

PCSi

A DIVISION OF



*Professional
Certification
Services
International*

Information for toll-free
numbers just got a new
number **
1-800-555-1414

500 GRAPEVINE HWY
SUITE 300
MURST, TEXAS 76054
TEL. (817) 281-4727
FAX (817) 281-4827
<http://www.lun4com.com>

DEPOSIT DATE
D748 ~ APR 06 1998

980484-TI

April 2, 1998

Florida Public Service Commission
Division of Record and Reporting
2540 Shumard Oak Blvd.
Easley Building
Tallahassee, Florida 32399-0850

RE: Application for Certificate of Authority for **Payless Communications, Inc.** to resell Interexchange Telecommunications Services in the State of Florida

Dear Florida Public Service Commission:

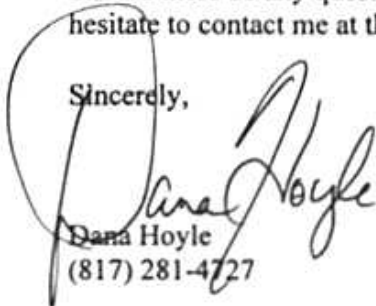
Payless Communications, Inc. hereby submits the enclosed Application, seeking authority to operate as a reseller of interexchange telecommunications services within the State of Florida.

An original and twelve (12) copies of the application, and all other supporting documents are provided. A check in the amount of \$250.00 to cover the application fee is enclosed as well.

Please date-stamp the attached copy of this letter and return it in the enclosed postage-paid return envelope to the undersigned.

Should there be any question or additional information required, please do not hesitate to contact me at the indicated phone number. Thank you.

Sincerely,



Dana Hoyle
(817) 281-4727

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

Initials of person who forwarded check:

AJ

Enclosures

DOCUMENT NUMBER-DATE

03934 APR -6 98

FPSR-REC-RES/REPORTING

980484

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

- Original Authority** (New Company).
- Approval of Transfer** (To another certificated company).
- Approval of Assignment of existing certificate** (To a noncertificated company).
- Approval for transfer of control** (To another certificated company).

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

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

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

Payless Communications, Inc.

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

Payless Communications, Inc.

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

*1820 E. First Street, Suite 200
Santa Ana, California 92705*

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

N/A

7. Structure of organization;

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

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

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

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

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

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

9. If incorporated, please give:

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

Corporate charter number: F98000000817

- (b) Name and address of the company's Florida registered agent. *Corporation Service Company*
1201 Hays Street, Suite 105, Tallahassee, Florida 32301

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

Fictitious name registration number: _____

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

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

No.

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

No.

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

- (a) The application;

Dana Hoyle
Preferred Carrier Services, Inc.
500 Grapevine Highway, Suite 300
Hurst, Texas 76054-2707

- (b) Official point of Contact for the ongoing operations of the company;

Michael Osmon, President
1820 E. First Street, Suite 200
Santa Ana, California 92705

(c) Tariff;

same as (b)

(d) Complaints/Inquiries from customers;

*Virginia Osmon
1820 E. First Street, Suite 200
Santa Ana, California 92705
(714)647-0908*

11. List the states in which the applicant:

(a) Has operated as an interexchange carrier.

Colorado, Michigan, Texas and Utah

(b) Has applications pending to be certificated as an interexchange carrier.

Arizona, California, Nevada and Oregon.

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

Colorado, Michigan, Texas and Utah

(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 service will the applicant offer to other certificated telephone companies:

- | | |
|--|-------------------------------------|
| <input type="checkbox"/> Facilities. | <input type="checkbox"/> Operators. |
| <input type="checkbox"/> Billing and Collection. | <input type="checkbox"/> Sales. |
| <input type="checkbox"/> Maintenance. | |
| <input type="checkbox"/> Other: _____ | |

At this time, the Applicant does not offer any wholesale services. Applicant may in the future expand Feature Group D into the State, and in such case, may offer wholesale services, and as such would amend and update its tariff as applicable.

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.).

The company may provide independent agents with commissionable programs. All agents are required to sign an agreement and adhere to applicable State regulatory issues.

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

- | | |
|--|---|
| <input checked="" type="checkbox"/> Residential customers. | <input checked="" type="checkbox"/> Business customers. |
| <input type="checkbox"/> PATS providers. | <input type="checkbox"/> PATS station end-users. |
| <input type="checkbox"/> Hotels & motels. | <input type="checkbox"/> Hotel & motel guests. |
| <input type="checkbox"/> Universities. | <input type="checkbox"/> Univ. dormitory residents. |
| <input type="checkbox"/> 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?

The name of the company will appear on the bill.

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

*Integretel
5883 Rue Ferrari
San Jose, CA 95138*

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

- A. Financial capability. *see attached financial statements.*
- B. Managerial capability. *see attached management profiles.*
- C. Technical capability. *see attached management profiles.*

18. 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).

See attached proposed tariff.

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

MTS with distance sensitive per minute rates

- Method of access is FGA
- Method of access is FGB
- Method of access is FGD
- Method of access is 800

MTS with route specific rates per minute

- Method of access is FGA
- Method of access is FGB
- Method of access is FGD
- Method of access is 800

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

- Method of access is FGA
- Method of access is FGB
- Method of access is FGD
- Method of access is 800

MTS for pay telephone service providers

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

800 Service (Toll free)

WATS type service (Bulk or volume discount)

Method of access is via dedicated facilities

Method of access is via switched facilities

Private Line services (Channel Services)

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

Travel Service

Method of access is 950

Method of access is 800

900 service

Operator Services

Available to presubscribed customers

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

Available to inmates

Services included are:

Station assistance

Person to Person assistance

Operator verify and interrupt

Conference Calling

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

Dial 1+area code and number for FGD.

Dial 1-800 for travel card.

Dial 1-800 for debit cards. Then the end user dials the number and an access code for call completion.

21. **Other:**

ATTACHMENTS:

A - CERTIFICATE TRANSFER STATEMENT

B - CUSTOMER DEPOSITS AND ADVANCE PAYMENTS

C - INTRASTATE NETWORK

APPLICANT ACKNOWLEDGMENT STATEMENT

D - FLORIDA TELEPHONE EXCHANGES and EAS ROUTES

E - GLOSSARY

**** APPENDIX B ****

CUSTOMER DEPOSITS AND ADVANCE PAYMENTS

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

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

UTILITY OFFICIAL:

Michael Osmon
Signature

3/15/98
Date

Michael Osmon

President
Title

(714)647-0908
Telephone No.

5. **TRAFFIC RESTRICTIONS:** Please explain how the applicant will comply with the EAEA requirements contained in Commission Rule 25-24.471 (4) (a) (copy enclosed)

Applicant will comply with Commission Rule 25-24.471 (4) (a). IntraLATA toll service will be provided only to end users with whom Applicant has a prior or ongoing relationship or who dial the appropriate access code.

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

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

N/A

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

N/A

UTILITY OFFICIAL:

Michael Osmon

Signature

3/18/98

Date

Michael Osmon

President

Title

(714)647-0908

Telephone No.

**** 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 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 AAV 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.

UTILITY OFFICIAL:

Michael Osmon
Signature

3/18/98
Date

Michael Osmon

President
Title

(714)647-0908
Telephone No.

Re: Application for certificate to provide interexchange telecommunications service by Payless Communications, Inc.

This is to certify that Payless Communications, Inc. ("PCI") has adequate capital to provide the services it proposes within the state of Florida. As a switchless reseller, PCI does not require large sources of capital for construction and maintenance of a telecommunications network. As such, PCI operates with relatively low overhead.

Respectfully submitted this 18th day of March, 1998

Michael Osmon

Michael Osmon - President

PAYLESS COMMUNICATIONS, INC.

LETTER OF AUTHORITY

from the

Florida Secretary of State



FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

February 11, 1998

PREFERRED CARRIER SERVICES, INC.
500 GRAPEVINE HWY #300
HURST, TX 76054

Qualification documents for PAYLESS COMMUNICATIONS, INC. were filed on February 10, 1998 and assigned document number F98000000817. 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) 487-6091, the Foreign Qualification/Tax Lien Section.

Freta Lott
Corporate Specialist Supervisor
Division of Corporations

Letter Number: 298AC0007905

PAYLESS COMMUNICATIONS, INC.

FINANCIAL STATEMENTS

PAYLESS COMMUNICATIONS, INC.
BALANCE SHEET
NOVEMBER 30, 1997

Current Assets:		
Cash		
Accounts Receivable	298,972.97	
Total Current Assets	<u>2,292,945.15</u>	2,591,918.12
 Fixed Assets:		
Machinery & Equipment	33,413.71	
Furniture & Fixtures	1,252.21	
Office Equipment	<u>17,101.02</u>	
Total Fixed Assets		51,766.94
 Other Assets:		
Advances – Officers	<u>40,076.30</u>	
Total Other Assets		<u>40,076.30</u>
 Total Assets		 2,683,761.36
 Current Liabilities:		
Usage Charges Payable	1,544,282.70	
Accrued Payroll & Taxes	185,709.41	
Notes Payable	347,713.95	
A/R Credit Line	<u>641,584.88</u>	
Total Liabilities		<u>2,719,290.94</u>
		2,719,290.94
 Equity:		
Common Stock	2,000.00	
Additional Paid in Capital	362,166.11	
Retained Earnings – Current Year	<u>(399,695.69)</u>	
Total Equity		<u>(35,529.58)</u>
Total Liability and Equity		2,683,761.36

PAYLESS COMMUNICATIONS, INC.
INCOME STATEMENT
FOR THE 11 PERIODS ENDED NOVEMBER 30, 1997

	+--- PERIOD TO DATE ---+		+---- YEAR TO DATE ----+	
	ACTUAL	PERCENT	ACTUAL	PERCENT
REVENUE				
FEEs				
FEEs - RATE REDUCTION	\$902,116.75	100.0	4,177,128.90	97.8
	.00	.0	95,575.00	2.2
TOTAL REVENUE	902,116.75	100.0	4,272,703.90	100.0
COSTS OF SALES				
COST - BILLING FEEs	221,018.60	24.5	984,964.42	23.1
COST - USAGE CHARGES	360,846.70	40.0	1,670,851.56	39.1
TOTAL COSTS OF SALES	581,865.30	64.5	2,655,815.98	62.2
GROSS PROFIT	320,251.45	35.5	1,616,887.92	37.8
OPERATING EXPENSES				
SALARIES - OFFICERS	.00	.0	30,000.00	.7
SALARIES - OTHER	197,621.42	21.9	1,214,340.60	28.4
EMPLOYEE BENEFITS	.00	.0	1,320.00	.0
PAYROLL TAXES	21,629.15	2.4	98,239.63	2.3
ADVERTISING & PROMOTIONS	1,219.79	.1	24,802.85	.6
AUTO & TRUCK	7,955.60	.9	12,980.65	.3
BANK CHARGES	487.00	.1	6,187.50	.1
CONTRACT LABOR	.00	.0	11,007.62	.3
DONATIONS	1,000.00	.1	10,375.83	.2
DUPLICATES & SUBSCRIPTION	.00	.0	606.70	.0
ENTERTAINMENT	150.00	.0	1,069.42	.0
INSURANCE	.00	.0	230.10	.0
ITG - INTEREST & FEEs	8,663.17	1.0	24,924.67	.6
INTEREST	3,950.00	.4	10,374.58	.2
LEGAL & ACCOUNTING	7,686.75	.9	23,569.36	.6
OUTSIDE SERVICES	697,632.27	7.7	99,526.36	2.3
OFFICE	3,161.68	.4	22,546.10	.5
PRINTING	144.79	.0	37,232.72	.9
PAYROLL PROCESSING FEEs	.00	.0	2,113.63	.0
POSTAGE & DELIVERY	1,940.10	.2	41,731.66	1.0
RENT - REAL ESTATE	13,032.50	1.4	57,700.00	1.4
RENT- EQUIPMENT	.00	.0	553.58	.0
REPAIRS & MAINTENANCE	160.00	.0	4,048.25	.1
REPAIR & MAINT - FACILITY	.00	.0	1,984.36	.0
REPAIR & MAINT - EQUIPMENT	.00	.0	3,778.71	.1
SECURITY	.00	.0	75.00	.0
TAXES & LICENSEs	5,835.00	.6	22,853.43	.5
TRAINING	.00	.0	10,580.00	.2
TELEPHONE	4,209.87	.5	221,356.92	5.2
SMALL TOOLS	.00	.0	1,509.34	.0
TRAVEL, SEMINARS & CONVENTIONS	.00	.0	13,417.29	.3
UTILITIES	777.72	.1	4,746.75	.1
CORPORATE TAX	.00	.0	800.00	.0
TOTAL OPERATING EXPENSES	349,256.81	38.7	2,016,583.61	47.2

PAYLESS COMMUNICATIONS, INC.
 INCOME STATEMENT
 FOR THE 11 PERIODS ENDED NOVEMBER 30, 1997

	+--- PERIOD TO DATE ---+		+----- YEAR TO DATE -----	
	ACTUAL	PERCENT	ACTUAL	PERCENT
NET INCOME FROM OPERATION	\$(29,005.36)	(3.2)%	(399,695.69)	(9.4)
EARNINGS BEFORE INCOME TAX	(29,005.36)	(3.2)	(399,695.69)	(9.4)
NET INCOME (LOSS)	\$(29,005.36)	(3.2)%	(399,695.69)	(9.4)

PAYLESS COMMUNICATIONS, INC.

MANAGEMENT PROFILES

MANAGERIAL PROFILE

Michael Osmon, PRESIDENT

Mr. Osmon has been in the telecommunications industry since 1991, assisting in the establishment of Long Distance Services in Sante Fe Springs, California, where his primary role was marketing manager. In 1994, he started Jett Marketing, specializing in the sales and marketing of long distance telecommunications to small business and niche residential markets. In 1997, Mr. Osmon expanded the business to become a switchless reseller, establishing Payless Communications, Inc.

Virginia Osmon, Secretary/Treasurer

Mrs. Osmon has extensive experience in business management. Her experience covers all aspects of management, including, hiring, training and supervising personnel. She has been in the telecommunications industry since 1994, working in Administration for Phoenix Network, Inc. In 1995, she began working for Jett Marketing. Her responsibilities included managing the financial functions of the Company including preparation of corporate financial information for Jett Marketing and then Payless Communications, Inc.

PAYLESS COMMUNICATIONS, INC.

PROPOSED TARIFF

FLORIDA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of services and facilities for telecommunications services provided by Payless Communications, Inc., with principal offices at 1820 E. First Street, Santa Ana, California 92705. This tariff applies for services furnished within the state of Florida. This tariff is on file with the Florida Public Service Commission (FPSC), and copies may be inspected, during normal business hours, at the Company's principal place of business.

Issued :

Effective: _____

Issued By: Michael Osmon, President
Payless Communications, Inc.
1820 E. First Street, Suite 200
Santa Ana, California 92705

CHECK SHEET

Sheets 1 through 20 inclusive of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

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

Issued :

Effective: _____

Issued By: Michael Osmon, President
Payless Communications, Inc.
1820 E. First Street, Suite 200
Santa Ana, California 92705

TABLE OF CONTENTS

Title Sheet..... 1
 Check Sheet..... 2
 Table of Contents..... 3
 Explanation of Symbols..... 4
 Tariff Format..... 5

SECTION 1 Technical Terms and Abbreviations..... 6

SECTION 2 Rules and Regulations..... 9
 2.1. Application of Tariff..... 9
 2.2. Service Description..... 9
 2.3. Interconnection with Other Common Carriers..... 9
 2.4. Shortage of Facilities..... 9
 2.5. Uses of Services..... 10
 2.6. Liability of the Company..... 10
 2.7. Assignment..... 11
 2.8. Responsibilities of the Customer..... 12
 2.9. Responsibilities of Authorized Users..... 13
 2.10. Termination or Interruption of Services..... 13
 2.11. Restoration of Service..... 14
 2.12. Payment for Service..... 14
 2.13. Deposits and Advance Payments..... 15
 2.14. Billing Entity Conditions..... 16
 2.15. Discontinuation of Services..... 16
 2.16. Right to Backbill for Improper Use of the Company's Service(s)..... 16
 2.17. Employee Concessions..... 16
 2.18. Return Check Charge..... 16
 2.19. Customer Requirements for Specific Services..... 16

SECTION 3 Description of Services 17
 3.1. Service Offerings..... 17
 3.2. Billing Periods..... 18
 3.3. Timing of Calls..... 18
 3.4. Minimum Call Completion Rate..... 18
 3.5. Uncompleted Calls..... 18
 3.6. Calculation of Distance..... 18

SECTION 4 Rates and Charges..... 19

Issued :

Effective: _____

Issued By: Michael Osmon, President
 Payless Communications, Inc.
 1820 E. First Street, Suite 200
 Santa Ana, California 92705

EXPLANATION OF SYMBOLS

- 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 :

Effective: _____

Issued By: Michael Osmon, President
Payless Communications, Inc.
1820 E. First Street, Suite 200
Santa Ana, California 92705

TARIFF FORMAT

- A. **Sheet Numbering** - Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 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 revision on file with the FPSC. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc. the FPSC follows in their tariff approval process, the most current sheet number on file with the 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 eight levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2.
 - 2.1.
 - 2.1.1.
 - 2.1.1.A.
 - 2.1.1.A.1.
 - 2.1.1.A.1(a)
 - 2.1.1.A.1(a)I
 - 2.1.1.A.1(a)I(i).
- D. **Check Sheets** - When a tariff filing is made with the FPSC, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this page if there are only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the FPSC.

Issued :

Effective: _____

Issued By: Michael Osmon, President
Payless Communications, Inc.
1820 E. First Street, Suite 200
Santa Ana, California 92705

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

- Access** - An arrangement which connects the calling customer's location to an interexchange switching center.
- Access code** - A sequence of numbers that, when dialed, connect the caller to the provider of services associated with that sequence.
- Authorized User** - A user who is a customer, or a person authorized by a customer that uses the Company's Services. An Authorized User is responsible for compliance with this tariff.
- Billed Party** - The person or entity responsible for payment for use of the Company's Service(s).
- Called Station** - The termination point of a call (i.e., the called number).
- Calling Station** - The origination point of a call (i.e. the calling number).
- Central Office** - A Local Exchange Carrier switching system where Local Exchange Carrier customer station loops are terminated for purposes of interconnection to each other and to trunks.
- Channel** - A path for electrical transmission between two or more points, the path having a band width designed to carry voice grade transmission.
- Common Carrier** - A company or entity providing telecommunications services to the public.
- Company** - Payless Communications, Inc.
- Credit Card Calls (Calling Card Calls)** - A Direct Dialed or Operator Assisted call for which charges are billed not to the originating telephone number, but to a credit card, such as Visa or Master Card, or to a LEC or interexchange carrier calling card, including calling cards issued by the Company.
- Customer** - Any person, firm, partnership, association, joint stock company, trust, corporation, governmental entity or any other entity which orders service, that is responsible for payment of charges and for compliance with this tariff.
- Customer Dialed Calling Card Call** - A call that is billed to a Calling Card that does not require intervention by an attended operator position to complete.
- Customer Provided Equipment** - Telecommunications equipment provided by a customer or authorized user used to originate calls using the Company's service.
- Day** - From 8:00 AM up to but not including 5:00 PM local time Monday through Friday.

Issued :

Effective: _____

Issued By: Michael Osmon, President
Payless Communications, Inc.
1820 E. First Street, Suite 200
Santa Ana, California 92705

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (Continued)

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

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

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

FCC - The Federal Communication Commission.

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

Florida Intrastate Long Distance Message Telecommunication Service (LDMTS) - The furnishing of Direct Dialed and Operator Assisted Florida intrastate Services to the Customer for the completion of long distance voice and/or dial-up data transmissions over voice grade channel(s) from the Company's point(s) of presence between one or more stations in the state of Florida, as specified in this tariff.

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

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

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

Personal Identification Numbers (PINs) - A numerical code, one or more of which may be assigned to a Customer, to enable the Company to identify the origin of the Service user for security and/or billing purposes. All Authorization Codes shall be the sole property of the Company and no Customer shall have any property or other right or interest in the use of any particular Authorization Code.

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

Issued :

Effective: _____

Issued By: Michael Osmon, President
Payless Communications, Inc.
1820 E. First Street, Suite 200
Santa Ana, California 92705

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (Continued)

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

Subscriber - The property, or property owner, to which the Company provides service.

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

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

Issued :

Effective: _____

Issued By: Michael Osmon, President
Payless Communications, Inc.
1820 E. First Street, Suite 200
Santa Ana, California 92705

SECTION 2 - RULES AND REGULATIONS**2.1. Application of Tariff**

This tariff contains the regulations and rates applicable to the provision of Florida Intrastate Long Distance Message Telecommunication Service ("LDMTS") by Payless Communications, Inc. (hereinafter referred to as the "Company") between domestic points within the state of Florida as specified in this tariff. Service is furnished subject to the availability of facilities and subject to transmission, atmospheric and like conditions.

All terms, conditions and limitations of liability contained in this tariff apply to all Florida intrastate services including international and domestic services provided by the Company, and including those where charges are established pursuant to contract, unless the contract explicitly provides otherwise.

2.2. Service Description

Florida Intrastate Long Distance Message Telecommunication Service (hereinafter referred to as "LDMTS") is offered to residential and business Customers of the Company for the transmission of voice communications calls placed between one or more stations in the state of Florida. The Company provides long distance network Services for voice grade and data transmission Services. All services are provided subject to the terms and conditions set forth in this tariff.

The Company installs, operates, and maintains the communication service provided hereunder 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.

2.3. Interconnection with Other Common Carriers

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

2.4. Shortage of Facilities

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

Issued :

Effective: _____

Issued By: Michael Osmon, President
Payless Communications, Inc.
1820 E. First Street, Suite 200
Santa Ana, California 92705

SECTION 2 - RULES AND REGULATIONS (Continued)**2.5. Uses of Services**

- 2.5.1. Services provided under this tariff may be used only for transmission of communications by customers in a manner consistent with the terms of this tariff and regulations of the FCC and all state and local authorities having jurisdiction over the service.
- 2.5.2. Services provided in this tariff shall not be used for unlawful purposes.
- 2.5.3. The use of the Company's Service(s) without payment for Service or attempting to avoid payment for Service(s) by fraudulent means or devices, schemes, false or invalid numbers of false calling or credit cards is prohibited.

2.6. Liability of the Company

- 2.6.1. Except as stated in Section 2.6, the Company shall have no liability for damages of any kind arising out of or related to events, acts, rights or privileges contemplated in this tariff. This tariff does not limit the liability of the Company for gross negligence or willful misconduct.
- 2.6.2. The liability of the Company, if any, for damages resulting from or arising in connection with the furnishing of Service(s) in this tariff, including but not limited to mistakes, omissions, interruptions, delays, errors, defects in transmission, or failures or defects in facilities furnished by the Company shall in no way exceed an amount of money equivalent to the charges applicable under this tariff. However, any such mistakes, omissions, interruptions, delays, errors, or defects in transmission or Service(s) that are caused by or contributed to by the negligence or willful act of the Customer, or which arise from the use of Customer-Provided Facilities or equipment shall not result in the imposition of any liability upon the Company.
- 2.6.3. The Company disclaims any express or implied warranties with respect to the Services, including without limitation, any implied warranties of merchantability and fitness for a particular purpose.
- 2.6.4. The Company is not liable for any act, omission or negligence of any Local Exchange Carrier or other provider whose facilities are used concurrently in furnishing any portion of the Service(s) received by Customer, or for the unavailability of or any delays in the furnishing of any Service(s) or facilities that are provided by any Local Exchange Carrier. Should the Company employ the service of any Other Common Carrier in furnishing the Services provided to Customer, the Company's liability shall be limited according to the provisions of Section 2.6.2 above and elsewhere in this tariff.

Issued :

Effective: _____

Issued By: Michael Osmon, President
Payless Communications, Inc.
1820 E. First Street, Suite 200
Santa Ana, California 92705

SECTION 2 - RULES AND REGULATIONS (Continued)**2.6. Liability of the Company (Continued)**

- 2.6.5. The Company shall not be liable for any failure of performance due to causes beyond its control, including but not limited to fire, flood, or other catastrophes; Acts of God; atmospheric conditions or other phenomena of nature; federal, state or local governments having jurisdiction over the Company or the Services provided within this tariff; national emergencies; civil disorder, insurrections, riots, wars, strikes, lockouts, work stoppages, or other labor problems or regulations established or actions taken by any court or government agency having jurisdiction over the Company.
- 2.6.6. The Company shall be indemnified and held harmless by the Customer and Authorized User from and against all loss, liability, damage, and expense, including reasonable attorney's fees and court costs, due to claims for libel, slander, or infringement of copyright or trademark in connection with any material transmitted by any person using the Company's Service(s) and any other claim resulting from any act or omission of the Customer or Authorized User relating to the use of the Company's facilities and Service(s).
- 2.6.7. The Company shall not be responsible for the installation, operation or maintenance of any Customer-provided communications equipment.
- 2.6.8. Where Customer-provided equipment is connected to service furnished pursuant to this tariff, the responsibility of the Company shall be limited to the maintenance and operations of such services in the proper manner; subject to this responsibility, the Company shall not be responsible for the through transmission of signals generated by Customer-provided equipment or for the quality of, or defects in, such transmission; or the reception of signals by Customer-provided equipment; or network control signaling where such signaling is performed by Customer-provided network control signaling equipment.
- 2.6.9. Under no circumstances whatsoever shall the Company or its officers, directors, agents, or employees be liable for any indirect, incidental, special, or consequential damages.

2.7. Assignment

Customer shall not assign or transfer the use of the Company's Services except with the prior written consent of the Company in each and every instance.

Issued :

Effective: _____

Issued By: Michael Osmon, President
Payless Communications, Inc.
1820 E. First Street, Suite 200
Santa Ana, California 92705

SECTION 2 - RULES AND REGULATIONS (Continued)**2.8. Responsibilities of the Customer**

- 2.8.1. The Customer is responsible for placing any necessary orders, and for complying with tariff Regulations, and for ensuring that Authorized users comply with tariff regulations. The Customer is also responsible for the payment of charges for calls originated at the Customer's premises. This includes payment for LDMTS calls or services originated at the Customer's number(s); accepted at the Customer's number(s) (i.e., collect calls); billed to the Customer's number via Third Number Billing if the Customer is found to be responsible for such call or service, the use of a Calling Card, the use of a Company assigned Special Billing Number and incurred at the specific request of the Customer.
- 2.8.2. The Customer is responsible for charges incurred for special construction and/or special facilities that the Customer requests and which are ordered by the Company on the Customer's behalf.
- 2.8.3. If required for the provision of the Company's Services, the Customer must provide any equipment space, supporting structure, conduit, and electrical power without charge to the Company.
- 2.8.4. The Customer is responsible for arranging ingress to its premises at times mutually acceptable to the Customer and the Company when required for the Company personnel to install, repair, maintain, program, inspect, or remove equipment associated with the provision of the Company's Service(s). Occasionally customer requested changes and testing for impairment may only be evident at certain times (i.e., a certain hour of the day). In such cases, LDMTS must be made available for testing during the same time periods if the trouble condition is to be corrected.
- 2.8.5. The Customer shall ensure that its terminal equipment and system is properly interfaced with the Company's facilities and Services, that the signals and voltages emitted into the Company's facilities are of the proper mode, bandwidth, power, and signal level of the intended use of the Customer and in compliance with the criteria set forth in the rules of the FCC, and that the signals do not damage equipment, injure personnel or degrade Service to other Customers.
- 2.8.6. Interconnection between the Customer's equipment and Company-provided service must be made by the Customer by leased channel or dial-up service. Where interconnection between Customer's equipment and Company-provided service is not made by lease of Company facilities, interconnection must be made by the Customer at the Company's operating offices. Any special interface equipment necessary to achieve the compatibility between facilities of the Company and the channels or facilities of others shall be provided at the Customer's expense.
- 2.8.7. If the protective requirements in connection with Customer-provided equipment are not being complied with, the Company may take such immediate action as necessary to protect its facilities and personnel and will promptly notify the Customer of the need for protective action. In the event that the Customer fails to advise the Company within 10 days after such notice is received that corrective action has been taken, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities and personnel from harm.

Issued :

Effective: _____

Issued By: Michael Osmon, President
Payless Communications, Inc.
1820 E. First Street, Suite 200
Santa Ana, California 92705

SECTION 2 - RULES AND REGULATIONS (Continued)**2.8. Responsibilities of the Customer (Continued)**

- 2.8.8 The Customer is liable to the Company for replacement and repair of damage to the equipment and facilities of the Company caused by negligence and willful act of the Customer, its Authorized Users, and others, and for improper use of equipment provided by the Customer, its Authorized Users, and others.
- 2.8.9. The Customer is liable for the loss through theft and fire of any of the Company's equipment installed at Customer's premises.

2.9. Responsibilities of Authorized Users

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

2.10. Termination or Interruption of Services

- 2.10.1. Without incurring liability, the Company may by 24 hours advance notice discontinue Service(s) to a Customer or to a particular Customer location, or may withhold the provision of ordered or contracted Service(s) under the following conditions:
- (i) For past due balances or when usage has exceeded the estimated credit limit established by the Company;
 - (ii) For violation of the terms or conditions governing the furnishing of services under this tariff;
 - (iii) For violation of any law, rule, regulation, or policy of any governing authority having jurisdiction over the Company's Service(s); or

Issued :

Effective: _____

Issued By: Michael Osmon, President
Payless Communications, Inc.
1820 E. First Street, Suite 200
Santa Ana, California 92705

SECTION 2 - RULES AND REGULATIONS (Continued)**2.10. Termination or Interruption of Services (Continued)**

2.10.1 (Continued)

(iv) By reason of any order or decision of a court having competent jurisdiction, public utility commission, federal regulatory body or other governing authority prohibiting the Company from furnishing its Service(s).

2.10.2. Without incurring liability, the Company may temporarily interrupt the provision of Service(s) at any time in order to perform test(s) and inspection(s) to assure compliance with tariff regulations and the proper installation and operation of Customer and the Company's equipment and facilities.

2.10.3. In the event that the Company incurs attorneys fees or other costs to recover any sums then due and the Company prevails, the Company shall be entitled to recover its costs of collection, legal costs, court costs, and reasonable attorneys' fees, in addition to whatever other relief the court may award. The Company may assign or sell receivables to Local Exchange Carriers, collection agencies or other parties and said amounts owed to the Company shall then become due and payable to said third party.

2.10.4. Service(s) may be discontinued by the Company, without notice to the Customer, by blocking traffic to and from certain countries, cities, NXX's, or by blocking calls using certain Customer Authorization Codes or Calling Card Account Numbers when the Company deems it necessary to take such action to prevent fraud or other unlawful use of its Service(s). The Company may restore Service(s) as soon as it can be provided without undue risk.

2.10.5. If, for any reason, Service(s) is interrupted, the Customer will only be charged for the Service(s) that was actually used.

2.11. Restoration of Service

The use and restoration of service shall be in accordance with the priority system specified in the Rules and Regulations of the Federal Communications Commission.

2.12. Payment for Service

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

2.12.1. Charges for Third Party calls will be included on the Billed Party's local exchange telephone company bill pursuant to billing and collection agreements established by the Company or its intermediary with the applicable telephone company.

Issued :

Effective: _____

Issued By: Michael Osmon, President
Payless Communications, Inc.
1820 E. First Street, Suite 200
Santa Ana, California 92705

SECTION 2 - RULES AND REGULATIONS (Continued)**2.12 Payment for Service (Continued)**

- 2.12.2. Charges for Credit Card Calls will be included on the Billed Party's regular monthly statement from the card-issuing company.
- 2.12.3. The Customer will be billed for and is liable for payment of all applicable federal, state and local use, assessments, surcharges, sales and/or privilege taxes and/or similar liabilities chargeable to or against the Company as a result of the provision of the Company's Service(s), in addition to the rates indicated in this tariff. Taxes or surcharges may be passed through to customers of a taxing jurisdiction on a prorated basis such that the total of all such charges aggregated among all customers in the taxing jurisdiction shall approximately equal the total amount of tax due in that jurisdiction.
- 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.
- 2.12.4. The Customer shall remit payment of all charges to the Company or to any agency authorized by the Company to receive such payment. Any disputed amounts or claims against an invoice must be made in writing within 30 (thirty) days from the date of invoice. Undisputed amounts may not be withheld.
- 2.12.5. If the bill is not paid within twenty calendar days following the mailing of the bill, the account will be considered delinquent.
- 2.12.6. Bills are due and payable upon receipt. Interest at the lesser of (1) the rate of one and one-half (1.5 %) percent per month, or (2) the highest rate allowed by law per month shall accrue upon any unpaid amount commencing thirty (30) days after the date of the bill for the amount first sent.
- 2.12.7. A delinquent account may subject the Customer's Service(s) to temporary disconnection.
- 2.12.8. A reconnection fee of \$25.00 per occurrence is charged when service is re-established for customers who had been disconnected for non-payment
- 2.12.9. Failure to receive a bill will not exempt a Customer from prompt payment of any sum(s) due the Company.
- 2.12.10 Charges for recurring fees shall be billed one (1) month in advance. Usage charges shall be billed one (1) month in arrears.

2.13. Deposits and Advance Payments

- 2.13.1. The Company does not require a deposit or an advance payment from the Customer.

Issued :

Effective: _____

Issued By: Michael Osmon, President
Payless Communications, Inc.
1820 E. First Street, Suite 200
Santa Ana, California 92705

SECTION 2 - RULES AND REGULATIONS (Continued)**2.14. Billing Entity Conditions**

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

2.15. Discontinuation of Service(s)

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

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

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

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

2.17. Employee Concessions

The Company does not provide for any employee concessions.

2.18. Return Check Charges

A return check charge of \$20.00 or 5% of the amount of the check, whichever is greater, will be assessed for checks returned for insufficient funds.

2.19. Customer Requirements for Specific Services

At this time the Company does not have customer requirements for specific services. This section will be reserved for future use.

Issued :

Effective: _____

Issued By: Michael Osmon, President
Payless Communications, Inc.
1820 E. First Street, Suite 200
Santa Ana, California 92705

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

The information in this section pertains to all classes of Dial Station and Calling Card international message telecommunications service and long distance message telecommunications services offered pursuant to this tariff unless otherwise noted. Florida Intrastate Long Distance Message Telecommunications Service (LDMTS) is service offered on a per call basis to Customers originating calls from locations within the state of Florida. Such service is available twenty-four (24) hours per day seven (7) days per week.

3.1.1. Payless One Rate Service

Discount flat rate outbound service that is presubscribed. This service is available to both residential and business customers.

3.1.2. Payless Prepaid Card Service

Rechargable prepaid card allowing access to long distance services from anywhere in the state to anywhere in the state.

3.1.3. Payless Travel Service

Allows customers to gain access to their long distance service from anywhere in the state to anywhere in the state via discount service billed back to user's account. This service is available to both residential and business customers.

3.1.4. Long Distance Directory Assistance

Service offered on a per call basis to all Commercial and Residential Customers whereby the customer may obtain telephone numbers by dialing 1 + area code + 555-1212. Such service is available twenty-four (24) hours per day, seven (7) days a week

Issued :

Effective: _____

Issued By: Michael Osmon, President
Payless Communications, Inc.
1820 E. First Street, Suite 200
Santa Ana, California 92705

SECTION 3 - DESCRIPTION OF SERVICES (Cont'd)**3.2. Billing Periods**

Unless otherwise indicated, for commercial Florida intrastate calls or for residential Florida intrastate calls there is generally a one minute minimum charge, with additional time billed in increments of one minute with full minute rounding unless otherwise indicated. Timing on completed calls begins when the call is answered by the called party. Timing terminates on all calls when either party goes to the on-hook mode.

3.3. Timing of 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. 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. A call is terminated when either party hangs up.

3.4. Minimum Call Completion Rate

The customer can expect a call completion rate (number of calls completed / number of calls attempted) of not less than 98% during peak use periods for all FG D services.

3.5. Uncompleted Calls

There shall be no charge for uncompleted calls.

3.6. Calculation of Distance

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

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

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

Issued :

Effective: _____

Issued By: Michael Osmon, President
Payless Communications, Inc.
1820 E. First Street, Suite 200
Santa Ana, California 92705

SECTION 4 - RATES AND CHARGES

This section sets forth the rates and charges applicable to the Company's services. The rates are applicable to domestic Florida intrastate services and facilities. All rates and charges are expressed in U. S. dollars. Calls which overlap rate periods will be charged according to the rates applicable to the time recorded in each period.

4.1. Payless One Rate Service

Rates Per Minute:	Day	\$.2200
	Evening:	\$.2200
	Night/Weekend	\$.2200

Calls are billed in 60 second increments with a 60 second minimum.

4.2. Payless Prepaid Card Service

Rates Per Minute:	Day	\$.3500
	Evening:	\$.3500
	Night/Weekend	\$.3500

Calls are billed in 60 second increments with a 60 second minimum.

4.3. Payless Travel Service

Rates Per Minute:	Day	\$.2200
	Evening:	\$.2200
	Night/Weekend	\$.2200

Per call charge \$.5000

Calls are billed in 60 second increments with a 60 second minimum.

4.4. Long Distance Directory Assistance

Per Call Charge \$1.00

Issued :

Effective: _____

Issued By: Michael Osmon, President
Payless Communications, Inc.
1820 E. First Street, Suite 200
Santa Ana, California 92705

4.5. Special Promotions and Discounts

The Company may from time to time engage in special promotional trial service offerings of limited duration, not to exceed ninety (90) days per customer, for non-optional, recurring charges, designed to attract new subscribers or to increase subscriber awareness of a particular service offering. Requests for promotional offerings will be presented to the Florida Public Service Commission for its approval.

4.6. Special Rates for the Handicapped

- 4.6.1. A telephone toll message which is communicated using a telecommunications device for the deaf (TDD) by properly certified hearing or speech impaired persons or properly certified business establishments or individuals equipped with TDDs for communicating with hearing or speech impaired persons will receive, upon request, credit on charges for certain intrastate toll charges placed between TDDs. The credit to be given on a subsequent bill for such calls placed between TDDs will be equal to a 5% discount on dialed calls using services which have no time of day pricing element. Those dialed calls using a service which has a time of day pricing element will receive a credit on a subsequent bill equal to applying the evening rate for daytime calls and the night rate for evening and night calls.
- 4.6.2. For intrastate toll calls received from the relay service, the Company will when billing relay calls discount relay service calls by 50% off of the otherwise applicable rate for a voice nonrelay call except that where either the calling or the called party indicates that either party is both hearing and visually impaired, the call shall be discounted 60% 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.
- 4.6.3. In the event, the Company provides Directory Assistance services in the future, there will be no charge for the first 50 directory assistance calls made per billing cycle from lines or trunks serving individuals with disabilities.

Issued :

Effective: _____

Issued By: Michael Osmon, President
Payless Communications, Inc.
1820 E. First Street, Suite 200
Santa Ana, California 92705

PCSi
A DIVISION OF



Professional
Certification
Services
International

Information for toll-free
numbers just got a new
number™
1-800-555-1414

DEPOSIT

DATE

D748 ~

APR 06 1998

April 2, 1998

Florida Public Service Commission
Division of Record and Reporting
2540 Shumard Oak Blvd.
Easley Building
Tallahassee, Florida 32399-0850

980484-TI

RE: Application for Certificate of Authority for **Payless Communications, Inc.** to resell Interexchange Telecommunications Services in the State of Florida

Dear Florida Public Service Commission:

Payless Communications, Inc. hereby submits the enclosed Application, seeking authority to operate as a reseller of interexchange telecommunications services within the State of Florida.

An original and twelve (12) copies of the application, and all other supporting documents are provided. A check in the amount of \$250.00 to cover the application fee is enclosed as well.

Please date-stamp the attached copy of this letter and return it in the enclosed postage-paid return envelope to the undersigned.

Should there be any question or additional information required, please do not hesitate to contact me at the indicated phone number. Thank you.

Sincerely,

2331

PAYLESS COMMUNICATIONS INC.
1820 E FIRST ST, STE#200
SANTA ANA, CA 92705-4028
714-647-0908

18-4118/1220

DATE 4/1/98

PAY TO THE ORDER OF Florida Public Service Commission \$ 250.00

two hundred & fifty ⁰⁰/₁₀₀ DOLLARS

FIRST CENTRAL BANK, N.A.
11812 East South Street
Cerritos, California 90703

Tammy Sprague

FOR