

Telecommunications
E Commerce
Technology
Corporate & Finance
Trademarks
Proprietary Rights
Complex Litigation
General Business Law

The Helein Law Group, P.C.

8180 Greensboro Drive
McLean, VA 22102

(703) 714-1300 (Telephone)
(703) 714-1330 (Facsimile)
mail@helein.com

Management Consulting Group
Global Telecompetition Consultants, Inc. (GTC)
(703) 714-1320 (Telephone)

000423-TI

Writer's Direct Dial Number

Writer's Email Address

(703) 714-1313


April 6, 2000

jmarashlian@helein.com

VIA OVERNIGHT DELIVERY

Florida Public Service Commission
Division of Telecommunications
Bureau of Certification and Service Evaluation
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

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

Indicate on person who forwarded check:


**Re: Eastern Telephone Systems, Inc., d/b/a Eastern Tel Long Distance
Service, Inc.'s Application for Authority to Provide Interexchange
Telecommunications Service Within the State of Florida**

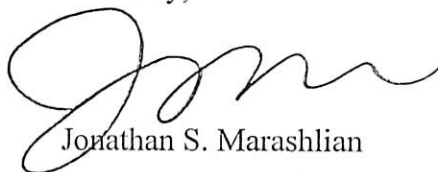
Ladies and Gentlemen:

Enclosed are an original and twelve (12) copies of Eastern Telephone Systems, Inc., d/b/a Eastern Tel Long Distance Service, Inc.'s ("Eastern Tel") Application for Authority to Provide Interexchange Telecommunications Service Within the State of Florida. Eastern Tel is a facilities based reseller of 1+, 800, and calling card telecommunications services.

Enclosed is the filing fee of \$250.00 made payable to the Florida Public Service Commission.

An extra copy of this filing is enclosed. Please date-stamp and return the extra copy in the self-addressed, stamped envelope provided. If you have any questions regarding this application please contact me at the number listed above.

Sincerely,


Jonathan S. Marashlian

DOCUMENT NUMBER-DATE

04333 APR-78

FPSC-RECORDS/REPORTING

** 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 Telecommunications
Bureau of Certification and Service Evaluation
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6770

- E. Once completed, submit the original and twelve (12) 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 East Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6600

FORM PSC/CMU 31 (4/91)
Required by Commission Rule Nos. 25-24.471
25-24.473 & 25-24.480(2)

1. This is an application for (check one):
 Original Authority (New company).
 Approval of Transfer (To another certificated company).
 Approval of Assignment of existing certificate (To a noncertificated company).
 Approval for transfer of control (To another certificated company).

2. The legal name of the applicant:

Eastern Telephone Systems, Inc.

3. Name under which the applicant will do business:

Eastern Tel Long Distance Service, Inc.

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

**Eastern Telephone Systems, Inc.,
d/b/a Eastern Tel Long Distance Service, Inc.
1300 Virginia Drive, Suite 330
Fort Washington, PA 19034**

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

N/A

6. Structure of organization;

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

7. 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 partnership statute (Chapter 620.169 FS), if applicable. **N/A**

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

See Attachment 1: D/B/A Registration Certificate

8. If incorporated, please give:

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

See Attachment 2:

(b) Name and address of the company's Florida registered agent.

**Edwin F. Blanton, Esq.
825 Thomasville Road
Tallahassee, FL 32303**

9. If incorporated, indicate if any of the officers, directors, partners 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.

None.

(b) 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.

None.

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

(a) The application;

**Jonathan S. Marashlian, Regulatory Counsel
The Helein Law Group, P.C.
8180 Greensboro Drive, Suite 700
McLean, VA 22102
(703) 714-1313 (phone) (703) 714-1330 (fax)**

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

Robert Straw, President
1300 Virginia Drive, Suite 330
Fort Washington, PA 19034
(215) 628-4111

- (c) Tariff:

Jonathan S. Marashlian, Regulatory Counsel
The Helein Law Group, P.C.
8180 Greensboro Drive - Suite 700
McLean, VA 22102
(703) 714-1313 (phone) (703) 714-1330 (fax)

- (d) Complaints/Inquiries from customers;

Customer Service
Eastern Telephone Systems, Inc.
1300 Virginia Drive, Suite 330
Fort Washington, PA 19034
(800) 327-8835

11. List the states in which the applicant:

- (a) Has operated as an interexchange carrier.

Pennsylvania, Delaware and New Jersey.

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

None.

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

Pennsylvania, Delaware and New Jersey (registered).

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

MTS with distance sensitive per minute rates

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

MTS with route specific rates per minute

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

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

Method of access is FGA

Method of access is FGB

Method of access is FGD

Method of access is 800

MTS for pay telephone service providers

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

800 Service (Toll free)

WATS type service (Bulk or volume discount)

Method of access is via dedicated facilities

Method of access is via switched facilities

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

Travel Service

Method of access is 950

Method of access is 800

900 Service

Operator Services

Available to presubscribed customers

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

Available to inmates

Services included are:

Station assistance

Person to Person assistance

Directory assistance

Operator verify and interrupt

Conference Calling

Other:

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

Customers dial 1+ NXX + XXXX for outbound services where presubscription is not available.

14. What services will the applicant offer to other certificated telephone companies: **None.**

() Facilities. () Operators.

() Billing and Collection. () Sales.

() Maintenance.

() Other: _____

15. Will your marketing program: **N/A**

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

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

Applicant does not have a marketing plan for the State of Florida

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

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

18. Please provide the following (if applicable):

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

**The Company's name will appear on its bills.
A sample bill is attached Attachment 3.**

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

The Company will bill on its own behalf.

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).

See Attachment 4 - Proposed Tariff

* * 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 one 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. **LEC BYPASS RESTRICTIONS:** I acknowledge the Commission's policy that interexchange carriers shall not construct facilities to bypass the LECs without first demonstrating to the Commission that the LEC cannot offer the needed facilities at a competitive price and in a timely manner.
6. **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 telephone service.
7. **ACCURACY OF APPLICATION:** By my signature below, I attest to the accuracy of the information contained in this application and associated attachments.



Robert Straw, President

Date: 3/28/00

ATTACHMENTS :

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

**** APPENDIX A ****

CERTIFICATE TRANSFER STATEMENT

I, (TYPED NAME) _____,
N/A
current holder of certificate number _____, have
reviewed this application and join in the petitioner's request.

Signature of owner or chief
officer of the certificate
holder

Title

Date

** 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.)



Robert Straw, President

Date: 3/28/00

** APPENDIX C **

INTRASTATE NETWORK

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

N/A

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

N/A

3. **TRANSMISSION FACILITIES:** Pop-to-Pop facilities by type of facilities (microwave, fiber, copper, satellite, etc.) and indicate if owned or leased.

POP-to-POP

TYPE

OWNERSHIP

N/A

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).

Service will be provided on a statewide basis.

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

Applicant's network will be available statewide on an equal access basis through presubscription or 10XXX.

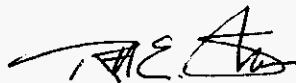
6. **CURRENT FLORIDA INTRASTATE SERVICES:** Applicant () has or (X) has not previously provided intrastate telecommunications in Florida. If the answer is **has**, fully describe the following:

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

N/A

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

N/A



Robert Straw, President

Date: 3/28/00

** 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.

Service will be provided on a statewide basis.

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).



Robert Straw, President

Date: _____

3/28/00

** FLORIDA EAS FOR MAJOR EXCHANGES **

| <u>Extended Service Area</u> | <u>with</u> | <u>These Exchanges</u> |
|------------------------------|-------------|--|
| PENSACOLA: | | Cantonment, Gulf Breeze Pace, Milton Holley-Navarre. |
| PANAMA CITY: | | Lynn Haven, Panama City Beach, Youngstown-Fountain and Tyndall AFB. |
| TALLAHASSEE: | | Crawfordville, Havana, Monticello, Panacea, Sopchoppy and St. Marks. |
| JACKSONVILLE: | | Baldwin, Ft. George, Jacksonville Beach, Callahan, Maxville, Middleburg,, Orange Park, Ponte Vedra and Julington. |
| GAINESVILLE: | | Alachua, Archer, Brooker, Hawthorne, High Springs, Melrose, Micanopy, Newberry and Waldo. |
| OCALA: | | Belleview, Citra, Dunnellon, Forest Lady Lake (B21), McIntosh, Oklawaha, Orange Springs, Salt Springs and Silver Springs Shores. |
| DAYTONA BEACH: | | New Smyrna Beach. |
| TAMPA: | | Central None East Plant City North Zephyrhills South Palmetto West Clearwater |
| CLEARWATER: | | St. Petersburg, Tampa-West and Tarpon Springs. |
| ST. PETERSBURG: | | Clearwater. |
| LAKELAND: | | Bartow, Mulberry, Plant City, Polk City and Winter Haven. |

** FLORIDA EAS MAJOR EXCHANGES CONTINUE **

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

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

TITUSVILLE: Cocoa and Cocoa Beach.

COCOA: Cocoa Beach, Eau Gallie, Melbourne and Titusville.

MELBOURNE: Cocoa, Cocoa Beach, Eau Gallie and Sebastian.

SARASOTA: Bradenton, Myakka and Venice.

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

NAPLES: Marco Island and North Naples.

WEST PALM BEACH: Boynton Beach and Jupiter.

POMPANO BEACH: Boca Raton, Coral Springs, Deerfield Beach and Ft. Lauderdale.

FT. LAUDERDALE: Coral Springs, Deerfield Beach, Hollywood and Pompano Beach.

HOLLYWOOD: Ft. Lauderdale and North Dade.

NORTH DADE: Hollywood, Miami and Perrine.

MIAMI: Homestead, North Dade and Perrine.

**** APPENDIX E ****

**** GLOSSARY ****

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

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

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

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

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

COMMISSION: The Florida Public Service Commission.

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

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

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

EQUAL ACCESS EXCHANGE AREAS: EAEA means a geographic area, configured based on 1987 planned toll center/access tandem areas, in which local exchange companies are responsible for providing equal

access to both carriers and customers of carriers in the most economically efficient manner.

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

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

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

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

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

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

- Feature Group A:** Line side connections presently serving specialized common carriers.
- Feature Group B:** Trunk side connections without equal digit or code dialing.
- Feature Group C:** Trunk side connections presently serving AT&T-C.
- Feature Group D:** Equal trunk access with subscription.

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

INTER-OFFICE CALL: A telephone call originating in one central office unit or entity but terminating in another central office

unit or entity both of which are in the same designated exchange area.

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

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

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

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

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

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

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

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

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

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

ATTACHMENT 1

EASTERN TELEPHONE SYSTEMS, INC.
d/b/a Eastern Telephone Long Distance Service, Inc.

CERTIFICATE OF d/b/a NAME REGISTRATION
FROM SECRETARY OF STATE OF FLORIDA



FLORIDA DEPARTMENT OF STATE

Katherine Harris
Secretary of State

December 20, 1999

EASTERN TEL LONG DISTANCE SERVICE, INC.
1300 VIRGINIA DR
STE 330
FT. WASHINGTON, PA 19034

Subject: **EASTERN TEL LONG DISTANCE SERVICE, INC.**

REGISTRATION NUMBER: **G99354900036**

This will acknowledge the filing of the above fictitious name registration which was registered on December 20, 1999. This registration gives no rights to ownership of the name.

Each fictitious name registration must be renewed every five years between July 1 and December 31 of the expiration year to maintain registration. Three months prior to the expiration date a statement of renewal will be mailed.

IT IS THE RESPONSIBILITY OF THE BUSINESS TO NOTIFY THIS OFFICE IN WRITING IF THEIR MAILING ADDRESS CHANGES. Whenever corresponding please provide assigned Registration Number.

Enclosed is your certificate(s) as requested.

Should you have any questions regarding this matter you may contact our office at (850) 488-9000.

/sh

Division of Corporations

Letter No. 399A00059530

State of Florida



Department of State

I certify from the records of this office that EASTERN TEL LONG DISTANCE SERVICE, INC. is a Fictitious Name registered with the Department of State on December 20, 1999.

The Registration Number of this Fictitious Name is G99354900036.

I further certify that said Fictitious Name Registration is active.

I further certify that this office began filing Fictitious Name Registrations on January 1, 1991, pursuant to Section 865.09, Florida Statutes.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capital, this the
Twentieth day of December, 1999



CR2EO22 (1-99)

Katherine Harris

Katherine Harris
Secretary of State

ATTACHMENT 2

EASTERN TELEPHONE SYSTEMS, INC.
d/b/a Eastern Tel Long Distance Service, Inc.

ARTICLES OF INCORPORATION
and
FLORIDA CORPORATION REGISTRATION CERTIFICATE

State of Florida



Department of State

I certify from the records of this office that EASTERN TELEPHONE SYSTEMS, INC. is a Delaware corporation authorized to transact business in the State of Florida, qualified on October 22, 1993.

The document number of this corporation is F93000004788.

I further certify that said corporation has paid all fees and penalties due this office through December 31, 1993, and its status is active.

I further certify that said corporation has not filed a Certificate of Withdrawal.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Twenty-second day of October, 1993



CR2EO22 (2-91)

A handwritten signature in cursive script that reads "Jim Smith".

Jim Smith
Secretary of State

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "EASTERN TELEPHONE SYSTEMS, 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 SEVENTH DAY OF NOVEMBER, A.D. 1996.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE BEEN PAID TO DATE.



A handwritten signature in black ink that reads "Edward J. Freel".

Edward J. Freel, Secretary of State

0939072 8300

960324043

AUTHENTICATION:

DATE:

8180925

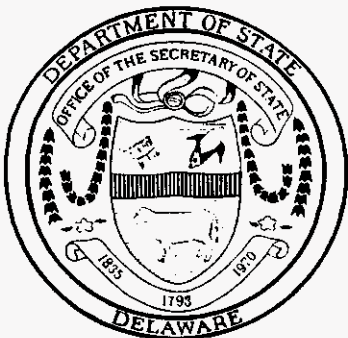
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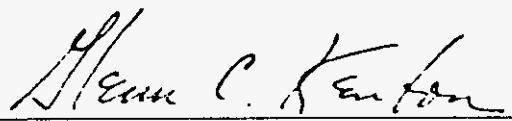


State of DELAWARE

Office of SECRETARY OF STATE

I, Glenn C. Kenton, Secretary of State of the State of Delaware,
do hereby certify that the attached is a true and correct copy of
Certificate of Amendment
filed in this office on August 30, 1982.




Glenn C. Kenton, Secretary of State

BY: 

DATE: August 30, 1982

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION

FILED

AUG 30 1932

9AM

M. C. K. S.
SECRETARY OF STATE

Eastern Telephone Systems, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify:

FIRST: That the Board of Directors of said corporation, by the unanimous written consent of its members filed with the minutes of the board, adopted a resolution proposing and declaring advisable the following amendment to the Certificate of Incorporation of said corporation:

RESOLVED, that Article FIFTH of the Certificate of Incorporation of this corporation be and it hereby is amended to read as follows:

"FIFTH: The total number of shares of stock which the corporation shall have authority to issue is: Fifty Thousand (50,000) shares of Class A Common Stock, par value Ten Cents (\$.10) per share; Fifty Thousand (50,000) shares of Class B Common Stock, par value Ten Cents (\$.10) per share; and Five Thousand (5,000) shares of Preferred Stock, par value One Dollar (\$1.00) per share.

The rights of the shares of Class A and Class B Common Stock shall be identical except that the shares of Class B Common Stock shall be entitled to three votes per share and the Class A Common Stock shall be entitled to one vote per share. In addition, upon the liquidation of the corporation, the holders of the Class B Common Stock shall not receive any liquidating distributions unless and until the holders of the Class A Common Stock shall have received liquidating distributions equal to \$40 per share, with such amount being appropriately adjusted in the event of any stock split, stock dividend or reclassification of the shares of Class A Common Stock."

The Board of Directors shall have the power, from time to time, to issue the Preferred Stock in one or more classes or series, with such voting rights, designations, preferences, qualifications, privileges, limitations, options, conversion rights and other special rights as the Board may from time to time

designate and specify in the resolution or resolutions providing for the issuance of the shares of the Preferred Stock."

SECOND: That in lieu of a meeting and vote of stockholders, the Sole Stockholder has given its written consent to said amendment in accordance with the provisions of Section 229 of The General Corporation Law of the State of Delaware.

THIRD: That the aforesaid amendment was duly adopted in accordance with the provisions of Sections 242 and 228 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said Eastern Telephone Systems, Inc. has caused its corporate seal to be hereunto affixed and this certificate to be signed and attested by Erwin T. Straw, its President and Secretary this 20th day of August, 1982.

EASTERN TELEPHONE SYSTEMS, INC.

By: Erwin T. Straw
Erwin T. Straw, President

Attest: Erwin T. Straw
Erwin T. Straw, Secretary

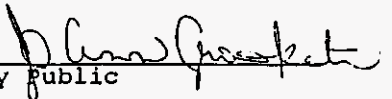
[CORPORATE SEAL]

STATE OF Pennsylvania)
COUNTY OF Montgomery) SS:

BE IT REMEMBERED that on this 20th day of August 1982, personally came before me, a Notary Public in and for the County and State aforesaid, Erwin T. Straw, President and Secretary of Eastern Telephone Systems, Inc., a corporation of the State of Delaware, and he duly executed said certificate before me and acknowledged the said certificate to be his act and deed and the act and deed of said corporation and the facts stated therein are

true; and that the seal affixed to said certificate and attested by the Secretary of said corporation is the common or corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office the day and year aforesaid.


Notary Public

[NOTARIAL SEAL]

My Commission Expires: 11/15/82
JoANN CROCKETT, Notary Public
Cheltenham Twp., Montgomery Co.
My Commission Expires Nov. 15, 1982

CERTIFICATE OF INCORPORATION

FILED

OF

EASTERN TELEPHONE SYSTEMS, INC.

SECRETARY

FIRST: The name of the corporation is: Eastern Telephone Systems, Inc.

SECOND: The period of its duration is perpetual.

THIRD: The address of its registered office in the State of Delaware is: 901 Market Street, City of Wilmington, County of New Castle, Delaware, 19801. The name of its registered agent at such address is: Corporation Guarantee and Trust Company.

FOURTH: The nature of the business or purposes to be conducted or promoted is:

To have unlimited power to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FIFTH: The total number of shares of stock which the corporation shall have authority to issue is: Fifteen Thousand (15,000) shares of common stock, par value of ten cents (\$.10) per share, and Five Thousand (5,000) shares Preferred Stock, par value \$1.00 per share.

The Board of Directors shall have the power, from time to time, to issue the Preferred Stock in one or more classes or series, with such voting rights, designations, preferences, qualifications, privileges, limitations, options, conversion rights and other special rights as the Board may from time to time designate and specify in the resolution or resolutions providing for the issuance of the shares of the Preferred Stock.

SIXTH: The name and mailing address of the incorporator is as follows:

| <u>Name</u> | <u>Address</u> |
|----------------|--|
| Karen O. Lucas | 12th Floor Packard Building 15th and Chestnut Streets Philadelphia, PA 19102 |

SEVENTH: In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, alter or repeal the By-Laws of the corporation.

EIGHTH: Elections of directors need not be by written ballot unless the By-Laws of the corporation shall so provide.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 10th day of June, 1981.

Registered agent at such address is: Corporation Guarantee and Trust Company.

FOURTH: The nature of the business or purposes to be conducted or promoted is:

To have unlimited power to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FIFTH: The total number of shares of stock which the corporation shall have authority to issue is: Fifteen Thousand (15,000) shares of common stock, par value of ten cents (\$.10) per share, and Five Thousand (5,000) shares Preferred Stock, par value \$1.00 per share.

The Board of Directors shall have the power, from time to time, to issue the Preferred Stock in one or more classes or series, with such voting rights, designations, preferences, qualifications, privileges, limitations, options, conversion rights and other special rights as the Board may from time to time designate and specify in the resolution or resolutions providing for the issuance of the shares of the Preferred Stock.

SIXTH: The name and mailing address of the incorporator is as follows:

| <u>Name</u> | <u>Address</u> |
|----------------|--|
| Karen O. Lucas | 12th Floor Packard Building 15th and Chestnut Streets Philadelphia, PA 19102 |

SEVENTH: In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, alter or repeal the By-Laws of the corporation.

EIGHTH: Elections of directors need not be by written ballot unless the By-Laws of the corporation shall so provide.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 17th day of June, 1982.

Karen O. Lucas

LEO J. DUGAN, JR. REGISTER

ATTACHMENT 3

EASTERN TELEPHONE SYSTEMS, INC.,
d/b/a Eastern Tel Long Distance Service, Inc.

SAMPLE BILLING STATEMENT

S U P E R R E G I O N A L W A T S

MAIL CODE

** MESSAGES **

5

ETS TEST
1300 VIRGINIA DRIVE
FT WASHINGTON PA 19034-

| | | |
|-----------------|-----------------------|------------------|
| <u>DATE DUE</u> | <u>BILLING PERIOD</u> | <u>ACCOUNT #</u> |
| AUG 21 1999 | JUL 02 TO AUG 01 1999 | 000105329 |

| | | | |
|----------------------------|--------|------------------------|-----------|
| LONG DISTANCE USAGE | | | |
| DIAL 1 REGIONAL WATS | \$2.36 | | |
| CANADA CALLS | \$0.00 | | |
| NON-CONTINENTAL U.S. CALLS | \$0.00 | | |
| INTERNATIONAL CALLS | \$0.00 | | |
| SERVICE OPTIONS | \$0.00 | AMOUNT OWED LAST MONTH | \$14.21 |
| TRAVEL SERVICE | \$5.07 | AMOUNT PAID LAST MONTH | \$0.00 CR |
| 800 SERVICE | \$0.00 | CREDIT AMOUNT | \$8.33 CR |
| DIRECTORY ASSISTANCE | \$0.00 | | |
| PAYPHONE ORIGINATIONS** | \$0.00 | | |
| USF | \$0.34 | | |
| PICC | \$5.50 | | |
| FEDERAL EXCISE TAX | \$0.00 | | |
| STATE SALES TAX | \$0.00 | | |
| LOCAL SALES TAX | \$0.00 | | |

| | | | |
|-----------------------|---------|------------------|---------|
| TOTAL CURRENT CHARGES | \$13.27 | AMOUNT PAST DUE | \$5.88 |
| | | TOTAL AMOUNT DUE | \$19.15 |

P L E A S E R E T U R N T H I S P A G E W I T H R E M I T T A N C E

S U P E R R E G I O N A L W A T S

MAIL CODE

** MESSAGES **

5

ETS TEST
1300 VIRGINIA DRIVE

FT WASHINGTON PA 19034-

DATE DUE
AUG 21 1999

BILLING PERIOD
JUL 02 TO AUG 01 1999

ACCOUNT #
000105329

| | |
|----------------------------|--------|
| LONG DISTANCE USAGE | |
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| TRAVEL SERVICE | \$5.07 |
| 800 SERVICE | \$0.00 |
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| PAYPHONE ORIGINATIONS** | \$0.00 |
| USF | \$0.34 |
| PICC | \$5.50 |
| FEDERAL EXCISE TAX | \$0.00 |
| STATE SALES TAX | \$0.00 |
| LOCAL SALES TAX | \$0.00 |

| | |
|------------------------|-----------|
| AMOUNT OWED LAST MONTH | \$14.21 |
| AMOUNT PAID LAST MONTH | \$0.00 CR |
| CREDIT AMOUNT | \$8.33 CR |

TOTAL CURRENT CHARGES \$13.27

AMOUNT PAST DUE \$5.88

TOTAL AMOUNT DUE \$19.15

*** RETAIN FOR YOUR RECORDS ***

000105329 ETS TEST

SUMMARY OF OUTBOUND CALLS

| MILEAGE BAND | TIME OF DAY | SUPER WATS | | CHARGES |
|--------------|-------------|-------------|---------------|---------|
| | | TOTAL CALLS | TOTAL MINUTES | |
| INTRALATA | DAY | 0 | 0.00 | \$0.00 |
| | EVE | 0 | 0.00 | \$0.00 |
| | NIT | 0 | 0.00 | \$0.00 |
| INTRASTATE | DAY | 0 | 0.00 | \$0.00 |
| | EVE | 0 | 0.00 | \$0.00 |
| | NIT | 0 | 0.00 | \$0.00 |
| 0 - 55 | DAY | 1 | 0.70 | \$0.11 |
| | EVE | 0 | 0.00 | \$0.00 |
| | NIT | 0 | 0.00 | \$0.00 |
| 56 - 292 | DAY | 3 | 2.90 | \$0.45 |
| | EVE | 1 | 0.50 | \$0.05 |
| | NIT | 1 | 0.50 | \$0.05 |
| 293 - 430 | DAY | 0 | 0.00 | \$0.00 |
| | EVE | 0 | 0.00 | \$0.00 |
| | NIT | 0 | 0.00 | \$0.00 |
| 431 - 925 | DAY | 0 | 0.00 | \$0.00 |
| | EVE | 0 | 0.00 | \$0.00 |
| | NIT | 0 | 0.00 | \$0.00 |
| 926 - 1910 | DAY | 1 | 7.20 | \$1.08 |
| | EVE | 0 | 0.00 | \$0.00 |
| | NIT | 0 | 0.00 | \$0.00 |
| 1911 + | DAY | 5 | 4.00 | \$0.62 |
| | EVE | 0 | 0.00 | \$0.00 |
| | NIT | 0 | 0.00 | \$0.00 |
| CANADA | DAY | 0 | 0.00 | \$0.00 |
| | EVE | 0 | 0.00 | \$0.00 |
| | NIT | 0 | 0.00 | \$0.00 |
| NON-CONT. US | DAY | 0 | 0.00 | \$0.00 |
| | EVE | 0 | 0.00 | \$0.00 |
| | NIT | 0 | 0.00 | \$0.00 |
| INTRNATIONAL | DAY | 0 | 0.00 | \$0.00 |
| | EVE | 0 | 0.00 | \$0.00 |
| | NIT | 0 | 0.00 | \$0.00 |

| TIME OF DAY | TOTAL CALLS | TOTAL MINUTES | TOTAL CHARGES |
|-------------|-------------|---------------|---------------|
| DAY | 10 | 14.80 | \$2.26 |
| EVE | 1 | 0.50 | \$0.05 |
| N/W | 1 | 0.50 | \$0.05 |

EASTERN TEL

LONG DISTANCE SERVICE, INC.

YOUR LOCAL
LONG DISTANCE
COMPANY

ACCOUNT NUMBER: 000105329 801

JUL 02 TO AUG 01

ACCT CODE:

| ORIGINATING LOC | DATE | TIME | DIALED NUMBER | DIALED LOCATION | REGION | MIN | CHARGES |
|-----------------|----------|-------------|---------------|-----------------|------------|------|---------|
| TRAVEL - PA | 07/15/99 | 09:37:20(D) | 213-625-0002 | LOS ANGELES CA | ONNET->OFF | 0.50 | \$0.39 |
| TRAVEL - PA | 07/15/99 | 09:37:41(D) | 214-844-4444 | DALLAS TX | ONNET->OFF | 0.50 | \$0.39 |
| TRAVEL - PA | 07/15/99 | 09:38:04(D) | 213-625-0002 | LOS ANGELES CA | ONNET->OFF | 0.50 | \$0.39 |
| TRAVEL - PA | 07/15/99 | 09:38:24(D) | 214-844-4444 | DALLAS TX | ONNET->OFF | 0.50 | \$0.39 |
| TRAVEL - PA | 07/15/99 | 09:38:45(D) | 213-625-0002 | LOS ANGELES CA | ONNET->OFF | 0.50 | \$0.39 |
| TRAVEL - PA | 07/15/99 | 09:39:35(D) | 214-844-4444 | DALLAS TX | ONNET->OFF | 0.50 | \$0.39 |
| TRAVEL - PA | 07/15/99 | 09:40:15(D) | 213-625-0002 | LOS ANGELES CA | ONNET->OFF | 0.50 | \$0.39 |
| TRAVEL - PA | 07/15/99 | 09:40:35(D) | 214-844-4444 | DALLAS TX | ONNET->OFF | 0.50 | \$0.39 |
| TRAVEL - PA | 07/15/99 | 09:40:57(D) | 213-625-0002 | LOS ANGELES CA | ONNET->OFF | 0.50 | \$0.39 |
| TRAVEL - PA | 07/15/99 | 09:42:33(D) | 213-625-0002 | LOS ANGELES CA | ONNET->OFF | 0.50 | \$0.39 |
| TRAVEL - PA | 07/15/99 | 09:42:59(D) | 214-844-4444 | DALLAS TX | ONNET->OFF | 0.50 | \$0.39 |
| TRAVEL - PA | 07/15/99 | 09:55:29(D) | 213-625-0002 | LOS ANGELES CA | ONNET->OFF | 0.50 | \$0.39 |
| TRAVEL - PA | 07/15/99 | 09:56:05(D) | 213-625-0002 | LOS ANGELES CA | ONNET->OFF | 0.50 | \$0.39 |
| ACCOUNT TOTALS | | --- | 13 CALLS | --- | | 6.50 | \$5.07 |

ACCOUNT NUMBER: 000105329 020

JUL 02 TO AUG 01

ACCT CODE:

| ORIGINATING LOC | DATE | TIME | DIALED NUMBER | DIALED LOCATION | REGION | MIN | CHARGES |
|-----------------|----------|-------------|---------------|-----------------|-----------|-------|---------|
| 215-413-9111 | 07/09/99 | 11:01:03(D) | 203-514-4298 | MERIDEN CT | 56-292 | 0.50 | \$0.08 |
| 215-413-9111 | 07/13/99 | 15:54:47(D) | 972-519-4141 | PLANO TX | 926-1910 | 7.20 | \$1.08 |
| 215-413-9111 | 07/16/99 | 09:49:41(D) | 212-429-5251 | NEW YORK NY | 56-292 | 0.50 | \$0.08 |
| 215-413-9111 | 07/16/99 | 10:08:32(D) | 212-429-5251 | NEW YORK NY | 56-292 | 1.90 | \$0.29 |
| 215-413-9111 | 07/16/99 | 14:55:12(D) | 609-588-5959 | MERCERVL NJ | 0-55 | 0.70 | \$0.11 |
| 215-413-9111 | 07/21/99 | 11:25:30(D) | 619-547-5620 | SAN DIEGO CA | 1911-9999 | 2.00 | \$0.30 |
| 215-413-9111 | 07/23/99 | 22:34:49(E) | 212-429-5257 | NEW YORK NY | 56-292 | 0.50 | \$0.05 |
| 215-413-9111 | 07/24/99 | 00:13:55(N) | 212-285-7727 | NEW YORK NY | 56-292 | 0.50 | \$0.05 |
| ACCOUNT TOTALS | | --- | 8 CALLS | --- | | 13.80 | \$2.04 |

ACCOUNT NUMBER: 000105329 020

JUL 02 TO AUG 01

ACCT CODE: 903

| ORIGINATING LOC | DATE | TIME | DIALED NUMBER | DIALED LOCATION | REGION | MIN | CHARGES |
|-----------------|----------|-------------|---------------|-----------------|-----------|------|---------|
| 215-413-9111 | 07/28/99 | 14:46:08(D) | 213-625-0002 | LOS ANGELES CA | 1911-9999 | 0.50 | \$0.08 |
| ACCOUNT TOTALS | | --- | 1 CALLS | --- | | 0.50 | \$0.08 |

ACCOUNT NUMBER: 000105329 020

JUL 02 TO AUG 01

ACCT CODE: 1111

| ORIGINATING LOC | DATE | TIME | DIALED NUMBER | DIALED LOCATION | REGION | MIN | CHARGES |
|-----------------|----------|-------------|---------------|-----------------|-----------|------|---------|
| 215-413-9111 | 07/14/99 | 09:34:09(D) | 213-625-0002 | LOS ANGELES CA | 1911-9999 | 0.50 | \$0.08 |
| 215-413-9111 | 07/26/99 | 09:29:42(D) | 213-625-0002 | LOS ANGELES CA | 1911-9999 | 0.50 | \$0.08 |
| ACCOUNT TOTALS | | --- | 2 CALLS | --- | | 1.00 | \$0.16 |

EASTERN TEL
LONG DISTANCE SERVICE, INC.

YOUR LOCAL
LONG DISTANCE
COMPANY

ACCOUNT NUMBER: 000105329 020

JUL 02 TO AUG 01

ACCT CODE: 9999

| ORIGINATING LOC | DATE | TIME | DIALED NUMBER | DIALED LOCATION | REGION | MIN | CHARGES |
|-----------------|----------|-------------|---------------|-----------------|-----------|------|---------|
| 215-413-9111 | 07/14/99 | 12:36:25(D) | 213-625-0002 | LOS ANGELES CA | 1911-9999 | 0.50 | \$0.08 |

ACCOUNT TOTALS --- 1 CALLS --- 0.50 \$0.08

***** TOTALS ***** --- 25 CALLS --- 22.30 \$7.43

ATTACHMENT 4

EASTERN TELEPHONE SYSTEMS, INC.
d/b/a Eastern Tel Long Distance Service, Inc.

PROPOSED TARIFF

TELECOMMUNICATIONS SERVICES TARIFF

TITLE SHEET

FLORIDA TELECOMMUNICATIONS TARIFF

This tariff contains the description, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services provided by EASTERN TELEPHONE SYSTEMS, INC. d/b/a EASTERN TEL LONG DISTANCE SERVICE, INC., with principal offices at 1300 Virginia Drive, Suite 330, Fort Washington, PA 19034. This tariff applies to services furnished within Florida. This tariff is on file with the Florida Public Service Commission, where copies may be inspected during normal business hours.

ISSUED:

EFFECTIVE:

**By: Robert Straw, President
EASTERN TELEPHONE SYSTEMS, INC.
1300 Virginia Drive, Suite 330
Fort Washington, PA 19034**

TELECOMMUNICATIONS SERVICES TARIFF

CHECK SHEET

Pages 1 through 23 inclusive of this tariff are effective as of the date shown at the bottom of the respective page(s). Original and revised pages as named below comprise all changes from the original tariff and are currently in effect as of the date at the bottom of this page.

| <u>PAGE</u> | <u>REVISION</u> |
|-------------|-----------------|
| 1 | Original |
| 2 | Original |
| 3 | Original |
| 4 | Original |
| 5 | Original |
| 6 | Original |
| 7 | Original |
| 8 | Original |
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| 17 | Original |
| 18 | Original |
| 19 | Original |
| 20 | Original |
| 21 | Original |
| 22 | Original |
| 23 | Original |

ISSUED:

EFFECTIVE:

By: Robert Straw, President
EASTERN TELEPHONE SYSTEMS, INC.
1300 Virginia Drive, Suite 330
Fort Washington, PA 19034

TELECOMMUNICATIONS SERVICES TARIFF

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ISSUED:

EFFECTIVE:

By: Robert Straw, President
EASTERN TELEPHONE SYSTEMS, INC.
1300 Virginia Drive, Suite 330
Fort Washington, PA 19034

TELECOMMUNICATIONS SERVICES TARIFF

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ISSUED:

EFFECTIVE:

By: Robert Straw, President
EASTERN TELEPHONE SYSTEMS, INC.
1300 Virginia Drive, Suite 330
Fort Washington, PA 19034

TELECOMMUNICATIONS SERVICES TARIFF

SYMBOLS

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

- (D) - Delete or Discontinue
- (I) - Change Resulting in an Increase to a Customer's Bill
- (M) - Moved to/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:

EFFECTIVE:

**By: Robert Straw, President
EASTERN TELEPHONE SYSTEMS, INC.
1300 Virginia Drive, Suite 330
Fort Washington, PA 19034**

TELECOMMUNICATIONS SERVICES TARIFF

TARIFF FORMAT

- A. Page Numbering - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between pages 14 and 15 would be 14.1.
- B. Page Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the FPSC. For example, 4th Revised Page 14 cancels the 3rd Revised Page 14. Because of various suspension periods, deferrals, etc. the FPSC follows in its tariff approval process, the most current page number on file with the FPSC is not always the tariff page in effect. Consult the Check Sheet for the page 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. I.A.
2.1. I.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).(l).

ISSUED:

EFFECTIVE:

By: **Robert Straw, President**
EASTERN TELEPHONE SYSTEMS, INC.
1300 Virginia Drive, Suite 330
Fort Washington, PA 19034

TELECOMMUNICATIONS SERVICES TARIFF

TARIFF FORMAT (Cont'd)

- 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 pages 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 page is the most current on file with the FPSC.

ISSUED:

EFFECTIVE:

**By: Robert Straw, President
EASTERN TELEPHONE SYSTEMS, INC.
1300 Virginia Drive, Suite 330
Fort Washington, PA 19034**

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - A telephone line provided by local exchange carriers which connect a telephone or other communications device at a customer's location to Eastern Telephone Systems, Inc. d/b/a EASTERN TEL LONG DISTANCE SERVICE, INC.'s underlying carrier's telecommunications network switching center(s).

Authorization or Account Code - A numerical code of four to eleven digits, one or more of which codes are available to a customer to enable the customer to lawfully connect its communication devices for the purpose of accessing the telecommunications networks of Eastern Telephone Systems, Inc. d/b/a EASTERN TEL LONG DISTANCE SERVICE, INC.'s Underlying Carrier, and which thereby are used to prevent unauthorized network access and to identify the customer and its calling volumes for billing purposes.

Carrier or Company - Eastern Telephone Systems, Inc. d/b/a EASTERN TEL LONG DISTANCE SERVICE, INC..

Customer - The person, firm, corporation, end user or other entity which orders or uses services and is responsible for the payment of charges.

FPSC - Florida Public Service Commission.

Rate Center - The Points of Presence (POPs) or first point of interconnection of local exchange facilities providing access to the long distance network of the Company's Underlying Carrier and the point from which a customer's traffic is rated and billed.

Service Agreement - Company's standard form for the ordering and acceptance of a customer's request for and commitment to take Company's service offerings pursuant to this tariff.

Underlying Carrier - The telecommunications carrier whose network facilities provide the technical capability and capacity necessary for the transmission and reception of customer telecommunications traffic within Florida.

ISSUED:

EFFECTIVE:

**By: Robert Straw, President
EASTERN TELEPHONE SYSTEMS, INC.
1300 Virginia Drive, Suite 330
Fort Washington, PA 19034**

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of Company

Company undertakes to provide only those designated Services as are furnished under the terms and subject to the conditions and customer payment of the applicable rates of this tariff for communications originating and terminating within Florida.

The Company's Services are available to its customers twenty-four hours per day, seven days per week.

2.2 Limitations

2.2.1 Service is offered subject to the availability of the facilities of Company's Underlying Carrier and the provisions of this tariff.

2.2.2 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.

2.2.3 The Services provided under this tariff are subject to the direct and exclusive control of the Company. No one may alter or affect the Services nor transfer or assign its use of the Services without the express written consent of the Company, which consent may be withheld, without limitation, by Company in its sole discretion at any time such alteration, effect, transfer or assignment would result in an interruption of the Services or a change in the customer's location to which the Services are to be provided.

2.2.4 In the event prior written permission from the Company is given for 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.

ISSUED:

EFFECTIVE:

By: **Robert Straw, President**
EASTERN TELEPHONE SYSTEMS, INC.
1300 Virginia Drive, Suite 330
Fort Washington, PA 19034

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.3 Disconnection of Service by Company

The Company, 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:

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

ISSUED:

EFFECTIVE:

**By: Robert Straw, President
EASTERN TELEPHONE SYSTEMS, INC.
1300 Virginia Drive, Suite 330
Fort Washington, PA 19034**

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.4 Liabilities of the Company

- 2.4.1 Company has no liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in the transmission or call processing of customer's communications traffic by the Underlying Carrier. The Company's liability for such damages occurring in the course of furnishing the Company's Services but not caused by its gross negligence or willful misconduct or that of its employees or agents, in no event shall exceed an amount equivalent to the proportionate charge to the customer for the period during which such mistakes, interruptions, omissions, delays, errors, or defects in the Company's furnishing of its Services occur.
- 2.4.2 Acceptance of the provisions of Section 2.4.1 by the Commission does not constitute its determination that the limitation of liability imposed by the Company should be upheld in a court of law; but the recognition that as it is the duty of the courts to adjudicate negligence claims and rights to recover damages therefor, so it is the duty of the courts to determine the validity of the exculpatory provisions of Section 2.4.1.

ISSUED:

EFFECTIVE:

By: **Robert Straw, President**
EASTERN TELEPHONE SYSTEMS, INC.
1300 Virginia Drive, Suite 330
Fort Washington, PA 19034

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.4 Liabilities of the Company (Cont'd)

2.4.3 Company shall be indemnified and held harmless by the customer against:

- (A) Claims for libel, slander, or infringement of copyright or trademark arising out of the material, data, information, or other content of a customer's communications traffic;
- (B) Claims for patent infringement arising from a customer's use of its equipment, facilities or systems with the Company's Services; and
- (C) All other claims arising out of any act or omission of the customer in connection with any service provided by Company.

2.5 Interruption of Service

2.5.1 Credit allowance for the interruption of service is subject to the general liability provisions set forth in Section 2.4.1 herein. Customer shall receive no credit allowance for interruption of service due to Carrier's testing or adjusting, negligence of the customer, or to the failure of channels or equipment provided by the customer. It shall be the obligation of the customer to notify the Company immediately of any interruption in service for which a credit allowance is claimed. Before giving such notice, the customer shall ascertain that the trouble is not being caused by any action or omission within customer's control, or is not in wiring or equipment, if any, furnished by the customer in connection with the Company's Services.

2.5.2 No credit is allowed in the event service must be interrupted in order to provide routine service quality or related investigations.

ISSUED:

EFFECTIVE:

**By: Robert Straw, President
EASTERN TELEPHONE SYSTEMS, INC.
1300 Virginia Drive, Suite 330
Fort Washington, PA 19034**

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.5 Interruption of Service (Cont'd)

2.5.3 Credit for failure of service shall be allowed only when such failure is caused by or occurs due to causes within the control of Company or in the event Company is entitled to a credit for the failure of the facilities of Company's Underlying Carrier used to furnish customer's service.

2.5.4 No credit shall be allowed:

(A) For failure of services or facilities of customer; or

(B) For failure of services or equipment caused by the negligence or wilful acts of customer.

2.5.5 Credit for an interruption shall commence after customer notifies Company of the interruption or when Company becomes aware thereof, and ceases when service has been restored.

2.5.6 Before customer notifies Company of an interruption, customer shall make reasonable attempts to ascertain that customer, a third party or its or their actions and/or equipment is/are not the cause thereof.

2.5.7 Credits are applicable only to that portion of service interrupted.

2.5.8 For purposes of credit computation, every month shall be considered to have 720 hours.

2.5.9 No credit shall be allowed for an interruption of a continuous duration of less than two hours.

ISSUED:

EFFECTIVE:

By: **Robert Straw, President**
EASTERN TELEPHONE SYSTEMS, INC.
1300 Virginia Drive, Suite 330
Fort Washington, PA 19034

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.5 Interruption of Service (Cont'd)

2.5.10 The customer shall be credited for an interruption of two hours or more at the rate of 1/720th of the monthly charge 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.

Credit Formula:

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

"A" = outage time in hours

"B" = total monthly charge for affected facility

2.6 Restoration of Service

The use and restoration of service shall be administered by the Underlying Carrier in accordance with the priority system of the Federal Communications Commission.

2.7 Deposits

The Company does not require a deposit from its customers.

2.8 Advance Payments

The Company does not collect advance payments.

ISSUED:

EFFECTIVE:

By: **Robert Straw, President**
EASTERN TELEPHONE SYSTEMS, INC.
1300 Virginia Drive, Suite 330
Fort Washington, PA 19034

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.9 Taxes

All state and local taxes levied by governmental entities upon customers (for example, sales taxes, gross receipts taxes, and municipal utilities taxes) are listed as separate line items on customer bills and are not included in the Company's scheduled rates.

2.10 Collection of Charges

2.10.1 In the event Company incurs fees or expenses, including attorneys' fees, to collect, or attempt to collect, any charges owed Company by customer, including charges alleged to have resulted from fraud or abuse of customer's services, the Company shall charge customer all such fees and expenses, including Company's reasonable attorney's fees, incurred to collect or to attempt to collect its charges, and Company shall be entitled to recover such fees or expenses irrespective of whether it prevails in any legal action brought to collect its charges, all in accordance with and subject to the following additional legal requirements.

2.10.2 In accordance with the "filed tariff doctrine," as established by judicial and regulatory decisions and precedents, customer shall pay all charges due and owing irrespective of any claims of loss, liability, set off, damages, or other claims against Company to which customer may claim to be entitled. The duty to pay such charges shall arise upon the demand for payment by Company and shall not be delayed or deferred by the commencement of any legal or equitable action by either customer or Company in connection with such charges incurred under this tariff.

ISSUED:

EFFECTIVE:

By: **Robert Straw, President**
EASTERN TELEPHONE SYSTEMS, INC.
1300 Virginia Drive, Suite 330
Fort Washington, PA 19034

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.11 Employee Concessions

There are no employee concessions.

2.12 Specific Services

The Company does not currently offer any specific services for which conditions of eligibility apply.

2.13 Billing

Company bills its customers directly. Customers may call Company toll-free at **(800) 327-8835** with any billing disputes. All approved credits will appear on the customer's bill within 60 days of approval.

ISSUED:

EFFECTIVE:

By: Robert Straw, President
EASTERN TELEPHONE SYSTEMS, INC.
1300 Virginia Drive, Suite 330
Fort Washington, PA 19034

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 3 - DESCRIPTION OF SERVICES

3.1 Usage Based Services

3.1.1 Long distance usage charges are based on the actual usage of the Company's network. Timing for all calls begin 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.

3.1.2 Chargeable time for all calls ends when one of the parties disconnects from the call.

3.1.3 Unless otherwise specified in this tariff, the minimum call duration for billing purposes is eighteen (18) seconds.

3.1.4 Unless otherwise specified in this tariff, calls are billed in six (6) second increments.

3.1.5 Usage is measured and rounded up to the next higher increment for billing purposes.

3.1.6 There are no billing charges applied for incomplete calls.

3.2 Outbound Interexchange Service

The Company's service is provided for use by presubscribed Customers or Authorized Users. Calls are routed over the Company's resold transmission and switching facilities to any valid NPA-NXX in the state of Delaware.

3.3 800/888/877 Service

800/888/877 service provides for the termination of inbound toll-free calls to one-party exchange access lines from points within Delaware to Customer premises within Delaware.

ISSUED:

EFFECTIVE:

By: **Robert Straw, President**
EASTERN TELEPHONE SYSTEMS, INC.
1300 Virginia Drive, Suite 330
Fort Washington, PA 19034

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 3 - DESCRIPTION OF SERVICES (Cont'd)

3.4 Travel Card Service

Carrier offers a Travel Card, which allows Customer to gain access to its long distance service from anywhere in Delaware via a toll-free access number with service billed back to the Customer's account. Travel Card service allows customers to originate outbound, direct dial long distance calls.

3.5 Directory Assistance

The Company provides standard Directory Assistance.

3.6 Operator Service

Operator services are provided to customers whose ANIs are presubscribed to the Company.

ISSUED:

EFFECTIVE:

By: **Robert Straw, President**
EASTERN TELEPHONE SYSTEMS, INC.
1300 Virginia Drive, Suite 330
Fort Washington, PA 19034

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 4 - RATES

4.1 Description of Rates

Services are available to subscribers under the following rate plans. Calls in each rate plan are billed in increments with minimum billing increments as specified. No charge is made for an uncompleted call.

4.2 Outbound 1+ Switched Service

The minimum call duration is 18 seconds. Calls are billed in 6 second increments thereafter and are rounded up to the next higher increment.

| <u>Initial 18 Seconds or Fraction</u> | <u>Incremental 6 Seconds or Fraction</u> |
|---|--|
| \$0.030 | \$0.010 |

ISSUED:

EFFECTIVE:

By: **Robert Straw, President**
EASTERN TELEPHONE SYSTEMS, INC.
1300 Virginia Drive, Suite 330
Fort Washington, PA 19034

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 4 - RATES (Cont'd)

4.3 800/888/877 Switched Service

The minimum call duration is 18 seconds. Calls are billed in 6 second increments thereafter and are rounded up to the next higher increment.

| <u>Initial 18 Seconds or Fraction</u> | <u>Incremental 6 Seconds or Fraction</u> |
|---|--|
| \$0.030 | \$0.010 |

A surcharge applies to 800/888 calls originated from payphones.

Per Call

\$0.35

ISSUED:

EFFECTIVE:

**By: Robert Straw, President
EASTERN TELEPHONE SYSTEMS, INC.
1300 Virginia Drive, Suite 330
Fort Washington, PA 19034**

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 4 - RATES (Cont'd)

4.4 Travel Card Service

This plan provides calling card service to customers. Calls access the service by dialing a 1-800 number followed by an account identification number and the number being called. Minimum call duration is thirty (30) seconds. Calls are billed in thirty (30) second increments thereafter and rounded up to the next highest increment.

| <u>First 30 Seconds</u> | <u>Each Add'l Billing Increment</u> | <u>Per Minute Charge</u> |
|-----------------------------|---|------------------------------|
| \$0.08 | \$0.08 | \$0.19 |

ISSUED:

EFFECTIVE:

**By: Robert Straw, President
EASTERN TELEPHONE SYSTEMS, INC.
1300 Virginia Drive, Suite 330
Fort Washington, PA 19034**

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 4 - RATES (Cont'd)

4.5 Directory Assistance Charge

\$0.95/call

4.6 Late Payment Charge

A late fee of 1.5% per month will be charged on any past due balance.

4.7 Returned Check Charge

Carrier charges a fee of \$20.00 for any check returned for insufficient funds.

ISSUED:

EFFECTIVE:

By: Robert Straw, President
EASTERN TELEPHONE SYSTEMS, INC.
1300 Virginia Drive, Suite 330
Fort Washington, PA 19034

TELECOMMUNICATIONS SERVICES TARIFF

SECTION 4 - RATES (Cont'd)

4.8 Method of Computing Charges

Charges for each call are totaled by rate period. If the computed charges include a fraction of a cent, the fraction is rounded up to the next whole cent (e.g., \$1.4266 would be rounded up to \$1.43).

ISSUED:

EFFECTIVE:

**By: Robert Straw, President
EASTERN TELEPHONE SYSTEMS, INC.
1300 Virginia Drive, Suite 330
Fort Washington, PA 19034**

ATTACHMENT 5

EASTERN TELEPHONE SYSTEMS, INC.
d/b/a Eastern Tel Long Distance Service, Inc.

FINANCIAL INFORMATION

Attached are Applicant's audited Balance Sheets and Statements of Income for FY 1997 and 1998, as well as Statement of Income for the month and year-to-date, January 31, 2000.

EASTERN TELEPHONE
STATEMENT OF INCOME
FOR THE MONTH AND YTD JANUARY, 31 2000

| | | | | | | |
|-----------------------------|----|---------|--------|----|---------|--------|
| REVENUE | \$ | 562,297 | 100.00 | \$ | 562,297 | 100.00 |
| NET SALES | \$ | 562,297 | 100.00 | \$ | 562,297 | 100.00 |
| LINE COSTS | \$ | 271,802 | 48.34 | \$ | 271,802 | 48.34 |
| GROSS MARGIN | \$ | 290,495 | 51.66 | \$ | 290,495 | 51.66 |
| OTHER DIRECT COSTS | | | | | | |
| BILLING COST | \$ | 14,823 | 2.64 | \$ | 14,823 | 2.64 |
| DEPRECIATION-CAPITAL LEASE | | 14,483 | 2.58 | | 14,483 | 2.58 |
| INTEREST-CAPITAL LEASE | | 3,510 | .62 | | 3,510 | .62 |
| EQUIPMENT MAINTENANCE | | 4,395 | .78 | | 4,395 | .78 |
| AGENT COMMISSIONS | | 12,475 | 2.22 | | 12,475 | 2.22 |
| INSTALLATION COSTS | | 934 | .17 | | 934 | .17 |
| DIRECT COSTS | \$ | 50,620 | 9.00 | \$ | 50,620 | 9.00 |
| NET SERVICE INCOME | \$ | 239,875 | 42.66 | \$ | 239,875 | 42.66 |
| OPERATING EXPENSES | | | | | | |
| COMPENSATION COSTS | \$ | 129,472 | 23.03 | \$ | 129,472 | 23.03 |
| GENERAL & ADMINISTRATIVE | | 66,205 | 11.77 | | 66,205 | 11.77 |
| TOTAL OPERATING EXPENSES | \$ | 195,677 | 34.80 | \$ | 195,677 | 34.80 |
| NET OPERATING INCOME/(LOSS) | \$ | 44,198 | 7.86 | \$ | 44,198 | 7.86 |
| DEPRECIATION | \$ | 18,236 | 3.24 | \$ | 18,236 | 3.24 |
| INTEREST (INCOME)/EXPENSE | | 1,890 | .34 | | 1,890 | .34 |
| OTHER INCOME | | 7,057 | 1.26 | | 7,057 | 1.26 |
| PRE-TAX INCOME/(LOSS) | \$ | 31,129 | 5.54 | \$ | 31,129 | 5.54 |
| PROVISION FOR INCOME TAX | \$ | 2,957 | .53 | \$ | 2,957 | .53 |
| NET INCOME/(LOSS) | \$ | 28,172 | 5.01 | \$ | 28,172 | 5.01 |
| | | ===== | | | ===== | |

EASTERN TELEPHONE
BALANCE SHEET AS OF JANUARY 31, 2000

ASSETS

CURRENT ASSETS

| | | |
|-----------------------|----|------------|
| CASH | \$ | 224,977.22 |
| MARKETABLE SECURITIES | | 306,971.61 |
| ACCOUNTS RECEIVABLE | | 777,542.62 |
| LOANS AND ADVANCES | | 188,019.49 |
| PREPAID EXPENSES | | 65,680.26 |

| | | |
|----------------------|----|--------------|
| TOTAL CURRENT ASSETS | \$ | 1,563,191.20 |
|----------------------|----|--------------|

| | | |
|-------------------------------|----|--------------|
| CAPITAL LEASE EQUIPMENT (DEX) | \$ | 868,955.25 |
| LEASEHOLD IMPROVEMENTS | | 246,728.59 |
| EQUIPMENT | | 2,309,631.02 |
| LESS: DEPRECIATION | | 2,298,485.23 |

| | | |
|-----------------|----|--------------|
| TOTAL EQUIPMENT | \$ | 1,126,829.63 |
|-----------------|----|--------------|

| | | |
|--------------|--|------------|
| OTHER ASSETS | | 315,071.00 |
|--------------|--|------------|

| | | |
|--------------|----|--------------|
| TOTAL ASSETS | \$ | 3,005,091.83 |
|--------------|----|--------------|

=====

LIABILITIES

CURRENT LIABILITIES

| | | |
|-----------------------------|----|--------------|
| ACCOUNTS PAYABLE | \$ | 1,024,769.57 |
| PAYROLL TAXES | | 59,782.57 |
| SALES AND EXCISE TAXES | | 360,882.17 |
| ESTIMATED EQUIPMENT PAYABLE | | 150,000.00 |
| CORP TAX LIABILITY | | 2,957.00 |
| CURRENT MATURITIES | | 458,959.76 |

| | | |
|---------------------------|----|--------------|
| TOTAL CURRENT LIABILITIES | \$ | 2,057,351.07 |
|---------------------------|----|--------------|

| | | |
|---------------------------|----|--------------|
| LONG TERM LEASES AND DEBT | \$ | 902,887.95 |
| LESS CURRENT MATURITIES | | (458,960.25) |

| | | |
|---------------------------|----|------------|
| LONG TERM LEASES AND DEBT | \$ | 443,927.70 |
|---------------------------|----|------------|

| | | |
|-------------------|----|--------------|
| TOTAL LIABILITIES | \$ | 2,501,278.77 |
|-------------------|----|--------------|

STOCKHOLDERS' EQUITY

| | | |
|------------------------------|----|--------|
| CLASS A COMMON - 3900 SHARES | \$ | 315.00 |
|------------------------------|----|--------|

| | | |
|------------------------------|--|--------|
| CLASS B COMMON - 3334 SHARES | | 333.00 |
|------------------------------|--|--------|

| | | |
|-------------------|--|------------|
| CONVERTIBLE NOTES | | 189,000.00 |
|-------------------|--|------------|

| | | |
|----------------------------|--|------------|
| ADDITIONAL PAID-IN-CAPITAL | | 135,383.56 |
|----------------------------|--|------------|

| | | |
|------------------|----|-----------|
| CURRENT EARNINGS | \$ | 28,175.34 |
|------------------|----|-----------|

| | | |
|---------------------------|--|-------------|
| RETAINED EARNINGS DEFICIT | | (19,286.55) |
|---------------------------|--|-------------|

| | | |
|-------------------------------|--|------------|
| ACCUM OTHER COMPREHENSIVE INC | | 169,892.71 |
|-------------------------------|--|------------|

| | | |
|----------------------------|----|------------|
| TOTAL STOCKHOLDERS' EQUITY | \$ | 503,813.06 |
|----------------------------|----|------------|

| | | |
|---|----|--------------|
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ | 3,005,091.83 |
|---|----|--------------|

=====

EASTERN TELEPHONE SYSTEMS, INC
 SCHEDULE OF COMPENSATION COSTS
 FOR THE MONTH AND YTD ENDED JANUARY 31, 2000

| | | | | |
|--------------------------|----|---------|----|---------|
| OFFICERS' SALARIES | \$ | 5,914 | \$ | 5,914 |
| OFFICE SALARIES | | 4,672 | | 4,672 |
| ACCOUNTING MANAGER | | 4,135 | | 4,135 |
| GENERAL MANAGER | | 3,932 | | 3,932 |
| ADMINISTRATIVE MANAGER | | 3,198 | | 3,198 |
| CUSTOMER SERVICE | | 14,202 | | 14,202 |
| CUSTOMER RETENTION | | 3,980 | | 3,980 |
| COLLECTION SALARIES | | 2,904 | | 2,904 |
| TECHNICAL SALARIES | | 16,174 | | 16,174 |
| SALES MANAGER | | 8,014 | | 8,014 |
| SALES ADMINISTRATION | | 2,654 | | 2,654 |
| SALES SALARIES | | 19,571 | | 19,571 |
| SALES TELEMARKETING | | 1,155 | | 1,155 |
| COMMISSIONS | | 5,863 | | 5,863 |
| PAYROLL TAXES | | 7,075 | | 7,075 |
| PAYROLL TAXES - SALES | | 4,153 | | 4,153 |
| EMPLOYEE BENEFITS | | 6,345 | | 6,345 |
| BENEFITS - SALES | | 5,726 | | 5,726 |
| BONUS-CUSTOMER SERVICE | | 4,150 | | 4,150 |
| VACATION | | 2,845 | | 2,845 |
| VACATION - SALES | | 1,189 | | 1,189 |
| SICK PAY | | 1,119 | | 1,119 |
| SICK PAY - SALES | | 502 | | 502 |
| | | ----- | | ----- |
| TOTAL COMPENSATION COSTS | \$ | 129,472 | \$ | 129,472 |
| | | ===== | | ===== |

EASTERN TELEPHONE SYSTEMS, INC
 SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES
 FOR THE MONTH AND YTD ENDED JANUARY 31, 2000

| | | | | |
|--------------------------------|----|--------|----|--------|
| ADVERTISING | \$ | 475 | \$ | 475 |
| DIRECTORY ADVERTISING | | 2,454 | | 2,454 |
| COLLECTION COSTS | | 2,692 | | 2,692 |
| BAD DEBTS | | 3,181 | | 3,181 |
| BANK CHARGES | | 1,071 | | 1,071 |
| CONVENTIONS - SALES | | 20 | | 20 |
| DUES & PUBLICATIONS | | 138 | | 138 |
| DUES& PUB-SALES | | 476 | | 476 |
| INSURANCE-GENERAL | | 1,249 | | 1,249 |
| INTEREST EXPENSE | | 889 | | 889 |
| OFFICE EXPENSE | | 2,132 | | 2,132 |
| NETWORK EXP | | 1,550 | | 1,550 |
| PAYROLL PROCESSING COSTS | | 408 | | 408 |
| PENSION EXPENSE | | 2,401 | | 2,401 |
| PHOTOCOPY EXPENSE | | 737 | | 737 |
| POSTAGE EXPENSE | | 5,294 | | 5,294 |
| PRINTING COSTS | | 956 | | 956 |
| PRINTING - MARKETING | | 696 | | 696 |
| PROFESSIONAL FEES | | 10,559 | | 10,559 |
| RENT | | 21,279 | | 21,279 |
| ELECTRIC | | 2,331 | | 2,331 |
| SALES OFFICE EXPENSES | | 15 | | 15 |
| SERVICE CONTRACTS-OFFICE | | 419 | | 419 |
| TAXES - FOREIGN UTILITIES | | 70 | | 70 |
| FOREIGN FRANCHISE TAXES | | 4 | | 4 |
| DISCOUNTS ON TAX PAYMENTS | | (205) | | (205) |
| TELEPHONE | | 3,467 | | 3,467 |
| BUSINESS MEALS & ENTERTAINMENT | | 48 | | 48 |
| REIMBURSED SALES EXPENSES | | 1,906 | | 1,906 |
| BAD DEBT RECOVERIES | | (507) | | (507) |
| TOTAL G & A EXPENSES | \$ | 66,205 | \$ | 66,205 |

EASTERN TELEPHONE SYSTEMS, INC
 SCHEDULE OF SALES DEPARTMENT COSTS
 FOR THE MONTH AND YTD ENDED JANUARY 31, 2000

| | | | | |
|---------------------------|----|--------|----|--------|
| SALES MANAGER | \$ | 8,014 | \$ | 8,014 |
| SALES ADMINISTRATION | | 2,654 | | 2,654 |
| SALES SALARIES | | 19,571 | | 19,571 |
| SALES TELEMARKETING | | 1,155 | | 1,155 |
| COMMISSIONS | | 5,863 | | 5,863 |
| PAYROLL TAXES - SALES | | 4,153 | | 4,153 |
| BENEFITS - SALES | | 5,726 | | 5,726 |
| VACATION - SALES | | 1,189 | | 1,189 |
| SICK PAY - SALES | | 502 | | 502 |
| CONVENTIONS - SALES | | 20 | | 20 |
| DUES& PUB-SALES | | 476 | | 476 |
| SALES OFFICE EXPENSES | | 15 | | 15 |
| REIMBURSED SALES EXPENSES | | 1,906 | | 1,906 |
| | | ----- | | ----- |
| TOTAL SALES COSTS | \$ | 51,244 | \$ | 51,244 |
| | | ===== | | ===== |

EASTERN TELEPHONE SYSTEMS, INC
SCHEDULE OF MARKETING COSTS
FOR THE MONTH AND YTD ENDED JANUARY 31, 2000

| | | |
|--------------------------|----------|----------|
| ADVERTISING | 475 | 475 |
| DIRECTORY ADVERTISING | 2,454 | 2,454 |
| PRINTING - MARKETING | 696 | 696 |
| | ----- | ----- |
| TOTAL MARKETING EXPENSES | \$ 3,625 | \$ 3,625 |
| | ===== | ===== |

EASTERN TELEPHONE SYSTEMS, INC
OTHER INCOME AND EXPENSE
FOR THE MONTH AND YTD ENDED JANUARYR 31, 2000

| | | | | |
|------------------------------|----|----------|----|----------|
| INTEREST INCOME | \$ | 409 | \$ | 409 |
| COMMISSION INCOME | | 257 | | 257 |
| SERVICE FEE EXPENSE | | (84,460) | | (84,460) |
| SERVICE FEE INCOME | | 90,851 | | 90,851 |
| | | ----- | | ----- |
| TOTAL OTHER INCOME/(EXPENSE) | \$ | 7,057 | \$ | 7,057 |
| | | ===== | | ===== |

Daulerio & Benson, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
1 NORTH MAIN STREET
MEDFORD, NJ 08055
(609) 953-8196

Robert Straw and the
Board of Directors of
Eastern Telephone Systems, Inc.
1300 Virginia Drive, Suite 330
Fort Washington, Pa. 19034

We have reviewed the accompanying balance sheets of Eastern Telephone Systems, Inc. as of December 31, 1998 and 1997, and the related statements of income, retained earnings, other comprehensive income and cash flows for the years then ended in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Eastern Telephone Systems, Inc.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles.

Our review was made for the purposes of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles. The information included in the accompanying schedules of compensation, administrative expenses, other assets and other income is presented only for supplementary analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made to them.

Daulerio & Benson P.C.

February 1, 1999

**EASTERN TELEPHONE SYSTEMS, INC.
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31,**

| | <u>1998</u> | % | <u>1997</u> | % |
|-----------------------------------|--------------------|-------|--------------------|-------|
| Net Sales | \$7,704,065 | 100.0 | \$7,852,944 | 100.0 |
| Line Costs | <u>4,840,679</u> | 62.8 | <u>5,039,761</u> | 64.2 |
| Gross Margin | \$2,863,386 | 37.2 | \$2,813,183 | 35.8 |
| Other Direct Costs | | | | |
| Depreciation - Capital Lease | \$173,791 | 2.3 | \$88,213 | 1.1 |
| Interest - Capital Lease | 59,000 | 0.8 | 64,447 | 0.8 |
| Billing Costs | 175,991 | 2.3 | 166,683 | 2.1 |
| Equipment Maintenance | 28,518 | 0.4 | 19,013 | 0.2 |
| Agent Commissions | 203,367 | 2.6 | 210,902 | 2.7 |
| Installation Costs | <u>668</u> | 0.0 | <u>16,944</u> | 0.2 |
| Total Other Direct | <u>\$641,335</u> | 8.3 | <u>\$566,202</u> | 7.2 |
| NET SERVICE INCOME | \$2,222,051 | 28.8 | \$2,246,981 | 28.6 |
| General Expenses | | | | |
| Compensation Costs | \$1,176,081 | 15.3 | \$1,011,990 | 12.9 |
| Administrative Costs | <u>667,365</u> | 8.7 | <u>685,346</u> | 8.7 |
| Total General Expenses | <u>\$1,843,446</u> | 23.9 | <u>\$1,697,336</u> | 21.6 |
| Operating Income | \$378,605 | 4.9 | \$549,645 | 7.0 |
| Depreciation | (255,247) | -3.3 | (244,199) | -3.1 |
| Interest on Convertible Notes | (28,080) | -0.4 | (28,080) | -0.4 |
| Other Income | <u>37,855</u> | 0.5 | <u>17,051</u> | 0.2 |
| Income before taxes | \$133,133 | 1.7 | \$294,417 | 3.7 |
| Provision for Income Taxes | <u>37,230</u> | 0.5 | <u>183,016</u> | 2.3 |
| Net Income | <u>\$95,903</u> | 1.2 | <u>\$111,401</u> | 1.4 |

**SEE ACCOUNTANT'S REPORT AND NOTES TO
THE FINANCIAL STATEMENTS**

**EASTERN TELEPHONE SYSTEMS, INC.
BALANCE SHEET
AS OF DECEMBER 31,**

| | <u>1998</u> | <u>1997</u> |
|--------------------------------|--------------------|--------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$203,653 | \$11,598 |
| Accounts Receivable (net) | 877,511 | 986,288 |
| Prepaid Expenses | 196,884 | 88,458 |
| Other Assets | | 773 |
| Marketable Securities | 443,298 | 503,736 |
| Total Current Assets | \$1,721,346 | \$1,590,853 |
| PROPERTY AND EQUIPMENT | | |
| Capital Lease | \$868,955 | \$868,955 |
| Leasehold Improvements | 246,729 | 258,043 |
| Equipment | 2,048,217 | 1,899,356 |
| less: accumulated depreciation | 1,849,786 | 1,520,221 |
| Net Fixed Assets | \$1,314,115 | \$1,506,133 |
| OTHER ASSETS | 154,612 | 116,371 |
| Total Assets | \$3,190,073 | \$3,213,357 |

**SEE ACCOUNTANT'S REPORT AND NOTES TO
THE FINANCIAL STATEMENTS**

EASTERN TELEPHONE SYSTEMS, INC.
BALANCE SHEET
AS OF DECEMBER 31,

| | <u>1998</u> | <u>1997</u> |
|---|--------------------|--------------------|
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts Payable and Accrued Expenses | \$641,508 | \$597,918 |
| Accrued Payroll and Taxes Payable | 40,170 | 30,242 |
| Sales and Excise Taxes Payable | 32,700 | 38,011 |
| Deferred Tax Liability | 2,000 | |
| Current Maturities of Long Term Debt | <u>315,651</u> | <u>372,545</u> |
| Total Current Liabilities | \$1,032,029 | \$1,038,716 |
| Long Term Lease and Debt | | |
| Capital Lease | \$434,646 | \$538,820 |
| Notes Payable | 409,903 | 431,573 |
| Convertible Notes, 12% cumulative <small>\$850 SHARES @ 40</small> | 234,000 | 234,000 |
| less: Current Maturities | <u>315,651</u> | <u>372,545</u> |
| Total Long Term Leases and Debt | \$762,898 | \$831,848 |
| Deferred Tax Liability | <u>\$107,000</u> | <u>\$78,500</u> |
| Total Liabilities | <u>\$1,901,927</u> | <u>\$1,949,064</u> |
| STOCKHOLDERS' EQUITY | | |
| Common Stock, Class A, 10,000 shares authorized, 3,900 issued and outstanding | \$390 | \$390 |
| Common Stock Class B, 3,334 shares authorized, issued and outstanding | 333 | 333 |
| Additional Paid-In Capital | 165,277 | 165,277 |
| Retained Earnings | 885,099 | 789,196 |
| Accumulated Other Comprehensive Income | <u>237,047</u> | <u>309,097</u> |
| Total Stockholders' Equity | <u>\$1,288,146</u> | <u>\$1,264,293</u> |
| Total Liabilities and Stockholders' Equity | <u>\$3,190,073</u> | <u>\$3,213,357</u> |

SEE ACCOUNTANT'S REPORT AND NOTES TO
THE FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL CAPABILITIES

EASTERN TELEPHONE SYSTEMS, INC. d/b/a Eastern Tel Long Distance Service, Inc. ("Eastern Tel") has the financial capability to provide intrastate resale services in Florida for the following reasons. Eastern Tel, being a reseller, does not have a need for a large amount of capital to offer its services. Eastern Tel does not anticipate a need for taking on any debt to service. Eastern Tel does have good banking relationships should an unexpected need for financing ever arise. Eastern Tel has very experienced management to direct operations and fully expects its Florida operations to be profitable within three months.

EXHIBIT 6

EASTERN TELEPHONE SYSTEMS, INC.
d/b/a Eastern Tel Long Distance Service, Inc.

TECHNICAL QUALIFICATIONS

Management profiles of the following principals are attached:

| | | |
|----------------------|---|-----------|
| Erwin T. Straw | - | Founder |
| Robert E. Straw | - | President |
| Sharon Dalzell-Straw | - | Secretary |

EASTERN TELEPHONE SYSTEMS, INC.

Erwin T. Straw - Founder

Erwin T. Straw founded the company in 1982. He was also instrumental in raising the necessary capital for the company and formulated the original business plan. He raised the initial capital through a private placement offering in which nine investors participated.

Erwin t. Straw has been primarily involved in the banking and finance industries throughout his career. He began his career with Household Finance in 1952, where he learned both lending and collecting skills. He then moved to Cheltenham Bank in 1959, where he progressed from loan officer to VP of Consumer Lending. He left Cheltenham Bank in 1983 to become president of Cheltenham Federal Savings & Loan. He initially was involved in turning around the bank's profit and growth performance, which had been languishing up until that time, and also converted the Savings & Loan into a more progressive and retail oriented commercial bank. In the late 1980's he changed the bank's name to Prime Savings Bank and launched a very successful public offering on the NASDAQ stock exchange, which raised \$10,000,000 in capital. Under his leadership, the bank's market value increased by 400% between 1990 and 1994.

Mr. Straw holds a B.S. in Business Management from Mount Saint Mary's in Gettysburg, Pennsylvania, as well as an M.B.A. from Rutger's Stonier School of Banking near Trenton, New Jersey. Both degrees were conferred with honors.

Mr. Straw has also been active in a variety of community services. He served as President of the Northeast Lions Club, Treasurer of Little League Baseball, founder of local boy's football conference, and more recently, founder of an Anti-Graffiti organization, which assists communities in removing graffiti from public places.

Robert E. Straw- President

Robert E. Straw's first employment experience was at Northwestern Institute of Psychiatry, a short term critical care facility for the mentally and emotionally ill. During this time he gained valuable people skills as well as the discipline of working in a highly structured environment.

Robert E. Straw joined Eastern Tel in 1983 and was employed as one of the company's first sales representatives. In this position he acquired sales skills as well as helped the company obtain a much-needed base of customers

Mr. Straw moved into management early on when the company began experiencing operational problems typical of start up companies, and was instrumental in resolving personnel and cash flow problems, which developed shortly after the company's formation. He also filled a communications gap which existed between the company, and its founder and shareholders. Mr. Straw was promoted to President at the end of 1984, after the company had reached \$1.5 million in annual sales.

Mr. Straw has served as President of the company for the past sixteen years. During that time, the company has grown from zero sales and several employees to its most recent level of 36 employees and \$7.7 million in annual sales. He has also directed the company through many stages of market maturity brought about by telephone industry deregulation, consolidation, and rapid technological change.

Mr. Straw has been an active member of Comptel, the most recognized organization of long distance telephone companies, for a number of years and has actively met with members of the press, Congress, and local public utilities to promote and clarify issues important to the development of a competitive telecommunications industry.

Mr. Straw is a graduate of Slippery Rock University and holds a B.A. in Philosophy with a minor in Business.

Sharon Dalzell-Straw

Ms. Dalzell-Straw began her career in telecommunications in 1984 with Transamerica Telecommunications, Inc. of Lubbock, Texas, as a sales representative selling long distance service to business accounts. She was in sales for one year with Transamerica Telecommunications before joining Eastern Tel in 1985 as a sales representative. In 1986 she was promoted to the position of Sales Manager. As Sales Manager she was responsible for sales staffing and performance as well as the marketing functions of the company. She held the position of Sales Manager until 1989.

In 1989 Ms. Dalzell-Straw was promoted to her current position - Operations Manager and corporate secretary for Eastern Tel Long Distance Service, Inc. She has responsibility for overseeing the daily operations of the company. Her primary responsibilities include managing customer service, customer retention, data processing, call rating and billing processes, 800 number administration and monitoring network trouble reporting and problem resolution. She is also responsible for staffing, performance evaluations, and in-house training and development.

Ms. Dalzell-Straw has been involved in many industry-related conferences and training sessions over the past several years. She holds a B.S. from the University of Maine and an M.A. from Villanova University. Both degrees were conferred with honors. She is currently pursuing an M.B.A. at Temple University.