

ORIGINAL

MCWHIRTER REEVES
ATTORNEYS AT LAW

RECEIVED-FPSC
01 AUG -6 PM 3:46

TAMPA OFFICE:
400 NORTH TAMPA STREET, SUITE 2450
TAMPA, FLORIDA 33602
P. O. BOX 3350 TAMPA, FL 33601-3350
(813) 224-0866 (813) 221-1854 FAX

PLEASE REPLY TO:
TALLAHASSEE

TALLAHASSEE OFFICE:
117 SOUTH GADSDEN
TALLAHASSEE, FLORIDA 32301
(850) 222-2525
(850) 222-5606 FAX
COMMISSIONER
CLERK

August 6, 2001

VIA HAND DELIVERY

Blanca S. Bayo, Director
Division of Records and Reporting
Betty Easley Conference Center
4075 Esplanade Way
Tallahassee, Florida 32399-0870

011036-TX

Re: Telepak Networks, Inc.

Dear Ms. Bayo:

On behalf of Telepak Networks, Inc., enclosed for filing is a check in the amount of \$250.00 and the original and 6 copies of the following:

- ▶ Application Form for Authority to Provide Alternative Local Exchange Service Within the State of Florida.

Please acknowledge receipt of the above on the extra copy of each and return the stamped copies to me. Thank you for your assistance.

Sincerely,

Vicki Gordon Kaufman
Vicki Gordon Kaufman

Check received with filing and forwarded to Fiscal for deposit. Fiscal to forward a copy of check to RAF with proof of deposit.
Initials of person who forwarded check:
[Signature]

- APP
- CAF
- CMP
- COM
- CTR
- ECR
- LEG
- OPC
- PAI
- RGO
- SEC
- SER
- OTH

VGK/bae
Enclosure
cc: Tina Moore

RECEIVED & FILED
[Signature]
FPSC-BUREAU OF RECORDS

MCWHIRTER, REEVES, MCGLOTHLIN, DAVIDSON, DECKER, KAUFMAN, ARNOLD & STEEN, P.A.

DOCUMENT NUMBER-DATE
09532 AUG -6
FPSC-COMMISSION CLERK

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

DIVISION OF REGULATORY OVERSIGHT
CERTIFICATION SECTION

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

011036-TX

Instructions

- ◆ This form is used as an application for an original certificate and for approval of the assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Page 12).
- ◆ Print or type all responses to each item requested in the application and appendices. If an item is not applicable, please explain why.
- ◆ Use a separate sheet for each answer which will not fit the allotted space.
- ◆ 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 Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6770

- ◆ If you have questions about completing the form, contact:

Florida Public Service Commission
Division of Regulatory Oversight
Certification Section
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6480

APPLICATION

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

Original certificate (new company).

Approval of transfer of existing certificate: Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority.

Approval of assignment of existing certificate: Example, a certificated company purchases an existing company and desires to retain the certificate of authority of that company.

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

2. Name of company: Telepak Networks, Inc.

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

Telepak Networks, Inc.

4. Official mailing address (including street name & number, post office box, city, state, zip code):

125 S. Congress Street
Suite 1830
Jackson, Mississippi 39201

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

CT Corporation System
1200 South Pine Island Road
Plantation, Florida 33324

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"/> Other	

7. If individual, provide: Not applicable because Telepak Networks, Inc. is a foreign corporation.

Name:

Title:

Address:

City/State/Zip:

Telephone No.: _____ Fax No.:

Internet E-Mail Address:

Internet Website Address:

8. If incorporated in Florida, provide proof of authority to operate in Florida:

(a) The Florida Secretary of State corporate registration number:

Not applicable because Telepak Networks, Inc. is incorporated in Mississippi.

9. If foreign corporation, provide proof of authority to operate in Florida:

(a) The Florida Secretary of State corporate registration number:

F00000002063

10. If using fictitious name-d/b/a, provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida:

(a) The Florida Secretary of State fictitious name registration number:

Not applicable because Telepak Networks, Inc. is not using a fictitious name.

11. If a limited liability partnership, provide proof of registration to operate in Florida:

(a) The Florida Secretary of State registration number:

Not applicable because Telepak Networks, Inc. is a foreign corporation.

12. If a partnership, provide name, title and address of all partners and a copy of the partnership agreement. Not applicable because Telepak Networks, Inc. is a foreign corporation.

Name:

Title:

Address:

City/State/Zip:

Telephone No.: _____ Fax No.:

Internet E-Mail Address:

Internet Website Address:

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

(a) The Florida registration number: Not applicable because Telepak Networks, Inc. is a foreign corporation.

14. Provide F.E.I. Number(if applicable): 640778596
15. Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

(a) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. Provide explanation. See Exhibit "A".

(b) an 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.

See Exhibit "B".

16. Who will serve as liaison to the Commission with regard to the following?

(a) The application:

Name: Vicki Gordon Kaufman c/o McWhirter Reeves Attorneys At Law

Title: Attorney

Address: 117 South Gadsden

City/State/Zip: Tallahassee, Florida 32301

Telephone No.: 850-222-2525 Fax No.: 850-222-5606

Internet E-Mail Address: vkaufman@mac-law.com

Internet Website Address:

(b) Official point of contact for the ongoing operations of the company:

Name: Gregg Logan

Title: Vice President

Address: 125 S. Congress Street, Suite 1830

City/State/Zip: Jackson, Mississippi 39201

Telephone No.: 601-974-7111 Fax No.: 601-974-7135

Internet E-Mail Address: glogan@telepak.net

Internet Website Address: www.telepaknetworks.com

(c) Complaints/Inquiries from customers:

Name: Craig Miller

Title: Business Operations Manager

Address: 125 S. Congress St., Ste. 1830

City/State/Zip: Jackson, MS 39201

Telephone No.: 800-342-3716 Fax No.: 601-974-7135

Internet E-Mail Address: cmiller@telepak.net
Internet Website Address: www.telepaknetworks.com

17. List the states in which the applicant:

(a) has operated as an alternative local exchange company.

Mississippi, Alabama and Tennessee

(b) has applications pending to be certificated as an alternative local exchange company.

Louisiana

(c) is certificated to operate as an alternative local exchange company.

Mississippi, Alabama and Tennessee

(d) has been denied authority to operate as an alternative local exchange company and the circumstances involved.

Telepak Networks, Inc. has not been denied authority to operate as an alternative local exchange company.

(e) has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.

Telepak Networks, Inc. has not had regulatory penalties imposed for violations of telecommunications statutes.

(f) has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

Telepak Networks, Inc. has not been involved in civil court proceedings with an interexchange carrier, local exchange company or any other telecommunications entity.

18. Submit the following:

A. **Managerial capability:** give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.

See attached Exhibit "C".

B. **Technical capability:** give resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance.

See attached Exhibit "D".

C. Financial capability.

The application should contain the applicant's audited financial statements for the most recent 3 years. If the applicant does not have audited financial statements, it shall so be stated.

Telepak Networks, Inc. can only provide audited financial statements for 1 year because the company is too new. See attached Exhibit "E".

The unaudited financial statements should be signed by the applicant's chief executive officer and chief financial officer affirming that the financial statements are true and correct and should include: See Exhibit "F".

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

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.*

Further, the following (which includes supporting documentation) should be provided: See Exhibit "G".

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

THIS PAGE MUST BE COMPLETED AND SIGNED

APPLICANT ACKNOWLEDGMENT 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 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:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

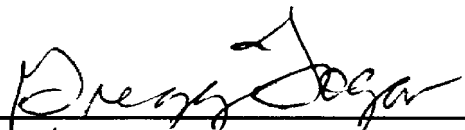
UTILITY OFFICIAL:

Gregg Logan
Print Name

Vice President
Title

601-974-7111 601-974-7135
Telephone No. Fax No.

Address: 125 S. Congress Street
Suite 1830
Jackson, Mississippi 39201


Signature

7/27/01
Date

THIS PAGE MUST BE COMPLETED AND SIGNED

AFFIDAVIT

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide alternative local exchange company service in the State of Florida. I have read the foregoing and declare that, to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders.

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:

Gregg Logan
Print Name

Vice President
Title

601-974-7111 601-974-7135
Telephone No. Fax No.

Address: 125 S. Congress Street
Suite 1830
Jackson, Mississippi 39201


Signature

7/27/01
Date

INTRASTATE NETWORK (if available)

Chapter 25-24.825 (5), Florida Administrative Code, requires the company to make available to staff the alternative local exchange service areas only upon request.

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

1) _____ 2) _____

3) _____ 4) _____

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

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.

POP-to-POP

OWNERSHIP

1) _____

2) _____

3) _____

4) _____

Exhibit A

Wade H. Creekmore, Jr., Director/President of Telepak Networks, Inc. has not previously been adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or any such actions resulting from pending proceedings.

James H. Creekmore, Sr., Director/Vice President/Secretary/Treasurer of Telepak Networks, Inc. has not previously been adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or any such actions resulting from pending proceedings.

Gregg Logan, Vice President of Telepak Networks, Inc. has not previously been adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or any such actions resulting from pending proceedings.

Exhibit B

Wade H. Creekmore, Jr. is Director/Vice President/Asst. Treasurer/Asst. Secretary for Telepak, Inc. which is a Florida certificated telephone company.

James H. Creekmore, Jr. is Director/Vice President/Treasurer/Secretary for Telepak, Inc. which is a Florida certificated telephone company.

Exhibit C

Gregg Logan, Vice President of Broadband Solutions

Over the past eighteen years with Telepak, Inc., Gregg has held positions where he received a wide range of experience in service installation, maintenance and repair, database management, services integration, switch control, technical assistance, switching field operations as well as outside plant maintenance and installation. Gregg started his career as an equipment installer with Huffman Telephone Company in 1980 where his responsibilities included installing, testing and turning into service central office switching equipment, carrier equipment and various other types of equipment. For eight (8) years Gregg worked for Franklin Telephone Company in electro mechanical central office maintenance and operations as well as digital central office maintenance and operations. During his tenure with Franklin Telephone, he installed and maintained fiber optic systems, electronic key systems, digital PBXs, and various other data and telephone systems. Gregg has extensive experience in wireless telecommunications, having been employed for nine years by Telepak, Inc. Instrumental in R. F. Engineering, site planning and acquisition, site construction and installation and network operations and maintenance, Gregg was responsible for all aspects of building and operating a wireless network for Cellular South, a service of Telepak, Inc.

Phil Rice, Sales/Marketing Manager

Phil has extensive experience and a diverse background in telecommunications. His experience includes industry sales, marketing, and business development. His business development experience is related to new start up ventures with CLECs. He is a 1995 early retiree of a major ILEC where he held a variety of positions of increasing responsibility. At retirement, as a Sales and Marketing Staff Manager, he was chairing an interdepartmental management team focusing on deploying emerging technology just in time to meet customer willingness to buy. His ILEC career generally consisted of roles interfacing with customers, including Branch Manager of State Government and major Account Manager for all post secondary education customers in Mississippi. Immediately following his ILEC retirement, he was the MCI Branch Manager for Mississippi, a multi-faceted role with responsibilities resembling that of a franchise owner. After MCI he was Vice-President of Sales & Marketing for a facility-based start up CLEC. Immediately before coming to Telepak Networks, Inc., Phil assisted a local telecommunications company that was providing wireless services, long distance and Internet access by successfully adding local service resell to their product and service line and establishing CLEC status. As Manager, Sales & Marketing Phil's current responsibilities include managing the sales and marketing processes for Telepak Networks, Inc.

Craig Miller, Business Operations Manager

Craig Miller serves as Business Operations Manager for Telepak Networks, Inc. Over the past thirteen years, Craig has held managerial positions in a variety of industries. He has worked as a consultant with Andersen Consulting and has extensive project management experience with Jimmy Jungle Stores of America, Inc. He also served for three years as Software Development Manager for Telepak, Inc., an affiliate company of Telepak Networks, Inc. He has extensive experience with systems and procedures for point of sale systems, customer care, and telecommunications billing. With Telepak Networks, Craig is responsible for the management of provisioning, customer care, billing, and operational support systems.

Craig earned his Bachelor of Business Administration from the University of Mississippi in 1985, and his M.B.A. in 1988, also from Ole Miss.

Tillman Rodabough, Manager of Technical Operations

Tillman Rodabough serves as Manager of Technical Operations/Construction for Telepak Networks. His career consists of seventeen years in the telecommunications industry with Entergy Hyperion, Brooks Fiber, US Sprint, First American Communication Co., LDDS/Worldcom, Hughes Technical, and Advanced Business Communications. He has served in various supervisory positions within the engineering, operations and construction departments including managing network operations, switch control centers as well as engineering and installation of fiber networks.

James H. Creekmore, Sr. , Vice President/Secretary/Treasurer, Telepak Networks, Inc. and Director

James H. Creekmore, Sr. started working as Manager of Delta Telephone Company in 1959. He worked seven years in the Louise commercial office, the switching office and while managing the company also outside as a repair and construction person in Louise, Isola, Holly Bluff and Eagle Lake. Jimmy was involved in building new telephone systems in those areas plus Merigold, Ackerman and Chester, also the building of Cable TV systems in Louise, Isola and Inverness. For the past thirteen years he has been involved in the management of Telapex and holds offices in the various affiliates. He holds a BBA and a JD from the University of Mississippi and has served as a Special Assistant Attorney General for the State of Mississippi. He clerked for the Mississippi Supreme Court following law school.

Wade H. Creekmore, Jr., President, Telepak Networks, Inc. and Director

Wade H. Creekmore, Jr. has been employed in the telecommunications business since 1960 when he became Vice President and General Manager of Franklin Telephone Company, Inc. headquartered in Meadville, Mississippi. He is presently President of Telapex, Inc. and an officer and director of the various affiliates. He has been responsible for various management and operational duties for all of those companies since they were founded. He is a graduate of the University of Mississippi holding a BBA and a JD. He practiced law in both Meadville and Jackson and has served as a Special Assistant Attorney General for the State of Mississippi.

Exhibit D

Gregg Logan, Vice President of Broadband Solutions

Over the past eighteen years with Telepak, Inc., Gregg has held positions where he received a wide range of experience in service installation, maintenance and repair, database management, services integration, switch control, technical assistance, switching field operations as well as outside plant maintenance and installation. Gregg started his career as an equipment installer with Huffman Telephone Company in 1980 where his responsibilities included installing, testing and turning into service central office switching equipment, carrier equipment and various other types of equipment. For eight (8) years Gregg worked for Franklin Telephone Company in electro mechanical central office maintenance and operations as well as digital central office maintenance and operations. During his tenure with Franklin Telephone, he installed and maintained fiber optic systems, electronic key systems, digital PBXs, and various other data and telephone systems. Gregg has extensive experience in wireless telecommunications, having been employed for nine years by Telepak, Inc. Instrumental in R. F. Engineering, site planning and acquisition, site construction and installation and network operations and maintenance, Gregg was responsible for all aspects of building and operating a wireless network for Cellular South, a service of Telepak, Inc.

Phil Rice, Sales/Marketing Manager

Phil has extensive experience and a diverse background in telecommunications. His experience includes industry sales, marketing, and business development. His business development experience is related to new start up ventures with CLECs. He is a 1995 early retiree of a major ILEC where he held a variety of positions of increasing responsibility. At retirement, as a Sales and Marketing Staff Manager, he was chairing an interdepartmental management team focusing on deploying emerging technology just in time to meet customer willingness to buy. His ILEC career generally consisted of roles interfacing with customers, including Branch Manager of State Government and major Account Manager for all post secondary education customers in Mississippi. Immediately following his ILEC retirement, he was the MCI Branch Manager for Mississippi, a multi-faceted role with responsibilities resembling that of a franchise owner. After MCI he was Vice-President of Sales & Marketing for a facility-based start up CLEC. Immediately before coming to Telepak Networks, Inc., Phil assisted a local telecommunications company that was providing wireless services, long distance and Internet access by successfully adding local service resell to their product and service line and establishing CLEC status. As Manager, Sales & Marketing Phil's current responsibilities include managing the sales and marketing processes for Telepak Networks, Inc.

Craig Miller, Business Operations Manager

Craig Miller serves as Business Operations Manager for Telepak Networks, Inc. Over the past thirteen years, Craig has held managerial positions in a variety of industries. He has worked as a consultant with Andersen Consulting and has extensive project management experience with Jitney Jungle Stores of America, Inc. He also served for three years as Software Development Manager for Telepak, Inc., an affiliate company of Telepak Networks, Inc. He has extensive experience with systems and procedures for point of sale systems, customer care, and telecommunications billing. With Telepak Networks, Craig is responsible for the management of provisioning, customer care, billing, and operational support systems.

Craig earned his Bachelor of Business Administration from the University of Mississippi in 1985, and his M.B.A. in 1988, also from Ole Miss.

Tillman Rodabough, Manager of Technical Operations

Tillman Rodabough serves as Manager of Technical Operations/Construction for Telepak Networks. His career consists of seventeen years in the telecommunications industry with Entergy Hyperion, Brooks Fiber, US Sprint, First American Communication Co., LDDS/Worldcom, Hughes Technical, and Advanced Business Communications. He has served in various supervisory positions within the engineering, operations and construction departments including managing network operations, switch control centers as well as engineering and installation of fiber networks.

James H. Creekmore, Sr. , Vice President/Secretary/Treasurer, Telepak Networks, Inc. and Director

James H. Creekmore, Sr. started working as Manager of Delta Telephone Company in 1959. He worked seven years in the Louise commercial office, the switching office and while managing the company also outside as a repair and construction person in Louise, Isola, Holly Bluff and Eagle Lake. Jimmy was involved in building new telephone systems in those areas plus Merigold, Ackerman and Chester, also the building of Cable TV systems in Louise, Isola and Inverness. For the past thirteen years he has been involved in the management of Telapex and holds offices in the various affiliates. He holds a BBA and a JD from the University of Mississippi and has served as a Special Assistant Attorney General for the State of Mississippi. He clerked for the Mississippi Supreme Court following law school.

Wade H. Creekmore, Jr., President, Telepak Networks, Inc. and Director

Wade H. Creekmore, Jr. has been employed in the telecommunications business since 1960 when he became Vice President and General Manager of Franklin Telephone Company, Inc. headquartered in Meadville, Mississippi. He is presently President of Telapex, Inc. and an officer and director of the various affiliates. He has been responsible for various management and operational duties for all of those companies since they were founded. He is a graduate of the University of Mississippi holding a BBA and a JD. He practiced law in both Meadville and Jackson and has served as a Special Assistant Attorney General for the State of Mississippi.

Exhibit E

Telepak Networks, Inc.

Financial Statements

December 31, 1999

BALANCE SHEET BUDGET VARIANCE REPORT
December 31, 1999

	CURRENT MONTH	CURRENT BUDGET	VARIANCE	VAR AS % OF BUDGET
LIABILITIES				
ACCOUNTS PAYABLE	244,676	0	244,676	100.00 %
AFFILIATED ACCOUNTS PAYBA	695,414	0	695,414	100.00 %
NOTES PAYABLE-CURRENT-AFF	141,617	0	141,617	100.00 %
OTHER ACCRUED TAXES	12,170	0	12,170	100.00 %
ACCRUED EXPENSES	71	0	71	100.00 %
TOTAL CURRENT LIABILITIES	1,093,949	0	1,093,949	100.00 %
NONCURRENT LIABILITIES				
NOTES PAYABLE-AFFILIATED	4,690,726	0	4,690,726	100.00 %
NONCURRENT DEFERRED TAX L	(246,344)	0	(246,344)	100.00 %
TOTAL NONCURRENT LIABILITIES	4,444,382	0	4,444,382	100.00 %
TOTAL LIABILITIES	5,538,331	0	5,538,331	100.00 %
STOCKHOLDERS EQUITY				
COMMON STOCK	1,000	0	1,000	100.00 %
RETAINED EARNINGS	0	(642,603)	642,603	(100.00) %
CURRENT YEAR EARNINGS	(538,882)	0	(538,882)	100.00 %
TOTAL STOCKHOLDER'S EQUITY	(537,882)	(642,603)	104,721	(16.30) %
TOTAL LIABILITIES & EQUITY	5,000,449	(642,603)	5,643,052	(878.15) %

BALANCE SHEET BUDGET VARIANCE REPORT
December 31, 1999

	CURRENT MONTH	CURRENT BUDGET	VARIANCE	VAR AS % OF BUDGET
ASSETS				
CASH	516,745	0	516,745	100.00 %
ACCTS REC-OTHER	26,584	0	26,584	100.00 %
ACCTS REC-AFFILIATES	282,184	0	282,184	100.00 %
CURRENT DEFERRED TAX ASSE	(5,275)	0	(5,275)	100.00 %
TOTAL CURRENT ASSETS	820,238	0	820,238	100.00 %
NONCURRENT ASSETS				
OTHER INVESTMENTS	28,245	0	28,245	100.00 %
TOTAL NONCURRENT ASSETS	28,245	0	28,245	100.00 %
PROPERTY, PLANT, & EQUIPMENT				
SHORT TERM PLANT UNDER CO	337,754	0	337,754	100.00 %
BROADBAND PLANT IN SERVIC	636,858	0	636,858	100.00 %
ORGANIZATION & OTHER INTA	3,557,763	0	3,557,763	100.00 %
ACCUMULATED DEPRECIATION	(44,138)	0	(44,138)	100.00 %
ACCUM AMORT-ORG COSTS & O	(336,272)	0	(336,272)	100.00 %
TOTAL PROPERTY, PLANT, &	4,151,966	0	4,151,966	100.00 %
TOTAL ASSETS	5,000,449	0	5,000,449	100.00 %

Telepak Networks, Inc
Budget Variance Report
For the Month Ended 12/31/99

	MONTH OF DECEMBER					YEAR-TO-DATE		
	ACTUAL	PRIOR	BUDGET	VARIANCE OVER/(UND) PRIOR	VARIANCE OVER/(UND) BUDGET	ACTUAL	BUDGET	VARIANCE OVER/(UND) BUDGET
BUSINESS OPERATIONS								
SALARIES & BENEFITS	10,495	9,782	12,526	713	(2,031)	38,351	49,247	(10,896)
SUPPLIES	629	714	150	(85)	479	1,359	600	759
MEALS	22		75	22	(53)	22	300	(278)
IN HOUSE BUSINESS MEALS			75	0	(75)	0	300	(300)
TRAVEL	127		450	127	(323)	127	1,800	(1,673)
TRAINING			350	0	(350)	0	1,400	(1,400)
TOTAL BUSINESS OPERATIONS	11,273	10,496	13,626	777	(2,353)	39,859	53,647	(13,788)
G&A								
SALARIES & BENEFITS	13,919	9,828	16,380	4,091	(2,461)	39,476	62,793	(23,317)
UNALLOCATED BENEFITS	3,179	367	0	2,812	3,179	11,593	0	11,593
SUPPLIES, TELEPHONE, POSTAGE	0	912	3,500	(912)	(3,500)	917	14,000	(13,083)
MEALS	0	37	150	(37)	(150)	50	600	(550)
IN HOUSE BUSINESS MEALS			150	0	(150)	0	600	(600)
TRAVEL	16	434	500	(418)	(484)	1,498	3,000	(1,502)
VEHICLE	0	12	400	(12)	(400)	12	1,600	(1,588)
PROPERTY/OTHER TAXES			1,200	0	(1,200)	0	4,800	(4,800)
LEGAL & PROFESSIONAL	23,580	3,395	4,500	20,185	19,080	34,555	18,000	16,555
PARKING	350	250		100	350	600	0	600
TEMP SERVICES AND CLASSIFIEDS	0	548		(548)	0	548	0	548
PROPERTY INSURANCE	149	148		1	149	297	0	297
MISCELLANEOUS - OTHER	121	108	1,200	13	(1,079)	482	4,800	(4,318)
MANAGEMENT FEES	4,973	4,294	1,200	679	3,773	20,421	4,800	15,621
TELEPAK INC SUPPORT			5,750	0	(5,750)	0	23,000	(23,000)
TOTAL G&A	46,287	20,332	34,930	25,955	11,357	110,450	137,993	(27,543)
TOTAL EXPENSES	401,433	293,392	387,271	108,041	14,162	1,048,405	1,301,256	(252,851)
EBITDA	(121,788)	(50,301)	(80,220)	(71,487)	(41,568)	(522,963)	(710,444)	187,481
DEPRECIATION & INTEREST								
AMORTIZATION EXPENSE	21,418	19,878	19,878	1,738	1,738	80,451	78,712	1,739
DEPREC. EXP. - OTHER	33,583	632	80,197	32,931	(48,634)	35,492	169,021	(133,529)
INTEREST EXP.-AFFILIATED	88,075	25,325	39,480	42,750	28,595	141,024	132,920	8,104
TOTAL DEPREC. & INTEREST	123,054	45,835	139,355	77,419	(16,301)	256,967	380,653	(123,686)
EARNINGS BEFORE TAXES	(244,842)	(95,938)	(219,575)	(148,906)	(25,267)	(779,931)	(1,091,097)	311,166
DEFERRED TAXES	(36,546)	(36,743)	(83,439)	197	46,893	(241,069)	(414,617)	173,547
FRANCHISE TAXES	10		0	10	10	21	0	21
NET INCOME	(208,306)	(59,192)	(136,137)	(149,114)	(72,169)	(538,882)	(676,480)	137,598

Telepak Networks, Inc
Budget Variance Report
For the Month Ended 12/31/99

	MONTH OF DECEMBER					YEAR-TO-DATE		
	ACTUAL	PRIOR	BUDGET	VARIANCE OVER/(UND) PRIOR	VARIANCE OVER/(UND) BUDGET	ACTUAL	BUDGET	VARIANCE OVER/(UND) BUDGET
REVENUES								
LMS/ACCESS			1,500		(1,500)		1,500	(1,500)
AFFILIATED COMPANIES	272,384	241,111	284,791	31,273	(12,407)	513,495	565,152	(51,657)
WHOLESALE			9,400		(9,400)		9,400	(9,400)
CARRIERS								
RETAIL			1,800	3,027	3,207	9,693	1,800	7,893
DS1	5,007	1,980						
DS3			6,960		(6,960)		6,960	(6,960)
ATM			2,600		(2,600)		6,000	(6,000)
INTEREST INCOME	2,254			2,254	2,254	2,254		2,254
TOTAL REVENUES	279,645	243,091	307,051	36,554	(27,408)	525,442	590,812	(65,370)
TECHNICAL								
SALARIES & BENEFITS	17,843	11,648	21,755	6,195	(3,912)	42,198	71,857	(29,659)
LEASED LINES	265,859	212,752	260,000	53,107	5,859	736,929	780,000	(43,071)
LEASED PROPERTY	0	(250)		250	0	550	0	550
SUPPLIES	1,364	3,383	150	(2,019)	1,214	7,084	600	6,484
TOOLS AND TEST EQUIPMENT	0	16,736	4,625	(16,736)	(4,625)	(155)	9,500	(9,655)
TELEPAK INC. SUPPORT	0	0	11,500	0	(11,500)	78	46,000	(45,922)
MEALS	320	30	75	290	245	350	300	50
IN HOUSE BUSINESS MEALS	0		75	0	(75)	0	300	(300)
TRAVEL	0	502	500	(502)	(500)	1,531	3,000	(1,469)
TRAINING	0	11,237	2,200	(11,237)	(2,200)	11,237	18,600	(7,363)
VEHICLE	1,143	580	800	563	343	1,723	3,200	(1,477)
MAINTENANCE	0	1,212		(1,212)	0	19,895	0	19,895
PROFESSIONAL SERVICES	12,478			12,478	12,478	12,478	0	12,478
MISCELLANEOUS	0	(210)		210	0	2,476	0	2,476
TOTAL TECHNICAL	299,006	257,620	301,680	41,388	(2,674)	836,374	933,357	(96,983)
SALES								
SALARIES & BENEFITS	3,537		16,481	3,537	(12,944)	3,537	39,655	(36,018)
CAR ALLOWANCE	325		650	325	(325)	325	1,625	(1,300)
SUPPLIES			750	0	(750)	0	2,700	(2,700)
MEALS			350	0	(350)	0	650	(650)
IN HOUSE BUSINESS MEALS			75	0	(75)	0	300	(300)
TRAVEL			1,500	0	(1,500)	0	3,750	(3,750)
TRAINING			1,000	0	(1,000)	0	1,000	(1,000)
TELEPAK INC SUPPORT			5,750	0	(5,750)	0	23,000	(23,000)
MARKETING/ADVERTISING FEES	35,550		1,000	35,550	34,550	35,550	70,300	(34,750)
TOTAL SALES	39,412	0	27,556	39,412	11,856	39,412	142,880	(103,468)
BUSINESS DEVELOPMENT								
SALARIES & BENEFITS	5,181	4,943	7,379	238	(2,198)	20,008	29,029	(9,021)
SUPPLIES			150	0	(150)	769	600	169
MEALS	274		50	274	224	394	200	194
IN HOUSE BUSINESS MEALS			50	0	(50)	0	200	(200)
TRAVEL			1,500	0	(1,500)	1,140	1,950	(810)
TRAINING			350	0	(350)	0	1,400	(1,400)
DSL EXPENSES			0	0	0	0	0	0
TOTAL BUSINESS DEVELOPMENT	5,455	4,943	9,479	512	(4,024)	22,311	33,379	(11,068)

TELEPAK NETWORKS, INC.
(A SUBSIDIARY OF TELAPEX, INC.)

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2000

**TELEPAK NETWORKS, INC.
(A SUBSIDIARY OF TELAPEX, INC.)**

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2000

CONTENTS

	<u>Page</u>
Independent Auditors' Report	3
Financial Statements:	
Balance Sheet	4
Statement of Operations	6
Statement of Changes in Stockholder's Equity (Deficit)	7
Statement of Cash Flows	8
Notes to Financial Statements	9

Board of Directors
Telepak Networks, Inc.
(A Subsidiary of Telapex, Inc.)
Jackson, Mississippi

Independent Auditors' Report

We have audited the accompanying balance sheet of Telepak Networks, Inc. (A Subsidiary of Telapex, Inc.) as of December 31, 2000, and the related statement of operations, changes in stockholder's equity (deficit) and cash flows for the year 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Telepak Networks, Inc. as of December 31, 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Smith, Turner & Reeves

Jackson, Mississippi
March 20, 2001

TELEPAK NETWORKS, INC.
(A SUBSIDIARY OF TELAPEX, INC.)

BALANCE SHEET
DECEMBER 31, 2000

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 11,275,085
Accounts receivable (no allowance considered necessary):	
Customers	176,135
Affiliates	598,958
Prepaid expenses	<u>587</u>

TOTAL CURRENT ASSETS 12,050,765

PROPERTY, PLANT AND EQUIPMENT - Note 3:

In service and under construction	11,479,483
License acquisition costs	<u>3,542,121</u>
	15,021,604
Less accumulated depreciation and amortization	<u>(779,834)</u>
	14,241,770

NONCURRENT ASSETS:

Loan origination costs, net	623,195
CoBank Stock, at cost	61,676
Other	<u>59,378</u>
	<u>744,249</u>

\$ 27,036,784

See accompanying Notes to Financial Statements.

LIABILITIES AND STOCKHOLDER'S EQUITY (DEFICIT)

CURRENT LIABILITIES:

Accounts payable:

Trade	\$ 2,538,376
Affiliates	837,487
Taxes payable to parent	232,250
Accrued expenses	75,788
Deferred income taxes	<u>46,147</u>

TOTAL CURRENT LIABILITIES 3,730,048

LONG-TERM DEBT - Note 4 24,517,923

NONCURRENT DEFERRED TAX LIABILITY - Note 6 76,052

COMMITMENTS AND CONTINGENCIES - Note 7 -

STOCKHOLDER'S EQUITY (DEFICIT):

Common Stock, no stated par value:

Authorized, issued and outstanding - 1,000 shares	1,000
Additional paid-in capital	356,175
Accumulated deficit	<u>(1,644,414)</u>
	<u>(1,287,239)</u>

\$ 27,036,784

TELEPAK NETWORKS, INC.
(A SUBSIDIARY OF TELAPEX, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2000

OPERATING REVENUES:	
Broadband service	\$ 5,543,853
OPERATING EXPENSES:	
Cost of service	4,892,051
General and administrative	745,349
Sales and marketing	242,592
Business operations	212,887
Depreciation and amortization	<u>399,425</u>
TOTAL OPERATING EXPENSES	<u>6,492,304</u>
OPERATING LOSS	(948,451)
OTHER INCOME (EXPENSE):	
Interest income	227,388
Interest expense	<u>(1,145,608)</u>
	<u>(918,220)</u>
LOSS BEFORE INCOME TAXES	(1,866,671)
INCOME TAX BENEFIT - Note 6	<u>697,557</u>
NET LOSS	<u><u>\$ (1,169,114)</u></u>

See accompanying Notes to Financial Statements.

TELEPAK NETWORKS, INC.
(A SUBSIDIARY OF TELAPEX, INC.)
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY (DEFICIT)
YEAR ENDED DECEMBER 31, 2000

	<u>Common Stock</u>		<u>Additional</u>	<u>Accumulated</u>	<u>Stockholder's</u>
	<u>Shares</u>	<u>Amount</u>	<u>Paid-in</u>	<u>Deficit</u>	<u>Equity</u>
			<u>Capital</u>		<u>(Deficit)</u>
BALANCE, DECEMBER 31, 1999	1,000	\$ 1,000	\$ -	\$ (475,163)	\$ (474,163)
NET LOSS	-	-	-	(1,169,114)	(1,169,114)
DIVIDENDS PAID	-	-	-	(137)	(137)
PAID-IN CAPITAL	-	-	356,175	-	356,175
BALANCE, DECEMBER 31, 2000	<u>1,000</u>	<u>\$ 1,000</u>	<u>\$ 356,175</u>	<u>\$ (1,644,414)</u>	<u>\$ (1,287,239)</u>

See accompanying Notes to Financial Statements.

TELEPAK NETWORKS, INC.
(A SUBSIDIARY OF TELAPEX, INC.)
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2000
Increase (Decrease) in Cash and Cash Equivalents

CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:	
Net loss	\$ (1,169,114)
Adjustments to reconcile net loss to net cash used by operating activities:	
Depreciation and amortization	399,425
Amortization of loan origination costs	21,471
Deferred income taxes	77,517
Changes in operating assets and liabilities:	
(Increase) decrease in accounts receivable, net	(736,083)
(Increase) decrease in prepaid expenses	(587)
Increase (decrease) in income taxes payable	581,725
Increase (decrease) in accounts payable	1,120,018
Increase (decrease) in other current liabilities	<u>63,543</u>
NET CASH FROM OPERATING ACTIVITIES	357,915
CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES:	
Additions to property, plant and equipment	(8,867,716)
Increase in other noncurrent assets, net	<u>(92,809)</u>
NET CASH FROM (USED FOR) INVESTING ACTIVITIES	(8,960,525)
CASH FLOWS FROM (USED FOR) FINANCING ACTIVITIES:	
Dividends paid	(137)
Repayment of long-term debt	(8,782,343)
Paid-in capital	356,175
Proceeds from long-term debt	<u>27,823,255</u>
NET CASH FROM FINANCING ACTIVITIES	<u>19,396,950</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,794,340
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>480,745</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 11,275,085</u>
Supplemental Disclosure:	
Accounts payable for purchases of property and equipment	<u>\$ 1,621,513</u>

See accompanying Notes to Financial Statements.

TELEPAK NETWORKS, INC.
(A SUBSIDIARY OF TELAPEX, INC.)
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Telepak Networks, Inc. (the Company) is a wholly-owned subsidiary of Telapex, Inc. The accounting policies of the Company conform to accounting principles generally accepted in the United States of America. The Company provides broadband and other telecommunications services throughout Mississippi and parts of Alabama, Tennessee and Florida. Substantially all of the Company's revenues for 2000 were derived from services provided to an affiliated company.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the depreciable assets.

Costs incurred in acquiring telecommunications licenses or interests have been capitalized. These costs include amounts paid for legal, engineering and consulting services and other amounts incurred by the Company in acquiring these interests. These costs are being amortized on a straight-line basis over a 15 year period. Amortization begins upon the commencement of service in each area.

Service Revenues

Revenues are recognized as services are rendered.

Income Taxes

Income taxes are accounted for using the asset and liability method. Under the asset and liability method, deferred income taxes are recognized for the tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date.

Loan Origination Costs

Loan origination costs related to obtaining long-term financing agreements have been capitalized and are being amortized over the life of the related loans using the straight-line method which approximated the interest method.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Management believes the Company is not exposed to any significant credit risk on cash and cash equivalents.

Accounts Receivable

The Company generally does not require collateral or other security to support accounts receivable. Credit risk associated with receivables is periodically reviewed by management, and an allowance for doubtful accounts, if required, is established.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comprehensive Income

Comprehensive income for the Company is the same as net income for all periods presented.

NOTE 2 - RETIREMENT BENEFITS

The Company participants in a multiple employer defined benefit pension plan with Telapex, Inc. and certain other affiliates of Telapex, Inc. The plan covers all employees who customarily work more than 1,000 hours a year.

The plan is funded on an annual basis. The amount of the funding is established each year in an amount which equals or exceeds the minimum required contribution under federal law and is equal to or less than the maximum tax deductible contribution under federal law. Pension cost incurred was \$5,831 in 2000.

The Company also adopted Telapex, Inc.'s employee savings plan, under which all eligible employees of the Company qualify for participation. Employees are permitted to make

NOTE 2 - RETIREMENT BENEFITS (CONTINUED)

contributions to the plan on a pretax salary reduction basis in accordance with the provisions of Section 401(k) of the Internal Revenue Code. The Company matches employee contributions up to 2% of employee compensation and may contribute a discretionary amount which is determined each year. The contributions charged to expense were \$6,353 in 2000.

The Company participates in a multiple employer leveraged employee stock ownership plan (ESOP or the Plan) that was established in 1999 with Telapex, Inc. and certain other affiliates. The Plan covers all employees who customarily work more than 1,000 hours per year. The Company shares in the cost of funding the Plan based on their allocation of the shares released to its employees. The Company reports compensation expense equal to their allocable share of the current fair value of the shares released to participants. The shares are released by the Plan evenly over 15 years. ESOP compensation expense was \$81,228 in 2000. Other ESOP expense totaling \$47,919 in 2000 represents allocated costs of funding the ESOP. Included in other noncurrent assets is \$59,378, which represents excess funding to Telapex, Inc. This amount will be recognized as a reduction in future funding requirements.

NOTE 3 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment in service and under construction at December 31, 2000, consisted of:

Land and easements	\$ 187,895
Operating plant and equipment	1,765,322
Office furniture, equipment and leasehold improvements	116,375
Vehicles	<u>74,541</u>
	2,144,133
Under construction	<u>9,335,350</u>
	<u>\$ 11,479,483</u>

NOTE 4 - LONG-TERM DEBT

Long-term debt at December 31, 2000, consisted of:

CoBank - term loan, variable interest rate (10.75% at December 31, 2000).	\$ 9,517,923
Mississippi Business Finance Corporation Industrial Development Revenue Bonds due on September 1, 2015, with interest due monthly at a variable rate (6.8% at December 31, 2000), collateralized by a letter of credit issued under a credit agreement with CoBank, with variable annual fees.	<u>15,000,000</u>
	<u>\$ 24,517,923</u>

Interest paid (cash basis) was \$1,171,893 in 2000.

The future estimated annual principal payments on long-term debt are as follows:

2001	\$ -
2002	508,284
2003	1,206,937
2004	1,397,306
2005	1,397,306
Thereafter	<u>20,008,090</u>
	<u>\$ 24,517,923</u>

The mortgage note issued under the loan agreement with CoBank is to be repaid in quarterly installments of interest only through August 2002, then principal and interest in quarterly payments, maturing 2008.

Both the CoBank note and the bonds are direct liabilities of Telapex, Inc. and have been advanced to Telepak Networks, Inc.

Substantially all assets of Telapex, Inc. and subsidiaries (excluding Telepak), as well as the stock in all subsidiaries except Telepak, Inc., are pledged under the CoBank credit agreement.

NOTE 5 - RELATED PARTY TRANSACTIONS

Telapex, Inc. and certain of its affiliates provide the Company with centralized management, accounting, consulting and other services which resulted in billings to the Company of \$328,823 in 2000. These services are billed to the Company based on direct labor charges and other factors, plus an amount for invested cost of capital in providing those services.

The Company provides Telepak, Inc., one of its affiliates, various broadband services. Billing for these services amounted to \$5,121,960 in 2000. The Company also provides Telapex, Inc. and certain of its affiliates with various broadband services. Billings for these services amounted to \$82,218 in 2000. These services are billed by the Company based on direct costs associated with providing these services.

NOTE 6 - PROVISION FOR INCOME TAXES

The Company, for income tax purposes, is included in the consolidated tax return of Telapex, Inc. For financial statement purposes, the Company computes its income tax by applying the statutory rate to its pretax income reported in the financial statements (separate return method).

The Company is compensated on a current basis for net operating losses to the extent such losses can be used to reduce the parent company's tax liability. At December 31, 2000, the Company had an amount due to Telapex, Inc. for excess funds received for projected net operating losses.

The (provision) benefit for federal and state income taxes consisted of the following:

Current benefit:

Federal	\$ 673,169
State	<u>101,905</u>
	775,074

Deferred taxes (provision) benefit:

Federal	(67,397)
State	<u>(10,120)</u>
	<u>(77,517)</u>
	<u>\$ 697,557</u>

NOTE 6 - PROVISION FOR INCOME TAXES (CONTINUED)

The components of net deferred tax liabilities in the accompanying balance sheet due to temporary differences and carryforwards are as follows:

Deferred tax liabilities:	
Accelerated tax depreciation	\$ 94,848
Other items	<u>55,031</u>
	149,879
Deferred tax assets:	
Accrued leave	17,362
ESOP contributions	<u>10,318</u>
	<u>27,680</u>
Net deferred tax liabilities	<u>\$ 122,199</u>

Income taxes received as compensation for net operating losses (cash basis) amounted to \$1,007,000 in 2000.

The Company's effective tax rate for 2000 is greater than the federal statutory tax rate. The difference results principally from the provision for state income taxes and certain nondeductible expenses.

NOTE 7 - LEASES

The Company leases approximately 800 broadband lines from BellSouth. These leases are usually for a period of 24 months and are paid at the current tariff rates. The amount charged to expense for these leases was \$2,138,000 in 2000.

The Company also leases SMARTRing services from BellSouth. These leases were entered into on August 30, 1999, and are for a minimum period of 37 months. Lease expense was \$2,136,000 for 2000.

At December 31, 2000, future minimum lease payments under these leases were as follows:

2001	\$ 2,140,000
2002	892,000

NOTE 8 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions are used by the Company in estimating the fair value of its financial instruments:

- Cash and cash equivalents, temporary cash investments and other short-term investments are based on face amounts.
- The fair values of other long-term investments are estimated using discounted cash flow analyses based on the Company's current incremental investment rates for similar types of investments.
- The fair value of notes payable and long-term debt is estimated using discounted cash flow analyses based on the Company's current incremental borrowing rates for similar types of borrowing arrangements.

The carrying amounts and fair values of the Company's financial instruments at December 31, 2000, are as follows:

	<u>2000</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 11,275,085	\$ 11,275,085
Long-term debt	24,517,923	24,517,923

TELEPAK NETWORKS, INC.
(A SUBSIDIARY OF TELAPEX, INC.)
BALANCE SHEET
DECEMBER 31, 2000

ASSETS

CURRENT ASSETS:	
Cash and cash equivalents	\$ 11,275,085
Accounts receivable (no allowance considered necessary):	
Customers	176,135
Affiliates	598,958
Prepaid expenses	<u>587</u>
TOTAL CURRENT ASSETS	12,050,765
PROPERTY, PLANT AND EQUIPMENT - Note 3:	
In service and under construction	11,479,483
License acquisition costs	<u>3,542,121</u>
	15,021,604
Less accumulated depreciation and amortization	<u>(779,834)</u>
	14,241,770
NONCURRENT ASSETS:	
Loan origination costs, net	623,195
CoBank Stock, at cost	61,676
Other	<u>59,378</u>
	<u>744,249</u>
	<u>\$ 27,036,784</u>

See accompanying Notes to Financial Statements.

TELEPAK NETWORKS, INC.
(A SUBSIDIARY OF TELAPEX, INC.)
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2000

OPERATING REVENUES:	
Broadband service	\$ 5,543,853
OPERATING EXPENSES:	
Cost of service	4,892,051
General and administrative	745,349
Sales and marketing	242,592
Business operations	212,887
Depreciation and amortization	<u>399,425</u>
TOTAL OPERATING EXPENSES	<u>6,492,304</u>
OPERATING LOSS	(948,451)
OTHER INCOME (EXPENSE):	
Interest income	227,388
Interest expense	<u>(1,145,608)</u>
	<u>(918,220)</u>
LOSS BEFORE INCOME TAXES	(1,866,671)
INCOME TAX BENEFIT - Note 6	<u>697,557</u>
NET LOSS	<u>\$ (1,169,114)</u>

See accompanying Notes to Financial Statements.

TELEPAK NETWORKS, INC.
(A SUBSIDIARY OF TELAPEX, INC.)
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2000
Increase (Decrease) in Cash and Cash Equivalents

CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:	
Net loss	\$ (1,169,114)
Adjustments to reconcile net loss to net cash used by operating activities:	
Depreciation and amortization	399,425
Amortization of loan origination costs	21,471
Deferred income taxes	77,517
Changes in operating assets and liabilities:	
(Increase) decrease in accounts receivable, net	(736,083)
(Increase) decrease in prepaid expenses	(587)
Increase (decrease) in income taxes payable	581,725
Increase (decrease) in accounts payable	1,120,018
Increase (decrease) in other current liabilities	<u>63,543</u>
NET CASH FROM OPERATING ACTIVITIES	357,915
CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES:	
Additions to property, plant and equipment	(8,867,716)
Increase in other noncurrent assets, net	<u>(92,809)</u>
NET CASH FROM (USED FOR) INVESTING ACTIVITIES	(8,960,525)
CASH FLOWS FROM (USED FOR) FINANCING ACTIVITIES:	
Dividends paid	(137)
Repayment of long-term debt	(8,782,343)
Paid-in capital	356,175
Proceeds from long-term debt	<u>27,823,255</u>
NET CASH FROM FINANCING ACTIVITIES	<u>19,396,950</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,794,340
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>480,745</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 11,275,085</u>

Supplemental Disclosure:

Accounts payable for purchases of property and equipment	<u>\$ 1,621,513</u>
--	---------------------

See accompanying Notes to Financial Statements.

Exhibit G

1. Telepak Networks, Inc. has sufficient financial capability to provide the requested service proposed through both its ongoing operations and a \$15 million bond issue, as well as resources through its parent company, Telapex, Inc., which maintains an additional \$30 million credit facility. Telapex, Inc., through its subsidiaries, has provided telecommunications services for over forty years.
2. Telepak Networks, Inc. has sufficient financial capability to maintain the requested service proposed through its ongoing operations and current capitalization. Current and near-term services consist of the resale of leased circuits to major cellular and PCS providers under contract.
3. Telepak Networks, Inc. has sufficient financial capability to meet its lease or ownership obligations through its ongoing operations and current capitalization, as well as available resources through its parent company, Telapex, Inc.

TITLE SHEET

FLORIDA TELECOMMUNICATIONS PRICE LIST

This price list contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for alternative local exchange telecommunications services provided by Telepak Networks, Inc., with principal offices at 125 S. Congress Street, Suite 1830, Jackson, MS 39201. 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 DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

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
22	Original
23	Original
24	Original
25	Original
26	Original
27	Original
28	Original
29	Original
30	Original
31	Original
32	Original
33	Original
34	Original
35	Original
36	Original
37	Original
38	Original
39	Original
40	Original
41	Original
42	Original
43	Original
44	Original

ISSUED DATE: 07/27/01**EFFECTIVE DATE:****By:**

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

TABLE OF CONTENTS

Title Sheet 1

Check Sheet. 2

Table of Contents. 3

Symbols Sheet. 4

Section 1 – Technical Terms and Abbreviations. 5

Section 2 – Rules and Regulations 6

Section 3 – Service Description 26

Section 4 – Rates. 31

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

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

Check Sheets – When a price list filing is made with the FPSC, an updated check sheet accompanies the price list filing.

Sheet Numbering and Revision Levels – 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 existing sheets 14 and 15 would be 14.1. Revision levels also appear in the upper right corner of each page. These levels 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.

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 1 – TECHNICAL TERMS AND ABBREVIATIONS

Commission – The Florida Public Service Commission.

Company or Carrier – The person, firm, corporation or other entity which initiates a call on the Company's network, or accepts billing for a call on the Company's network, subject to the terms and conditions of the Company's tariff regulations.

Customer or End User – The person, firm, corporation or other entity which initiates a call on the Company's network, or accepts billing for a call on the Company's network, subject to the terms and conditions of the Company's tariff regulations.

Customer Provided Equipment – Equipment or facilities provided by persons other than TNI and connected to TNI services and/or facilities. The Customer, not the Company, shall be responsible for compliance with FCC Rules, 47 CFR. Part 68, and for all maintenance of such equipment and/or facilities.

ICB – Individual Case Basis

LEC – Local Exchange Company.

Other Common Carrier – A person, firm, corporation, or entity regulated by the FPSC or the FCC which subscribes to carriers' communications services and facilities and resells these communications services and facilities to the public for a profit.

Rate Center – A geographic point from which the vertical and horizontal coordinate is used in calculation of airline mileage for the purposes of rating a call.

Subscriber – The person, firm, partnership, corporation, or other entity who owns, leases, or manages the pay telephone, PBX, or other switch vehicle from which a Customer or End User places a call utilizing the services of the Company. The Subscriber has a pre-existing business arrangement with the Company and may also be a Customer or an End User.

TNI – Telepak Networks, Inc.

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 2 – RULES AND REGULATIONS**2.1 Service Area**

Service is being offered for origination and termination throughout the entire State of Florida.

2.2 Calculation of Distance

(A) Usage charges for all mileage sensitive products are based on the airline distance between rate centers associated with the originating and terminating points of the call.

(B) Long distance telecommunications service rates between points (cities, towns or localities) are based on the airline distance between rate centers. In general, each point is designated as a rate center; certain small towns or localities are assigned adjacent rate centers with which they are closely associated for communication purposes or by community of interest.

(C) The distance between the Rate Center of the Subscriber's equipment and that of the destination point is calculated by using the "V" and "H" coordinates found in AT&T FCC Tariff No. 10, in the following manner:

Step 1 – Obtain the "V" and "H" coordinates for the Rate Centers of the Subscriber's switch and the destination point.

Step 2 – Obtain the difference between the "V" coordinates of each of the Rate Centers. Obtain the difference between the "H" coordinates.

Step 3 – Square the differences obtained in Step 2.

Step 4 – Add the squares of the "V" difference and "H" difference obtained in Step 3.

Step 5 – Divide the sum of the square obtained in Step 4 by ten (10). Round to the next higher whole number if any fraction results from the division.

Step 6 – Obtain the square root of the whole number obtained in Step 5. Round to the next higher whole number if any fraction is obtained. This is the distance between the Rate Centers.

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 2 - RULES AND REGULATIONS continued**2.3 Undertaking of Telepak Networks, Inc.****2.3.1 General**

TNI's services and facilities are furnished for communications originating at specified points within the State of Florida under terms of this tariff.

TNI installs, operates, and maintains the communications services provided herein under in accordance with the terms and conditions set forth under this tariff. Services provided herein under will be provided over facilities leased by TNI from other carriers or entities and/or owned and operated by TNI for the completion of service within the State of Florida. TNI may act as the Subscriber's agent for ordering access connection facilities provided by other carriers or entities, when authorized by the Subscriber, to allow connection of a Subscriber's location to the network. The Subscriber shall be responsible for all charges due for such service arrangement.

The Company's services and facilities are provided on a monthly basis unless otherwise stated, and are available twenty-four hours per day, seven days per week.

2.3.2 Limitations

- A. Service is offered subject to the availability of the necessary facilities and equipment, or both facilities and equipment, and subject to the provisions of this tariff. TNI reserves the right to negotiate special terms and conditions (i.e., special promotions) with particular customers providing agreement is reached and signed with the customer.
- B. TNI reserves the right to discontinue or limit service when necessitated by conditions beyond its control, or when the Subscriber or Customer is using service in violation of provisions of this tariff, or in violation of the law.

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 2 - RULES AND REGULATIONS continued**2.3 Undertaking of Telepak Networks, Inc.** (Cont.)**2.3.2 Limitations** (Cont.)

- C. The Company does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission or for failure to establish connections.
- D. All facilities provided under this tariff are directly controlled by TNI and the Subscriber may not transfer or assign the use of service or facilities without the express written consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service or facilities.
- E. Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions of service.

2.4 Liability of the Company**2.4.1 General**

- A. In no event shall TNI be liable for any special, consequential, punitive, or incidental damages including loss of use, profits, revenue or goodwill. TNI shall not be liable for any failure of performance due to causes and/or circumstances beyond its control, nor shall TNI be liable for any act or omission for any other company furnishing any portion of service to subscriber, including, but not limited to, any premise equipment owned by the subscriber, any equipment supplied to the Subscriber by TNI or any other supplier of equipment to subscriber (under warranty, service agreement, or otherwise), or any network service contracted by subscriber or TNI.

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 2 - RULES AND REGULATIONS continued**2.4 Liability of the Company** (Cont.)**2.4.1 General** (Cont.)

- B. The liability of TNI for any claim or loss, expense or damage (including indirect, special or consequential damage), for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff shall not exceed an amount equivalent to the proportionate monthly charge to the customer for the period of service or the facility provided during which such interruption, delay, error, omission or defect occurs. For the purpose of computing this amount, the number of days in each monthly billing cycle will be an assumed month of thirty (30) days for prorations.
- C. TNI shall be liable for any claim or loss, expense, or damage (including indirect, special, or consequential damage) for any interruption, delay, error, omission or other defect in any service, facility, or transmission provided under this tariff, if caused by any person or entity other than TNI, by any malfunction of any service or facility provided by any other carrier, by any act of God, fire, war, civil disturbance, or act of government, or by any other cause beyond TNI's direct control.
- D. TNI shall not be liable for, and shall be fully indemnified and held harmless by the Customer against any claim, or loss, expense or damage, including indirect, special or consequential damage, (1) for defamation, invasion of privacy, infringement of copyright or patent, unauthorized use of any trade mark, trade name, or service mark, unfair competition, interference with or misappropriation or violation of any contract, proprietary or creative right, or any other injury to any person, property or entity arising from the material, data information, or content revealed to, transmitted, processed, handled, or used by TNI under this tariff; or (2) for connecting, combining or adapting TNI's facilities with customer's apparatus or systems; or (3) for any act or omission of the customer; or (4) for any personal injury or death

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 2 - RULES AND REGULATIONS continued**2.4 Liability of the Company** (Cont.)**2.4.1 General** (Cont.)**D.** (Cont.)

or death of any person or for any loss of or damage to customer's premises or any other property, whether owned by the customer or others, caused directly or indirectly by the installation, maintenance, location, condition, operation, failure, or removal of equipment or wiring provided by TNI, if not directly caused by negligence of TNI. No agent or employee or any other carrier shall be deemed to be an agent or employee of TNI.

E. TNI shall not be liable for any charges or costs incurred by the customer for use of another Carrier's services whether caused by failure of TNI's equipment or service or otherwise.

F. The Company shall be indemnified, defended and held harmless by the Customer, against any claim, loss or damage arising from the use of services offered under this tariff including, but not limited to, claims by subscribers to services provided to the Customer, and users of any services provided or resold by the Customer.

2.4.2 Unauthorized Computer Intrusion

The Company's liability, if any, for its willful misconduct is not limited by this section of the tariff. With respect to any other claim or suit by a subscriber, common carrier, reseller, or any other party for damages caused by, or associated with, any unauthorized computer intrusion, including but not limited to the input of damaging information such as a virus, time bomb, any unauthorized access, interference, alteration, destruction, theft of, or tampering with, a Company computer, switch, data, database, software, information, network or other similar system, the Company's liability, if any, shall not exceed an amount equal to the proportionate charge by the Company for the service for the period during which the service provided by the Company was affected or so utilized.

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 2 - RULES AND REGULATIONS continued**2.4 Liability of the Company** (Cont.)**2.4.3 Transmission of Data**

The Company shall not be held liable for any damage, harm or loss of data caused by the subscriber using the Company's voice grade telephone access lines and/or facilities for the transmission of data. The Company's liability shall be limited to errors or damages to the transmission of voice messages over these facilities, and the liability shall be limited to an amount equal to the proportional amount of the Company's billing for the period of service during which the errors or damages occur.

2.4.4 Errors or Damages Caused by System Data Limitations

The Company's liability for errors or damage resulting from the inability of the Company's systems to process unusual dates, such as the Year 2000, shall be limited to an amount equal to the proportional amount of the Company's billing for the period of service during which the errors or damages occur.

2.5 Use of Service**Purpose**

Service provided under this tariff may be used for any lawful purpose for which the service is technically suited.

The Company reserves the right to discontinue service, limit service, or to impose requirements on Subscribers as required to meet changing regulatory rules and standards of the Florida Public Service Commission.

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 2 - RULES AND REGULATIONS continued

2.6 Terminal Equipment

The Company's facilities and service may be used with or terminated in Subscriber-provided terminal equipment or Subscriber-provided communications systems, such as a PBX. Such terminal equipment shall be furnished and maintained at the expense of the Subscriber, except as otherwise provided. The Subscriber is responsible for all costs at his or her premises, including personnel, wiring, electrical power, and the like, incurred in the use of TNI's service. Additional protective equipment, if needed, shall be employed at the customer's expense

- A. When such terminal equipment is used, the equipment shall comply with the minimum protective criteria set forth in Subpart B of the Federal Communications Commission's Rules (47 C.F.R. 68.100 - 68.110) and shall not interfere with service furnished to other customers.
- B. The customer shall ensure that his terminal equipment is properly interfaced with TNI's facilities, that the signals emitted into TNI's facilities are of the proper mode, bandwidth, power, data speed, and signal level for the intended use of the customer, and that the signals do not damage TNI's equipment, injure personnel or degrade service to other customers.
- C. If the customer fails to maintain and operate his terminal equipment properly, resulting in the occurrence or possibility of harm to TNI's equipment, personnel, or the quality of service to other customers, TNI may, upon written notice, require the use of protective equipment at the customer's expense. If this fails to produce satisfactory quality and safety of service, TNI may, upon written notice, terminate the customer's service immediately.
- D. The customer shall not remove, dismantle, modify, repair, or otherwise tamper with any TNI-owned terminal equipment. Customer shall be liable for any loss or damage to the TNI Equipment from fire, flood, storm, negligence, or other actions of the customer or any third party, or from any cause whatsoever, other than the actions of TNI, normal wear and tear resulting from the proper use of TNI Equipment excepted. The customer shall, at reasonable times, provide TNI access to its premises for the purpose of installing, maintaining, inspecting and removing TNI Equipment.

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 2 - RULES AND REGULATIONS continued

2.7 Installation and Termination

2.7.1 Subscriber Service Contract

Subscribers are required to contract for the various services offered by Telepak Networks, Inc. Contracts may be granted up to a term of sixty (60) months.

All services offered are subject to the Public Service Commission of the State of Florida Rules and Regulations as they apply.

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 2 - RULES AND REGULATIONS continued**2.8 Payment for Service and Service Dispute Resolution****2.8.1 Payment for Service**

All charges due by the Customer are payable to any agency duly authorized to receive such payments. The billing agency may be a local exchange telephone company, or other billing service. Terms of payment shall be according to the rules and regulations of the agency and subject to the rules of regulatory agencies, such as the Florida PSC. Any objections to billed charges must be promptly reported to the Company's billing agent. Adjustments to Customer's bills shall be made to the extent that circumstances exist which reasonably indicate that such changes are appropriate.

Billing is payable upon receipt. All bills will show a delinquent date of not less than twenty (20) days from the bill date. However, TNI may demand immediate payment under the following circumstances:

- A. Where service is terminated or abandoned.
- B. Where service is two (2) times greater than the customer's average usage as reflected on the bills for the customer's average usage for the three (3) billing cycles prior to the current bill or, in the case of a new customer who has been receiving service for less than four (4) billing cycles, where the service is twice the estimated billing cycle.
- C. Where TNI has reason to believe that a business subscriber is about to go out of business or that bankruptcy is imminent for that customer.
- D. When a bill for the immediately preceding billing cycle is issued and the subscriber is delinquent in his payment for the billing cycle(s) preceding the immediately preceding billing cycle.

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 2 - RULES AND REGULATIONS continued**2.8 Payment for Service and Service Dispute Resolution** (Cont.)**2.8.1 Payment for Service** (Cont.)

The demand for immediate payment will be accompanied by a bill which itemizes or summarizes the charges for which payment is demanded, or, if the demand is made orally, an itemized or summarized bill will be mailed or delivered to the customer within three (3) days after the demand is made.

The customer is responsible for payment of all charges for services furnished to the customer. Charges for installation, removal, equipment security deposits, moves and rearrangements are payable upon demand by TNI. Recurring charges and non-recurring charges, if any, are billed in advance and shall not be prorated for any period shorter than the minimum service period. The initial billing will include the charges, if any, for the first billing cycle's minimum charges. The initial billing may, at TNI's option, also include one billing cycle's estimated usage billed in advance. Thereafter, charges based on actual usage during a billing cycle will be billed each billing cycle in arrears.

If a customer has no usage for two consecutive billing cycles, TNI may; 1) discontinue sending the customer a bill until such customer uses TNI's system, and/or 2) cancel the customer's authorization code, if any. If TNI cancels the customer's authorization code, it will be reinstated at the customer's request if the customer complies with all of TNI's then rules and regulations.

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 2 - RULES AND REGULATIONS continued**2.8 Payment for Service and Service Dispute Resolution** (Cont.)**2.8.1 Payment for Service** (Cont.)

All applicable taxes, charges, exactions, fees, or the like which must be paid to any governmental authority for the provision, use, consumption, or enjoyment of service and which may be charged directly to the consumer will be separately stated on the customer's bill and collected from the customer.

The customer is responsible for payment of all charges for services furnished to the customer or its joint or authorized users. This responsibility is not changed, by the virtue of any use, misuse, or abuse of the customer's service, or customer-provided systems, equipment, facilities, or services interconnected to the customer's service, which use, misuse, or abuse may be occasioned by third parties, including, without limitation, the customer's employees or other members of the public.

2.8.2 Service Dispute Resolution

Any objection to billed charges should be reported to the billing agent or Company within sixty (60) days from the day the bill is issued. Adjustments to End User's bills shall be made when circumstances exist which reasonably indicate that such changes are appropriate. End Users have the right to appeal service disputes to the Florida Public Service Commission. The Commission's address and phone number are:

2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6480

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 2 - RULES AND REGULATIONS continued**2.9 Establishment and Re-establishment of Credit**

- 2.9.1 In the event service is temporarily suspended for non-payment such service will be restored upon payment of all charges due.
- 2.9.2 A restoral of service charge will be applicable per customer temporarily suspended.
- 2.9.3 Subscribers not reestablished within five (5) days from date of suspension will be treated as a new subscriber and appropriate Nonrecurring Charges and an advance payment will apply.
- 2.9.4 The use and restoration of facilities or service in emergencies shall be in accordance with Part 64, Subpart "D", of the Federal Communications Rules and Regulations which specifies the priority system for such activities.

2.10 Deposits and Advance Payments

- 2.10.1 The Company does not require a deposit from the Customer or Subscriber.
- 2.10.2 For Customers or Subscribers whom the Company feels an advance payment is necessary, TNI reserves the right to collect an amount not to exceed one (1) month's estimated charges as an advance payment for service. This will be applied against the next month's charges and if necessary a new advance payment will be collected for the next month.

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 2 - RULES AND REGULATIONS continued**2.11 Notices****2.11.1 Notice to the Customer**

Notices from the Company to a Customer normally will be given in writing, either delivered or mailed to the Customer's address of record.

In emergencies, where delay may result in impaired service or in hazards to the Customer, the public, or the Company's Facilities, the Company may resort to verbal notices given by telephone, radiotelephone, personal contact, or other means of communication.

2.11.2 Notices from the Customer

Notices from a Customer to the Company may be given verbally by the Customer or the Customer's authorized agent at the Company's office, or by written communication mailed thereto. Written notice is required when specified in tariff schedules or in any written agreement.

2.12 Rendering and Payment of Bills**2.12.1 Returned Check Charge**

When a payment for service is made by check, draft, or similar negotiable instrument, a returned check charge will be made by the Company for each such item returned unpaid by a bank to the Company for any reason, in accordance with Florida Law. The acceptance of checks, drafts, or other negotiable instruments for the satisfaction of the Customer's debts to the Company shall not constitute a waiver by the Company of its right to payment by legal tender.

2.12.2 Extra Copies of Bill

Extra Copies of a subscriber's monthly bill will be provided by the Carrier at the rate specified in this tariff.

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 2 - RULES AND REGULATIONS continued**2.12 Rendering and Payment of Bills** (Cont.)**2.12.3 Late Charge Penalty Fee**

All bills for miscellaneous services are due when rendered and payable at the office of the Company or authorized collection agency within ten (10) days of the billing date. All bills not paid within fifteen (15) days of the billing date will be assessed a 1% penalty, or the maximum allowed by law, on intrastate billing with a minimum penalty of \$5.00. Failure to receive the telephone bill does not relieve the subscriber from prompt payment within ten (10) days of the billing date. The Company will assess a penalty on disputed bills that are delinquent until the dispute is settled and/or paid in full.

2.13 Fraud

The Company shall have the right to refuse or discontinue service if the acts of the customer, including furnishing false credit information or the conditions upon their premises are such as to indicate intention to defraud the Company.

2.14 Non Compliance with the Company's Rules

The Company may discontinue service if a customer fails to comply with any of the rules herein.

2.15 Telephone Calls with Intent to Annoy

The Company may discontinue service of any customer who, with intent to annoy, telephones another and addresses to or about such other person any obscene language or addresses to such other person any threat to inflict injury to the person or property of the person addressed or any family member.

The Company may discontinue service of any customer who, with intent to annoy, repeatedly telephones another without disclosing his true identity to the person answering the telephone, whether or not conversation ensues during the telephone calls.

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 2 - RULES AND REGULATIONS continued**2.16 Discontinuance and Restoration of Service****2.16.1 Intentional Abuse of Service**

The Company has the right to refuse telephone service to any premises and at any time to discontinue telephone service, if it finds it necessary to do so to protect itself against intentional abuse. Intentional abuse of service includes, without limiting the generality of the foregoing; the use of service or facilities of the Company to transmit a message or to locate a person or otherwise to give or obtain information, without payment of a message charge or an exchange service charge. Another form of such abuse is an intentional uninterrupted connection of one exchange station to another station, excluding those connections charged for on an elapsed time basis, which permits the use of the facilities in a manner similar to private line service. It also includes intentional receiver off hook conditions.

2.16.2 Disconnection of Service for Cause

Upon non-payment of any sum due the Company or upon a violation of any of the conditions governing the furnishing of service as provided in this tariff, the Company may by notice in writing mailed to the Customer, without incurring any liability, temporarily discontinue the furnishing of service to the Customer. Telephone Services may be discontinued five (5) days after mailing notice of intention to discontinue service and a Restoral of Service charge will be made by the Company for restoration of such Authorization Code and/or line. If the Company elects to discontinue service, the Customer shall be responsible for all charges through the date of termination.

ISSUED DATE: 07/27/01**EFFECTIVE DATE:****By:****Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201**

SECTION 2 - RULES AND REGULATIONS continued**2.16 Discontinuance and Restoration of Service** (Cont.)**2.16.2 Disconnection of Service for Cause** (Cont.)

If any customer-provided, or end user-provided equipment is used with Facilities provided by the Company in violation of any law or any of the provisions in this tariff, the Company will take such action as is necessary for the protection of its Facilities or the service of its other Customers and other persons provided with Telephone Services. The Customer shall discontinue such use of the equipment or correct the violation immediately upon actual or constructive knowledge of a violation and shall confirm in writing to the Company within fifteen (15) calendar days that such use has ceased or that the violation has been corrected. Failure of the customer to discontinue such use or correct the violation, and to give the required written confirmation to the Company within the time stated above shall result in interruption of the service of the Customer creating the violation.

Telephone Services may be refused, reduced, or partially or completely discontinued without notice in the event the Company is informed that the service is used in such a manner that will adversely affect the Company's services to others.

The Company may disconnect the Telephone Services in accordance with the terms hereof without any liability except for an appropriate refund of prepaid charges and any service deposit with accrued interest.

ISSUED DATE: 07/27/01**EFFECTIVE DATE:****By:**

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 2 - RULES AND REGULATIONS continued**2.16 Discontinuance and Restoration of Service** (Cont.)**2.16.2 Disconnection of Service for Cause** (Cont.)

In the event that legal action is instituted by TNI to recover any sums due and TNI prevails, TNI shall be entitled to recover its costs of collections, legal costs, court costs and reasonable attorney's fees as the court may award, in addition to whatever other relief the court may award. Any sums then due shall earn interest at the rates of one and one-half (1-1/2%) percent simple interest per month (unless otherwise prescribed by law, in which event at the highest rate allowed by law), from the date these sums were accrued until the entire debt is paid in full.

2.17 Installation and Termination

Service is installed upon mutual agreement between the Subscriber and the Company. The agreement will determine terms and conditions of installation, termination of service, any applicable sales commission structure, and sales commission payment schedule. The service agreement does not alter rates specified in the tables and schedules contained in this tariff.

2.18 Ownership of Equipment

Equipment furnished by the Company on the premises of a subscriber is the property of the Company. Title to all equipment provided by TNI under these regulations remains with TNI. Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions for service.

2.19 Taxes

All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed on customer bills as separate line items and are not included in the quoted rates.

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 2 - RULES AND REGULATIONS continued**2.20 Promotional Offerings**

The Company may, from time to time, make promotional offerings to enhance the marketing of its services. These offerings may be limited to certain dates, times and location. At the option of the Company, fees may be waived under certain competitive conditions as may be warranted from time to time.

2.21 Minimum Service Period

The minimum service period for service is one complete month.

2.22 Inspection, Testing and Adjustment

TNI may, upon reasonable notice, make such tests and inspections as may be necessary to determine whether the requirements of this tariff are being complied with in the installation, operation, or maintenance of the customer's or TNI's equipment. The customer shall make such facilities or equipment available to TNI for testing and inspecting upon reasonable notice. TNI may interrupt the service at any time, without penalty to itself, because of departure from any of these requirements.

No interruption allowance will be granted for the time during which such tests and adjustments are made.

2.23 Employee Concessions

Should an employee leave the employ of the Company, such employee's service provided by the Company will be discontinued immediately. Such employee may reapply for service as a customer in the manner set forth herein.

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 2 - RULES AND REGULATIONS continued**2.24 Taxes and Fees Chargeable to Customers/Subscribers****2.24.1 Adjustments for Municipality Payments**

If at any future time a municipality acquires the legal right to impose an occupation tax, license tax, permit fee, franchise fee or other similar charge upon the Carrier, and imposes the same by ordinance or otherwise, such taxes, fees or charges shall be billed to the subscribers receiving service within the territorial limits of such municipality. Such billing shall allocate the tax, fee or charge among subscribers uniformly on the basis of each subscriber's monthly charges for the types of service made subject to such tax, fee or charge.

2.24.2 Adjustments for County or Other Local Taxing Authority Payments

If at any future time a county or other local taxing authority acquires the legal right to impose an occupation tax, license tax, permit fee, franchise fee or other similar charge upon the Carrier, and imposes the same by ordinance or otherwise, such taxes, fees or charges shall be billed to the subscribers receiving service within the territorial limits of such county or other taxing authority. Such billing shall allocate the tax, fee or charge among subscribers uniformly on the basis of each subscriber's monthly charges for the types of service made subject to such tax, fee or charge.

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 2 - RULES AND REGULATIONS continued**2.24 Taxes and Fees Chargeable to Customers/Subscribers** (Cont.)**2.24.3 Gross Receipts Tax**

When utility or telecommunications assessments, franchise fees, or privilege, license, occupational, excise, or other similar taxes or fees, based on interstate receipts are imposed by certain taxing jurisdictions upon the Company or upon local exchange companies and passed on to the Company through or with interstate access charges, the amounts of such taxes or fees will be billed to Customers in such a taxing jurisdiction on a prorated bases. The amount of charge that is prorated to each Customer's bill is determined by the interstate telecommunications services provided to and billed to a Customer service location in such a taxing jurisdiction with the aggregate of such charges equal to the amount of the tax or fee imposed upon or passed on to the Company.

2.25 Special Contracts

In compliance with the laws of the State of Florida and the Public Service Commission's Rules and Regulations, the Company may, in appropriate circumstances, enter into contracts with specific customers for service on the basis of negotiated rates.

2.26 Applicable Rates and Charges

The rates and charges applicable at any given time will be specified in the appropriate rate section and filed with the Florida Public Service Commission by the Company.

The Company will furnish new rate pages reflecting any changes in rates and charges to the Florida Public Service Commission.

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 3 – SERVICE DESCRIPTIONS**3.1 Asynchronous Transfer Mode (ATM) Service**

Asynchronous Transfer Mode (ATM) Service (herein referred to as ATM Service) is a connection-oriented data transport service based on ATM cell-based switching technology.

- A. ATM Service provides flexible connectivity using virtual connections implemented over digital facilities operating at transmission speeds of 1.536 Mbps, 44.210 Mbps, 149.760 Mbps or 599.040 Mbps. This service provides for the switching of symmetrical duplex transmissions of fixed-length ATM cells, utilizing virtual connections. As ATM is a connection-oriented service, to transfer information a virtual connection must be set up across the ATM network. ATM service supports permanent virtual connections.

Information transmitted by ATM Service is segmented into fixed length cells, transported to and re-assembled at the specified destination. An ATM cell has a fixed length of 53 bytes. An ATM cell is broken into two main sections, the head and the payload. The payload is the portion which carries the actual information. The header is used for network functions, such as addressing and error correction.

- B. Network interface specifications for ATM Service are contained in the following documents:

- 1) ATM Forum document, "ATM User-Network Interface Specification" (Versions 3.0 and 3.1). This document may be obtained from:

ATM Forum
2570 West El Camino Real
Suite 304
Mountain View, CA 94040

- 2) BellSouth Technical Reference 73585, "Asynchronous Transfer Mode (ATM) Network Interface and Performance Specifications". This document may be obtained from:

BellSouth Telecommunications, Inc.
Regional Documentation Coordinator
20th Floor
600 North 19th Street
Birmingham, AL 35203

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 3 – SERVICE DESCRIPTIONS continued**3.1 Asynchronous Transfer Mode (ATM) Service (Cont.)**

- C. ATM Service, as provided for in this Tariff section, is offered for intraLATA and interLATA use only.
- D. The regulations and rates specified herein are in addition to the applicable regulations and rates specified in other sections of this and other Tariffs of the Company.
- E. The rates and charges set forth for ATM Service provide for the furnishing of service where suitable facilities are available.
- F. ATM Service is only available when provided in conjunction with Broadband Exchange Line Service. Specifications for Broadband Exchange Line Service are contained in this Tariff.
- G. ATM Service may be interconnected with Frame Relay Service subject to the provisions set forth in Frame Relay Service of this Tariff.

ISSUED DATE: 07/27/01**EFFECTIVE DATE:****By:****Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201**

SECTION 3 – SERVICE DESCRIPTIONS continued

3.2 Frame Relay Service

- A. Frame Relay Service is a connection-oriented data transport service based on packet switching technology.
- B. Frame Relay Service provides flexible connectivity using Permanent Virtual Circuits (PVCs) implemented over digital facilities operating at transmission speeds of 56 Kbps, 64 Kbps, 128 Kbps, 1.536 Mbps or 44.210 Mbps.
- C. Network interface specifications for Frame Relay Service are contained in the following documents:
- 1) ANSI T1.617-1991, "Integrated Services Digital Network (ISDN) – Digital Subscriber Signaling System No. 1 (DSS1)
 - 2) Signaling Specification for Frame Relay Service", American National Standards Institute, April 1991 and ANSI T.1618-1991, "Integrated Services Digital Network (ISDN) – Core Aspects of Frame Relay Protocol for use with Frame Relay Bearer Service", American National Standards Institute, April 1991. Both of these documents may be ordered from:

American National Standards Institute
Customer Service
11 West 42nd Street
New York, NY 10036
 - 3) Document No. 001-208966, "Frame Relay Specifications with Extension Based on Proposed T1S1 Standards", Revision 1.0, Digital Equipment Corporation, Northern Telecom, Inc., and StrataCom, Inc., September 1990. This document may be ordered from:

Frame Relay Forum
39355 California Street, Suite 307
Freemont, CA 94538-1447

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By: Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 3 - RATE SCHEDULES continued

3.2 Frame Relay Service (Cont.)

C. (Cont.)

- 4) TR-73587 Frame Relay Service Interface and Performance Specifications. This document may be ordered from:

BellSouth Telecommunications, Inc.
Regional Documentation Coordinator
20th Floor
600 North 19th Street
Birmingham, AL 35203

- D. Frame Relay Service, as provided for in this Tariff Section, is offered for interLATA and intraLATA use.
- E. The regulations and rates specified herein are in addition to the applicable regulations and rates specified in other sections of this and other Tariffs of the Company.
- F. The rates and charges set forth for Frame Relay Service provide for the furnishing of service where suitable facilities are available.
- G. Frame Relay Service is only available when provided in conjunction with Broadband Exchange Line Service. Broadband Exchange Line Service provides the customer with a local connection to high speed frame or cell-based switched services.

Broadband Exchange Line – The link from the customer's premises to the customer's Serving Wire Center.

Broadband Exchange Line Extension – When a customer's serving Wire Center is not a Serving Area Point, a Broadband Exchange Line Extension is used to connect the Serving Wire Center to the closest Serving Area Point. The Broadband Exchange Line Extension is associated with a Broadband Exchange Line.

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 3 - RATE SCHEDULES continued

3.2 **Frame Relay Service** (Cont.)

G. (Cont.)

The Broadband Exchange Line Extension is measured on a per mile basis in airline miles from a Central Office that is not a Serving Area Point to a Serving Area Point.

Network Serving Area – Certain Company Central Offices are designated Serving Area Points. A Network Serving Area is comprised of all the Serving Area Points in a geographic area.

Serving Area Point – A Company Central Office that is designated as a member of the Network Serving Area.

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 4 – RATES

4.1 Asynchronous Transfer Mode (ATM) Service

A. Customer Connection to ATM Service

		<u>Nonrecurring Charge</u>	<u>Month to Month</u>	<u>12 to 36 Months</u>	<u>37 to 60 Months</u>
1)	1.536 Mbps ATM Service				
	a) Per Customer Connection	ICB	ICB	ICB	ICB
2)	44 210 Mbps ATM Service				
	a) Per Customer Connection	ICB	ICB	ICB	ICB
3)	149.76 Mbps ATM Service				
	a) Per Customer Connection	ICB	ICB	ICB	ICB
	b) Per Mile, or fraction thereof ¹	ICB	ICB	ICB	ICB
4)	599.040 Mbps ATM Service				
	a) Per Customer Connection	ICB	ICB	ICB	ICB
	b) Per Mile, or fraction thereof ¹	ICB	ICB	ICB	ICB

Note 1: Mileage based upon the airline distance of the customer's Serving Area Point from the Company Central Office where the ATM switch is located within that Network Serving Area. A Per Mile Charge does not apply if the ATM switch is located in the customer's serving wire center.

Note 2: The Per Megabit Bandwidth Charge is applicable per PVC segment for PVCs with bandwidth greater than 1.536 Mbps.

Note 3: The Per Increment of 64 Kbps Bandwidth Charge is applicable per PVC segment for PVCs with bandwidth less than or equal to 1.536 Mbps.

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By: Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 4 - RATES continued

B. PVC Feature Charges

	Nonrecurring Charge	Month to Month	12 to 36 Months	37 to 60 Months
1) Constant Bit Rate (CBR) Service Category				
a) PVC Segment Charge, Per Segment	ICB	ICB	ICB	ICB
b) Per Megabit ² Bandwidth Charge, Per Segment	ICB	ICB	ICB	ICB
c) Per Increment of 64 Kbps ³ Bandwidth Charge, Per Segment	ICB	ICB	ICB	ICB
2) Variable Bit Rate – Real Time (VBR-RT) Service Category				
a) PVC Segment Charge, Per Segment	ICB	ICB	ICB	ICB
b) Per Megabit Bandwidth Charge, Per Segment	ICB	ICB	ICB	ICB
c) Per Increment of 64 Kbps Bandwidth Charge, Per Segment	ICB	ICB	ICB	ICB
3) Variable Bit Rate – Non Real-Time (VBR-NRT) Service Category				
a) PVC Segment Charge, Per Segment	ICB	ICB	ICB	ICB
b) Per Megabit Bandwidth Charge, Per Segment	ICB	ICB	ICB	ICB
c) Per Increment of 64 Kbps Bandwidth Charge, Per Segment	ICB	ICB	ICB	ICB
4) PVC Segment Charge, Per PVC Segment.	ICB	ICB	ICB	ICB
Per Customer Connection				
a) 1.536 Mbps UBR Service Activation Charge	ICB	ICB	ICB	ICB
b) 44.210 Mbps UBR Service Activation Charge	ICB	ICB	ICB	ICB
c) 149.760 Mbps UBR Service Activation Charge	ICB	ICB	ICB	ICB
d) 599.040 Mbps UBR Service Activation Charge	ICB	ICB	ICB	ICB

Note 1: Mileage based upon the airline distance of the customer’s Serving Area Point from the Company Central Office where the ATM switch is located within that Network Serving Area. A Per Mile Charge does not apply if the ATM switch is located in the customer’s serving wire center.

Note 2: The Per Megabit Bandwidth Charge is applicable per PVC segment for PVCs with bandwidth greater than 1.536 Mbps.

Note 3: The Per Increment of 64 Kbps Bandwidth Charge is applicable per PVC segment for PVCs with bandwidth less than or equal to 1.536 Mbps.

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 4 - RATES continued

B. PVC Feature Charges (Cont.)

5)	Inter-Network Service Area Link PVC Feature Charges				
	a) Inter-Network Serving Area Link PVC Establishment Charge, Per End of Link, Per PVC				
	(1) Per establishment			Nonrecurring Charge	
				\$35.00	
		Nonrecurring Charge	Month to Month	A 12 to 36 Months	B 37 to 60 Months
6)	CBR PVC Bandwidth Charge, Per PVC				
	a) Per Megabit Per End of Link, or	ICB	ICB	ICB	ICB
	b) Per Increment of 64 Kbps, Per End of Link	ICB	ICB	ICB	ICB
7)	VBR-RT PVC Bandwidth Charge, Per PVC				
	a) Per Megabit Per End of Link, or	ICB	ICB	ICB	ICB
	b) Per Increment of 64 Kbps, Per End of Link	ICB	ICB	ICB	ICB
8)	VBR-NRT PVC Bandwidth Charge, Per PVC				
	a) Per Megabit Per End of Link, or	ICB	ICB	ICB	ICB
	c) Per Increment of 64 Kbps, Per End of Link	ICB	ICB	ICB	ICB
9)	UBR PVC Service Activation Charge, Per PVC				
	a) Per End of Link	ICB	ICB	ICB	ICB

C. Feature Change Charge

1)	Per Occurrence			Nonrecurring Charge
	a) Per Feature			ICB

Note 1: The Per Megabit Bandwidth Charge is applicable per End of Link for PVCs with bandwidth greater than 1.536 Mbps.

Note 2: The Per Increment of 64 Kbps Bandwidth Charge is applicable per End of Link for PVCs with bandwidth less than or equal to 1.536 Mbps.

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By: Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 4 – RATES continued**4.2 Frame Relay Service**

- A. Rates stabilized under a Fast Packet SSP arrangement are exempt from Company initiated increases, however, decreases to any rate element will automatically flow through to the customer.
- B. Termination Liability Charge
 - 1) In the event that all or any part of a service is disconnected at customer request prior to expiration of any selected payment period of greater than one month's duration, the customer will be required to pay a Termination Liability Charge, unless conditions specified in Contract Plans preceding are met.
 - a) The Termination Liability Charge is determined by multiplying the number of months remaining in the contract payment period by the contracted monthly rate by 90 percent.
 - b) For example, a customer subscribes to a Fast Packet Transport Service using Term Payment Plan B and selects the 30 month payment period. After 12 months, the customer chooses to terminate service. The Termination Liability Charge is calculated by multiplying 18 months (30 months – 12 months) by the monthly rate by 90 percent.
- C. When customers renew or change the length of their payment period, the rates applicable for the new period are those currently in effect at the time of the renewal or change in the length of the payment period. A service order charge will not be applicable for such renewals or changes to the payment period.

ISSUED DATE: 07/27/01**EFFECTIVE DATE:****By:**Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 4- RATES continued

4.2 Frame Relay Service (Cont.)

- D. Customer requests for inside moves of service will not affect the contractual period.
- E. A change in jurisdiction will not constitute a disconnect of service provided the new Fast Packet SPP arrangement is at least the minimum number of months allowable under Term Payment A (as defined in the Fast Packet Transport Service's specific tariff section) or equals/exceeds the remaining service period, whichever is greater, provided the new Fast Packet SPP arrangement is for the same customer at the same location for the same capacity service.
- F. When a tariffed service under a Fast Packet SPP arrangement is disconnected prior to the expiration of a selected service period as a result of a customer requested change of a Fast Packet Transport Service which is specifically allowed without Termination Liability Charge as set forth in that service's tariff or of a change of tariff jurisdiction, Termination Liability Charges will not apply when:
 - 1) the completed service period is at least the minimum number of months allowable under the specific service's Term Payment Plan A or twenty-five percent of the length of the originally selected Fast Packet SPP service period, whichever is greater, and
 - 2) the service period of the new Fast Packet SPP arrangement is at least the minimum number of months allowable under Term Payment Plan A (as defined in the service's specific tariff section) or equals/exceeds the remaining service period of the disconnected arrangement, whichever is greater, and
 - 3) the service orders to install the new service and disconnect the old service are related together and there is no lapse in service between installation of the new service and disconnection of the existing, and
 - 4) the service orders are for the same customer at the same location.

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 4 - RATES continued

4.2 Frame Relay Service (Cont.)**G. Fast Packet Option****1) Broadband Exchange Line-FPO**

	Nonrecurring Charge	Month To Month	A 12 to 36 Months	B 37 to 60 Months
a) 56 Kbps	ICB	ICB	ICB	ICB
b) 64 Kbps	ICB	ICB	ICB	ICB
c) 128 Kbps (2B1Q)	ICB	ICB	ICB	ICB
d) 1.536 Mbps	ICB	ICB	ICB	ICB
e) 44.210 Mbps	ICB	ICB	ICB	ICB
f) 149.760 Mbps	ICB	ICB	ICB	ICB
g) 599.040 Mbps	ICB	ICB	ICB	ICB

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 4 - RATES continued

4.2 Frame Relay Service (Cont.)**H. Customer connection to Frame Relay Service**

- 1) A minimum of one Customer Connection is required per customer to subscribe to Frame Relay Service. Each Customer Connection includes one DLCI.

	Nonrecurring Charge	Month To Month	A 12 to 36 Months	B 37 to 60 Months
a) at 56 Kbps	ICB	ICB	ICB	ICB
b) at 64 Kbps	ICB	ICB	ICB	ICB
c) at 112 Kbps	ICB	ICB	ICB	ICB
d) at 128 Kbps	ICB	ICB	ICB	ICB
e) at 192 Kbps	ICB	ICB	ICB	ICB
f) at 256 Kbps	ICB	ICB	ICB	ICB
g) at 320 Kbps	ICB	ICB	ICB	ICB
h) at 384 Kbps	ICB	ICB	ICB	ICB
i) at 448 Kbps	ICB	ICB	ICB	ICB
j) at 512 Kbps	ICB	ICB	ICB	ICB
k) at 576 Kbps	ICB	ICB	ICB	ICB
l) at 640 Kbps	ICB	ICB	ICB	ICB
m) at 704 Kbps	ICB	ICB	ICB	ICB
n) at 768 Kbps	ICB	ICB	ICB	ICB
o) at 1024 Kbps	ICB	ICB	ICB	ICB
p) at 1152 Kbps	ICB	ICB	ICB	ICB
q) at 1.536 Mbps	ICB	ICB	ICB	ICB
r) at 44.210 Mbps	ICB	ICB	ICB	ICB

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 4 – RATES continued

4.2 **Frame Relay Service (Cont.)**

I. **Back-Up Capability**

On an optional basis a customer may choose to have Back-Up Capability for their Frame Relay Service. A minimum of one Back-Up Frame Relay Customer Connection is required in order to have Back-Up Capability. (Provisioning Basic Class of Service: FPLBN)

1) **Back-Up Frame Relay Customer Connection**

		Month	A	B
	Nonrecurring Charge	To Month	12 to 36 Months	37 to 60 Months
a) at 56 Kbps	ICB	ICB	ICB	ICB
b) at 64 Kbps	ICB	ICB	ICB	ICB
c) at 1.536 Mbps	ICB	ICB	ICB	ICB
d) at 44.210 Mbps	ICB	ICB	ICB	ICB

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 4 - RATES continued

4.2 **Frame Relay Service** (Cont.)

J. **Frame Relay Service Feature Charges**

1) **DLCI**

a) **Per DLCI**

0 Kbps	ICB
1 thru 32 Kbps	ICB
33 thru 56 Kbps	ICB
57 thru 64 Kbps	ICB
65 thru 128 Kbps	ICB
129 thru 256 Kbps	ICB
257 thru 384 Kbps	ICB
385 thru 512 Kbps	ICB
513 thru 768 Kbps	ICB
769 thru 1.536 Kbps	ICB
1.537 thru 4 Mbps	ICB
4.1 thru 10 Mbps	ICB
10.1 thru 16 Mbps	ICB
16.1 thru 34 Mbps	ICB
34.1 thru 44.210 Mbps	ICB

2) **Committed Information Rate (CIR)**

	Nonrecurring Charge	Monthly Rate
a) Each	ICB	ICB

The chosen CIR cannot exceed the minimum transmission speed of the link at either end of the PVC.

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 4 - RATES continued

4.2 **Frame Relay Service** (Cont.)J. **Frame Relay Service Feature Charges** (Cont.)1) **Inter-Network Serving Area Link**

	Nonrecurring Charge	Monthly Rate
a) Per End of Link, per establishment	ICB	ICB
b) CIR		
0 thru 32 Kbps	ICB	ICB
33 thru 56 Kbps	ICB	ICB
57 thru 64 Kbps	ICB	ICB
65 thru 128 Kbps	ICB	ICB
129 thru 256 Kbps	ICB	ICB
257 thru 384 Kbps	ICB	ICB
385 thru 512 Kbps	ICB	ICB
513 thru 768 Kbp	ICB	ICB
769 thru 1.536 Mbps	ICB	ICB
1.537 thru 4 Mbps	ICB	ICB
4.1 thru 10 Mbps	ICB	ICB
10.1 thru 16 Mbps	ICB	ICB
16.1 thru 34 Mbps	ICB	ICB
34.1 thru 44.210 Mbps	ICB	ICB

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 4 - RATES continued4.2 **Frame Relay Service** (Cont.)**K. Broadband Exchange Line Extension-FPO**1) **An extension less than 20 miles,**
Per Extension

	Nonrecurring Charge	Month	A	B
		To Month	12 to 36 Months	37 to 60 Months
56 Kbps	ICB	ICB	ICB	ICB
64 Kbps	ICB	ICB	ICB	ICB
1.536 Mbps	ICB	ICB	ICB	ICB
44.210 Mbps	ICB	ICB	ICB	ICB
149.760 Mbps	ICB	ICB	ICB	ICB
599.040 Mbps	ICB	ICB	ICB	ICB

2) **An extension 20 – 50 miles,**
Per Extension

56 Kbps	ICB	ICB	ICB	ICB
64 Kbps	ICB	ICB	ICB	ICB
1.536 Mbps	ICB	ICB	ICB	ICB
44.210 Mbps	ICB	ICB	ICB	ICB
149.760 Mbps	ICB	ICB	ICB	ICB
599.040 Mbps	ICB	ICB	ICB	ICB

3) **An extension 51 – 75 miles,**
Per Extension

56 Kbps	ICB	ICB	ICB	ICB
64 Kbps	ICB	ICB	ICB	ICB
1.536 Mbps	ICB	ICB	ICB	ICB
44.210 Mbps	ICB	ICB	ICB	ICB
149.760 Mbps	ICB	ICB	ICB	ICB
599.040 Mbps	ICB	ICB	ICB	ICB

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 4 - RATES continued

4.2 **Frame Relay Service** (Cont.)

K. **Broadband Exchange Line Extension-FPO** (Cont.)

2) **An extension 76 – 100 miles,**
Per Extension

		Month	A	B
	Nonrecurring Charge	To Month	12 to 36 Months	37 to 60 Months
56 Kbps	ICB	ICB	ICB	ICB
64 Kbps	ICB	ICB	ICB	ICB
1.536 Mbps	ICB	ICB	ICB	ICB
44.210 Mbps	ICB	ICB	ICB	ICB
149.760 Mbps	ICB	ICB	ICB	ICB
599.040 Mbps	ICB	ICB	ICB	ICB

3) **An extension 101 – 125 miles,**
Per Extension

56 Kbps	ICB	ICB	ICB	ICB
64 Kbps	ICB	ICB	ICB	ICB
1.536 Mbps	ICB	ICB	ICB	ICB
44.210 Mbps	ICB	ICB	ICB	ICB
149.760 Mbps	ICB	ICB	ICB	ICB
599.040 Mbps	ICB	ICB	ICB	ICB

4) **An extension more than 125 miles,**
Per Extension

56 Kbps	ICB	ICB	ICB	ICB
64 Kbps	ICB	ICB	ICB	ICB
1.536 Mbps	ICB	ICB	ICB	ICB
44.210 Mbps	ICB	ICB	ICB	ICB
149.760 Mbps	ICB	ICB	ICB	ICB
599.040 Mbps	ICB	ICB	ICB	ICB

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 4 - RATES continued**4.3 Restoral of Service Charge**

In the event service is temporarily suspended for non-payment such service will be restored upon payment of all charges due.

Subscribers not reestablished within five (5) days from date of suspension will be treated as a new subscriber and appropriate Nonrecurring Charges and an advance payment will apply.

4.4 Charges Related to Customer Activity**4.4.1 Extra Copies of Bill**

Extra copies of a subscriber's monthly bill will be provided by the Carrier at the rate of \$1.25 per copy, per page, minimum of \$5.00.

4.4.2 Service Trip Charge

In the event the subscriber reports a service difficulty or trouble report that requires an on premise visit by the Company and the service difficulty or trouble reported is not a result of Company-provided equipment and/or no service difficulty or trouble is found in the Company-provided equipment, a Service Trip Charge of \$75.00 may be charged to the subscriber for the visit by the Company.

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201

SECTION 4 - RATES continued**4.5 Carrier Line Charge****4.5.1 Primary Line**

Customers for outbound services contained in this tariff are subject to an undiscountable Carrier Common Line Charge which is a per line (local exchange carrier provided switched access line) monthly charge. The Carrier Line Charge is \$.53 per single party residential and business lines, per month for the following service:

Broadband Exchange Line Service

4.5.2 Non-Primary Lines

A Carrier Line Charge applies to each non-primary line presubscribed to TNI as the primary interexchange carrier where the Customer has multiple lines. This charge applies on a monthly basis and to all Customers bi-monthly bills.

For each non-primary residential line presubscribed to TNI as the primary interexchange carrier.

Monthly Rate, per line **\$1.50**

4.5.3 The Carrier Line Charge is **\$2.75** per line, per month for the following services:

Multiline Business

4.5.4 The Carrier Line Charge for Centrex is **\$.30** per line, per month.

4.5.5 The Carrier Line Charge for Integrated Services Digital Network (ISDN) is **\$13.75** per line, per month.

ISSUED DATE: 07/27/01

EFFECTIVE DATE:

By:

Gregg Logan, Vice President
125 S. Congress Street, Suite 1830
Jackson, MS 39201