

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

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

3500 N. CAUSEWAY BOULEVARD
SUITE 1442
METAIRIE, LOUISIANA 70002
TELEPHONE (504) 832-1984
FACSIMILE (504) 831-0892

MONICA R. BORNE
JEFFREY T. GREENBERG
OFL Counsel

DEPOSIT
D760

DATE

APR 22 1998

980588-11

April 20, 1998

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

RE NETWORK TELEPHONE, INC

Dear Ms Hawkins

Enclosed please find an original and six (6) copies of Application Form for authority to provide interexchange telecommunications service within the State of Florida, submitted on behalf of Network Telephone, Inc. Also enclosed is the requisite \$250.00 filing fee.

Please acknowledge receipt of this filing by returning a date stamped copy of this letter in the self-addressed envelope provided.

Thank you for your assistance. Please call with any questions.

Sincerely,



Monica R. Borne

Enclosure
cc Eric Landry, Network Telephone

This document has been placed in confidential storage pending advice from OPR staff on further handling.

MAIL ROOM
APR 22 AM 10 11
RECEIVED
625
APR 22 1998

**** 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

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
Network Telephone, Inc.
- 4 Name under which the applicant will do business (fictitious name, etc.)
Same as 3 above.
- 5 National address (including street name & number, post office box, city, state and zip code)
**804 S. Palafox Street
Pensacola, FL 32501**
- 6 Florida address (including street name & number, post office box, city, state and zip code)
**804 S. Palafox Street
Pensacola, FL 32501**
- 7 Structure of organization.
- | | |
|--|---|
| <input type="checkbox"/> Individual | <input checked="" type="checkbox"/> Corporation |
| <input type="checkbox"/> Foreign corporation | <input type="checkbox"/> Foreign Partnership |
| <input type="checkbox"/> General Partnership | <input type="checkbox"/> Limited partnership |
| <input type="checkbox"/> Other, _____ | |
- 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. **Exhibit A.**
Corporate charter number P97000091365
- (b) Name and address of the company's Florida registered agent.
Daniel Lozier
125 W. Romana Street
Pensacola, FL 32501
- (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,
Monica R. Borne, Attorney
3500 N. Causeway Blvd., Suite 1442
Metairie, LA 70002
Ph. (504) 832-1984; Fx. (504) 831-0892
 - (b) Official point of contact for the ongoing operations of the company.
Eric P. Landry, Vice President
804 S. Palafox Street
Pensacola, FL 32501
Ph. (850) 432-4855; Fx. (850) 470-9641
 - (c) Tariff,
Monica R. Borne, Attorney
3500 N. Causeway Blvd., Suite 1442
Metairie, LA 70002
Ph. (504) 832-1984; Fx. (504) 831-0892
 - (d) Complaints/Inquiries from customers.
Eric P. Landry, Vice President
804 S. Palafox Street
Pensacola, FL 32501
Ph. (850) 432-4855; Fx. (850) 470-9641

- 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
None.
 - (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 **None.**
- () Facilities () Operators
 () Billing and Collection () Sales
 () Maintenance
 () Other _____
13. Do you have a marketing program?
Yes.
14. Will your marketing program
- (x) 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 are paid based on volume of sales.
16. Who will receive the bills for your service (Check all that apply)?
- (x) Residential customers (x) 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.
Not applicable.

- 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 B.

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 C.

C. Technical capability. Exhibit D.

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 E.

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 FOD

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 FC¹³

Method of access is FGD

Method of access is 800

- MTS for pay telephone service providers
- Block-of-time calling plan (Reach out Florida, Ring America, etc.).
- 800 service (Toll free)
- WATS type service (Bulk or volume discount)
 - Method of access is via dedicated facilities
 - Method of access is via switched facilities
- Private Line services (Channel services)
(For ex. 1.544 mbs , DS-3, etc)
- Travel service
 - Method of access is 950
 - Method of access is 800
- 900 service
- Operator services
 - Available to presubscribed customers
 - Available to non presubscribed customers (for example to patrons of hotels, students in universities, patients in hospitals
 - Available to inmates

Services included are:

- Station assistance
 - Person to Person assistance
 - Directory assistance
 - Operator verify and interrupt
 - Conference Calling
- 21 What does the end user dial for each of the interexchange carrier services that were checked in services included (above)
- 22 Other:

**** 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 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

4-15-98
Date

ERIC P. LANDRY

CHIEF OPERATING OFFICER
Title

(850) 432-4855
Telephone No.

**** APPENDIX A ****

CERTIFICATE TRANSFER STATEMENT

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 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::

Eric Paul Landry
Signature

4-15-98
Date

ERIC P. LANDRY

CHIEF OPERATING OFFICER
Title

(850) 432-4855
Telephone No

**** APPENDIX C ****

INTRASTATE NETWORK

The Company is a pure reseller and will not own or operate any facilities.

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

	<u>POP-to-POP</u>	<u>TYPE</u>	<u>OWNERSHIP</u>
1)			
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)

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)

The Company will utilize the services of only Commission certificated underlying carriers which are in compliance with all EAEA requirements contained in Rule 25.24.471(4)(a).

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

- a) What services have been provided and when did these services begin?
- b) If the services are not currently offered, when were they discontinued?

UTILITY OFFICIAL::

E. Paul Landry
Signature

4-15-98
Date

ERIC P. LANDRY

CHIEF OPERATING OFFICER
Title

(850) 432-4855
Telephone No

**** APPENDIX D ****

FLORIDA TELEPHONE EXCHANGES
AND
EAS ROUTES

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

All service areas 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:		Alachuar Archer, Brooker, Hawthorne, High Springs, Melrose, Micanopy, Newberry and Waldo

OCALA:	Bellevue, 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	Hartow, 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, Lighthouse Point and Sanibel-Captiva Islands
NAPLES:	Marco Island and North Naples
WEST PALM BEACH:	Boynton Beach and Jupiter
POMPANO BEACH:	Boca Raton, Coral Springs, Deerfield Beach and Ft. Lauderdale
FT. LAUDERDALE:	Coral Springs, Deerfield Beach, Hollywood and Pompano Beach
HOLLYWOOD:	Ft. Lauderdale and North Dade
NORTH DADE:	Hollywood, Miami and Perrine
MIAMI:	Homestead, North Dade and Perrine

**** APPENDIX E ****

**** GLOSSARY ****

ACCESS CODE: The term denotes a uniform five 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 IXCs 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.

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.

FORM PSC/CMU 31 (11/95)

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

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

**ARTICLES OF INCORPORATION FILED
WITH THE FLORIDA SECRETARY OF STATE**



FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

October 24, 1997

DANIEL R. LOZIER, ESQ.
125 W. ROMANA ST., STE. 224
PENSACOLA, FL 32501

The Articles of Incorporation for NETWORK TELEPHONE, INC. were filed on October 22, 1997 and assigned document number P97000091365. Please refer to this number whenever corresponding with this office regarding the above corporation. The certification you requested is enclosed.

PLEASE NOTE: COMPLIANCE WITH THE FOLLOWING PROCEDURES IS ESSENTIAL TO MAINTAINING YOUR CORPORATE STATUS. FAILURE TO DO SO MAY RESULT IN DISSOLUTION OF YOUR CORPORATION.

A CORPORATION ANNUAL REPORT MUST BE FILED WITH THIS OFFICE BETWEEN JANUARY 1 AND MAY 1 OF EACH YEAR BEGINNING WITH THE CALENDAR YEAR FOLLOWING THE YEAR OF THE FILING DATE NOTED ABOVE AND EACH YEAR THEREAFTER. FAILURE TO FILE THE ANNUAL REPORT ON TIME MAY RESULT IN ADMINISTRATIVE DISSOLUTION OF YOUR CORPORATION.

A FEDERAL EMPLOYER IDENTIFICATION (FEI) NUMBER MUST BE SHOWN ON THE ANNUAL REPORT FORM PRIOR TO ITS FILING WITH THIS OFFICE. CONTACT THE INTERNAL REVENUE SERVICE TO RECEIVE THE FEI NUMBER IN TIME TO FILE THE ANNUAL REPORT AT 1-800-829-3676 AND REQUEST FORM SS-4.

SHOULD YOUR CORPORATE MAILING ADDRESS CHANGE, YOU MUST NOTIFY THIS OFFICE IN WRITING, TO INSURE IMPORTANT MAILINGS SUCH AS THE ANNUAL REPORT NOTICES REACH YOU.

Should you have any questions regarding corporations, please contact this office at the address given below.

John Nedeau, Document Specialist
New Filing Section

Letter Number: 897A00051810

State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of NETWORK TELEPHONE, INC., a Florida corporation, filed on October 22, 1997, as shown by the records of this office.

The document number of this corporation is P97000091365.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Twenty-fourth day of October, 1997



CR2EO22 (2-95)

A handwritten signature in cursive script, reading 'Sandra B. Northam'.

Sandra B. Northam
Secretary of State

ARTICLES OF INCORPORATION

OF

NETWORK TELEPHONE, INC.

FILED
97 OCT 22 11 8 03
FILED

THE UNDERSIGNED, for the purpose of forming a corporation under the Florida General Corporation Act, hereby adopt(s) the following Articles of Incorporation:

ARTICLE I

NAME

The name of this corporation is NETWORK TELEPHONE, INC. The principal place of business is 125 W. Romana Street, Suite 224, Pensacola, Florida 32501.

ARTICLE II

DURATION

The duration of this corporation is perpetual.

ARTICLE III

PURPOSE

The general purposes for which this corporation is organized are:

- (1) To transact any lawful business or businesses for which corporations may be incorporated under the Florida General Corporation Act.
- (2) To do such other things as are incidental to the foregoing or necessary, implied, helpful, or desirable in order to accomplish the foregoing.

ARTICLE IV

CAPITAL STOCK

This corporation is authorized to issue 10,000 shares of no par value common stock.

ARTICLE V

REGISTERED OFFICE AND AGENT

The street address of the initial registered office, and the mailing address of the Corporation in this State is 125 W. Romana Street, Suite 224, Pensacola, Florida 32501, and the name of its initial registered agent at such address is Daniel R. Lozier.

ARTICLE VI

BOARD OF DIRECTORS

The initial Board of Directors of this corporation shall consist of one (1) member. The size of the board may be increased or decreased from time to time as prescribed in the bylaws or by applicable law, but never shall the board consist of less than one (1) member.

ARTICLE VII

INCORPORATORS

The name and address of the Incorporator is Daniel R. Lozier, 125 W. Romana Street, Suite 224, Pensacola, Florida 32501.

ARTICLE VIII

AMENDMENT

These Articles of Incorporation may be amended in the manner provided by law.

IN WITNESS WHEREOF, I have subscribed my name this 21st day of October, 1997.

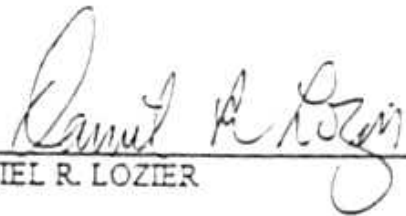


DANIEL R. LOZIER, Incorporator

ACCEPTANCE OF DESIGNATION AS RESIDENT AGENT

I, the undersigned, being the person named as the Registered Agent of NETWORK TELEPHONE, INC., a Florida corporation, hereby certify that I am familiar with the obligations provided for in Florida Statutes Chapter 607.0505 and hereby accept the appointment of Registered Agent and hereby accept said obligations.

DATED: October 21, 1997

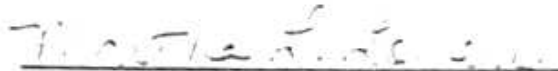


DANIEL R. LOZIER


STATE OF FLORIDA

COUNTY OF ESCAMBLA

The foregoing instrument was acknowledged before me this 21st day of October, 1997, by Daniel R. Lozier, who is personally known to me or who has produced a driver's license as identification and has not taken an oath.



NOTARY PUBLIC
Commission No. _____
My Commission Expires: _____

 Martha L. Lowery
My Commission CC382411
Expires December 22, 2001

FILED
97 OCT 22 AM 8 03
NOTARY PUBLIC
COUNTY OF ESCAMBLA
FLORIDA

EXHIBIT B

UNAUDITED FINANCIAL STATEMENTS AND PROJECTED FINANCIAL STATEMENTS

In support of its financial capability to provide the requested services, the Company has provided its unaudited financial statements for the year ending December 31, 1997. The Company has also attached 12 month Pro Forma income statements to support its ability to provide service on a continuous basis. In addition, the Company's C.E.O. has attached a letter explaining the Company's financial capability.

EXHIBIT "B"

Network Telephone, Inc.
 Balance Sheet
 End of Year One

Current assets	
Cash and cash equivalents	\$148,255
Accounts receivable, net	371,308
Investments	3,933,484
Total current assets	4,453,047
Property and equipment, net	
Total assets	1,179,417
	\$5,632,463
Current liabilities	
Current portion of long-term debt	114,127
Accounts payable and accrued expenses	297,496
Total current liabilities	411,623
Long term debt, less current portion	794,873
Total liabilities	1,206,496
Stockholders' equity	
Common stock	1,000
Additional paid-in capital	5,000,000
Retained earnings	(575,033)
Total stockholders' equity	4,425,967
Total liabilities and stockholders' equity	\$5,632,463

UNAUDITED

Exhibit "B"

**Network Telephone
Profit and Loss Statement
Year One**

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Revenues													
Business lines	\$13,824	\$29,316	\$46,656	\$65,664	\$86,400	\$108,664	\$133,056	\$163,158	\$191,085	\$220,740	\$250,116	\$281,498	\$1,590,436
Residential lines	1,520	3,230	5,130	7,270	9,500	11,970	14,630	18,005	21,605	25,430	29,255	33,935	181,430
Total revenues	15,344	32,606	51,786	72,884	95,900	120,634	147,686	181,163	212,690	246,170	279,371	315,433	1,771,866
Expenses													
Telecom services	13,788	28,138	44,073	61,595	80,702	101,395	123,676	148,909	164,264	180,910	203,909	228,199	1,379,599
Sales and marketing	31,800	31,800	31,800	31,800	31,800	31,800	24,800	24,800	24,800	24,800	24,800	24,800	339,600
Operating expenses	32,094	32,724	33,424	35,862	38,202	39,113	41,760	42,952	44,092	46,081	48,189	49,496	484,893
General and admin	77,682	92,662	109,298	129,256	150,704	172,308	202,735	231,681	248,161	267,721	291,898	317,496	2,291,582
Total	162,338	(60,056)	(37,512)	(56,372)	(54,804)	(51,474)	(55,049)	(50,498)	(35,471)	(21,551)	(12,528)	(2,062)	(519,216)
EQUIDA													
Liquor and amusements	583	583	583	583	583	583	583	21,917	21,917	21,917	21,917	21,917	21,917
Operating income	(62,921)	(60,639)	(58,095)	(56,956)	(55,388)	(52,058)	(55,633)	(72,414)	(57,388)	(43,668)	(34,444)	(23,979)	(541,633)
Other income (Expenses)													
Interest (expenses) income	(62,921)	(60,639)	(58,095)	(56,956)	(55,388)	(52,058)	(55,633)	(72,414)	(57,388)	(43,668)	(34,444)	(23,979)	(541,633)
Pretax income	(62,921)	(60,639)	(58,095)	(56,956)	(55,388)	(52,058)	(55,633)	(72,414)	(64,128)	(50,148)	(41,064)	(8,559)	(33,401)

UNAUDITED



NETWORK TELEPHONE
NOW YOU HAVE A CHOICE

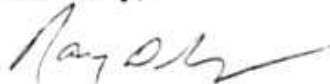
January 26, 1998

Florida Public Service Commission
Secretary
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0866

Dear Madam or Sir:

I have previously utilized the investment bank, Bear Stears & Co., to raise in excess of \$100,000,000.00 of capital. I intend once again to use Bear Stears & Co. for a private placement funding to raise sufficient capital to comply with the enclosed proforma. Should this not occur, I certify that as majority stockholder in Network Telephone that I have sufficient financial capabilities to comply with the proform enclosed.

Sincerely,



Ray Russenberger
Chief Executive Officer

EXHIBIT C

MANAGEMENT PROFILES

MANAGEMENT AND TECHNICAL CAPABILITIES OF NETWORK TELEPHONE, INC.

RAY D. RUSSEMBERGER, Chief Executive Officer. Mr. Russenberger began his career in telecommunications with Motorola, Inc. in 1979 selling two-way radio systems. In 1985 Mr. Russenberger founded Network Paging Corporation in Lafayette Louisiana and provided regional paging service covering the Gulf Coast from Houston, Texas to New Orleans, Louisiana. In 1988 Mr. Russenberger founded and became Chief Executive Officer of Network USA. In 1989 the company moved its headquarters to Pensacola, Florida and by 1995 became the nation's largest network of independent private carrier paging operators. In the period from 1989 to 1995 the company grew from 13 employees to more than 1400. Network USA was named one of *Inc. Magazine's* 500 Fastest Growing Private Companies in America in both 1994 and 1995. In October of 1995 Network USA merged with A+ Communications, a publicly held paging company in Nashville, Tennessee. Mr. Russenberger became Vice Chairman of the newly merged A+ Network. Mr. Russenberger left the company in November, 1996 when it was acquired by Metrocall, Inc. of Alexandria, Virginia.

ERIC P. LANDRY, Vice President and Chief Operations Officer. Mr. Landry began his career in telecommunications in 1985 as Systems Manager with Network Paging Corporation. He was responsible for operation and maintenance of the companies regional paging networks. In 1989 Mr. Landry became Vice President of Engineering and Systems at Network USA in Pensacola, Florida. Mr. Landry's responsibilities included the build out of a nationwide paging network, provisioning of services from local exchange and inter-exchange carriers throughout the United States and installation and operation of more than fifty paging terminal switches. Mr. Landry established the first centralized network operations center in the paging industry. In 1992 Mr. Landry took on the responsibility for all information systems and related technologies. When Network USA merged with A+ Network, Mr. Landry became Vice President of Regulatory Affairs. His duties included all federal, state and local communications regulatory compliance issues.

DENNIS C. ALLEN, Vice President, Sales and Marketing. In 1975 Mr. Allen became a Marketing Representative for IBM Corporation selling office products in the southeast region. In 1982 Mr. Allen founded Independent Office Equipment Company. The company sold personal computers, copiers, fax machines and other office products. In 1990 Mr. Allen started All-Com Consulting. This company resold long distance, paging and cellular services to business customers. The company had reseller arrangements with World Comm LCI, PageNet, and GTE Wireless. In 1996, All-Com acquired dealerships for digital fax machines and copiers. The company was then re-named Copy-Com. Copy-Com became the first company in Pensacola to resell local phone service through its affiliation with National-Tel of Ft. Lauderdale, Florida.

JOHNNY W. MATTHEWS, Chief Financial Officer. Mr. Matthews served as a financial executive for the past fifteen years. He was Chief Financial Officer for Network USA from 1991 to 1995; during this time he also managed accounting, collections, data entry, purchasing, and inventory. Prior to Network, Matthews was Manager of Operations Review for MobileComm, a division of BellSouth, responsible for internal audits, policies and procedures, and the due diligence portion of the company's acquisitions. Previous to MobileComm Mr. Matthews acquired extensive experience in auditing over twelve independent telephone companies in the southeast.

EXHIBIT D

TECHNICAL CAPABILITY

The Company will provide service on a pure resale basis. Therefore, its technical capability is reliant on that of its underlying service provider whose technical capability has been proven to this Commission. The Company will utilize the services of only Commission certificated interexchange carriers.

EXHIBIT E

PROPOSED TARIFF

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 Network Telephone, Inc. with principal offices at 804 S. Palafox Street, Pensacola, FL 32501. 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:

EFFECTIVE:

By

Eric P. Landry, Vice President
804 S. Palafox Street
Pensacola, Florida 32501

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

ISSUED

EFFECTIVE

By

Eric P. Landry, Vice President
804 S. Palafox Street
Pensacola, Florida 32501

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:

EFFECTIVE:

By:

Eric P. Landry, Vice President
804 S Palafox Street
Pensacola, Florida 32501

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

EFFECTIVE

By:

Eric P. Landry, Vice President
804 S. Palafox Street
Pensacola, Florida 32501

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).I.
2.1.1.A.1.(a).I.(i).
2.1.1.A.1.(a).I.(i).(1).

D. Check Sheets - When a tariff filing is made with the FPSC, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this page if 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:

EFFECTIVE:

By

Eric P. Landry, Vice President
804 S. Palafox Street
Pensacola, Florida 32501

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 - Network Telephone, Inc.

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

EFFECTIVE

By:

Eric P. Landry, Vice President
804 S. Palafox Street
Pensacola, Florida 32501

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's 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

EFFECTIVE

By

Eric P. Landry, Vice President
804 S. Palafox Street
Pensacola, Florida 32501

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

EFFECTIVE

By

Eric P. Landry, Vice President
804 S. Palafox Street
Pensacola, Florida 32501

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

ISSUED

EFFECTIVE:

By

Eric P. Landry, Vice President
804 S. Palafox Street
Pensacola, Florida 32501

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

EFFECTIVE:

By

Eric P. Landry, Vice President
804 S. Palafox Street
Pensacola, Florida 32501

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

EFFECTIVE

By

Eric P. Landry, Vice President
804 S. Palafox Street
Pensacola, Florida 32501

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 billing increments for each service is set forth in the individual product rate section.

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:

EFFECTIVE:

By:

Eric P. Landry, Vice President
804 S. Palafox Street
Pensacola, Florida 32501

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 V & 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 FG D services ("1+" dialing)

ISSUED:**EFFECTIVE:****By:**

Eric P. Landry, Vice President
804 S. Palafox Street
Pensacola, Florida 32501

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

EFFECTIVE

By

Eric P. Landry, Vice President
804 S. Palafox Street
Pensacola, Florida 32501

SECTION 3 - DESCRIPTION OF SERVICE continued

144

Operator Services

The Company does not provide operator services at this time

ISSUED

EFFECTIVE

By:

Eric P. Landry, Vice President
804 S. Palafox Street
Pensacola, Florida 32501

SECTION 4 - RATES

4.1 1+ Long Distance Service

- 4.1.1 Plan A: Offered to business customers using between \$0 and \$250.00 per month in long distance service.
- A. Rate per minute - \$0.099.
 - B. No monthly fee.
 - C. Billed in whole minutes.
 - D. Calling Card \$0.25 per minute. No surcharge.
- 4.1.2 Plan B: Offered to business customers using \$251.00 or more per month in long distance service.
- A. Rate per minute - \$0.089.
 - B. \$4.96 monthly recurring fee.
 - C. Billed in whole minutes.
 - D. Calling Card \$0.25 per minute. No surcharge.
- 4.1.3 Plan C: Offered to residential customers using between \$0 and \$250.00 per month in long distance service.
- A. Rate per minute - \$0.135.
 - B. No monthly fee.
 - C. Billed in whole minutes.
 - D. Calling Card \$0.25 per minute. No surcharge.
- 4.1.4 Plan D: Offered to business customers using \$251.00 or more per month in long distance service.
- A. Rate per minute - \$0.099.
 - B. \$2.00 monthly recurring fee.
 - C. Billed in whole minutes.
 - D. Calling Card \$0.25 per minute. No surcharge.

ISSUED

EFFECTIVE

By:

Eric P. Landry, Vice President
804 S. Palafox Street
Pensacola, Florida 32501

4.2 **Inbound 800/888 Long Distance Service**

4.1.1 Plan A: Offered to business customers using between \$0 and \$250.00 per month in long distance service

- A. Rate per minute - \$0.099.
- B. No monthly fee.
- C. Billed in whole minutes
- D. Calling Card \$0.25 per minute No surcharge

4.1.2 Plan B: Offered to business customers using \$251.00 or more per month in long distance service

- A. Rate per minute - \$0.089.
- B. \$4.96 monthly recurring fee
- C. Billed in whole minutes
- D. Calling Card \$0.25 per minute No surcharge

4.1.3 Plan C: Offered to residential customers using between \$0 and \$250.00 per month in long distance service

- A. Rate per minute - \$0.135.
- B. No monthly fee.
- C. Billed in whole minutes
- D. Calling Card \$0.25 per minute No surcharge

4.1.4 Plan D: Offered to residential customers using \$251.00 or more per month in long distance service

- A. Rate per minute - \$0.099.
- B. \$2.00 monthly recurring fee
- C. Billed in whole minutes
- D. Calling Card \$0.25 per minute No surcharge

4.3 **Calling Card Service ***

Rate per minute - \$0.25 per minute
Billed in whole minute increments
Per call surcharge of \$0.25

* Customers wanting travel card service only, will pay a \$2.95 monthly fee

ISSUED:

EFFECTIVE

By

Eric P. Landry, Vice President
804 S. Palafox Street
Pensacola, Florida 32501

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 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

EFFECTIVE

By:

Eric P. Landry, Vice President
804 S. Palafox Street
Pensacola, Florida 32501

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:**EFFECTIVE:****By:**

Eric P. Landry, Vice President
804 S. Palafox Street
Pensacola, Florida 32501

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

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

3500 N. CAUSEWAY BOULEVARD
SUITE 1442
METAIRIE, LOUISIANA 70002
TELEPHONE: (504) 832-1984
FACSIMILE (504) 831-0892

MONICA R. BORNE
JEFFREY T. GREENBERG
Of Counsel

DEPOSIT DATE
D760 APR 22 1998

April 20, 1998

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

RE: NETWORK TELEPHONE, INC.

Dear Ms. Hawkins:

Enclosed please find an original and six (6) copies of Application Form for authority to provide interexchange telecommunications service within the State of Florida, submitted on behalf of Network Telephone, Inc. Also enclosed is the requisite \$250.00 filing fee.

Please acknowledge receipt of this filing by returning a date stamped copy of this letter in the self-addressed envelope provided.

Thank you for your assistance. Please call with any questions.

NETWORK TELEPHONE, INC.
P.O. BOX 12063
PENSACOLA, FL 32590

EASTGATE OFFICE
1ST AMERICAN BANK
PENSACOLA, FLORIDA 32505

63-1100/632

0124

4/16/98

PAY TO THE ORDER OF Florida Public Service Commission

\$ 250.00

Two Hundred Fifty and 00/100.....

DOLLARS

Florida Public Service Commission

MEMO Long distance application

E. P. Gothard
AUTHORIZED SIGNATURE