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February 10, 1998

MONICA R. BORNE
JEFFREY GREENBERG
CHEROKEE, FLORIDA 32909

DEPOSIT
D7 10

DATE
FEB 11 1998

Florida Public Service Commission
Division of Administration
2540 Shumard Oak Blvd
Gunter Building
Tallahassee, FL 32399-0850

RE STATE COMMUNICATIONS INC

Dear Sirs

Enclosed herewith for filing please find an original and six (6) copies of the application for authority to provide interexchange telecommunications service submitted on behalf of State Communications, Inc. The requisite \$250.00 filing fee is also enclosed.

Please acknowledge receipt of this filing by date stamping and returning the additional copy of this letter in the self-addressed envelope provided.

Thank you for your assistance. If you should have any questions, please do not hesitate to contact this office.

Sincerely,

Monica R. Borne

Enclosure

Check the amount with (561) 861-1111 and
bring to the office to be cashed.
If you prefer, you may cash the check
for \$417

601 11 11 1998
COMMUNICATIONS

DOCUMENT NO
02098
2-11-98

**** FLORIDA PUBLIC SERVICE COMMISSION ***

DIVISION OF COMMUNICATIONS
BUREAU OF SERVICE EVALUATION

APPLICATION FORM
for
AUTHORITY TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICE
WITHIN THE STATE OF FLORIDA

Instructions

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

**Florida Public Service Commission
Division of Communications
Bureau of Service Evaluation
2540 Shumard Oak Blvd.
Gunter Building
Tallahassee, Florida 32399-0850
(904) 413-6600**
- E. Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$250.00 to:

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

FORM PSC/CMU 31 (11/95)

Required by Commission Rule Nos. 24-24.471, 24-24.473, and 24-24.480(2).



1. **Select what type of business your company will be conducting (check all that apply):**

- Facilities based carrier** - company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.
- Operator Service Provider** - company provides or plans to provide alternative operator services for IXCs; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.
- Reseller** - company has or plans to have one or more switches but primarily leases the transmission facilities of other carriers. Bills its own customer base for services used.
- Switchless Rebiller** - company has no switch or transmission facilities but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carrier. Rebills end users at a rate above its discount but generally below the rate end users would pay for unaggregated traffic.
- Multi-Location Discount Aggregator** - company contracts with unaffiliated entities to obtain bulk/volume discounts under multi-location discount plans from certain underlying carriers. Then offers the resold service by enrolling unaffiliated customers.
- Prepaid Debit Card Provider** - any person or entity that purchases 800 access from an underlying carrier or unaffiliated entity for use with prepaid debit card service and/or encodes the cards with personal identification numbers.

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

- Original Authority (New company).
- Approval of Transfer (To another certificated company).
- Approval of Assignment of existing certificate (To an uncertificated company).
- Approval for transfer of control (To another certificated company).

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

State Communications, Inc.

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

d/b/a State Phone Company

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

200 North Main Street, Suite 303
Greenville, SC 29601

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

None

7. Structure of organization;

- Individual
- Foreign Corporation
- General Partnership
- Other, _____
- Corporation
- Foreign Partnership
- Limited Partnership

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

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

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

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

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

9. If incorporated, please give:

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

Corporate charter number: F98000000701

- (b) Name and address of the company's Florida registered agent. NRAI Services, Inc.
526 E. Park Avenue
Tallahassee, FL 32301

- (c) Provide proof of compliance with the fictitious name statute (Chapter 865.09 FS), if applicable.

Fictitious name registration number: _____

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

(1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. No

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

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

- Monica R. Borne
(a) The application; Nowalsky, Bronston & Gothard
3500 N. Causeway Blvd., Suite 1442
Metairie, LA 70002
Ph. (504) 832-1984
- (b) Official Point of Contact for the ongoing operations of the company;
Charles Houser, V.P.
200 N. Main St., Suite 303
Greenville, SC 29601
Ph. (864) 271-6335
- (c) Tariff; Monica R. Borne
Nowalsky, Bronston & Gothard
3500 N. Causeway Blvd., Suite 1442
Metairie, LA 70002 Ph. (504) 832-1984
- (d) Complaints/Inquiries from customers;
Charles Houser, V.P.
200 North Main St., Suite 303
Greenville, SC 29601 Ph. (864) 271-6335

11. List the states in which the applicant:

- (a) Has operated as an interexchange carrier.
None.
- (b) Has applications pending to be certificated as an interexchange carrier.
Kentucky.
- (c) Is certificated to operate as an interexchange carrier.
None
- (d) Has been denied authority to operate as an interexchange carrier and the circumstances involved.
None
- (e) Has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.
None
- (f) Has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

None

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

- Facilities. Operators.
 Billing and Collection. Sales.
 Maintenance.
 Other: _____

13. Do you have a marketing program?

Yes.

14. Will your marketing program:

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

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

Commissions paid to sales agents or representatives based on volume sold.

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

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

17. Please provide the following (if applicable):

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

Yes.

(b) Name and address of the firm who will bill for your service.

Billing Concepts
7411 John Smith Dr. 200
San Antonio, TX 78229

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

A. Financial capability. Exhibit A

Regarding the showing of financial capability, the following applies:

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

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

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

1. Please provide documentation that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.

2. Please provide documentation that the applicant has sufficient financial capability to maintain the requested service.

3. Please provide documentation that the applicant has sufficient financial capability to meet its lease or ownership obligations.

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

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

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

B. Managerial capability. Exhibit **B**

C. Technical capability. Exhibit **C**

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

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

MTS with distance sensitive per minute rates

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

MTS with route specific rates per minute

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

MTS with statewide flat rates per minute (i.e. not distance sensitive)

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

MTS for pay telephone service providers

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

800 Service (Toll free)

WATS type service (Bulk or volume discount)

Method of access is via dedicated facilities

Method of access is via switched facilities

Private Line services (Channel Services)

(For ex. 1.544 mbs., DS-3, etc.)

Travel Service

Method of access is 950

Method of access is 800

The Company will not offer prepaid calling card service.

900 service

Operator Services

Available to presubscribed customers

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

Available to inmates

Services included are:

Station assistance

Person to Person assistance

Directory assistance

Operator verify and interrupt

Conference Calling

21. What does the end user dial for each of the interexchange carrier services that were checked in services included (above).
1+number.

22. **Other:**

**** APPLICANT ACKNOWLEDGEMENT STATEMENT ****

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

Further, I am aware that pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083".

UTILITY OFFICIAL:

Signature

02/10/98

Date

Leon L. Nowalsky

Attorney in Fact

Title

(504) 832-1984

Telephone No.

FORM PSC/CMU 31 (11/95)

Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-24.480(2).

**** APPENDIX A ****

CERTIFICATE TRANSFER STATEMENT

Not applicable.

I, (TYPE NAME) _____,
(TITLE) _____, of (NAME OF COMPANY)
_____, and current
holder of certificate number _____, have reviewed
this application and join in the petitioner's request for a
transfer of the above-mention certificate.

UTILITY OFFICIAL:

Signature

Date

Title

Telephone No.

**** APPENDIX C ****

INTRASTATE NETWORK

Not applicable, The Company is a pure reseller.

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.

1) POP-to-POP TYPE OWNERSHIP

2)

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

All.

**** APPENDIX D ****

FLORIDA TELEPHONE EXCHANGES

AND

EAS ROUTES

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

All. Statewide

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

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

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

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

DAYTONA BEACH:

New Smyrna Beach.

TAMPA:

Central None
East Plant City
North Zephyrhills
South Palmetto
West Clearwater

CLEARWATER:

St. Petersburg, Tampa-West and
Tarpon Springs.

ST. PETERSBURG:

Clearwater.

LAKELAND:

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

ORLANDO:

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

WINTER PARK:

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

TITUSVILLE:

Cocoa and Cocoa Beach.

COCOA:

Cocoa Beach, Eau Gallie,
Melbourne and Titusville.

MELBOURNE:

Cocoa, Cocoa Beach, Eau Gallie
and Sebastian.

SARASOTA:

Bradenton, Myakka and Venice.

FT. MYERS:

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

NAPLES:

Marco Island and North Naples.

WEST PALM BEACH:

Boynton Beach and Jupiter.

FORM PSC/CMU 31 (11/95)

Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-
24.480(2).

POMPANO BEACH:

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

FT. LAUDERDALE:

Coral Springs, Deerfield Beach,
Hollywood and Pompano Beach.

HOLLYWOOD:

Ft. Lauderdale and North Dade.

NORTH DADE:

Hollywood, Miami and Perrine.

MIAMI:

Homestead, North Dade and
Perrine

**** APPENDIX E ****

**** GLOSSARY ****

ACCESS CODE: The term denotes a uniform four or seven digit code assigned to an individual IXC. The five digit code has the form 10XXX and the seven digit code has the form 950-XXXX.

BYPASS: Transmission facilities that go direct from the local exchange end user to an IXC point of presence, thus bypassing the local exchange company.

CARRIERS CARRIER: An IXC that provides telecommunications service, mainly bulk transmission service, to other IXC only.

CENTRAL OFFICE: A local operating unit by means of which connections are established between subscribers' lines and trunk or toll lines to other central offices within the same exchange or other exchanges. Each three (3) digit central office code (NXX) used shall be considered a separate central office unit.

CENTRAL OFFICE CODE: The term denotes the first three digits (NXX) of the seven (7) digit telephone number assigned to a customer's telephone exchange service.

COMMISSION: The Florida Public Service Commission.

COMPANY, TELEPHONE COMPANY, UTILITY: These terms may be used interchangeably herein and shall mean any person, firm, partnership or corporation engaged in the business of furnishing communication service to the public under the jurisdiction of the Commission.

DEDICATED FACILITY: The term denotes a transmission circuit which is permanently for the exclusive use of a customer or a pair of customers.

END USER: The term denotes any individual, partnership, association, corporation, governmental agency or any other entity which (A) obtains a common line, uses a pay telephone or obtains interstate service arrangements in the operating territory of the company or (B) subscribes to interstate services provided by an IXC or uses the services of the IXC when the IXC provides interstate service for its own use.

FORM PSC/CMU 31 (11/95)

Required by Commission Rule Nos. 25-24.401, 25-24.402, and 25-24.480(2).

EQUAL ACCESS EXCHANGE AREAS: EAEA means a geographic area, configured based on 1987 planned toll center/access tandem areas, in which local exchange companies are responsible for providing equal access to both carriers and customers of carriers in the most economically efficient manner.

EXCHANGE: The entire telephone plant and facilities used in providing telephone service to subscribers located in an exchange area. An exchange may include more than one central office unit.

EXCHANGE (SERVICE) AREA: The territory, including the base rate suburban and rural areas served by an exchange, within which local telephone service is furnished at the exchange rates applicable within that area.

EXTENDED AREA SERVICE: A type of telephone service furnished under tariff provision whereby subscribers of a given exchange or area may complete calls to, and receive messages from, one or more other contiguous exchanges without toll charges, or complete calls to one or more other exchanges without toll message charges.

FACILITIES BASED: An IXC that has its own transmission and/or switching equipment or other elements of equipment and does not rely on others to provide this service.

FOREIGN EXCHANGE SERVICES: A classification of exchange service furnished under tariff provisions whereby a subscriber may be provided telephone service from an exchange other than the one from which he would normally be served.

FEATURE GROUPS: General categories of unbundled tariffs to stipulate related services.

Feature Group A: Line side connections presently serving specialized common carriers.

Feature Group B: Trunk side connections without equal digit or code dialing.

Feature Group C: Trunk side connections presently serving AT&T-C.

Feature Group D: Equal trunk access with subscription.

INTEREXCHANGE COMPANY: means any telephone company, as defined in Section 364.02(4), F.S. (excluding Payphone Providers), which provides telecommunication service between exchange areas as those areas are described in the approved tariffs of individual local exchange companies.

INTER-OFFICE CALL: A telephone call originating in one central office unit or entity but terminating in another central office unit or entity both of which are in the same designated exchange area.

INTRA-OFFICE CALL: A telephone call originating and terminating within the same central office unit or entity.

INTRASTATE COMMUNICATIONS: The term denotes any communications in Florida subject to oversight by the Florida Public Service Commission as provided by the laws of the State.

INTRA-STATE TOLL MESSAGE: Those toll messages which originate and terminate within the same state.

LOCAL ACCESS AND TRANSPORT AREA: LATA means the geographic area established for the administration of communications service. It encompasses designated exchanges, which are grouped to serve common social, economic and other purposes.

LOCAL EXCHANGE COMPANY (LEC): Means any telephone company, as defined in Section 364.02(4), F.S., which, in addition to any other telephonic communication service, provides telecommunication service within exchange areas as those areas are described in the approved tariffs of the telephone company.

OPTIONAL CALLING PLAN: An optional service furnished under tariff provisions which recognizes a need of some subscribers for extended area calling without imposing the cost on the entire body of subscribers.

900 SERVICE: A service similar to 800 service, except this service is charged back to the customer based on first minute plus additional minute usage.

PIN NUMBER: A group of numbers used by a company to identify their customers.

PAY TELEPHONE SERVICE COMPANY: Means any telephone company, other than a Local Exchange Company, which provides pay telephone service as defined in Section 364.335(4), F.S.

POINT OF PRESENCE (POP): Bell-coined term which designates the

FORM PSC/CMU 31 (11/95)

Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-24.480(2).

actual (physical) location of an IXC's facility. Replaces some applications of the term "demarcation point."

PRIMARY SERVICE: Individual line service or party line service.

RESELLER: An IXC that does not have certain facilities but purchases telecommunications service from an IXC and then resells that service to others.

STATION: A telephone instrument consisting of a transmitter, receiver, and associated apparatus so connected as to permit sending and/or receiving telephone messages.

SUBSCRIBER, CUSTOMER: These terms may be used interchangeably herein and shall mean any person, firm, partnership, corporation, municipality, cooperative organization, or governmental agency supplied with communication service by a telephone company.

SUBSCRIBER LINE: The circuit or channel used to connect the subscriber station with the central office equipment.

SWITCHING CENTER: Location at which telephone traffic, either local or toll, is switched or connected from one circuit or line to another. A local switching center may be comprised of several central office units.

TRUNK: A communication channel between central office units or entities, or private branch exchanges.

ATTACHMENTS:

- A - CERTIFICATE TRANSFER STATEMENT**
- B - CUSTOMER DEPOSITS AND ADVANCE PAYMENTS**
- C - INTRASTATE NETWORK**
- D - FLORIDA TELEPHONE EXCHANGES and EAS ROUTES**
- E - GLOSSARY**

Exhibit A

EXHIBIT A

FINANCIAL CAPABILITY

A.) SUMMARY

B.) BALANCE SHEET

C.) THREE (3) YEAR PROJECTIONS

D.) CREDIT REFERENCES

EXHIBIT A
FINANCIAL CAPABILITY

State Communications, Inc. (State) is a start-up company having only been incorporated in 1997. However, the founding shareholders have invested approximately \$800,000.00 in start-up capital which should be enough capital to bring the company through the commencement phase of operations. A copy of the unaudited balance sheet of State has been attached hereto. No income statement has been provided because the company has presently not commenced operations.

State intends to initially operate as a reseller of the local services of the incumbent local exchange thereby limiting the amount of capital expenditures necessary to operate and allowing State to achieve profitability faster than would ordinarily be possible. However, State reserves the right to provide facility based local exchange service once the economics of the industry justify an approach and sufficient capital is available for State to compete as a facility provider.

The lease of office space and equipment will be guaranteed by the principals of State and State will not have any difficulty in meeting its lease or ownership obligations.

Credit references for both State and its principals have been attached as further evidence of State's ability to meet its financial obligations.

State Communications, Inc.
Balance Sheet
November 15, 1997

ASSETS

Cash	\$ 300,000
Property, Plant & Equipment	
Furniture & Fixtures	-
Computer Equipment	-
	<hr/>
Accumulated Depreciation	-
Net Property, Plant & Equip	-
	<hr/>
Other Assets	-
	<hr/>
Total Assets	\$ 300,000

Liabilities & Shareholder's Equity

Other Liabilities	-
	<hr/>
Total Liabilities	-
Shareholder's Equity:	
Common Stock	300,000
Retained Earnings	-
	<hr/>
Total Shareholder's Equity	300,000
Total Liabilities & Shareholder's Equity	\$ 300,000

CONFIDENTIAL

Van Buren County, Ill.

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Income	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Local sources	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
State sources	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Federal sources	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Transfers	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Expenses	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Local sources	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
State sources	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Federal sources	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Transfers	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Surplus	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt	0	0	0	0	0	0	0	0	0	0	0	0	0
Assets	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000

Ivey Square

*20 S. Main St.
Greenville, SC 29601*

February 2, 1998

To Whom it may concern :

State Communications, Inc. is a primary tenant of Ivey Square, a commercial office building comprising approximately 60,000 square feet in the downtown business district of Greenville, South Carolina. The principals of State Communications have shown a honest and diligent partner in all lease negotiations and during the construction of said space. All financial considerations and guarantees have been made in a timely and consistent fashion. Ivey Square is much rewarded in our association with State Communications, Inc. and look forward to a long relationship.

Sincerely,

**Philip J. Wilson
President
Ivey Square**

WACHOVIA

Wachovia Bank, N.A.
Post Office Box 909
Greenville, South Carolina 29608

February 2, 1998

State of Florida
Public Service Commission

RE: State Communications, Inc.

To Who It May Concern:

This letter is for the purpose of providing a customer reference for State Communications, Inc. State Communications has been a customer of our corporate bank since November 1997. The company currently has three active accounts with Wachovia and an overnight investment account with balances in the mid six-figure range. Additionally, direct credit has been extended to the company in the low six-figure range. The company has handled banking matters in a very satisfactory manner since accounts were opened in 1997.

The bank has plans to expand its banking relationship with State Communications over the next year to include both credit and cash management services. This company is a customer in good standing with Wachovia Bank, N.A.

Please feel free to contact me at (864) 239-1938 if any additional information is required.

Sincerely,

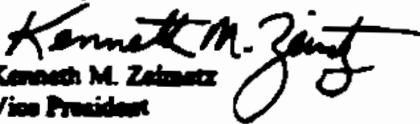

Kenneth M. Zelnitz
Vice President
Corporate Banking

Exhibit B

EXHIBIT B

MANAGERIAL CAPABILITY

A.) SUMMARY

B.) RESUMES

EXHIBIT B
MANAGERIAL CAPABILITY

State's senior management team is highly skilled, having acquired considerable experience in the telecommunications industry (See attached resumes of principals).

Management was instrumental in the organization of Corporate Telemanagement Group, Inc. (CTGI) an interexchange carrier that was certified in Florida and was recently sold to LCI International, Inc.

The marketing and business strategies developed by management in past successful ventures have resulted in substantial revenue growth and financial performance and management intends to employ these marketing and business strategies in connection with State.

The success of the past ventures that management has been involved in is clear evidence that State possesses the managerial qualifications required to provide service in Florida.

SHAY HOUSER – Chairman & CEO

Shaler Houser has almost seven years telecommunications experience specializing in research, product and corporate development, and finance. Mr. Houser has served in numerous capacities including Director of Product Development and Director of Business Development for Corporate Telemanagement Group, Inc. and, in various capacities with LCI International covering International Development and Carrier Sales.

Most recently, Mr. Houser co-founded and served as Senior Vice President of Seruus Ventures, a telecommunications venture capital and investment banking company.

EXPERIENCE

Mr. Houser co-founded the capital placement and strategy for Seruus Ventures, a venture capital fund for emerging telecommunications companies. Mr. Houser has overseen the investments in numerous CLEC, long distance, and other telecom organizations. Through the Seruus Advisors affiliate, Mr. Houser has been involved in dozens of telecommunications mergers and acquisitions.

From 1991 to 1995 Mr. Houser was responsible for Corporate Telemanagement Group's international sales and marketing efforts in Central America, where he was point of contact for the Central American agents. He was in charge of CTC's Carrier Sales where revenues grew over 500% in less than one year. Mr. Houser has experience in third party verified telemarketing, as he designed CTC's telemarketing system which resulted in over 5,000 new orders per month. Mr. Houser worked extensively in network design where he assisted in the daily maintenance of the CLEC network. He also attended Bellcore training for network switching systems as well as a training compilation for PCS systems.

Mr. Houser's early affiliations include co-founding, and serving as president at The Citadel, Carolina Graphics and Print, a collegiate printed apparel manufacturer company.

EDUCATION

Mr. Houser received his Bachelor of Arts, with emphasis in Law and Criminal Justice from The Citadel. Mr. Houser graduated with Dean's List Honor. Mr. Houser is a published author and speaker for various trade magazines, seminars, forums, and X-Change) and trade shows. Most recently, Mr. Houser has written several articles on telecommunications mergers and acquisitions in various trade magazines, including the Competitive Local Exchange Market (CLEC).

Russell W. Powell – President

Russell Powell has seven (7) years of telecommunications experience as entrepreneur, investor, Vice President and Director of Sales for three (3) telecommunications companies. Mr. Powell served in numerous capacities with three highly regarded long distance and CLEC companies, Corporate Telemanagement Group, Inc (CTG), LCI International (LCI), and Business Telecom Inc (BTI). Most recently, Mr. Powell served as Vice President of Sales for BTI.

EXPERIENCE

After graduating from the Citadel, Mr. Powell served as Sales Manager for Corporate Telemanagement Group (CTG) dealer sales division. Mr. Powell was responsible for recruitment of new dealers in the Western United States. Within six months, the Western Division grew to be CTG's fastest growing area. In 1993, Mr. Powell was promoted to Director of Sales and managed CTG's Southeast U.S. division. For 19 consecutive months, Mr. Powell's region ranked as the fastest growing region for CTG. In 1995, Mr. Powell was promoted to National Director of Sales for CTG and was responsible for \$60,000,000 in annual revenue. Mr. Powell managed the dealer division for CTG, having six divisions reporting to him.

In late 1995, CTG was sold to LCI International and Mr. Powell served as the director of dealer sales for the 40 state region in LCI's CT Division. Mr. Powell managed over \$70,000,000 in annual revenues for LCI. From October 1995 until August 1997, Mr. Powell's divisions ranked #1 for 22 out of 26 months. Mr. Powell received both President of Club Honorians Chairman's Club Honor for LCI International.

In September 1997, Mr. Powell became Vice President of Sales for BTI, a \$250 million long distance and CLEC provider. Mr. Powell managed approximately \$75,000,000 in annual sales for BTI and doubled monthly sales in less than two months. In December 1997, Mr. Powell accepted the role as President of State Communications, Inc.

EDUCATION

Mr. Powell is a 1991 graduate of The Military College of South Carolina with a Bachelor's Degree in Business Administration.

Charles Houser - Vice President of Business Development

Charles L. Houser, 25, has over 4 years experience in sales and business development in the telecommunications industry.

Upon graduation from the University of South Carolina, Mr. Houser began his career with Corporate Telemanagement Group, Inc. (CTG). A long distance communications company that specialized in distributor sales, Mr. Houser performed various sales functions. Mr. Houser was in charge of handling all inside sales responsibilities for CTG's Western region. While performing in this capacity, the Western region became the most productive amongst the company's thirteen different regions.

In September of 1995, CTG was sold to LCI International, the nation's largest long distance company for over \$160 million dollars. While at LCI, Mr. Houser served as major account manager for the southeast region. Mr. Houser was responsible for generating and maintaining the customer base as well as holding attrition down to a minimum. Mr. Houser also played a significant role in the integration of the CTG customer base onto the LCI billing system. The LCI customer base grew to over one million. Mr. Houser remained at LCI in this position through September of 1996.

Exhibit C

EXHIBIT C

TECHNICAL CAPABILITY

TECHNICAL ABILITY

The Company is currently pending authority to provide interexchange service in Kentucky and is not currently providing service in any additional states. However, the success of management personnel's past ventures in the 1+ resale business clearly demonstrate that the management team has the technical ability to provide the services requested in this application.

In addition, as a switchless reseller, the Company's technical ability heavily relies on the technical ability of its underlying carriers. The Company will use only Commission certificated underlying carriers.

Exhibit D

**STATE COMMUNICATIONS, INC.
D/W/A STATE PHONE COMPANY**

Florida Tariff No. 1
Original Sheet 1

TITLE SHEET

FLORIDA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services provided by State Communications, Inc. with principal offices at 200 North Main Street, Suite 303, Greenville, South Carolina 29601. This tariff applies for services furnished within the state of Florida. This tariff 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: February 10, 1998

EFFECTIVE

By

Charles Houser, Vice President
200 North Main Street, Suite 303
Greenville, South Carolina 29601

CHECK SHEET

The sheets listed below, which are inclusive of this tariff, are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date of the bottom of this page.

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

ISSUED February 10, 1998

EFFECTIVE

By:

Charles Houser, Vice President
200 North Main Street, Suite 303
Greenville, South Carolina 29601

TABLE OF CONTENTS

Title Sheet	1
Check Sheet	2
Table of Contents	3
Symbols Sheet	4
Tariff Format Sheets	5
Section 1 - Technical Terms and Abbreviations	6
Section 2 - Rules and Regulations	7
Section 3 - Description of Service	12
Section 4 - Rates	16

ISSUED February 10, 1998

EFFECTIVE

By:

Charles Houser, Vice President
200 North Main Street, Suite 303
Greenville, South Carolina 29601

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 Tariff Location

N - New

R - Change Resulting In A Reduction To A Customer's Bill

T - Change in Text Or Regulation But No Change In Rate Or Charge

ISSUED February 10, 1998

EFFECTIVE

By

Charles Houser, Vice President
200 North Main Street, Suite 303
Greenville, South Carolina 29601

TARIFF FORMAT SHEETS

A. Sheet Numbering - Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.

B. Sheet Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the FPSC. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc., the FPSC follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff page in effect. Consult the Check Sheet for the sheet currently in effect.

C. Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level.

2.
2.1.
2.1.1.
2.1.1.A.
2.1.1.A.1.
2.1.1.A.1.(a).
2.1.1.A.1.(a).L.
2.1.1.A.1.(a).L(i).
2.1.1.A.1.(a).L(i).(1).

D. Check Sheets - When a tariff filing is made with the FPSC, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the FPSC.

ISSUED February 10, 1998

EFFECTIVE

By

Charles Houser, Vice President
200 North Main Street, Suite 303
Greenville, South Carolina 29601

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement which connects the customer's location to the Company's network switching center

Authorization Code - A numerical code, one or more of which are available to a customer to enable him/her to access the carrier, and which are used by the carrier both to prevent unauthorized access to its facilities and to identify the customer for billing purposes.

Company or Carrier - Progressive Telecommunications Corp.

Customer - the person, firm, corporation or other entity which orders service and is responsible for payment of charges due and compliance with the Company's tariff regulations.

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

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

Holidays - The Company's recognized holidays are New Year's Day, Martin Luther King, Jr. Day, Presidents Day, Ground Hog Day, St. Patrick's Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day, Christmas Day

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

ISSUED: February 10, 1998

EFFECTIVE

By

Charles Houser, Vice President
200 North Main Street, Suite 303
Greenville, South Carolina 29601

SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of the Company.

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

The Company installs, operates, and maintains the communications services provided herein in accordance with the terms and conditions set forth under this tariff. It may act as the customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the customer, to allow connection of a customer's location to the Company's network. The customer shall be responsible for all charges due for such service arrangement.

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

The selling of IXC telecommunication service to uncertificated IXC resellers is prohibited.

2.2 Limitations.

2.2.1 Service is offered subject to the availability of facilities and provisions of this tariff.

2.2.2 The Company reserves the right to discontinue furnishing service or limit the use of service necessitated by conditions beyond its control or when the customer is using service in violation of the law or the provisions of this tariff.

ISSUED: February 10, 1998

EFFECTIVE:

By:

Charles Houser, Vice President
200 North Main Street, Suite 303
Greenville, South Carolina 29601

SECTION 2 - RULES AND REGULATIONS continued

2.2 Limitations (Cont.)

- 2.2.3 All facilities provided under this tariff are directly controlled by the Company and the customer may not transfer or assign the use of service or facilities, except with 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.
- 2.2.4 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.
- 2.2.5 Customers reselling or rebilling services must have a Certificate of Public Convenience and Necessity as an interexchange carrier for the Florida Public Service Commission.

2.3 Liabilities of the Company.

- 2.3.1 The Company's liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in the transmission occurring in the course of furnishing service or facilities, and not caused by the negligence of its employees or its agents, in no event shall exceed an amount equivalent to the proportionate charge to the customer for the period during which the aforementioned faults in transmission occur.
- 2.3.2 The Company shall be indemnified and held harmless by the customer against
 - (A) Claims for libel, slander, or infringement of copyright arising out of the material, data, information, or other content transmitted over the Company's facilities.
 - (B) All other claims arising out of any act or omission of the customer in connection with any service or facility provided by the Company.

ISSUED: February 10, 1998

EFFECTIVE

By:

Charles Houser, Vice President
200 North Main Street, Suite 303
Greenville, South Carolina 29601

SECTION 2 - RULES AND REGULATIONS continued

2.4 Interruption of Service.

2.4.1 Credit allowance for the interruption of service which is not due to The Company's testing or adjusting, negligence or the customer or to the failure of channels or equipment provided by the customer, are subject to the general liability provisions set forth in 2.3.1 herein. It shall be the customer's obligation to notify the Company immediately of any service interruption for which a credit allowance is desired. Before giving such notice, the customer shall ascertain that the trouble is not being caused by any action or omission by the customer within his control, if any, furnished by the customer and connected to the Company's facilities. No refund or credit will be made for the time that the Company stands ready to repair the service and the subscriber does not provide access to the Company for such restoration work.

2.4.2 No credit shall be allowed for an interruption of a continuous duration of less than twenty-four hours after the subscriber notifies the Company.

2.4.3 The customer shall be credited for an interruption of more than twenty-four hours as follows:

Credit Formula

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

"A" - outage time in hours

"B" - total days in month

"C" - total monthly charge for affected facility

SECTION 2 - RULES AND REGULATIONS *continued*

2.5 Disconnection of Service by Carrier.

The Company, upon five (5) working days written notice to the customer, may discontinue service or cancel an application for service without incurring any liability for any of the following reasons:

- 2.5.1 Non-payment of any sum due to carrier for regulated service for more than thirty days beyond the date of rendition of the bill for such service.
- 2.5.2 A violation of any regulation governing the service under this tariff.
- 2.5.3 A violation of any law, rule, or regulation of any government authority having jurisdiction over such service.
- 2.5.4 The company has given the customer notice and has allowed a reasonable time to comply with any rule, or remedy, and deficiency as stated in Rule 25-4.113 F.A.C. - Refusal or Discontinuance of Service by Company.

ISSUED February 10, 1998

EFFECTIVE

By

Charles Houser, Vice President
200 North Main Street, Suite 303
Greenville, South Carolina 29601

SECTION 2 - RULES AND REGULATIONS continued

2.6 Deposits

The Company does not require a deposit from the customer.

2.7 Advance Payments

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

2.8 Taxes

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

2.9 Billing of Calls

All charges due by the subscriber are payable at any agency duly authorized to receive such payments. Any objection to billed charges should be promptly reported to the Company. Adjustments to customers' bills shall be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise be appropriate.

ISSUED February 10, 1998

EFFECTIVE

By

Charles Houser, Vice President
200 North Main Street, Suite 303
Greenville, South Carolina 29601

SECTION 3 - DESCRIPTION OF SERVICE

3.1 Timing of Calls

3.1.1 When Billing Charges Begin and End For Phone Calls

The customer's long distance usage charge is based on the actual usage of the Company's network. Usage begins when the called party picks up the receiver (i.e. when 2 way communication, often referred to as "conversation time" is possible). When the called party picks up is determined by hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. When software answer supervision is employed, up to 60 seconds of ringing is allowed before it is billed as usage of the network. A call is terminated when the calling or called party hangs up.

3.1.2 Billing Increments

The minimum call duration for billing purposes is 1 minute for a connected call and calls beyond 1 minute are billed in 1 minute increments.

3.1.3 Per Call Billing Charges

Billing will be rounded up to the nearest penny for each call.

3.1.4 Uncompleted Calls

There shall be no charges for uncompleted calls.

ISSUED: February 10, 1998

EFFECTIVE

By

Charles Honer, Vice President
200 North Main Street, Suite 303
Greenville, South Carolina 29601

SECTION 3 - DESCRIPTION OF SERVICE continued

3.2 Calculation of Distance

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.

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

FORMULA:

The square
root of:

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

3.3 Minimum Call Completion Rate

A customer can expect a call completion rate (number of calls completed / number of calls attempted) of not less than 90% during peak use periods for all FGD services ("1+" dialing).

ISSUED: February 10, 1998

EFFECTIVE

By

Charles Houser, Vice President
200 North Main Street, Suite 303
Greenville, South Carolina 29601

SECTION 3 - DESCRIPTION OF SERVICE *continued*

3.4 Service Offerings

3.4.1 1+ Long Distance Service

Long Distance Service is offered to residential and business customers. The service permits **direct dialed outbound** calling at a single per minute rate. Service is provided from **presubscribed, dedicated or shared use access lines**. Calls are billed in **six second increments**, with a thirty second minimum call duration.

3.4.2 Inbound 800/888 Long Distance Service

Inbound 800/888 Long Distance Service is offered to residential and business customers. The service permits **inbound 800/888** calling at a single per minute rate. Service is provided from **presubscribed, dedicated or shared use access lines**. Calls are billed in **six second increments**, with a thirty second minimum call duration.

3.4.3 Calling Card Service

Calling Card Service is a calling card service offered to residential and business customers who **subscribe to the Company's Long Distance Service calling plan**. Customers using the **Carrier's calling card service** access the service by dialing a **1-800 number followed by an account identification number and the number being called**. This service permits **subscribers utilizing the Carrier's calling card** to make calls at a single per minute rate. Calls are billed in **one (1) minute increments** after the initial minimum period of **one (1) minute**. There are no nonrecurring or monthly recurring charges. No calling card surcharge applies.

ISSUED: February 10, 1998

EFFECTIVE

By

Charles Houser, Vice President
200 North Main Street, Suite 303
Greenville, South Carolina 29601

SECTION 3 - DESCRIPTION OF SERVICE *continued*

3.4.4

Operator Services

The Company does not provide operator services at this time

By

Charles Housel, Vice President
200 North Main Street, Suite 303
Greenville, South Carolina 29601

SECTION 4 - RATES

4.1 1+ Long Distance Service

4.1.1 Program LD1:

Offered to customers showing in excess of \$50.00 per month in long distance usage

- A. Instate Rate Per Minute \$0.099
- B. Usage is billed in six second increments with a 30 second minimum call duration
- C. Monthly Recurring Charge \$4.96 per location

4.1.2 Program LD2:

Requires a one year term commitment in addition to a showing of in excess of \$50.00 per month long distance usage

- A. Instate Rate Per Minute \$0.099
- B. Usage is billed in six second increments with a 30 second minimum call duration
- C. No Monthly Recurring Charge

4.1.3 Program LD3:

Low user program - offered to customers using less than \$50 per month in long distance or those customers without prior usage history

- A. Rate Per Minute \$0.135
- B. Usage is billed in six second increments with a 30 second minimum call duration
- C. No Monthly Recurring Charge

4.1.4 Program LD4:

Large user program - offered to customers evidencing usage in excess of \$100 per month in long distance

- A. Rate Per Minute - \$0.089
- B. Usage is billed in six second increments with a 30 second minimum call duration
- C. Monthly Recurring Charge - \$4.96 per location

4.1.5 Program LD5:

Offered to users with multiple locations

- A. Rate Per Minute - \$0.099
- B. Usage is billed in six second increments with a 30 second minimum call duration
- C. Monthly Recurring Charge - \$2.00 per location

**STATE COMMUNICATIONS, INC.
D/B/A STATE PHONE COMPANY**

Florida Tariff No. 1
Original Sheet 18

4.2 Reserved for Future Use

ISSUED: February 10, 1998

EFFECTIVE

By

Charles Houser, Vice President
200 North Main Street, Suite 305
Greenville, South Carolina 29601

4.3 Travel Card Rates

- A. Rate Per Minute: \$0.250**
- B. Usage is billed in whole minute increments**
- C. Per Call Surcharge: None**
- D. Monthly Recurring Charge: None**

4.4 Directory Assistance

The Company's customers will be billed the following per call charge to be connected to the local exchange company directory assistance service for directory assistance calls within the State:

Directory Assistance Charge Per Call: \$0.80

ISSUED: February 10, 1998

EFFECTIVE

By

**Charles Houser, Vice President
200 North Main Street, Suite 303
Greenville, South Carolina 29601**

SECTION 4 - RATES continued

4.5 Determining Applicable Rate in Effect.

For the initial minute, the rate applicable at the start of chargeable time at the calling station applies. For additional minutes, the rate applicable is that rate which is in effect at the calling station when the additional minute(s) begin. That is, if chargeable time begins during the Day Period, the Day Rate applies to the initial minute and to any additional minutes that the call continues during the rate period. If the call continues into a different rate period, the appropriate rates from that period apply to any additional minutes occurring in that rate period. If an additional minute is split between two rate periods, the rate period applicable at the start of the minute applies to the entire minute.

4.6 Payment of Calls

4.6.1 Late Payment Charges

Interest charges of 1.5% per month will be assessed on all unpaid balances more than thirty days old.

4.6.2 Return Check Charges

A return check charge of \$25.00 will be assessed for checks returned for insufficient funds if the face value does not exceed \$50.00, \$30.00 if the face value does exceed \$50.00 but does not exceed \$300.00, \$40.00 if the face value exceeds \$300.00 or 5% of the value of the check, whichever ever is greater.

4.7 Restoration of Service

A reconnection fee of \$25.00 per occurrence is charged when service is re-established for customers who had been disconnected for non-payment.

ISSUED: February 10, 1998

EFFECTIVE

By

Charles Houser, Vice President
200 North Main Street, Suite 303
Greenville, South Carolina 29601

SECTION 4 - RATES continued

4.8 Special Promotions

The company will, from time to time, offer special promotions to its customers waiving certain charges. These promotions will be approved by the FPSC with specific starting and ending dates.

4.9 Special Rates For The Handicapped

4.9.1 Directory Assistance

There shall be no charge for up to fifty calls per billing cycle from lines or trunks serving individuals with disabilities. The Company shall charge the prevailing tariff rates for every call in excess of 50 within a billing cycle.

4.9.2 Hearing and Speech Impaired Persons

Intrastate toll message rates for TDD users shall be evening rates for daytime calls and night rates for evening and night calls.

4.9.3 Telecommunications Relay Service

For intrastate toll calls received from the relay service, the Company will when billing relay calls discount relay service calls by 50 percent off of the otherwise applicable rate for a voice nonrelay call except that where either the calling or called party indicates that either party is both hearing and visually impaired, the call shall be discounted 60 percent off of the otherwise applicable rate for a voice nonrelay call. The above discounts apply only to time-sensitive elements of a charge for the call and shall not apply to per call charges such as a credit card surcharge.

ISSUED: February 10, 1998

EFFECTIVE

By

Charles Houser, Vice President
200 North Main Street, Suite 303
Greenville, South Carolina 29601

Exhibit E



FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

February 5, 1998

CORPORATE ACCESS, INC.

Qualification documents for STATE COMMUNICATIONS, INC. doing business in Florida as STATE PHONE COMPANY were filed on February 5, 1998 and assigned document number F9900000701. Please refer to this number whenever corresponding with this office.

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

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

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

Should you have any questions regarding this matter, please telephone (850) 487-8091, the Foreign Qualification/Tax Lien Section.

Michael Mays
Document Specialist
Division of Corporations

Letter Number: 098A00006760

APPLICATION BY FOREIGN CORPORATION FOR AUTHORIZATION TO TRANSACTION BUSINESS IN FLORIDA

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

1. State Communications, Inc.

(Name of corporation shall include the word "INCORPORATED", "COMPANY", "CORPORATION" or words or abbreviations of like import in language as will clearly indicate that it is a corporation instead of a natural person or partnership if not so described in the name at present.)

2. South Carolina 3. 1 applied for
(State or country under the laws of which it is incorporated) (FEI number, if applicable)

4. October 29, 1997 5. PERPETUAL
(Date of last period) (Duration: Year corp. will cease to exist or "perpetual")

6. upon acceptance of application
(Class first permitted business in Florida. See sections 607.1501, 607.1502, and 617.145, F.S.)

7. 200 North Main Street, Ste. 303
Greenville, South Carolina 29601
(Current mailing address)

8. sale of telecommunications services
(Purpose(s) of corporation authorized in home state or country to be carried out in the state of Florida)

9. Name and street address of Florida registered agent:

Name: NRAI Services, Inc.

Office Address: 526 E. Park Avenue

Tallahassee, Florida, 32301
(Zip Code)

10. Registered agent's acceptance:

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

NRAI Services, Inc

By: Charles A. Coyle

(Registered agent's signature)
Charles A. Coyle - Assistant Secretary

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

FILED
SECRETARY OF STATE
98FEB-5 PM 1:58

NOWALSKY, BRONSTON & GOTHARD, L.L.P.
ATTORNEYS AT LAW

LEON I. NOWALSKY
BENJAMIN W. BRONSTON
EDWARD P. GOTHARD

3500 N. CALIBEWAY BOULEVARD
SUITE 1442
METAIRIE, LOUISIANA 70002
TELEPHONE (504) 832-1984
FAX (504) 832-1984
February 10, 1998

MONICA R. BORN
JEFFREY E. GREENBERG
OF COUNSEL

DEPOSIT
D710
DATE
FEB 11 1998

Florida Public Service Commission
Division of Administration
2540 Shumard Oak Blvd.
Gunter Building
Tallahassee, FL 32399-0850

RE: STATE COMMUNICATIONS, INC

Dear Sirs:

Enclosed herewith for filing please find an original and six (6) copies of the application for authority to provide interexchange telecommunications service submitted on behalf of State Communications, Inc. The requisite \$250.00 filing fee is also enclosed.

Please acknowledge receipt of this filing by date stamping and returning the additional copy of this letter in the self-addressed envelope provided.

Thank you for your assistance. If you should have any questions, please do not hesitate to contact this office.

Sincerely,

NOWALSKY, BRONSTON & GOTHARD, L.L.P.
GENERAL ACCOUNT
3500 N. CALIBEWAY, SUITE 1442
METAIRIE, LA 70002
(504) 832-1984

JEFFERSON FEDERAL SAVINGS BANK
CITY: METAIRIE, LA 70053
04 7038 2654

2329

2/10/98

PAY TO THE ORDER OF FLORIDA PUBLIC SERVICE COMMISSION

**250.00

Two Hundred Fifty and 00/100*****

DOLLARS
Security Features
Permitted
Changes or Add

FILING FEES - STATE COMMUNICATIONS

MEMO

