

**USC Telecom, Inc.
1250 Wood Branch Park Drive
Houston, Texas 77079-1212
(281) 529-4600**

June 9, 1999

Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

990742-TI

**Re: USC Telecom, Inc.
Application and Petition for Certificate of Authority to Provide
Interexchange Telecommunications Service Within the State of Florida**

Pursuant to Florida Public Service Commission Rule Number 25-4.471, this Application is being filed on behalf of USC Telecom, Inc. ("USC Telecom"). USC Telecom intends to operate as a reseller of interexchange telecommunications services between points throughout the state of Florida. Also enclosed is check number 1721 in the amount of \$250.00 to cover the filing fee.

USC Telecom, Inc. was incorporated in the state of Delaware on July 17, 1998 and is a wholly-owned subsidiary of Equalnet Communications Corp., a public holding corporation, incorporated in Texas. USC Telecom filed application on July 31, 1998 for a Certificate of Qualification to transact business in the state of Florida. Proof of authority to operate in Florida under Registration Number F98000004380 is attached to this transmittal as Exhibit A.

Exhibit B includes unaudited Financial Statements for the period ending March 31, 1999 and Statement of financial capability. Also included is a resume of the President of the corporation. Technical capability is not demonstrated since the company relies on technical ability of the underlying carrier, Frontier Communications.

Exhibit C includes a proposed tariff for USC Telecom, Inc. that sets forth initial rates, terms and conditions for services it proposes to provide to its customers throughout the state of Florida.

Check received with filing and
separate fee paid for deposit.
Please to forward a copy of check
to PSC with proof of deposit.

Initials of person who forwarded check:

MAIL ROOM
RECEIVED
JUN 9 1999

DOCUMENT NUMBER-DATE

07126 JUN 10 99

FPSC DIVISION OF RECORDS AND REPORTING

Florida Public Service Commission

June 9, 1999

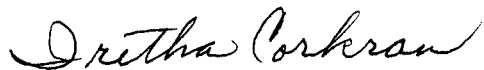
Page 2

Regulatory compliance reporting and utility fees are being handled by our regulatory compliance consultant, Mark Lammert, Technologies Management, Inc., 210 N. Park Avenue, Winter Park, Florida 21789, (407) 740-8575.

Enclosed with the Application are applicable Attachments B, C, and D and the Applicant Acknowledgement Statement. All are signed by USC Telecom's president, Mitchell H. Bodian.

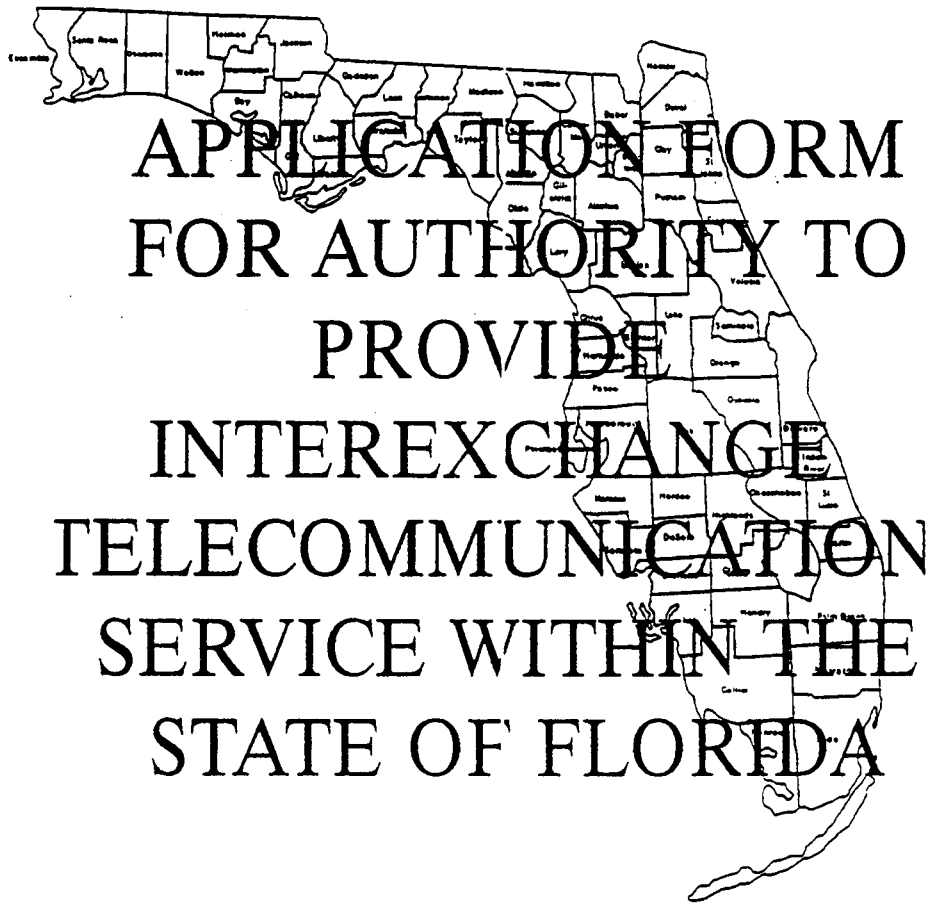
In addition to the original and eight (8) copies of this Application filed with the Commission, an extra copy of this transmittal letter is enclosed for date stamp and return in the self-addressed, stamped envelope provided with this filing. Questions regarding this application and tariff may be addressed to me at (281) 529-4689 or (fax) (281) 529-4686.

Sincerely,



Iretha Corkran
Regulatory Affairs

enclosures



APPLICATION FORM
FOR AUTHORITY TO
PROVIDE
INTEREXCHANGE
TELECOMMUNICATION
SERVICE WITHIN THE
STATE OF FLORIDA

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**** 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 as an application for an original certificate and for approval of assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Appendix A).
- B. Print or Type all responses 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. Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$250.00 to:

Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6770

Note: No filing fee is required for a assignment or transfer of an existing certificate to another certificated company.

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

Florida Public Service Commission
Division of Communications
Bureau of Certification and Evaluation
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6600

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

Original certificate (new company).

Approval of transfer of existing certificate:

Example, a certificated company purchases an existing certificated company and desires to retain the authority of both certificates.

Approval of assignment of existing certificate:

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

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

2. Name of company:

USC, TELECOM, INC. (DE)

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

SAME AS ABOVE

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

1250 WOOD BRANCH PARK DRIVE
HOUSTON TX 77079-1212

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

N/A
NO FL ADDRESS.

6. Select 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 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.

7. Structure of organization;

- () Individual () Corporation
() Foreign Corporation () Foreign Partnership
() General Partnership () Limited Partnership
() Other _____

8. If individual, provide:

Name : _____
Title : _____
Address: _____
City/State/Zip: _____
Telephone No.: _____ Fax No.: _____
Internet E-Mail Address: _____
Internet Website Address: _____

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

- (a) The Florida Secretary of State Corporate Registration number: N/A

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

- (a) The Florida Secretary of State Corporate Registration number: F 98000004380

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

- (a) The Florida Secretary of State fictitious name registration number: N/A

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

- (a) The Florida Secretary of State registration number: _____

13. If a partnership, provide name, title and address of all partners and a copy of the partnership agreement.

Name : _____

Title : _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ Fax No.: _____

Internet E-Mail Address: _____

Internet Website Address: _____

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

(a) The Florida registration number: _____

15. Provide FEID Number (if applicable): 76-0577008

16. Provide the following (if applicable):

(a) Will the name of your company appear on the bill for your services? Yes () No

(b) If not, who will bill for your services?

Name : _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ Fax No.: _____

Internet E-Mail Address: _____

Internet Website Address: _____

(c) How is this information provided?

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

(a) The application;

Name : IRETHA CORKRAN
Title : SENIOR REGULATORY ANALYST
Address: 1250 WOOD BRANCH PARK DRIVE
City/State/Zip: HOUSTON TX 77079-1212
Telephone No.: (281)529-4689 Fax No.: (281)529-4686
Internet E-Mail Address: irethacorkran@wp.enc.net
Internet Website Address: _____

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

Name : SAME AS ABOVE
Title : _____
Address: _____
City/State/Zip: _____
Telephone No.: _____ Fax No.: _____
Internet E-Mail Address: _____
Internet Website Address: _____

(c) Complaints/Inquiries from customers:

Name : JENNIFER DUTSCHMANN
Title : SPECIAL CORRESPONDENCE REP.
Address: 1250 WOOD BRANCH PARK DRIVE
City/State/Zip: HOUSTON TX 77079-1212
Telephone No.: 281 529-4515 Fax No.: 281 529-4686
Internet E-Mail Address: jdutschm@wp.enc.net
Internet Website Address: _____

18. List the states in which the applicant:

(a) has operated as an interexchange telecommunications company.

AZ, AR, CA, CO, NM, TX

(b) has applications pending to be certificated as an interexchange telecommunications company.

No

(c) is certificated to operate as an interexchange telecommunications company.

REGISTERED: CO, TX

CERTIFICATED: AZ, AR, CA, NM

(d) has been denied authority to operate as an interexchange telecommunications company and the circumstances involved.

No

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

No

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

No.

19. Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

(a) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. If so, please explain.

No.

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

No.

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

a. **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

b. **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

c. ___ 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

d. ___ MTS for pay telephone service providers

e. ___ Block-of-time calling plan (Reach Out Florida, Ring America, etc.).

f. 800 service (toll free)

g. WATS type service (bulk or volume discount)

- Method of access is via dedicated facilities
- Method of access is via switched facilities

h. ___ Private line services (Channel Services)
(For ex. 1.544 mbs., DS-3, etc.)

i. Travel service

- Method of access is 950
- Method of access is 800

j. ___ 900 service

k. 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

l. Services included are:

- Station assistance
- Person-to-person assistance
- Directory assistance
- Operator verify and interrupt
- Conference calling

21. Submit the proposed tariff under which the company plans to begin operation. Use the format required by Commission Rule 25-24.485 (example enclosed).

22. Submit the following:

A. Financial capability.

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

The unaudited financial statements must be signed by the applicant's chief executive officer and chief financial officer affirming that the financial statements are true and correct and must include:

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

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

Further, the following (which includes supporting documentation) must be provided:

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

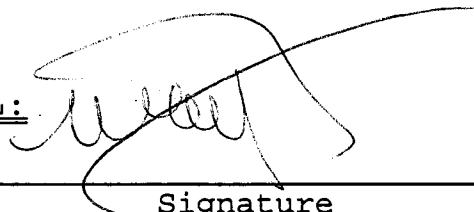
B. Managerial capability; give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.

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

**** APPLICANT ACKNOWLEDGEMENT STATEMENT ****

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of the gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
4. **APPLICATION FEE:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

UTILITY OFFICIAL:



Signature

6/8/99

Date

MITCHELL BODIAN, PRESIDENT

Title

(281) 529-4600

Telephone No.

Address: 1250 WOOD BRANCH PARK DRIVE
HOUSTON TX 77079-1212

Fax No.

ATTACHMENTS:

- A - CERTIFICATE TRANSFER OR ASSIGNMENT STATEMENT
- ✓ B - CUSTOMER DEPOSITS AND ADVANCE PAYMENTS
- ✓ C - INTRASTATE NETWORK
- ✓ D - CURRENT FLORIDA INTRASTATE SERVICES
- E - AFFIDAVIT
FLORIDA TELEPHONE EXCHANGES AND EAS ROUTES
GLOSSARY

** APPENDIX A **

CERTIFICATE TRANSFER OR ASSIGNMENT STATEMENT

N/A

I, (Name) _____,
(Title) _____ of
(Name of Company) _____

_____ and current holder of Florida Public Service Commission
Certificate Number _____, have reviewed this
application and join in the petitioner's request for a

transfer

assignment

of the above-mentioned certificate.

UTILITY OFFICIAL:

Signature

Date

Title

Telephone No.

Address: _____

Fax No.


** APPENDIX B **

CUSTOMER DEPOSITS AND ADVANCE PAYMENTS

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

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

UTILITY OFFICIAL:



Signature

MITCHELL BODIAN, PRESIDENT

Title

6/8/99

Date
(281)529-4600

Telephone No.

Address: 1250 WOOD BRANCH PARK DR.
HOUSTON TX 77079-1212

Fax No.

** APPENDIX C **

CURRENT FLORIDA INTRASTATE SERVICES

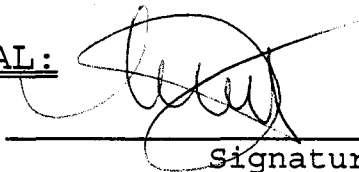
Applicant has () or has not (✓) previously provided intrastate telecommunications in Florida.

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:



Signature

MITCHELL BODIAN, PRESIDENT
Title

6/8/99
Date

(281) 529-4600
Telephone No.

Address: 1250 WOOD BRANCH PARK DRIVE
HOUSTON TX 77029-1212

Fax No.

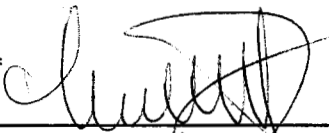
**** APPENDIX D ****

AFFIDAVIT

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

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

UTILITY OFFICIAL:

 6/8/99
Signature Date
MITCHELL BODIAN, PRESIDENT (281) 529-4600
Title Telephone No.

Address: 1250 WOOD BRANCH PARK DR. _____
HOUSTON TX 77079-1212 Fax No.

EXHIBIT A

**PROOF OF AUTHORITY TO TRANSACT BUSINESS
IN THE STATE OF FLORIDA**

APPLICATION FOR FOREIGN CORPORATION OR AUTHORIZATION
TO TRANSACT BUSINESS IN FLORIDA

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

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

2. Delaware 3. 76-0577008
(State or country under the law of which it is incorporated) (FEI number, if applicable)

4. July 17, 1998 5. Perpetual
(Date of Incorporation) (Duration: Year corp. will cease to exist or "perpetual")

6. Upon qualification
(Date first transacted business in Florida. (SEE SECTIONS 607.1501, 607.1502, AND 817.155, F.S.)

7. 1250 Wood Branch Park Drive
Houston, TX 77079-1212
(Current mailing address)

8. To engage in any lawful act or activity, including but not limited to providing telecommunication services.
(Purpose(s) of corporation authorized in home state or country to be carried out in the state of Florida)

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

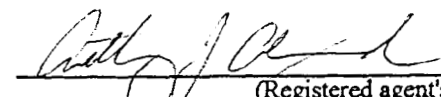
Name: NRAI SERVICES, INC.

Office Address: 526 E. Park Ave.

Tallahassee, Florida, 32301
(Zip Code)

10. Registered agent's acceptance:

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


(Registered agent's signature)
Anthony J. Alexander, VP of NRAI SERVICES, INC.

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

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
98 JUL 31 PM 2:38

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

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

Chairman: _____

Address: _____

Vice Chairman: _____

Address: _____

(Sole) Director: Mitchell H. Bodian

Address: 1250 Wood Branch Park Dr.

Houston, TX 77079-1212

Director: _____

Address: _____

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

President: Mitchell H. Bodian

Address: 1250 Wood Branch Park Dr.

Houston, TX 77079-1212

Vice President: Dean H. Fisher

Address: 1250 Wood Branch Park Dr.

Houston, TX 77079-1212

Secretary: Dean H. Fisher

Address: 1250 Wood Branch Park Dr.

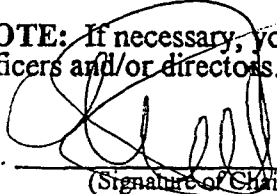
Houston, TX 77079-1212

Treasurer: Lance Hack

Address: 1250 Wood Branch Park Dr. Houston, TX 77079-1212

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

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

14. Mitchell H. Bodian, President
(Typed or printed name and capacity of person signing application)

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "USC TELECOM, INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-FOURTH DAY OF JULY, A.D. 1998.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE NOT BEEN ASSESSED TO DATE.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "USC TELECOM, INC." WAS INCORPORATED ON THE SEVENTEENTH DAY OF JULY, A.D. 1998.

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
98 JUL 31 PM 2:38



Edward J. Freel

Edward J. Freel, Secretary of State

2922277 8300

981289086

AUTHENTICATION: 9215831

DATE: 07-24-98

EXHIBIT B

**FINANCIAL STATEMENTS
AND AFFIRMATION**

STATEMENT OF FINANCIAL CAPABILITY

Attached are the financial statements of USC Telecom, Inc. ("USC Telecom") for the financial period ending March 31, 1999. The Company has been in operation since September 1998. The Company experienced extremely high rates of amortization in the early months of its existence due to the fact that the Company is amortizing its large (acquired) customer base (\$8.4MM) at a 6% declining balance rate. The Company's year-to-date loss of \$4,000,000 is attributed to customer base amortization of \$3,500,000 and interest expense of \$500,000.

As noted for the period ended March 31, 1999, the Company had a net loss of \$180,000 after customer base amortization of \$330,000. Taking this into consideration, the outlook for USC Telecom is positive based upon the trend toward positive cash flow and monthly decrease in customer base amortization. USC Telecom is confident of generating net income in the near future and of its ability to meet its financial obligations to provide the requested service, maintain it and to meet its lease and ownership obligations.

USC TELECOM
CONSOLIDATED BALANCE SHEET
MARCH 31, 1999

Mar-99

ASSETS

CURRENT ASSETS

CASH	279,367
ACCOUNTS RECEIVABLE	4,863,247
ALLOWANCE FOR DOUBTFUL ACCOUNTS	(843,244)
ADVANCES	-
PREPAID EXPENSES & OTHER	325,298

TOTAL CURRENT ASSETS 4,624,668

INTERCOMPANY RECEIVABLE	291,482
DEF. ACQUISITION COSTS / CUSTOMER ACQ.	5,230,369
INVESTMENT IN BCI	34,511
OTHER ASSETS	-

TOTAL ASSETS 10,181,030

LIABILITIES & STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	3,599,015
ACCRUED EXPENSES	1,502,718
OTHER LIABILITIES	400,000
ACCRUED SALES TAXES	749,004
BROKERAGE COMMISSIONS PAYABLE	-
PAYROLL ACCRUAL	73,941

TOTAL CURRENT LIABILITIES 6,324,678

INTERCOMPANY NOTE PAYABLE	
RFC/LONG TERM DEBT, NET OF CURRENT MATURITIES	(919,245)

TOTAL LIABILITIES 5,405,433

STOCKHOLDERS' EQUITY

ADDITIONAL PAID IN CAPITAL	8,710,231
RETAINED EARNINGS	(3,934,634)
STOCKHOLDER DISTRIBUTIONS	-

TOTAL STOCKHOLDERS' EQUITY 4,775,597

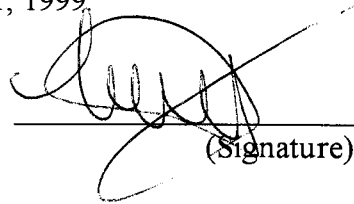
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY 10,181,030

	<u>YTD</u> <u>Mar-99</u>	<u>PERIOD</u> <u>Mar-99</u>
LD REVENUES	13,524,936	2,444,705
COST OF REVENUES	<u>12,312,033</u>	<u>1,991,745</u>
GROSS MARGIN	1,212,903	452,960
DEPARTMENTAL EXPENSES		
SALARIES AND RELATED	817,354	128,515
DEPARTMENTAL EXPENSE	145,172	11,219
ADMINISTRATIVE EXPENSE	126,285	11,244
LEASE EXPENSE	44,623	905
TOTAL S,G&A	<u>1,133,434</u>	<u>151,883</u>
WRITE DOWN OF ASSETS		
DEPRECIATION / AMORT	3,495,094	333,858
TOTAL DEPARTMENTAL	<u>4,628,528</u>	<u>485,741</u>
OPERATING INCOME	(3,415,625)	(32,781)
INTEREST INCOME	-	
INTEREST EXPENSE	519,009	147,086
MISCELLANEOUS	-	
TOTAL MISC & OTHER	<u>519,009</u>	<u>147,086</u>
INCOME (LOSS) BEFORE FEDERAL		
INCOME TAXES	(3,934,634)	(179,867)
FEDERAL INCOME TAX	<u>-</u>	
NET INCOME	<u><u>(3,934,634)</u></u>	<u><u>(179,867)</u></u>

SIGNATURE PAGE

We certify that we have examined the attached financial statements of USC Telecom, Inc.; that to the best of our knowledge, information and belief, all statements of fact contained in the said statements are true and are correct statements of the business and affairs of the above-named corporation in respect to each and every matter set forth therein during the financial period ending March 31, 1999.

Date 6-9-99



(Signature)

Mitchell H. Bodian, President
(Title)

Date 6-9-99



(Signature)

Sonya Presley, Treasurer
(Title)

**MITCHELL H. BODIAN
PRESIDENT
USC TELECOM, INC.**

Mitchell H. Bodian has served as President of USC Telecom, Inc. since July 1998. Mr. Bodian has been the managing director of Bodian Associates, an investment banking firm providing financial advisory services to middle market companies, since 1990. Bodian Associates specializes in providing merger and acquisition services to niche telecommunications service providers. In October 1996, Mr. Bodian was appointed as Chapter 11 Trustee for Conectco, a switchless reseller that filed for protection under the United States Bankruptcy Laws in August 1996.

Mr. Bodian has approximately twenty years of experience in management consulting and investment banking. He has been associated with Kearney Management Consultants, Warburg Paribas Becker and with Merrill Lynch. Mr. Bodian holds an MBA from Stanford Business School.

EXHIBIT C

PROPOSED TARIFF OF USC TELECOM, INC.

TITLE SHEET

FLORIDA INTEREXCHANGE TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations and rates applicable to the furnishing of telecommunications services provided by USC Telecom, Inc. 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 at the following address.

**USC Telecom, Inc.
1250 Wood Branch Park Drive
Houston, Texas 77079-1212
1-800-725-5575**

Issued: June 10, 1999
By:

**Dean H. Fisher, Sr. Vice President
USC Telecom, Inc.
P. O. Box 441085
Houston, Texas 77244-1085**

Effective:

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 in effect as of the date on the bottom of this sheet.

<u>Sheet</u>	<u>Revision</u>	<u>Sheet</u>	<u>Revision</u>
1	Original		
2	Original		
3	Original		
4	Original		
5	Original		
6	Original		
7	Original		
8	Original		
9	Original		
10	Original		
11	Original		
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Issued: June 10, 1999
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Issued: June 10, 1999
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Effective:

EXPLANATION OF SYMBOLS

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

- D - Delete or Discontinue
- I - Change resulting in an increase to a customer's bill
- M - Moved to or 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 to rate or charge

Issued: June 10, 1999
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Effective:

TARIFF FORMAT

- A. Sheet Numbering - Sheet numbers appear in the upper right corner of the sheet. Sheets are numbered sequentially. When a new sheet is added between sheet already in effect, a decimal is added. For example, a new sheet added between sheets 8 and 9 would be 8.1.
- B. Sheet Revision Numbers - Revision numbers also appear in the upper right corner of each sheet. These numbers are used to determine the most current sheet version on file. For example, the 3rd revised sheet 8 cancels the 2nd revised sheet 8.
- C. Paragraph Numbering Sequences - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2.
 - 2.1.
 - 2.1.1.
 - 2.1.1.A.
 - 2.1.1.A.1.
 - 2.1.1.A.1.(a)
 - 2.1.1.A.1.(a).1.
 - 2.1.1.A.1.(a).1.(i)
 - 2.1.1.A.1.(a).1.(i).(1).
- D. Check Sheets - When a tariff filing is made, 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 sheets are added, the check sheet is changed to reflect the revision. The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file.

Issued: June 10, 1999

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Effective:

SECTION 1 - DEFINITIONS AND ACRONYMS**1.1 Definitions**

1 Plus (1+): InterLATA calling within the North American Numbering Plan may be completed by dialing 1 plus the area code plus the telephone number of the called party. IntraLATA calling may be completed by dialing an authorization code, then 1 plus the area code plus the telephone number.

0 Minus (0-): An operator assisted call where the calling party dials "0" (for operator) and does nothing more until an operator comes on line. The caller then states the nature of the call and the phone number or party he wants to reach.

Additional Period: The billing increment charged after the minimum period on a call.

Authorized User: A person, firm, corporation or any other entity authorized by the Customer to use or communicate over such services or facilities as may be provided by this tariff.

Base Rate: The standard rate for a telecommunications service from which time-of-day discounts, volume discounts and specialized pricing arrangements are figured.

Business Customer: A customer whose use of service is primarily or substantially of a professional, business, institutional, occupational or commercial nature.

Calling Card: A billing arrangement by which a call may be charged to an authorized Carrier's calling card account.

Carrier or Company: USC Telecom, Inc.

Collect Call: A billing arrangement by which the charge for a call may be reversed provided the charge is accepted at the called station.

Commission: Refers to Florida Public Service Commission.

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

Customer-Dialed Calling Card Station (See Station-to-Station)

Dedicated Access: Access to a long-distance network over dedicated private lines, analog or digital, reserved for the specific use of one organization.

Dial Station Call: (See Station-to-Station)

Disability: With respect to an individual, "disability" means a physical or mental impairment that prohibits a customer from using the telephone directory.

Eight Hundred (800) Service: Toll-free calling service that enables callers to dial an 800 number at the expense of the Customer. 800 service is available over lines with either dedicated or switched access. Also known as inbound WATS.

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Effective:

SECTION 1 - DEFINITIONS AND ACRONYMS

Definitions (Continued)

End Users: Customers who directly use, rather than provide to others, telecommunications services.

Evening: Rate period from 5 PM up to but not including 11PM Sunday through Friday.

Facilities: Transmission lines, switches and other physical components used to provide telephone service.

Holiday: Company acknowledged holidays for which reduced evening or non-peak rates are in effect are: New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day and Christmas Day.

Initial Period: The initial period denotes the first billing interval of time which will be billed at the rate specified for a connection between given service points. The initial period for different classes of service may differ as specified in the rate table for that service.

InterLATA: Communication that crosses the boundary between Local Access and Transport Areas. (See LATA.)

Interstate Call: Any call which is originated in one state and terminated within the boundaries of another state.

IntraLATA: Communications within a given LATA.

Intrastate Call: Any call which is originated and terminated within the boundaries of the State of Florida, regardless of whether such call crosses state boundaries prior to reaching its termination point.

Mileage: Airline miles between calling areas. The airline mileage distance between the origination and termination points of a telephone call.

Night/Weekend: The rate period from 11 PM up to but not including 8 AM Sunday through Saturday and from 8:00 AM up to but not including 11:00 PM Saturday and from 8:00 AM up to but not including 5:00 PM Sunday.

Off-Peak Period: The rate period from 7:01 p.m. through 7:59 a.m. Monday through Friday and 7:01 p.m. Friday until 7:59 a.m. Monday.

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Effective:

SECTION 1 - DEFINITIONS AND ACRONYMS**1.1 Definitions (Continued)**

Operator Dialed Surcharge: A charge applied to Operator Station and Person-to-Person rated calls when the customer has the capability of dialing all the digits necessary to complete a call, but elects to dial the underlying carrier operator and requests that the operator dial the called station. The surcharge applies in addition to any applicable service charges. The surcharge does not apply to:

- (A) Calls where a customer cannot otherwise complete the call, due to defective equipment or trouble on the Underlying Carrier's facilities.
- (B) Calls in which an Underlying Carrier operator places a call for a calling party who identifies himself/herself as being handicapped and unable to dial the call because of his/her handicap.
- (C) Calls for which an Underlying Carrier does not have the technical capability to impose the surcharge, such as certain coin sent paid, hotel/motel sent paid, and time and charges calls.
- (D) Calling Card calls.

Operator Assistance Service Charges: Charges which apply in addition to other rates as specified in the rate section of this tariff. Discounts as specified in this tariff do not apply to service charges. Only one service charge per message will apply.

Peak Period: The rate period from 8:00 a.m. to 7:00 p.m. Monday through Friday.

Personal Identification Code: A pre-defined series of numbers which uniquely identifies a Customer's account, to be dialed by the Customer or End User upon access to the Company's system to validate the caller's authorization to use the services provided. The Customer is responsible for charges incurred through the use of his or her assigned Authorization Code.

Person-to-Person: That service where the person originating the message specifies to the Underlying Carrier's operator, a particular person, service point, department, or office to be reached through a PBX attendant.

- (A) When, after the service point or PBX called has been reached and while the connection remains established, the person originating the message requests or agrees to talk to any person other than the person specified, or to any other service point, department or office to be reached through a PBX attendant, the classification of the message remains Person-to-Person.
- (B) When the person originating the message wishes arrangements made in advance with a particular party or service point for the establishment of a connection at a specified time (appointment call) the message is classified as Person-to-Person.
- (C) The Company does not undertake, in connection with person-to-person service, to bring to a service point a called person who cannot be reached at a service point connected to the telecommunications network.

Point-of-Presence: An office of the underlying carrier from which services are furnished.

Rate Center: A specific geographic point used in determining mileage.

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Effective:

SECTION 1 - DEFINITIONS AND ACRONYMS

1.1 Definitions (Continued)

Real-Time-Rated: Refers to the actual time during which a physical process transpires. For purposes of this tariff, Real-Time-Rated calls are those for which the Underlying Carrier's operator furnishes time and/or charges at the request of the caller.

Reseller: (Resale Carrier) A carrier that does not own transmission facilities, but obtains communications services from another carrier for resale to the public for profit.

Residential Customer: A customer whose use of service is primarily of a domestic nature.

Resold Services: Services obtained from another carrier for resale to the public for profit

Service Point: When used in reference to customer-premises equipment, denotes the point on the customer's premises where channels provided by or furnished to the customer are terminated in switching equipment used, in the normal mode of operation, for communications with on-site service points or customer premises equipment.

Station-to-Station: That service where the person originating the message dials the phone number desired or gives to the Underlying Carrier's operator the telephone number of the desired service point, PBX or PBX service point, which is reached directly rather than through a PBX attendant, or gives only the name and address under which the number of the desired service point or PBX is listed and does not specify a particular person to be reached, nor a particular service point, department, or office to be reached through a PBX attendant.

Four classes of station-to-station services are offered as follows:

1. **"Dial Station"** rates apply when the person originating the message from a station other than a public or semi-public coin telephone dials the telephone number desired and the message is completed without the assistance of an operator, and the message is not billed to a number other than the originating telephone number except: when an operator records the originating telephone number where no automatic recording equipment is available; when an operator reaches the called telephone number where facilities are not available for dial completion; when an operator places a message for a calling party who identifies himself as being handicapped and unable to dial the message because of his handicap; and when an operator re-establishes a message which has been interrupted after the called number has been reached; then the Dial Station Rate shall apply.
2. **"Customer Dialed Calling Card Station"** rates apply when the person originating the message:
 - (A) Dials the telephone number desired and completes the message without the assistance of an underlying carrier operator and the message is billed to a Calling Card, or
 - (B) Dials the telephone number desired and operator assistance is limited to recording the Calling Card number for billing purposes, or
 - (C) Dials the operator and places a Calling Card station message when equipment capability precludes any of the foregoing.

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Effective:

SECTION 1 - DEFINITIONS AND ACRONYMS**1.1 Definitions (Continued)**

3. **"Operator Dialed Calling Card Station"** rates apply when the customer dials the appropriate operator code (e.g., 00, or 10288,0) and requests that the operator complete the call by dialing the called telephone number and the calling card number to be used for billing purposes.
4. **"Operator Station"** rates apply when calls are completed with the assistance of an underlying carrier operator, except as specified for the Dial Station, Customer Dialed Calling Card Station, Operator Dialed Calling Card Station, Person-to-Person, and Real-Time-Rated classes of service. Operator Station rates apply to calls which are billed to a different telephone number (e.g., collect, bill to a third number) or a calling card.

Switched Access: Telephone-company-provided exchange access services that offer switched interconnections between local telephone subscribers and long distance companies. Switched access is used by long distance companies for origination and completion of ordinary user-dialed long distance calls.

Switchless Reseller: A Company offering telecommunications services to the public through the use of the facilities of an underlying carrier for resale to the public for profit. A Customer who offers the service(s) it obtains from a Reseller to the public for profit shall also be deemed a Reseller.

Tariff: The set of rules, procedures, services, and prices under which a carrier is licensed to operate.

Underlying Carrier: The provider of telecommunications services whose network is being utilized to transmit and receive the Customer's telecommunications traffic.

V&H Coordinates: Geographic points which define the originating and terminating points of a call in mathematical terms so that the airline mileage of the call may be determined. Call mileage is used for the purpose of rating mileage banded calls.

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SECTION 1 - DEFINITIONS AND ACRONYMS**1.2 Acronyms**

CO : *Central Office:* A switching unit in a telecommunications system, that provides service to the general public and has the necessary equipment and operating arrangements for terminating and interconnecting customer lines and trunks or trunks only.

F.P.S.C. *Florida Public Service Commission:* Regulatory body which has jurisdictional authority over telecommunications services offered within the state of Florida.

LATA: *Local Access Transport Area:* A geographic boundary, within which the LEC provides communications services. Multiple LECs may provide services within the same LATA.

LEC: *Local Exchange Carrier:* A carrier that provides service to a line grouping that can uniquely be identified by an area code and first three digits of a phone number. In the context of the divestiture decree, local exchange is a synonym for intraLATA.

PBX: *Private Branch Exchange:* A private switching system on the customer's premises which provides internal telephone communications between stations of the system, as well as between these stations and the external telephone network.

TDD: Telecommunications Devices for the Deaf.

TRS: *Telecommunications Relay Service:* TRS are those calls completed through a telecommunications relay center. TRS provides the ability for an individual with a hearing and/or speech disability to communicate with a hearing individual in a manner functionally equivalent to the ability of individuals without hearing/speech disabilities. TRS allows individuals with hearing/speech disabilities who use a text telephone (TT) or its equivalent to communicate with individuals who use ordinary telephones. A Communications Assistant (CA) transliterates conversation from text to voice and from voice to text between two end users of TRS.

Issued: June 10, 1999**By:**

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Effective:

SECTION 2 - RULES AND REGULATIONS**2.1 Undertaking of Company**

- 2.1.1 The Company's services and facilities are furnished for intrastate telecommunications services originating at specified points within the state. Rates, terms and conditions for the Company's telecommunications service are set forth in this tariff.
- 2.1.2 The Company installs, operates and maintains the communication services provided in accordance with the terms and conditions set forth in this tariff. The Company 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 Carrier's network.
- 2.1.3 The Company's services and the Carrier's facilities are provided on a monthly basis and are available twenty-four hours per day, seven days per week.

2.2 Limitations

- 2.2.1 Service is offered subject to the availability of the necessary facilities and equipment and the provisions of this tariff.
- 2.2.2 The Company reserves the right to discontinue furnishing service, or limit the use of service when necessitated by conditions beyond its control; or when the Customer is using service in violation of the law or the provisions of this tariff.
- 2.2.3 All services provided under this tariff are directly or indirectly controlled by the Company and the Customer may not transfer or assign the use of service without the express written consent of the Company. In the event prior written permission from the Company is given for any assignment or transfer, all regulations and conditions of service contained in the tariff shall apply to all such permitted assignees or transferees.
- 2.2.4 Customers reselling or rebilling services must have a Certificate of Convenience and Necessity as an interexchange carrier granted by the Florida Public Service Commission.
- 2.2.5 The service is furnished subject to the condition that there will be no abuse or fraudulent use of the service. Abuse or fraudulent use of service includes but is not limited to:
- (A) The use of the service of the Company to transmit a message or to locate a person or otherwise to give or obtain information, without payment of the charge applicable for service;
- (B) The obtaining, or attempting to obtain, or assisting another to obtain or to attempt to obtain service by rearranging, tampering with, or making connection with any service components of the Underlying Carrier, or by any trick, scheme, false representation, or false credit device, or by or through any other fraudulent means or device whatsoever, with intent to avoid the payment, in whole or in part, of the regular charge for such service or in any other manner not consented to or allowed by either the Company or the Underlying Carrier;

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SECTION 2 - RULES AND REGULATIONS**2.2 Limitations (Continued)**

- 2.2.5 (C) The use of the service of the Company for a message or messages, anonymous or otherwise, if done in a manner that could reasonably be expected to frighten, abuse, torment, or harass another;
- (D) The use of profane or obscene language;
- (E) The use of the service in such a manner as to interfere unreasonably with the use of the service by any other Customers.
- 2.2.6 After obtaining the Company's written consent, the Customer of record may assign or transfer the use of service where there is no interruption or physical relocation. All terms and provisions contained in this tariff will apply to any assignee or transferee. Services provided by the Company may not be transferred or assigned to a new Customer unless the following conditions have been met.
- (A) The Customer of record (assignor Customer) requests such assignment or transfer in writing at least forty-five (45) days prior to the effective date of any requested assignment or transfer; and,
- (B) The new Customer (assignee Customer) notifies the Company in writing that it agrees to assume all outstanding obligations of the former Customer for use of the Company's services. These obligations include all outstanding indebtedness for the use of the Company's service. Consent to such transfer or assignment will not be unreasonably withheld; and,
- (C) Prior written consent of the Company is secured. The Company agrees to respond to a request to assign or transfer to another Customer within thirty (30) days of receipt of the request.
- 2.2.7 Any permitted transfer or assignment of the Company's service will not relieve or discharge any Customer from remaining jointly and severally liable with the new Customer for any obligations existing at the time of transfer or assignment.
- 2.2.8 All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions of service.

Issued: June 10, 1999**By:****Dean H. Fisher, Sr. Vice President
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SECTION 2 - RULES AND REGULATIONS**2.3 Liabilities of the Company**

- 2.3.1 The liability of the Company and/or its Underlying Carriers for claim or loss, expense or damage, including indirect, special, consequential or punitive loss or damage of any kind, including lost profits, arising out of mistakes, interruptions, omissions, delay, errors, or defects in transmission which occur in the course of furnishing service(s) 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 and/or its Underlying Carriers will make no refund of overpayment by a Customer unless the claim for overpayment, together with proper evidence, is submitted within one (1) year from the date of alleged overpayment unless billing records prepared by the Company can be produced which would justify a credit beyond one year.
- 2.3.3 The Company and/or its Underlying Carriers shall not be liable for any claim, loss, or refund as a result of loss or theft of Customer-specific identifying codes issued for use with the Company's services.
- 2.3.4 The Company and/or its Underlying Carriers shall not be liable for any defacement of or damages to the premises of a Customer resulting from the furnishing of service which is not the sole proximate cause of the Company's and/or its Underlying Carrier's negligence.
- 2.3.5 The Company and/or its Underlying Carriers shall not be liable for defamation, libel, slander, invasion of privacy, infringement of copyright or patent, unauthorized use of any trademark, trade name or service mark, unfair competition, interference with or misappropriation or violation of any contract, proprietary or creative right or any other injury to any person, property or entity arising out of the material, data information or other content revealed to, transmitted or used by the End User or Customer under this tariff or for any act or omission of the End User or Customer.
- 2.3.6 The Company and/or its Underlying Carriers shall not be liable for unlawful use of the Company's services by an unauthorized person, i.e., one not a Customer or designated End User of the Customer.
- 2.3.7 The Company and/or its Underlying Carriers shall not be liable for any business acts of the Customer or End User, whether or not the practices are deceptive in marketing, advertising, provision of services or for similar operations.
- 2.3.8 The Customer shall indemnify and hold the Company and/or its Underlying Carriers harmless from and against any damages, costs, expenses, including attorney's fees, that the Company and/or its Underlying Carriers may incur in connection with Customer's or End User's failure to comply with this section's provisions or arising out of any act or omission of the Customer or End User in connection with service provided by the Company and/or its Underlying Carriers.

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SECTION 2 - RULES AND REGULATIONS**2.4 Interruption of Service**

The Customer shall be credited for an interruption of two hours or more at the rate of 1/720th of the total monthly charge (if any) for the service affected for each hour or major fraction thereof that the interruption continues. Calculations of the credit shall be made in accordance with the following formula:

$$\text{Credit} = \frac{A}{720} \times B$$

“A” = outage time in hours

“B” = total monthly charge for affected facility, where applicable

2.5 Inspection, Testing and Adjustment

Upon reasonable notice, the facilities/equipment provided by the Underlying Carrier shall be made available to the Underlying Carrier for tests and adjustments as may be deemed necessary by the Underlying Carrier for maintenance. No interruption allowance will be granted for the time during which such tests and adjustments are made.

2.6 Equipment

The Company's service(s) may be used with or terminated in Customer-provided terminal equipment or Customer-Provided telecommunications systems, such as a telephone set, PBX or key system. Such terminal equipment shall be furnished and maintained at the expense of the Customer. The Customer is responsible for all costs at its premises, including personnel, wiring, electrical power, and the like, incurred in the use of the equipment shall comply with the generally accepted minimum protective criteria standards of the telecommunications industry as endorsed by the Federal Communications Commission.

2.7 Billing of Calls

Rates and timing of calls may vary by product type, time of day, day of week, call mileage, access method, terminating area, or call duration. Calls are billed individually and on a monthly basis. Usage is billed in arrears.

2.7.1 Billing to Customers will be scheduled monthly. Usage charges are billed in arrears. Recurring fixed charges are billed monthly in advance. A bill will be considered rendered to the Customer when deposited in the United States mail with postage prepaid. If the delivery is by other than United States mail, the bill will be considered rendered when delivered to the last known address of the party responsible for payment. The Customer is responsible for payment of all charges including all calls placed from the Customer's location or by use of the Customer's authorization code(s).

2.7.2 Payment is due by the invoice date printed on the bill. Payments are sent to the address listed on the bill. If a Customer's bill is not paid by the due date printed on the bill, the Company may impose a late charge of 1.5% per month on the delinquent amount.

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SECTION 2 - RULES AND REGULATIONS

2.7 Billing of Calls (Continued)

2.7.3 All charges due by the Customer are payable to any agency duly authorized to receive such payments. The billing agency may be a LEC, credit card company, or other billing service. The terms and conditions for billing, payment and collection, including without limitation, any late payment, charge, specified in the LEC's local exchange service tariff shall apply to charges of the Company when the LEC serves as the billing agent for the Company or buys the Company's accounts receivable. Terms of payment shall be according to the rules and regulations of the agency, but must comply with the Commission's rules and regulations.

2.8 Time of Day Rate Periods

Rate Application Periods are as follows unless specified otherwise in this tariff:

2.8.1 Day/Evening/Night

	MON.	TUES.	WED.	THURS.	FRI.	SAT.	SUN.
8:00 A.M. TO 5:00 P.M.*	DAY RATE PERIOD						
5:00 P.M. TO 11:00 P.M.*	EVENING RATE PERIOD					EVENING RATE PERIOD	
11:00 P.M. TO 8:00 A.M.*	NIGHT AND WEEKEND RATE PERIOD						

2.8.2 Peak/Off-Peak

Rate Period	Mon.	Tue.	Wed.	Thurs.	Fri.	Sat.	Sun.
8:00 a.m. - 7:00 p.m.	Peak Period						
7:01 p.m. - 7:59 a.m.	Off-Peak Period						

* Up to but not including.

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SECTION 2 - RULES AND REGULATIONS**2.9 Taxes and Surcharges**

The Customer is responsible for payment of any sales, use, gross receipts, excise or other local, state and federal taxes, charges or assessments, however designated (excluding taxes on the Company's net income) imposed on or based upon the provision, sale or use of the Company's services.

2.9.1 All state and local sales taxes are listed as separate line items on the Customer's bill and are not included in the quoted rate(s).

2.9.2 Other taxes, charges and regulatory assessments shall be identified in the aggregate on the Customer's bill and shall not be included in the quoted rate(s).

2.9.3 Such taxes, charges, and assessments shall be billed to the Customers receiving service(s) within the territorial limits of such state, county, city or other taxing authority. Such billing shall allocate the tax, charge and/or assessment among Customers uniformly on the basis of each Customer's monthly charges for the types of service made subject to such tax, charge and/or assessment.

2.10 Deposits

The Company does not require a deposit from the customer.

2.11 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.

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SECTION 2 - RULES AND REGULATIONS**2.12 Disconnection and Notice**

- 2.12.1 The Company (Carrier), upon 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:
- (A) Nonpayment of any sum due to the carrier for regulated service for more than thirty days beyond the date of rendition of the bill for such service.
 - (B) Violation of any regulation governing the service under this tariff.
 - (C) Excessive or improper use of telecommunications services, or used in such manner as to interfere with reasonable service to other Customers.
 - (D) 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.
- 2.12.2 The Company shall not be required to give the written notice provided for in situations where the Company has evidence of fraudulent or illegal use of the Company's services, which if allowed to continue, would present a high risk of financial loss to the Company.
- 2.12.4 The Company may temporarily suspend service without notice to the Customer, by blocking traffic to certain cities or NXX exchanges, or by blocking calls using certain Personal Account codes when the Company deems it necessary to take such action to prevent unlawful use of its service. The Company will restore service as soon as service can be provided without undue risk.
- 2.12.5 Personal Identification Numbers or Codes are issued only by the Company to its Customers and may not be sold or otherwise distributed without the written consent of the Company. Any unauthorized or unlawful use of such numbers will result in the immediate termination of service without notice.

Issued: June 10, 1999**By:**

Dean H. Fisher, Sr. Vice President
USC Telecom, Inc.
P. O. Box 441085
Houston, Texas 77244-1085

Effective:

SECTION 3 - DESCRIPTION OF SERVICE**3.1 Billing Calls**

- 3.1.1 Billing for calls placed over the network is based in part on the duration of the call as follows, unless otherwise specified in this tariff:
- (A) Call timing begins when the called party answers the call (i.e., when two way communications are established). Answer detection is based on standard industry answer detection methods, including hardware and software answer detection
 - (B) On Dial Station, Customer-Dialed Calling Card Station, Operator-Dialed Calling Card Station, Operator Station or Real-Time-Rated Operator Station messages, chargeable time begins when connection is established between the calling and the called service point.
 - (C) On Person-to-Person or Real-Time-Rated Person-To-Person messages, chargeable time begins when connection is established between the calling person and the particular person or service point specified or an agreed alternate.
 - (D) Chargeable time does not include time lost because of faults or defects in the service.
 - (E) Chargeable time ends when the calling service point disconnects, thereby releasing the network connection. If the called service point disconnects but the calling service point does not, chargeable time ends when the network connection is released either by automatic timing equipment in the telephone network or by the operator.
 - (F) When the exchange telephone service used is directly connected (i.e., not connected through a multiline terminating system) at a Customer's premises to a communications system, chargeable time for all classes of messages begins when a message from the telecommunication network terminates in or passes through the first multiline terminating system or terminal equipment on the communications system.

Issued: June 10, 1999**Effective:****By:****Dean H. Fisher, Sr. Vice President
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SECTION 3 - DESCRIPTION OF SERVICE**3.2 Calculation of Distance**

Usage charges for all mileage sensitive services are based on the airline distance between the rate centers for the central office locations associated with the originating and terminating points of the call. The distance between the originating and terminating points is calculated by using the vertical "V" and horizontal "H" coordinates in the following manner:

Step 1 - Obtain the "V" and "H" coordinates of the origination and the destination points.

Step 2 - Obtain the difference between the "V" coordinates of each of the rate centers. Obtain the difference between the "H" coordinates.

Step 3 - Square each of the differences obtained in Step 2.

Step 4 - Add the square of the "V" difference to the square of the "H" difference obtained in Step 3.

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

Step 6 - Obtain the square root of the whole number obtained in Step 5. Round to the next higher whole number if any fraction results. This is the V&H mileage distance between the originating and terminating points of the call. The formula is as follows:

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

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Effective:

SECTION 3 - DESCRIPTION OF SERVICE**3.3 Holidays and Rates**

Company acknowledged holidays for which reduced evening or non-peak rates are in effect are: New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day and Christmas Day.

3.4 Minimum Call Completion Rate

A Customer can expect a call completion rate (number of calls completed/number of calls attempted) of not less than ninety-nine percent (99%) during peak use periods for all Feature Group D services ("1+" dialing).

3.5 Availability of Service

Service is available twenty-four (24) hours per day, seven (7) days a week from the Customer's premises.

3.6 Customer Service

Customer Relations Representatives may be reached at (800) 525-9510 to assist with billing and service inquiries Monday through Friday from 7:00 AM to 6:00 PM CST. If these times are inconvenient for the Customer, the Company has available a voice-mail system which is checked regularly throughout the week. The Customer's call will be returned either that day or early morning of the next business day.

3.7 Tariffs of Underlying Carriers

The Customer shall comply with applicable tariffs of the Company's Underlying Carriers including, but not limited to, those provisions pertaining to the Customer's use of proper equipment to be used in conjunction with the Underlying Carrier's network, the Customer's obligations to report trouble with the network, etc.

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SECTION 3 - DESCRIPTION OF SERVICE**3.8 Service Offerings****3.8.1 USC Telecom Long Distance Service**

Long distance service is offered to residential and business customers. The service permits direct dialed outbound calling. Service is provided from presubscribed, dedicated or shared use access lines. Calls are billed in six (6) second increments after an initial (18) eighteen-second period.

3.8.2 USC Telecom Inbound (800/888) Long Distance Service

Long distance service is offered to residential and business customers. The service permits direct dialed inbound calling. Service is provided from presubscribed, dedicated or shared use access lines. Calls are billed in six (6) second increments after an initial (18) eighteen-second period.

3.8.3 USC Telecom Calling Card Service

Calling Card Service is offered to residential and business customers who subscribe to the USC Telecom, Inc. Long Distance Service Calling Plan. Customers using the Company'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 Company'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. Calls placed from a public payphone will incur a Payphone Service Provider Reimbursement Surcharge per call.

3.8.4 Operator Services

The Company's operator services are provided to residential and business customers who "presubscribe" to this service for intrastate calling. Operator services include the completion of collect, station-to-station, person-to-person, third party billing and credit card calls with the assistance of an Underlying Carrier operator. Each completed operator assisted call consists of two charge elements (except as otherwise indicated herein): (i) a fixed operator charge, which will be dependent on the type of billing selected (e.g., calling card, collect or other) and/or the completion restriction selected (e.g., station-to-station or person-to-person); and (ii) a measured usage charge dependent upon the duration, distance and/or time of day of the call.

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Effective:

SECTION 4 - RATES**4.1 Determining Applicable Rate in Effect**

- 4.1.1 The initial period is the length of a call for minimum billing purposes. The initial period is defined in the service description for each rate schedule of this tariff.
- 4.1.2 The additional period is the rate element used to bill chargeable time when a call continues beyond the initial period. The additional period starts when the initial period ends. Additional period rates apply to any fraction of the time period for chargeable time which continues beyond the initial period. The additional period varies by rate schedule as specified in this tariff.
- 4.1.3 Chargeable time for all calls will begin when the local exchange company signals that the called party has answered. Chargeable time ends when one of the parties disconnects from the call, as signaled by the local carrier.
- 4.1.4 Calls are billed based on the rate in effect at the time the call begins. Calls that cross rate period boundaries are billed the rate in effect at the beginning of the call for the duration of the call.
- 4.1.5 There are no charges for incomplete calls. When a Customer indicates that he/she was billed for an incomplete call, the Company will reasonably issue credit for the call.
- 4.1.6 Time-of-day designations are used in this tariff to indicate rate period boundaries at the point of origination. Rate periods begin at the first time-of-day designation and continue up to but not including the second time-of-day designation. Time-of-day rate periods are defined in the individual rate schedules contained in this tariff.

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Houston, Texas 77244-1085****Effective:**

SECTION 4 - RATES**4.2 Payment for Service****4.2.1 Billing Adjustments**

Adjustments to the Customer's bills shall be made to the extent that circumstances exist which reasonably indicate that such changes are appropriate.

4.2.2 Disputed Charges

Any objection to billed charges should be reported to the Company as soon as possible. Questions regarding the Company's services or charges assessed to a Customer's bill may be directed to the Company's Customer Service Department toll-free at (800) 525-9510. The Company shall investigate the particular case and report the results to the Customer. During the period that the disputed amount is under investigation, the Company shall not pursue any collection procedures or assess late fees with regard to the disputed amount. The Customer shall be required to pay the undisputed part of the bill, and if not paid, the Company may discontinue service. In the event the disputed charges are not resolved, the Company shall inform the Customer that the Customer may utilize the complaint procedures of the Commission's Consumer Affairs Division. The Company shall provide the Customer with the following information:

Florida Public Service Commission
Division of Consumer Affairs
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
800/342-3552

4.2.3 Returned Check Charges

Whenever a check or draft presented for payment of service is not accepted by the institution on which it is written, a returned check charge shall be applied in the amount of \$25.00 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, \$40.0 if the face value exceeds \$300.00 or 5% of the value of the check, which ever is greater. This charge applies each time a check is returned to the Company by a bank for insufficient funds.

4.3 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.

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Effective:

SECTION 4 - RATES**4.4 Promotional Offerings**

The Company may from time to time engage promotional trial service offerings of limited duration, not to exceed ninety (90) days, designed to attract new subscribers or to increase subscriber awareness of a particular service offering. Such promotional offerings will be limited to specific dates, times, and locations. Except for the rates charged under such promotions, all other terms and conditions of service contained in this tariff will apply to the Company's promotional service offerings. The Company will notify the Director of Public Service Commission by letter specifying the services offered, terms of promotion, location, and dates of each promotional period, thirty (30) days in advance, for approval of promotional service offerings.

4.6 Special Rates for the Handicapped**4.6.1 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.

4.6.2 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.

4.6.3 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 non-relay 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 non-relay 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.

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SECTION 4 - RATES

4.7 USC Telecom Switched Outbound Long Distance Service

Rate	Day		Evening		Night	
	First	Add.	First	Add.	First	Add.
Mileage	18 Sec.	6 Sec.	18 Sec.	6 Sec.	18 Sec.	6 Sec.
All	\$0.0315	\$0.0105	\$0.0315	\$0.0105	\$0.0315	\$0.0105

4.8 USC Telecom Switched Inbound Long Distance Service (800/888)

Rate	Day		Evening		Night	
	First	Add.	First	Add.	First	Add.
Mileage	18 Sec.	6 Sec.	18 Sec.	6 Sec.	18 Sec.	6 Sec.
All	\$0.0315	\$0.0105	\$0.0315	\$0.0105	\$0.0315	\$0.0105

4.9 USC Telecom Dedicated Outbound Long Distance Service

Rate	Day		Evening		Night	
	First	Add.	First	Add.	First	Add.
Mileage	18 Sec.	6 Sec.	18 Sec.	6 Sec.	18 Sec.	6 Sec.
All	\$0.0192	\$0.0064	\$0.0192	\$0.0064	\$0.0192	\$0.0064

4.10 USC Telecom Dedicated Inbound Long Distance Service

Rate	Day		Evening		Night	
	First	Add.	First	Add.	First	Add.
Mileage	18 Sec.	6 Sec.	18 Sec.	6 Sec.	18 Sec.	6 Sec.
All	\$0.0192	\$0.0064	\$0.0192	\$0.0064	\$0.0192	\$0.0064

4.11 USC Telecom Calling Card Service

Day Time		Evening		Night/Weekend		Surcharge
1 st Min.	Add. Min.	1 st Min.	Add. Min.	1 st Min.	Add. Min.	Per Call
(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
.2000	.2000	.2000	.2000	.2000	.2000	.3500

Calling Card Calls placed from a payphone incur a surcharge of \$.65 for each outbound call and \$.30 for each inbound call.

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SECTION 4 - RATES**4.12 Operator Services (For presubscribed customers)**

4.12.1 Usage Rates: Appropriate rates are listed in Sections 4.7, 4.8 and 4.9.

4.12.2 Operator Charges:

Directory Assistance	\$1.20
Collect	\$3.00
Person-to-Person	\$6.42
Real-Time Rated	\$3.00
Third Party	\$3.13
Customer Dialed Calling Card	\$2.70
Operator Dialed Calling Card	\$3.26
Operator Dialed Surcharge	\$1.52

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P. O. Box 441085
Houston, Texas 77244-1085****Effective:**

USC Telecom, Inc.
1250 Wood Branch Park Drive
Houston, Texas 77079-1212
(281) 529-4600

DEPOSIT DATE
D150⁰⁰ JUN 10 1999

June 9, 1999

Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

990742-TI

**Re: USC Telecom, Inc.
Application and Petition for Certificate of Authority to Provide
Interexchange Telecommunications Service Within the State of Florida**

Pursuant to Florida Public Service Commission Rule Number 25-4.471, this Application is being filed on behalf of USC Telecom, Inc. ("USC Telecom"). USC Telecom intends to operate as a reseller of interexchange telecommunications services between points throughout the state of Florida. Also enclosed is check number 1721 in the amount of \$250.00 to cover the filing fee.

USC Telecom, Inc. was incorporated in the state of Delaware on July 17, 1998 and is a wholly-owned subsidiary of Equalnet Communications Corp., a public holding corporation, incorporated in Texas. USC Telecom filed application on July 31, 1998 for a Certificate of Qualification to transact business in the state of Florida. Proof of authority to operate in Florida under Registration Number F98000004380 is attached to this transmittal as Exhibit A.

Exhibit B includes unaudited Financial Statements for the period ending March 31, 1999 and Statement of Financial Position. Also included is a resume of the President of the

USC TELECOM, INC. CONTROLLED DISBURSEMENT ACCOUNT 1250 WOOD BRANCH PARK DRIVE HOUSTON, TX 77079-1212	SOUTHWEST BANK OF TEXAS PORTER, TEXAS 35-1125-1130	1721
	DATE 2/19/99	AMOUNT \$250.00
PAY Two Hundred Fifty Dollars And 00 Cents TO THE ORDER OF FLORIDA PUBLIC SERVICE COMM. 2540 SHUMARD OAK BLVD TALLAHASSEE FL 32399-0850	USC TELECOM, INC. BY: <i>Sonya Peasley</i>	
	DOCUMENT NUMBER-DATE 07126 JUN 10 99	

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