of Florida registered agent:** (P.O. Box or Mail Drop Box **NOT** acceptable)

Name: UCC Filing & Search Services, Inc.
Office Address: 526 E. Park Ave.
Tallahassee, Florida, 32301

10. **Registered agents acceptance:**

Having been named as registered agent and to accept service of process for the above stated corporation at the place designated in this application, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.


(Registered agent's signature)

11. Attached is a certificate of existence duly authenticated, not more than 90 days prior to delivery of this application to the Department of State, by the Secretary of State or other official having custody of corporate records in the jurisdiction under the law of which it is incorporated

971007-7
MAY 2 1997
11:51 AM

12 Names and addresses of officers and/or directors: (Street address ONLY - P.O. Box NOT acceptable)

A. DIRECTORS (Street address only - P.O. Box NOT acceptable)

Chairman: Robert T. Mahler, Jr.
Address: 23705 I.H. 10 West, Suite 210
San Antonio, Texas 78257

Vice Chairman: None
Address:

Director: Mary Gonzalez
Address: 23705 I.H. 10 West, Suite 210
San Antonio, Texas 78257

B. OFFICERS (Street Address only - P.O. Box NOT acceptable)

President: Robert T. Mahler, Jr.
Address: 23705 I.H. 10 West, Suite 210
San Antonio, Texas 78257

Vice President: None
Address:

Secretary: Mary Gonzalez
Address: 23705 I.H. 10 West, Suite 210
San Antonio, Texas 78257

Treasurer: Mary Gonzalez
Address: 23705 I.H. 10 West, Suite 210
San Antonio, Texas 78257

NOTE: If necessary, you may attach an addendum to the application listing additional officers and/or directors.

13. 
Signature of Chairman, Vice Chairman, or any officer listed in number 12 of the application)

14. ROBERT T. MAHLER, JR. PRESIDENT
(Typed or printed name and capacity of person signing application)

9/15/01 7:00:51
11/11/01 11:11:11



The State of Texas

SECRETARY OF STATE

IT IS HEREBY CERTIFIED that
Articles of Incorporation of

U.S. DIAL TONE, INC.

APRIL 2, 1997

File No. 1440291

91109-1 (1) 2:51
10/28/97

were filed in this office and a certificate of incorporation issued to this corporation,
and no certificate of dissolution is in effect and the corporation is currently in existence.

*IN TESTIMONY WHEREOF, I have hereunto
signed my name officially and caused to be
impressed hereon the Seal of State at my office in
the City of Austin, on October 28, 1997.*



Antonio O. Garza, Jr.

Antonio O. Garza, Jr
Secretary of State

BAM

EXHIBIT B
Applicant's Price List

PRICE LIST OF
U.S. DIAL TONE, INC.
APPLICABLE TO
LOCAL EXCHANGE SERVICE
WITHIN THE STATE OF FLORIDA

Issued _____

EFFECTIVE _____

By

Robert T. Mahler, Jr., President
23705 IH 10 West, Suite 210
San Antonio, TX 78257

TITLE SHEET

TELECOMMUNICATONS PRICE LIST

This price list contains the descriptions, regulations, service standards and rates applicable to the furnishing of service and facilities for telecommunications services provided by U.S. DIAL TONE, INC., with principal offices at 23705 I.H. 10 West, Suite 210, San Antonio, TX 78257. This price list applies for services furnished within the state of Florida. This price list is on file with the Florida Public Service Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business.

Issued _____

EFFECTIVE: _____

By:

Robert T. Mahler, Jr., President
23705 I.H. 10 West, Suite 210
San Antonio, TX 78257

CHECK SHEET

The sheets listed below, which are inclusive of this price list, 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 price list and are currently in effect as of the date of the bottom of this page.

SHEET	REVISION
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original
17	Original
18	Original
19	Original
20	Original
21	Original

Issued _____

EFFECTIVE _____

By _____

Robert T. Mahler, Jr., President
23705 L.H. 10 West, Suite 210
San Antonio, TX 78257

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Section 3 - Basic Service Description and Rates 19

Section 4 - Non Basic Service Description and Rates 21

Issued _____

EFFECTIVE _____

By

Robert T. Mahler, Jr., President
23705 IH 10 West, Suite 210
San Antonio, TX 78257

SYMBOLS SHEET

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

- D - Delete or Discontinue
- I - Change Resulting In An Increase To A Customer's Bill
- M - Moved From Another Price List Location
- N - New
- R - Change Resulting In A Reduction To A Customer's Bill
- T - Change In Text Or Regulation But No Change In Rate Or Charge

Issued _____

EFFECTIVE _____

By _____

Robert T. Mahler, Jr., President
23705 IH 10 West, Suite 210
San Antonio, TX 78257

PRICE LIST FORMAT SHEETS

- 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 price list. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- 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 version 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 price list approval process, the most current sheet number on file with the Commission is not always the price list 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).1
2.1.1.A.1.(a).1.(i)
2.1.1.A.1.(a).1.(i).(1)

- D.) Check Sheets - When a price list filing is made with the FPSC, an updated check sheet accompanies the price list filing. The check sheet lists the sheets contained in the price list, with a cross reference to the current to 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 these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The price list user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the FPSC.

Issued _____

EFFECTIVE _____

By:

Robert T. Mahler, Jr., President
23705 IH 10 West, Suite 210
San Antonio, TX 78257

EXCHANGE SERVICE LIST

Since U.S. DIAL TONE, INC. is a pure reseller of local exchange services in the state of Florida, U.S. DIAL TONE, INC. will be reselling the services in all exchanges in Florida that BellSouth and GTE currently provide services.

Issued _____

EFFECTIVE _____

By

Robert T. Mahler, Jr., President
23705 IH 10 West, Suite 210
San Antonio, TX 78257

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Basic Local Service - is an arrangement which connects the residential End User's location to the LEC's network switching center thereby allowing End User to transmit and receive local calls within the End User's local calling area, or mandatory expanded area service (EAS) area, as defined by State commissions or, if not defined by State commission, then defined in the LEC's State Tariffs.

Company or Carrier - U.S. DIAL TONE, INC.

Commission - The Public Service Commission of the State of Florida.

Customer - means the End User

End User - means the ultimate residential user of the telecommunications services and who orders service and is responsible for payment of charges due in compliance with the Company's price list regulations.

End User Customer Location - means the physical location of the residential premises where an end user makes use of the telecommunications services.

Incumbent Local Exchange Carrier ("ILEC") or Local Exchange Carrier ("LEC") - is any local exchange carrier that was as of February 8, 1996 deemed to be a member of the Exchange Carrier Association as set forth in 47 C.F.R. 69.601 (b) of the FCC's regulations.

Interexchange Carrier ("IXC") - means a telecommunications service provider offering interexchange telecommunications services (e.g., inter - and/or intraLATA toll).

Other Local Exchange Carrier ("OLEC") or Competitive Local Exchange Carrier ("CLEC") or Alternative Local Exchange Carrier ("ALEC") - means any entity or person authorized by a public service commission to provide local exchange services in competition with an ILEC or LEC.

Primary Interexchange Carrier ("PIC") - means the interexchange carrier that the End User selects for their interexchange telecommunications services.

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By _____

Robert T. Mahler, Jr., President
23705 IH 10 West, Suite 210
San Antonio, TX 78257

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (continued)

Resale - means an activity wherein a certified CLEC subscribes to the telecommunications services of the LEC and then reoffers those telecommunications services to the public (with or without "adding value").

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By

Robert T. Mahler, Jr., President
23705 IH 10 West, Suite 210
San Antonio, TX 78257

SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of U S DIAL TONE, INC.

The Company provides alternative local exchange telecommunications services in the State of Florida in accordance with the terms of this price list and regulations of the Commission.

Service is provided on a monthly basis and is available 24 hours per day, 7 days a week. Service will continue to be provided until terminated in accordance with the terms of this price list.

The Company is authorized to serve as its Customer's agent for purposes of ordering changes to and maintenance of the telecommunications services provided by any IXC and/or LEC that may be necessary to implement and maintain the Company's services provided to a Customer. The Company is authorized by its Customers to deal directly with any such carriers and with any other vendor in all matters pertaining to its provision of service to a Customer. A Customer's appointment of the Company as its agent shall not apply to any software modifications that may be necessary with respect to traffic routing or least cost routing features or functions and/or hardware additions or modifications such as inside wiring, such modifications must be made by the customer through appropriate interaction with the responsible vendor of such features or functions. The Company's appointment as a Customer's agent remains in effect unless modified or revoked in writing.

2.2 Limitations of Service

- 2.2.1 Service is offered subject to the availability of facilities and the provisions of this price list. Service may be used for the transmission of communications by the Customer and the Customer's authorized user(s). The Customer may not use any of the services furnished by the Company under this price list for any unlawful purpose.
- 2.2.2 The Company reserves the right to discontinue furnishing service, or limit the use of service necessitated by conditions beyond its control including, but not limited to the inability of the Company to provide comparable services under comparable terms and conditions due to unavailability of provider services.

Issued _____

EFFECTIVE _____

By

Robert T. Mahler, Jr., President
23705 I.H. 10 West, Suite 210
San Antonio, TX 78257

SECTION 2 - RULES AND REGULATIONS (Continued)

2.2.3 The Company reserves the right to discontinue furnishing service in violation of the law or the provisions of this price list.

2.3 Disclaimer of Warranties

The Company makes no promises, agreements, understandings, representations or warranties, expressed or implied, including any warranty of merchantability or fitness for a particular purpose.

2.4 Limitations of Liability

- 2.4.1 The liability of the Company for damages arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission occurring in the course of furnishing service or other facilities and not caused by the negligence of the Customer, commences upon activation of service and in no event exceeds an amount equivalent to the proportionate charge for the Company's service to the Customer for the period of service during which such mistakes, omissions, interruptions, delays, errors or defects in transmission occur for more than six (6) continuous hours.
- 2.4.2 The Company is not liable to the Customer for direct, indirect, or consequential damages, including but not limited to, loss of use of the Company's services or lost revenues or profits.
- 2.4.3 The Company is not liable to the Customer for any act or omission of any other company or companies furnishing any portion of the Customer's service.
- 2.4.4 The Company is not liable for and the Customer indemnifies and holds the Company harmless against any and all losses, claims, demands, suits or other actions, or any liability whatsoever whether suffered, made, instituted or asserted by the Customer or by any other party or person or persons, and for any loss, damage, defacement or destruction of the premises of the Customer or any other property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance.

Issued _____

EFFECTIVE _____

By

Robert T. Mahler, Jr., President
23705 IH 10 West, Suite 210
San Antonio, TX 78257

SECTION 2 - RULES AND REGULATIONS (Continued)

- 2.4.4 removal, presence, condition, location or use of equipment or wiring provided by the Company where such installation, operation, failure to operate, maintenance, removal, presence, condition, location or use is not the direct result of the negligence of the Company. No agents or employees of other carriers shall be deemed to be agents or employees of the Company.
- 2.4.5 The Company also is not liable for and the Customer indemnifies and holds the Company harmless against:
- (a) Claims for libel, slander, or infringement of copyright or unauthorized use of any trademark, trade name or service mark arising out of the material, data, information, or other content transmitted over the Company's network.
 - (b) Claims for patent infringement arising from combining or connecting the Company'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 provided by the Company.
 - (d) Claims by Customers or third parties arising out of the unauthorized use or access of the Company services by the Customer or unrelated third parties, including, but not limited to, misdialed numbers to any long distance number and unauthorized use of any service provided by the Company.
- 2.4.6 The Company shall not be liable for any interruptions or damages due to the fault of negligence of Customer or due to the failure or malfunction of Customer provided equipment or facilities. The Company shall not be liable for any interruptions or damages during any period in which the Company is not given access to the End User premises and due to scheduled maintenance and repair. The Company shall use best efforts to obtain and keep in effect all government authorizations necessary, in order to provide service under this Price List. The Company shall be entitled to

Issued _____

EFFECTIVE _____

By

Robert T. Mahler, Jr., President
23705 IH 10 West, Suite 210
San Antonio, TX 78257

SECTION 2 - RULES AND REGULATIONS (Continued)

- 2.4.7 take and shall have no liability for any action necessary including termination to bring the service into conformance with any governmental regulations or authorization, and Customer shall fully cooperate in and take such action as may reasonably be requested by the Company as part of such compliance. In no event shall the Company be liable for special, consequential, exemplary, or punitive damages as the result of its performance or non-performance of this Price List.
- 2.4.8 The Company shall not be liable for any failure of performance or service for reasons beyond its reasonable control including, but not limited to, acts of God, fire, explosion, vandalism, cable cut, storm or other similar occurrence, any law, order, regulation, direction, action or request of the United States government or state or local governments, any instrumentality of any one or more said governments or of any civil or military authority, or by national emergencies, insurrections, riots, wars, strikes, lockouts or work stoppages or other labor difficulties, supplier failures, shortages, breaches or delays, the Company shall not be liable for any such failure of performance.
- 2.4.9 The Company shall use reasonable efforts to make services available by the estimated service date. The Company shall not be liable for any damages whatsoever resulting from delays in meeting the estimated service date due to delays resulting from normal installation procedures. Such delays shall include, but not be limited to delays in obtaining necessary regulatory approvals for construction, delays in obtaining right of way approvals, delays in actual construction work being done by our vendor(s) and any delays due to any LEC where the Company is relaying solely upon such LEC to meet such estimated due date which is beyond the Company's control.

2.5 Customer Application for Service

Customers wishing to obtain service from the Company must execute a customer service agreement which includes the Customer's authorization for the Company to instruct other carriers and vendors and the appropriate LEC to provide certain services on the Customer's behalf.

Issued: _____

EFFECTIVE _____

By

Robert T. Mahler, Jr., President
23705 L.H. 10 West, Suite 210
San Antonio, TX 78257

SECTION 2 - RULES AND REGULATIONS (Continued)

2.6 Notices

- 2.6.4 Any notice or demand required of Customer or the Company will be effective when it is mailed, properly addressed, with postage prepaid to the other party.
- 2.6.5 Unless otherwise provided by these rules, any notice sent to the Customer from the Company will be deemed effective when it is mailed to the Customer's last known correct billing address.
- 2.6.6 Unless otherwise provided by these rules, any notice, including changes of address, from any Customer or his authorized representative must be given by written notice, by mail, to the Company's business office: U.S. DIAL TONE, INC., 23705 I.H. 10 West, Suite 210, San Antonio, TX 78257.

2.7 Customer Service

Company customer service representatives are available at (888)342-5866 to assist with customer service and billing inquiries between 8:00 a.m. - 5:00 p.m. Central Standard Time Monday through Friday. Customer inquiries may also be addressed in writing to the Company at the address provided in Section 2.6.3 above.

2.8 Rendering and Payment of Bills

- 2.8.4 Service is provided on a pre-paid monthly (30 day) basis. All services as described in Sections 3 and 4 herein including monthly rates and nonrecurring charges must be prepaid.
- 2.8.5 Bills are rendered to the Customer once a month for the following month's service. The Customer is assigned a bill cycle and a payment due date each month based on the installation date of service.
- 2.8.6 Customers will be billed directly each month by the Company

Issued _____

EFFECTIVE _____

By

Robert T. Mahler, Jr., President
23705 I.H. 10 West, Suite 210
San Antonio, TX 78257

SECTION 2 - RULES AND REGULATIONS (Continued)

- 2.8.7 Since the service is on a prepaid basis, payment must be received on or before the due date each month.
- 2.8.8 Payment may only be made by one of the following methods; money order, cashiers check, MasterCard, Visa or by Western Union Quick Collect. No personal checks will be accepted as valid payment.
- 2.8.9 If payment is not received on or before the due date, the Customer's service will be suspended and a suspension release fee as described in 4.1.4 herein will apply.
- 2.8.10 If the Customer's service has been suspended due to nonpayment, the Customer has ten (10) calendar days from date of suspension to pay all outstanding amounts due including the suspension release fee. If the Customer makes such payment within the allotted time frame, then Customer's service will be reinstated. If the above mentioned payment is not made within ten (10) days the Customer will be disconnected.
- 2.8.11 If the Customer is disconnected as described in 2.8.7 above and wishes to renew their service, then Section 2.10.2.1 herein will apply for service renewal.

2.9 Disputed Bills

- 2.9.4 If notice of a dispute as to charges is not received, in writing, by the Company within fifteen (15) days after billing statements are rendered, such billing statement shall have been deemed correct and binding upon the Customer.
- 2.9.5 In the case of a billing dispute between a Customer and the Company for service furnished to the Customer, which cannot be settled with mutual satisfaction, the Customer may request, and the Company will comply with the request, an in-depth review of the disputed bill. The undisputed portion of the Customer's bill, and subsequent bills, must be paid on a timely basis or the service will be subject to disconnection.

Issued _____

EFFECTIVE _____

By _____

Robert T. Mahler, Jr., President
23705 I.H. 10 West, Suite 210
San Antonio, TX 78257

SECTION 2 - RULES AND REGULATIONS (Continued)

2.10 Discontinuance and Restoration of Service

2.10.4 Cancellation by Customer

Service will be provided for the term of service elected by the Customer in the service agreement it enters into with the Company. Unless the Company receives in writing a notice of termination of services by the customer on or before thirty (30) days from the end of the agreed service period, the services provided hereunder shall give the other party at least thirty (30) days written notice.

The Customer is responsible for payment of all charges for service furnished Customer prior to the actual termination of Customer's service. In addition, in the event a customer terminates its service agreement with the Company prior to the end of the service period specified therein, the Customer shall pay, in addition to all other charges due for service provided, a sum equal to the full balance of all monthly service charges for the remainder of the Agreement period, plus a sum equal to the value of any promotional discounts and/or credits awarded the Customer during the term of the agreement.

2.10.5 Cancellation by the Company

The Company may discontinue service or cancel an application for service without incurring any liability under but not limited to the following circumstances:

- (A) For insufficient or fraudulent billing information, invalid or unauthorized telephone numbers or credit card numbers;
- (B) The violation by the Customer of any law, rule or regulation of any governmental authority having jurisdiction over the service;
- (C) The prohibition against the Company from furnishing services by order of a court or other governmental authority having jurisdiction;

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Robert T. Mahler, Jr., President
23705 I.H. 10 West, Suite 210
San Antonio, TX 78257

SECTION 2 - RULES AND REGULATIONS (Continued)

- (D) The providing of false or misleading credit information by the Customer; or
- (E) In the event payment in full of a billing is not received on or before the due date.

The Company will provide the Customer written notice of such possible discontinuance at least five (5) days prior to discontinuance and/or disconnection of service.

2.10.5.1 Service Renewal Procedure

To renew service, a Customer must submit an application for service and prepay all monthly and one-time charges the same as if Customer were a new Customer.

2.11 Customer Responsibilities and Use

2.11.4 Customer is responsible for arranging access to any of the rights-of-way conduit and equipment space necessary to provide service on the premises so that the Company authorized personnel, employees, agent, or vendors may install, repair, maintain, inspect, replace or remove any and all facilities and associated equipment provided by the Company and/or its' vendors. Access to such sites shall be made available at a time mutually agreeable to Customer and the Company. The Company shall also have the right to obtain access to its cable installed in Customer provided conduit at any splice or junction box.

2.11.5 Customer shall be responsible to obtain and continue in effect all government authorizations necessary to permit Customer to receive service and comply with its obligations under this Price List. Customer may use the services for any lawful purpose for which they are intended, provided that Customer will not use the services as to interfere with or impair service over any of the facilities and associated equipment of the Company or authorized vendors of the Company.

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San Antonio, TX 78257

SECTION 2 - RULES AND REGULATIONS (Continued)

2.12 Company Responsibilities

In the event of the Company's foreknowledge of an interruption of service for a period of time exceeding twenty four (24) hours, the Company will use its best efforts to notify the Customer in advance by telephone or in writing.

2.13 Deposits

Since all services are prepaid, the Company does not require a deposit from its Customers.

2.14 Taxes

All applicable federal, state and local use, rules, excise or privilege taxes, duties or similar liabilities, chargeable to or against Customer due to service provided to Customer (i.e., gross receipts tax, sales tax, municipal utilities) shall be charges to the Customer as separate line items and are not included in the quoted rates as shown in this Price List and are payable in full by the Customer.

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By

Robert T. Mahler, Jr., President
23705 IH 10 West, Suite 210
San Antonio, TX 78257

SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES3.1 SERVICE OFFERINGS AND RATES

	<u>Monthly Rate</u>	<u>Nonrecurring Charge</u>
3.1.1 Basic Local Service*	\$39.00	\$30.00
3.1.2 Caller ID Calling Name & Number Delivery	\$10.00	\$10.00
3.1.3 Call Waiting	\$5.00	\$5.00
3.1.4 Call Return	\$5.00	\$5.00
3.1.5 Call Forward	\$5.00	\$5.00
3.1.6 Three-Way Calling	\$5.00	\$5.00
3.1.7 Non-Published Number	\$5.00	\$5.00
3.1.8 Basic Local Service "6" - is the same as 3.1 above but with a six month service commitment. The Monthly Rate for the first month is \$39.00 and is reduced by \$1.00 per month for six months. At the end of the 6 th month the Monthly rate is fixed at \$34.00. These discount rates apply only if the End User remits their monthly payments for services on time as described herein. If End User does not remit their monthly payments for services on time as described herein, End User's Basic Local Service Monthly Rate will revert back to the most current tariff rate as described in 3.1.1 above.		
3.1.9 Basic Local Service "12" - is the same as 3.1 above but with a twelve month service commitment. The Monthly Rate for the first month is \$39.00 and is reduced by \$1.00 per month for twelve months. At the end of the 12 th month the Monthly rate is fixed at \$28.00. These discount rates apply only if the End User remits their monthly payments for services on time as described herein. If End User does not remit their monthly payments for services on time as described		

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San Antonio, TX 78257

SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES (Continued)

herein, End User's Basic Local Service Monthly Rate will revert back to the most current tariff rate as described in 3.1.1 above

* Basic Local Service includes touch tone and toll restriction. The End User is allowed to only place local calls, 1-800, 1-888 and 911 calls. All toll, collect, etc type calls will be blocked.

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By

Robert T Mahler, Jr., President
23705 IH 10 West, Suite 210
San Antonio, TX 78257

SECTION 4 - NON BASIC SERVICE DESCRIPTIONS AND RATES4.1 NON BASIC SERVICE OFFERINGS

	<u>Nonrecurring Charge</u>
4.1.1 Adds and/or changes to options on existing Basic Service	\$25.00
4.1.2 Transfer of Basic Service to new premise within the same Serving central office and keep same telephone number	\$40.00
4.1.3 New Basic Service after disconnection of original Basic Service (this is in addition to the monthly rate on 3.1.1)	\$30.00
4.1.4 Suspension Release Fee	\$20.00

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By:

Robert T. Mahler, Jr., President
23705 IH 10 West, Suite 210
San Antonio, TX 78257

EXHIBIT C

Applicant's Financial Statements

U. S. Dial Tone, Inc.
Income Statement
For the Eight Months Ending August 31, 1997

	Current Quarter		Year to Date	
Revenues				
Usage Revenues	\$ 48,979.41	100.00	\$ 72,036.31	99.85
Contract Usage Fees	0.00	0.00	0.00	0.00
Miscellaneous Income	0.00	0.00	110.07	0.15
Total Revenues	48,979.41	100.00	72,146.38	100.00
Direct Costs				
Circuit Costs	13,306.33	27.17	16,058.66	22.26
Total Direct Costs	13,306.33	27.17	16,058.66	22.26
Gross Profit	35,673.08	72.83	56,087.72	77.74
Expenses				
Advertising	21,357.87	43.61	63,764.25	88.38
Accounting & Legal Expense	5,055.11	10.32	12,140.04	16.83
Bank Charges	47.92	0.10	198.27	0.27
Depreciation Expense	57.04	0.12	456.33	0.63
General Office Expense	0.00	0.00	64.63	0.09
Insurance Expense	0.00	0.00	0.00	0.00
Misc. Licensing and Tax Exp	46.77	0.10	1,164.73	1.61
Postage Expense	24.13	-1.07	390.00	0.54
Salary Expenses	15,451.49	31.55	27,803.32	38.54
Telephone	0.00	0.00	0.00	0.00
Travel & Entertainment	0.00	0.00	295.00	0.41
Total Expenses	41,492.07	84.71	106,276.57	147.31
Net Operating Income	<5,818.99>	<11.88>	<50,188.85>	<69.57>
Other Income				
Total Other Income	0.00	0.00	0.00	0.00
Net Income	\$ <5,818.99>	<11.88>	\$ <50,188.85>	<69.57>

U. S. Dial Tone, Inc.
Balance Sheet
August 31, 1997

ASSETS

Current Assets		
Cash	\$	4,081.14
Accounts Receivable		0.00
Total Current Assets		4,081.14
Property and Equipment		
Computer Equipment		4,563.87
Accumulated Depreciation		(456.33)
Total Property and Equipment		4,107.54
Other Assets		
Total Other Assets		0.00
Total Assets	\$	8,188.68

Liabilities & Equity

Liabilities		
Accounts Payable - Other	\$	0.00
Accrued Expenses		(1,446.04)
Total Liabilities		(1,446.04)
Stockholders Equity		
Common Stock		60,000.00
Treasury Stock		0.00
Paid-In-Capital		0.00
Current Earnings		(50,361.28)
Total Equity		9,634.72
Total Liabilities & Equity	\$	8,188.68

EXHIBIT D

Applicant's Managerial and Technical Ability

EXHIBIT D

As a reseller, U S Dial Tone will rely on the networks of its underlying carriers, but will fully perform the administration involved in initial customer contact, client relations and data processing. In addition to having experience in these critical administrative areas, the U S Dial Tone management teams brings together considerable experience in the formation and development of new telecommunications ventures. Two of the principals have previously worked together to start two different telecommunications companies, and the third has separately founded a telecommunications company. These individuals, evidenced by the companies they formed, have a proven record of being able to establish a new enterprise and develop it into a new and viable telecommunications entity. In order to help illustrate this, detailed descriptions of the experience of each of the U S Dial Tone principals follows.

Robert T. Mahler, Jr.

President

Mr. Mahler helped start LDS (Long Distance Services) in 1976. LDS was sold to Metromedia in 1983. In 1984 he founded Fiberline, Inc., a leased line value added reseller of fiber optic facilities between the 5 major cities in Texas. Fiberline was sold to Claydesta Communications in 1986. Mr. Mahler then served as the Vice President of Carrier Sales for Claydesta Communications for 2 years. He then started Data Masters, Inc. in 1987 to provide billing and collection services to the long distance industry. In 1991, Mr. Mahler co founded TelePlus, Inc. a long distance reseller in Texas, Oklahoma and Missouri. In 1995 he co founded Comunicaciones Del Sol (CDS) in Mexico. CDS serves as the only authorized sales agent of Avantel, which is a joint venture between MCI and Banamex and one of the five concession holders for long distance service in Mexico.

Mary A. Gonzalez

Vice President Finance

Ms. Gonzalez began her career in the telecommunications industry in 1989 when she joined Data Masters, Inc. as Vice President of Finance. She has expert knowledge of all aspects of LEC and Competitor billing, collection, taxing, customer service, LEC interface and facility ordering, policy and procedures. In 1991, Ms. Gonzalez founded TelePlus, Inc. a long distance reseller in Texas, Oklahoma and Missouri. In 1995 she co founded Comunicaciones Del Sol (CDS) in Mexico. CDS serves as the only authorized sales agent of Avantel, which is a joint venture between MCI and Banamex and one of the five concession holders for long distance service in Mexico.

Bickerstaff, Heath, Smiley, Pollan, Kever & McDaniel, L.L.P.

1700 Frial Bank Plaza 816 Congress Avenue Austin, Texas 78701 2443 (512)472-8021 Fax (512)320-6638 <http://www.bickerstaff.com>

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Robert Heath*	Myra A. McDaniel	Catherine Brown Fryer*	Michael Shamma	Markson Jackson	Stephen Page** (Of Counsel)
Thomas M. Pollan*	Ramon C. Gomez	J. Greg Hudson	Valerie F. Kirk	John H. Kawa	Creary Badington (Of Counsel)
Ann Charles Smith	Robert A. Casey	William O. Dugas III*	J. Stephen Kever	Jo Lynn Salinas	Diane M. Barlow (Of Counsel)
Andrew Kever*	Katar Bond	Jaime Salazar	Chris Van Dyke	Ann S. Barber	
Laraine E. Shelton	Manuel O. Medina*	Louise Herberg Loomis	Eric H. Drummond	Amy Platt Brouff	
Douglas G. Carson*	Spencer W. Falk, Jr.	Lynn Ray Sherman	Nora Harlow Love	Mark Antonio Smith	

December 18, 1997

VIA FEDERAL EXPRESS

DEPOSIT DATE
D 6 7 6 **DEC 22 1997**

Florida Public Service Commission
 Division of Communications
 Certification & Compliance Section
 2540 Schumard Oak Blvd.
 Tallahassee, FL 32399-0850
 (904) 413-6600

971633-TI
 (12998-97)

RE: Application of U.S. Dial Tone, Inc. for Authority to Provide Local Exchange Telecommunications Service Within the State of Florida

Dear Filing Clerk:

Enclosed is the original and six copies of U.S. Dial Tone, Inc.'s Application for Authority to Provide Local Exchange Telecommunications Service Within the State of Florida. Also enclosed is the \$250.00 filing fee.

Please file stamp the extra copy and return to me in the enclosed self-addressed envelope.

Sincerely,

**BICKERSTAFF, HEATH, SMILEY,
 POLLAN, KEVER & McDANIEL, L.L.P.**
 816 CONGRESS SUITE 1700
 AUSTIN TEXAS 78701-2443

NATIONSBANK OF TEXAS, N.A.
 AUSTIN TX
 352-1130

131283

PAY

Two-Hundred-Fifty Dollars and 00/100

CHECK NO.	CHECK DATE	VENDOR NO.
131283	12/18/97	

CHECK AMOUNT
\$250.00

Florida Public Service Commission

TO THE
 ORDER OF

Greg Hudson

Security features included. Details on back.