

Quality Telephone...

December 13, 2000

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

031799-TX

RE: Application for ALEC Certification in the State of Florida

Enclosed you will find six (6) copies and one original application for Quality Telephone, Inc's application for ALEC certification in the state of Florida. As part of this application, there is :

- A. Price Sheet
- B. Applicant Acknowledgement Statement & Affidavit
- C. Management Team Review
- D. Financial Capability Documentation

Quality telephone is a new company, yet the management team and the financial resources are solid, and our goals for the state of Florida are modest. We strongly believe Quality Telephone is strongly qualified to provide service in the state of Florida.

Please feel free to call me with any questions, 214-824-8016.



Frank McGovern

P.O. BOX 141048 • DALLAS, TEXAS 75214
PHONE 214-824-8016 • FAX 214-821-0343

DOCUMENT NUMBER-DATE

16050 DEC 15 2000

FPSC-RECORDS/REPORTING

Quality Telephone...

A. Price Sheet

B. Applicant Acknowledgement Statement & Affidavit

C. Management Team Review

D. Financial Capability Documentation

TITLE SHEET

FLORIDA TELECOMMUNICATIONS PRICE LIST

For QUALITY TELEPHONE, INC

This price list contains the descriptions, regulations, service standards and rates applicable to the furnishing of service and facilities for telecommunications services provided by Quality Telephone Inc. with principal offices at 5623 Reiger Dallas, Texas 75214. This price list applies for services furnished within the state of Florida. This price list is on file with the Florida Public Service Commission, and copies may be inspected, during normal business hours at the Company's principal place of business.

Issued Dec 13th 2000
By:

F.X. McGovern
Quality Telephone
P.O. Box 141048
Dallas, Texas 75214-1048

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CHECK SHEET

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

SHEET	REVISION
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original

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SYMBOLS SHEET

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

- D - Delete or Discontinue
- I - Change Resulting in an increase to a customer's bill
- M - Moved from another price list location
- N - New
- R - Change Resulting in a Reduction to a customer's bill
- T - Change in Text or Regulation but no change in Rate or Charge

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PRICE LIST FORMAT SHEETS

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

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

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

- 2.
- 2.1.
- 2.1.1.
- 2.1.1.A.
- 2.1.1.A.1.
- 2.1.1.A.1.(a).
- 2.1.1.A.1.(a).I.
- 2.1.1.A.1.(a).I.(i).
- 2.1.1.A.1.(a).I.(i).(1).

D. Check Sheets - When a price list filing is made with the FPSC, an updated check sheet accompanies the price list filing. The check sheet lists the sheets contained in the price list, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revision 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 price list user should refer to the late check sheet to find out if a particular sheet is the most current on file with the FPSC.

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EXCHANGE SERVICE LIST

Quality Telephone will offer local phone service in all Florida exchanges, including but not limited to

Alltel
Bell South
Sprint
Verizon / GTE of Florida

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement, which connects the customer's location to Quality Telephone Switching Network.

Company or Carrier - Quality Telephone

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

Day - From 9 AM up to but not including 5:00 PM local time Monday through Friday.

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

Exchange - The entire telephone plant and facilities used in providing telephone service to subscribers located in an exchange area

ILEC - Incumbent Local Exchange Company. In the state of Florida the three largest ILECs are BellSouth, GTE, and Sprint.

Night / Weekend - From 11:00 PM up to but not including 9:00 AM Monday through Thursday and 5:00 PM Friday up to but not including 9:00 Monday.

Holidays - Quality Telephone recognized holidays are all holidays recognized by the Federal government and the State Government of Florida.

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SECTION 2 - RULES, REGULATIONS AND SERVICE QUALITY CRITERIA

2.1 Undertaking of the Company - The Company's primary business is to resell existing lines to residential customers on a pre-paid basis. The company may choose to work with small business. The company at this point in time does not plan to enter the interlata transport market.

2.2 Obligations of the Customer

2.2.1 The customer shall be responsible for:

2.2.1.1 The payment of all applicable charges pursuant to this Price List.

2.2.1.2 Reimbursing the company for damage to, or loss of, the company's facilities or equipment caused by the acts or omissions of the customer; or the noncompliance by the customer, with these regulations, or by fire or theft or other casualty on the customer's premises unless caused by the negligence or willful misconduct of the employees or agents of the Company.

2.2.1.3 Providing at no charge, as specified from time to time by the Company, any needed space and power to operate the company's facilities and equipment installed on the customer's premises.

2.2.1.4 Complying with all laws and regulations regarding the working conditions on the premises at which the Company's employees and agents shall be installing or maintaining the Company's facilities and equipment. The customer may be required to install and maintain the Company's facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company's employees or property might result from installation or maintenance by the Company. The customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material prior to any construction or installation work.

2.2.1.5 Complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of the Company's facilities and equipment in any customer premises for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company.

2.2.1.6 Making Company facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the

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customer. No allowance for interruptions in service will be made for the period during which service is interrupted for such purposes.

2.2.2 With respect to any service or facility provided by the Company, the customer shall indemnify, defend and hold harmless the Company from all claims, actions, damages, liabilities, costs and expenses for:

2.2.2.1 Any loss, destruction or damage to property of the Company or any third party, or injury to persons, including, but not limited to, employees or invitees of either the Company or the customer, to the extent caused by or resulting from the negligent or intentional act or omission of the customer, its employees, agents, representatives or invitees; or

2.2.2.2 Any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the customer.

2.2.3 The customer is responsible for ensuring that customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The connection, operation, testing, or maintenance of such equipment shall be such as not to cause damage to the Company-provided equipment and facilities or injury to the Company's employees or other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the customer's expense.

2.2.4 The Company's services (as detailed in this price list) may be connected to the services or facilities or other communications carriers.

2.2.5 Upon reasonable notification to the customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the customer is complying with the requirements set forth in this tariff for the installation, operation, and maintenance of customer-provided facilities and equipment that is connected to Company-owned facilities and equipment.

2.3 Liability of the Company

2.3.1 In view of the fact that the customer has exclusive control over the use of service and facilities furnished by the Company, and because certain errors incident to the services and to the use of such facilities of the Company are unavoidable, services and facilities are furnished by the Company subject to the terms, conditions and limitations herein specified:

2.3.2 Service Irregularities

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- 2.3.2.1 The liability of the Company for damages arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission, or failures or defects in facilities furnished by the Company, occurring in the course of furnishing service or other facilities and not caused by the negligence of the customer, shall in no event exceed an amount equivalent to the proportionate charge to the customer for the service during the period such mistake, omission, interruption, delay, error or defect in transmission, or failure or defect in facilities continues after notice and demand to Company.
- 2.3.2.2 The Company shall not be liable for any act or omission of any connecting carrier, underlying carrier or local exchange company except where Company contracts the other carrier; for acts or omission of any other providers of connections, facilities, or service; or for culpable conduct of the customer or failure of equipment, facilities or connection provided by the customer.
- 2.3.3 Claims of Misuse of Service
- 2.3.3.1 The Company shall be indemnified and saved harmless by the customer against claims for libel, slander, fraudulent or misleading advertisements or infringement of copyright arising directly or indirectly from material transmitted over its facilities or the use thereof; against claims for infringement of patents arising from combining or using apparatus and systems of the customer with facilities of the Company; and against all other claims arising out of any act or omission of the customer in connection with the services and facilities provided by the Company.
- 2.3.4 Defacement of Premises
- 2.3.4.1 The Company is not liable for any defacement of, or damage to, the customer's premises resulting from the furnishing of service or the attachment of equipment and facilities furnished by the Company on such premises or by the installation or removal thereof, when such defacement or damage is not the result of negligence of the Company. For the purpose of this paragraph, no agents or employees of the other participating carriers shall be deemed to be agents or employees of the Company except where contracted by the Company.
- 2.3.5 Facilities and Equipment in Explosive Atmosphere, Hazardous or Inaccessible Locations
- 2.3.5.1 The Company does not guarantee nor make any warranty with respect to installations provided by it for use in an explosive atmosphere.

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Company shall be indemnified, defended and held harmless by the customer from and against any and all claims, loss, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted or asserted by the customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any equipment or facilities or the service and not due to the negligence or willful misconduct of the Company.

2.3.6 Service at Outdoor Locations

2.3.6.1 The Company reserves the right to refuse to provide, maintain or restore service at outdoor locations unless the customer agrees in writing to indemnify and save the Company harmless from and against any and all loss or damage that may result to equipment and facilities furnished by the Company at such locations. The customer shall likewise indemnify and save the Company harmless from and against injury to or death of any person which may result from the location and use of such equipment and facilities.

2.3.7 Warranties

2.3.7.1 THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FOTHER HEREIN.

2.3.7.2 Acceptance of the provisions of Section 2.3 by the Commission does not constitute its determination that any limitation of liability imposed by the Company should be upheld in a court of law.

2.3.7.3 Y2K: The Company will operate as specified in its agreement with Customer during the 20th and 21st centuries. The Company will make reasonable efforts to cure any material failure to provide Services caused solely by Year 2000 defects in the Company's hardware, software or systems. Due to the interdependence among telecommunications companies and the interrelationship with non-Company processes, equipment and systems, the Company is not responsible for failures caused by circumstances beyond its control

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including, but not limited to, failures caused by: (1) a local exchange carrier; (2) customer premise equipment; or (3) Customer. In addition, the Company does not ensure compatibility between Company services and non-Company services used by Customer.

2.4 Application for Service

2.4.1 Minimum Contract Period:

- 2.4.1.1 Except as otherwise provided, the minimum contract period is one month for all services furnished.
- 2.4.1.2 Except as provided in 2.4.2.1 preceding, the length of minimum contract period for directory listings, and for joint user service where the listing actually appears in the directory, is the directory period. The directory period is from the day on which the directory is first distributed to customers to the day the succeeding directory is first distributed to customers.
- 2.4.1.3 The Company may require a minimum contract period longer than one month in connection with special, non-standard types or arrangements of equipment, or for unusual construction, necessary to meet special demands for service.

2.4.2 Cancellation of Service

- 2.4.2.1 Where the applicant cancels an order for service prior to the start of the installation or special construction of facilities, no charge shall apply, except to the extent the Company incurs a service order or similar charge from a supplying carrier, if any, prior to the construction.
- 2.4.2.2 Where the installation of facilities, other than those provided by special construction, has been started prior to cancellation, the lower of the following charge applies;
 - (a) The total costs of installing and removing such facilities; or
 - (b) The monthly charges for the entire initial contract period of the service ordered by the customer as provided in this tariff plus the full amount of any applicable installation and termination charges.
- 2.4.2.3 Where special construction of facilities has been started prior to the cancellation, and the Company has another requirement for the specially constructed facilities, no charge applies.

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2.5 Payment for Service

- 2.5.1 Service will be billed on a monthly basis and is due and payable upon receipt or as specified on the customer's bill. Service will continue to be provided until canceled by the customer or discontinued by the Company as set forth in Section 2.15 of this tariff.
- 2.5.2 The customer is responsible for payment of all charges for service furnished to the customer. Charges based on actual usage during a month will be billed monthly in the month following the month in which the service was used. All fixed monthly and nonrecurring charges for services ordered will be billed monthly in advance.
- 2.5.3 For a pre-paid local carrier, customers pay in advance the monthly flat rate charge for local service. Customers will be billed prior to the expiration of their current pre-paid service period. If payment is not received by the due date for the next pre-paid service period, service may be disconnected. While it is the Company's intent not to offer the customer usage sensitive services (including Directory Assistance), if the customer does incur usage sensitive charges, the customer will be billed as soon as practical and the customer may be disconnected if payment is not received as provided in Section 2.15.

2.6 Customer Deposits

- 2.6.1 The Carrier does not intend to charge a deposit for services.

2.7 Late Payment Charges

- 2.7.1 The Carrier agrees to abide by the regulations governing late payment charges as specified by the FPSC and as amended by the FPSC from time to time.
- 2.7.2 Any charges that are disputed by a customer shall not be subject to late payment charges regardless of the outcome of the dispute.
- 2.7.3 The company will consider delinquent and apply late payment charges on bills not paid on the billing invoice due date in the case of residential customers and within 15 days of the billing invoice date in the case of all non-residential customers.
- 2.7.4 Late payment fees will be computed at a rate of \$10 if the bill is paid within 10 days of being late and \$25 if paid beyond 10 days of the invoice date.

2.8 Customer Complaints and Billing Disputes

- 2.8.1 Customers may notify the carrier of billing or other disputes either orally or in writing. Disputes shall be submitted within 90 days of billing invoice date.
- 2.8.3 The company provides the following toll free number (1-800-527-3233) for customers to contact the carrier.

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2.8.4 The company may collect attorney fees or court costs from customers.

2.9 Allowance for Interruptions in Service

2.9.1 Credit for failure of service or equipment will be allowed only when failure is caused by or occurs in equipment owned, provided, and billed for, by the Company.

2.10 Taxes and Fees

2.10.1 All state and local taxes and fees shall be listed as one separate line items on the customer's bill.

2.10.2 If a municipality, other political subdivision or local agency of government, or the Commission imposes and collects from the Company a gross receipts tax, occupation tax, license tax, permit fee, franchise fee, or regulatory fee, such taxes and fees shall, as allowed by law, be billed pro rata to the customer receiving service from the Company within the territorial limits of such municipality, other political subdivision or local agency of government.

2.10.3 Service shall not be subject to taxes for a given taxing jurisdiction if the customer provides the company with written verification, acceptable to the company and to the relevant taxing jurisdiction, that the customer has been granted a tax exemption.

2.11 Returned Check Charge

The charge for a returned check is \$25.

2.12 Termination of Service:

2.12.1 Denial of Service Without Notice

The Company may discontinue service without notice for any of the following reasons:

2.12.1.1 Hazardous Condition. For a condition on the customer's premises determined by the Company to be hazardous.

2.12.1.2 Adverse Effect on Service. Customer's use of equipment in such a manner as to adversely affect the Company's equipment or the Company's service to others.

2.12.1.3 Tampering With Company Property. Customer's tampering with equipment furnished and owned by the Company.

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- 2.12.1.4 Unauthorized Use of Service. Customer's unauthorized use of service by any method which causes hazardous signals over the Company's network.
- 2.12.1.5 Illegal use of Service. Customer's use of service or equipment in a manner to violate the law.
- 2.12.2. Denial of Service Requiring Notice
- 2.12.2.1 The Company may deny service for any of the following reasons provided it has notified the customer of its intent, in writing, to deny service and has allowed the customer a reasonable time of not less than 10 days, or as otherwise specified in this rate sheet, in which to remove the cause for denial:
- 2.12.2.1.A Non-compliance with Regulations. For violation of or non-compliance with regulations as stated by the FSPC, or for violation of or non-compliance with the Company's rate sheet on file with the Commission.
- 2.12.2.1.B Failure on Contractual Obligations. For failure of the customer to fulfill his contractual obligations for service or facilities subject to regulation by the FPSC.
- 2.12.2.1.C Refusal of Access. For failure of the customer to permit the Company to have reasonable access to its equipment.
- 2.12.2.1.D Non-payment of Bill.
- 2.12.2.1.D.1 For non-payment of a bill for service, provided that the Company has made a reasonable attempt to effect collection and has given the customer written notice of its intent to deny service if settlement of his account is not made and provided the customer has at least 5 days, excluding Sundays and holidays in which to make settlement before his service is denied.
- 2.12.2.1.D.2 In cases of bankruptcy, receivership, abandonment of service, or abnormal toll usage not covered adequately by a security deposit, less than 5 days notice may be given if necessary to protect the Company's revenues.
- 2.12.2.1.D.4 Failure to Comply with Service Conditions. For failure of the customer to furnish the service equipment, permits, certificates, or rights-of-way, specified by the Company as a

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condition to obtaining service, or if the equipment or permissions are withdrawn or terminated.

2.12.2.1.D.5 Failure to Comply with Municipal Ordinances. For failure to comply with municipal ordinances or other laws pertaining to telephone service.

2.12.2.1.D.6 Failure to Pay Increased Deposit Required. For failure of the customer to pay an increased security deposit when warranted by the Company to protect its revenue in accordance with Code of Maryland Regulations 20.45.04.

2.12.3. Insufficient Reasons for Denial of Service

2.12.3.1 The following may not constitute cause for refusal of service to a present or prospective customer:

2.12.3.1.A Failure of a prior customer to pay for service at the premises to be serviced;

2.12.3.1.B Failure to pay for a different class of service for a different entity;

2.12.3.1.C Failure to pay the bill of another customer as guarantor of that bill;

2.12.3.1.D Failure to pay directory advertising charges;

2.15 Unlawful Use of Service

2.15.1 Service shall not be used for any purpose in violation of law or for any use as to which the customer has not obtained all required governmental approvals, authorizations, licenses, consents, and permits. The company shall refuse to furnish service to an applicant or shall disconnect the service without notice of a customer when:

2.15.1.1 An order shall be issued, signed by a judge finding that probable cause exists to believe that the use made or to be made of the service is prohibited by law, or

2.15.1.2 The Company is notified in writing by a law enforcement agency acting within its jurisdiction that any facility furnished by the Company is being used or will be used for the purpose of transmitting or receiving gambling information in interstate or foreign commerce in violation of the law.

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2.15.2 If service has been physically disconnected by law enforcement officials at the customer's premises and if there is not presented to the Company the written finding of a judge, then upon written or verbal request of the subscriber, and agreement to pay restoral of service charges and other applicable service charges, the Company shall promptly restore such service.

2.16 Interference with or Impairment of Service

Service shall not be used in any manner which interferes with other persons in the use of their service, prevents other persons from using their service, or otherwise impairs the quality of service to other customers. The company may require a customer to immediately shut down its transmission of signals if said transmission is causing interference to others or impairing the service of others.

2.17 Telephone Solicitation by Use of Recorded Messages

2.17.1 Service shall not be used for the purpose of solicitation by recorded messages when such solicitation occurs as a result of unrequested or unsolicited calls initiated by the solicitor by means of automatic dialing devices. Such devices, with storage capability of numbers to be called or a random or sequential number generator that produces numbers to be called and having the capability, working alone or in conjunction with other equipment, of disseminating a prerecorded message to the number called and which are calling party or called party controlled, are expressly prohibited.

2.18 Incomplete Calls

2.18.1 There shall be no charge for incomplete calls. No charge will be levied for unanswered calls. Customers will receive credit for calls placed to a wrong number if the customer notifies the Company of the error.

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SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES

3.1 CONTRACTS FOR SERVICE.

The Telephone Company reserves the right to require applications for service to be made in writing on forms supplied by it. Upon acceptance of an application for service, all applicable provisions of the Telephone Company's tariffs lawfully on file become the contract between the Telephone Company and the subscriber. Requests for additional service or changes in service, upon acceptance by the Telephone Company, become a part of the original contract, except that each item of additional service is subject to the appropriate minimum contract term. The acceptance or use of service may be deemed an application for such service and an agreement to pay for it at the rates applicable thereto under the current tariff. Any change in rate or regulations lawfully made acts as a modification of all contracts to that extent without further notice.

Except as otherwise provided in this pricing sheet, service is furnished for a minimum contract term of three months.

3.1 SERVICE CONNECTION

3.1.1 Service connection charges herein described, apply to all ordering installing, changing or substituting of telephone services offered by the Company and are non-recurring.

3.1.1.1 Basic Service Order Processing Charges apply on each customer order for all work or service ordered to be provided or changed, or reconnected at one time at the same location for the same customer. These charges cover work associated with receiving, establishing records and processing any service ordered to be completed or changed at any one time. This charge applies to all requests for service initiated by a customer.

3.1.1.2 Premise Visit Charge applies for any work, equipment of service ordered, changed or substituted by the customer which requires a premise visit by Company personnel for the purpose of installation, removing, reconnecting or changing equipment and facilities associated with service.

3.1.2 RATES

	Residence	Business
Service Order	\$ 30.00	\$ 30.00
Restoration of Service	\$ 25.00	

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SECTION 4 - NON BASIC SERVICE DESCRIPTIONS AND RATES

4.1 DIRECTORY LISTINGS

All subscribers, including pay telephones, are entitled to one or more listings in the official alphabetical directory published by the Telephone Company.

One residential listings will be furnished without charge.

Additional listings are provided at \$5.00 per month. This charge will continue while the directory containing such listing is in effect. The charge will be terminated: if the main station telephone service is terminated; upon death of listed party; listed party subscribes in his own name; or moves to a location where he is not accessible to the subscriber's station.

4.2 NON-PUBLISHED NUMBERS

A telephone number is non-published when it is omitted from the directory and also from the information lists of the Telephone Company. Upon request and at a rate of \$5.00 per month, a subscriber may have a non-published number.

4.3 SUSPENSION OF SERVICE AT SUBSCRIBERS REQUEST

Upon request from a residence subscriber, service will be suspended for a period of time of not less than one month for a \$25.00 one-time charge.

4.4 PREFERRED TELEPHONE NUMBER

When initiating service, a customer may request a Preferred Telephone Number. If the number is available, a onetime \$25.00 charge will be made.

4.5 TELEPHONE NUMBER CHANGE

A customer who currently has service may request a telephone number change. A one time \$25.00 charges applies. In conjunction with the request for a number change, the customer may also request a preferred number. If the preferred number is available an additional \$25.00 charge will be made.

4.6 RETURN CHECK SERVICE CHARGE

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A \$25.00 service charge will be added to the customer's monthly bill for each check which has been returned for any reason by the customer's bank. The customer will be notified whenever this charge is applied.

4.7 VOICE MAIL

Call Answering is an optional service which allows incoming calls to a specific telephone number to be automatically answered, stored and retrieved. This service includes the Call Forwarding option. Call answering activates when the line is busy or when the customer doesn't answer. Call Answering is only available if the customer has touch-tone service with * and # buttons. Specific operating instructions will be provided to the customers who order Voice Mail service.

Voice Mail - \$10.00 per month

4.8 CALL FORWARDING - Busy Line & Don't Answer

Call Forwarding is an optional service, which allows the customer to forward incoming calls to the customer's listed telephone number to a pre-selected telephone number.

Busy Line Call Forwarding - to a pre-selected number if the line is busy - \$5.00 per month

4.9 CALL FORWARDING - *72 Activate - *73 Cancel

Call Forwarding is an optional service, which allows the customer to forward incoming calls to any number, which the customer can dial directly. If Call Forwarding is activated to a distant number, which involves a toll charge, the customer is responsible for all such toll charges. Specific operating instructions will be provided to customers who order Call Forwarding.

Call Forwarding - \$5.00 per month.

4.10 THREE-WAY CALLING

Three-Way Calling is an optional service which allows two parties to be called from the customer's telephone. The customer and the two parties may then carry on a three-way conversation simultaneously. Three-Way Calling is activated by the customer by dialing the first number, after the first number answers, the customer puts the first number on temporary hold by depressing the hook switch. The customer then dials the second number. After the second number answers, the customer depresses the hook switch the second time to connect all parties. The same procedure is used for an incoming call except the customer does not have to dial the first number.

Three-Way Calling - \$5.00 per month

4.11 CALL WAITING

Issued Dec 13th 2000

By:

F.X. McGovern
Quality Telephone
P.O. Box 141048
Dallas, Texas 75214-1048

Effective _____

Call Waiting is an optional service. Customers who order this service can determine, while using the telephone on either an incoming or outgoing call, when a second call to the customer's telephone is made. This service allows the customer to hold the first call while disposing of the second call. The customer may temporarily initiate a Tone Block to de-activate Call Waiting prior to making or receiving a call by pushing *70 or dialing 1170 after getting dial tone. Tone is reactivated after each use.

Call Waiting Service - \$5.00 per month.

4.12 SPEED DIALING

Speed Dialing is an optional service which allows the customer to program the line so that the customer can dial frequently called local or toll numbers by dialing only one digit. Customer will have 8 numbers.

Speed Dialing *74 or 1174 - \$5.00 per month.

4.13 CALLER ID

Caller ID is an optional feature which allows a subscriber to see the telephone number of an incoming call displayed on the customer provided display unit. The telephone number of an incoming call will display between the first and second rings. Caller ID Service works only on calls which originate from and terminate in central offices which are equipped and have SS7 connectivity. Caller ID is available to customers by monthly subscription only, which provides unlimited use of this service.

The telephone numbers that will be displayed on a Caller ID subscriber's display unit include listed, non-list and non-published telephone numbers.

The telephone numbers that will not be displayed to the Caller ID subscriber are: (1) calls from customers who use Per-Call Blocking or subscribe to Per- Line Blocking; (2) calls from customers located in central offices not a part of the SS7 Signaling System; and (3) calls placed through an operator. When these types of calls are received by a Caller ID subscriber, their display unit will notify them that the calling telephone number is unavailable.

In addition to the ability to see the telephone number of incoming calls, Caller ID Service provides a subscriber with the ability to reject calls from customers who have blocked the display of their telephone number on outgoing calls. This feature is called Anonymous Call Rejection (ACR) and can be activated by dialing *77 (tone) or 1177 (rotary) and deactivate by dialing *87 (tone) or 1187 (rotary). This feature is initially provided to the subscriber in the deactivated mode. The ACR will remain either on or off until the subscriber makes a change by dialing the special code. The Caller ID subscriber will hear a confirmation tone when the feature is activated or deactivated. When a Caller who has activated the Per-Call blocking or Per- Line blocking, calls a Caller ID subscriber that has activated ACR, the caller will hear an announcement that calls from blocking telephone numbers are not being accepted. The Caller ID subscriber's telephone does not ring. There is no additional charge for this feature. Blocked local or long distance calls routed to the Anonymous Call Rejection announcement will not be rated as completed calls.

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4.14 CALLER ID PER-CALL BLOCKING

Per-Call Blocking is automatically available to all customers served by the Company. This blocking option allows the calling party to block the passage of their telephone number and name on outgoing calls. To activate Per-Call Blocking a special code is dialed prior to placing each call. When this blocking feature is activated by the calling party, and they place a call to a Caller ID subscriber, the subscriber's display unit will indicate that the incoming call has been blocked. There is no charge to activate Per-Call Blocking and the service is provided on an unlimited basis. Caller ID Per-Call Blocking does not prevent the delivery of telephone numbers to 911 emergency service providers.

4.15 CALLER ID PER-LINE BLOCKING

The call party may prevent the display of their telephone number and name on a permanent basis by subscribing to Per-Line Blocking. This blocking option automatically prevents the display of the calling number and name of all calls placed for that line to a Caller ID subscriber, unless the feature is deactivated. If a subscriber of Per-Line Blocking chooses to deactivate blocking, the calling telephone number and name would be sent for that call only. After the call is completed, the line automatically reverts back to the Per-Line Blocking feature. The deactivation of Per-Line Blocking is completed by dialing a special code prior to placing each call.

The code to deactivate Per-Line Blocking is the same as the one used to activate Per-Call Blocking. Caller ID Per-Line Blocking will be available to all customers in the Company serving area.

The Per-Line Blocking option can only be added or removed from a customer's line by placing a service order with the Telephone Company. When this service is removed, the line is automatically converted to the Per-Call Blocking capability. Caller ID Per-Line Blocking does not prevent the delivery of telephone numbers to 911 emergency service providers.

Customers who use either Per-Call Blocking or Per-Line Blocking will be unable to complete calls to Caller ID and Deluxe Caller ID subscribers that have activated the Anonymous Call Rejection (ACR) feature. When a caller who has blocked the display of his/her number and name calls a Caller ID or Deluxe Caller ID subscriber that has activated ACR, the caller will hear an announcement that the called party does not take anonymous calls. To complete a call to a Caller ID or Deluxe Caller ID subscriber that has activated ACR: (1) place the call by unblocking the telephone number; or (2) place the call through an operator which may involve charges in addition to the cost of the call. The live operator surcharge will be waived for customers of Qtel who are victims of domestic violence, the staffs of domestic violence program agencies (when involved in domestic violence counseling) and emergency services personnel (while in the performance of their jobs). If the operator surcharge cannot be waived when the call is being placed, the Company will, upon notification, credit the live operator surcharge amount to the aforementioned party's telephone bill. Furthermore, should alternative methods become available in the future which permit the aforementioned to access the ACR party without revealing the caller's telephone number, the Company will waive any additional charges associated with such alternative methods.

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Qtel may waive these rates and charges during special promotions.

3.2 RECURRING SERVICE

3.2.1 General A service period runs for one full month. Basic service provides customers local calling as defined by the ILEC.

3.2.2 Rates

	Residential	Business
Monthly Recurring Rates	\$49.00	\$59.00

3.3. SERVICE MAINTENANCE VISIT

3.3.1 A service maintenance visit charge applies when a service difficulty or trouble report requires a visit by the Company or agents to the customer's premises, at which customer-provided equipment or lines are connected to Telephone Company or agent facilities, and a determination is made that the difficulty or trouble is not the result of failure of Telephone Company or agent facilities.

3.3.2 The minimum charge for each service maintenance visit is \$60.00. Costs exceeding the minimum charge are the responsibility of, and will be billed to, the customer.

3.3 EMERGENCY 9-1-1

The company shall follow Emergency 9-1-1 service requirements as set forth by the FPSC. The company shall utilize the 9-1-1 service of the ILEC.

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Caller Id - \$10.00 per month per month

- *Initial per line blocking is provided at no charge upon customer request. This nonrecurring charge would only apply for subsequent requests for Caller ID Blocking (Per Line) for the same customer at the same address. This nonrecurring charge will be waived for customers of Qtel, Inc. who are victims of domestic violence, the staffs of domestic violence program agencies (when involved in domestic violence counseling) and emergency services personnel (while in the performance of their jobs).*

4.16 ACTIVATIONS CHARGES

An activation fee of \$15.00 will apply when adding a new custom feature to an existing service, unless a specific activation charge is listed in the corresponding tariff. When optional services are included with new basic service the prevailing installation charges plus the activation fee will apply. Qtel may waive the activation charge during special promotions.

Issued Dec 13th 2000
By:

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Quality Telephone
P.O. Box 141048
Dallas, Texas 75214-1048

Effective _____

Quality Telephone...

A. Price Sheet

B. Applicant Acknowledgement Statement & Affidavit

C. Management Team Review

D. Financial Capability Documentation

THIS PAGE MUST BE COMPLETED AND SIGNED

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 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:

FRANCIS X. MCGOWAN
Print Name

Francis X. McGowan
Signature

Vice President
Title

12-13-00
Date

214-824-8016
Telephone No.

214-821-0343
Fax No.

Address: P.O. Box Box 141048
DALLAS, TEXAS 75214-1048

THIS PAGE MUST BE COMPLETED AND SIGNED

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 alternative local exchange company 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:

FRANCIS X. MCGOVERN
Print Name

Francis X. McGovern
Signature

Vice PRESIDENT
Title

12-13-00
Date

214-824-8016
Telephone No.

214-821-0343
Fax No.

Address: Quality Telephone
P.O. Box 141048
DALLAS, TEXAS 75214-1048

Sworn to and Subscribed before me this
13th day of December, 2000 by Francis X. McGovern
Christina Gonzalez
Notary Public/Dallas County, Texas



Quality Telephone...

A. Price Sheet

B. Applicant Acknowledgement Statement & Affidavit

C. Management Team Review

D. Financial Capability Documentation

John Darrah

President

Quality Telephone, Inc Dallas, TX

Start-Up team lead. Managed all day-to-day operational issues for Qtel, a switchless CLEC providing local residential telephone service. Designed and implemented an easy to use call center computer applications which provides for a single interface for call center operators to all communication companies.

Managing Partner

EZCOMM Communications

Developed business strategy that resulted in the growth from a small two-store operation to the largest independent retail outlet in the Arizona, with 12 stores, which resulted in a ten-fold increase in revenue. Designed and developed computer application unique in the industry. Provide communication product and service evaluation and technical interface with communication providers. Managed sale of the business.

Senior Account Manager for Bell Atlantic / Verizon

Tandem Computers

Responsible for Tandem's entry into the Operator Services segment of the Telco market. Enhanced Volt Delta's Directory Assistance System offering and provided all Intercept System offerings design and responses in RFP resulting in a 50M+ revenue for Tandem and Volt Delta at NYNEX. Set sales strategy for AIN, Yellow Pages, EDA, CNA, Image, Voice, Fax, SS7 Billing, SS7 Fraud, SS7 Call Management System, Video on Demand, etc with Tandem Partners Volt Delta, Anderson Consulting, Texas Instruments, NTI.

Western Regional Manager

VoiceTek

Established opportunities in Western Region (CA, CO, WA, AZ and Australia) where no significant business existed. Established Remarketing Agreement for Voicetek products by Tandem Computers by leveraging business relationships at USWest, PacBell, Bell Atlantic, NYNEX and MCI. Worked with Tandem to develop strategy for Tandem's Enhanced Services Platform for implementation both in and outside of the Telco Central Office.

Regional Director, Eastern Sales

Computer Consoles, Inc

Responsible for Bell Atlantic and MCI. One of top three producers for Computer Consoles Inc (CCI) averaging more than 15 million annually in sales to the communications industry. Responsible for CCI's entry into the Intelligent Network business and successfully sold such products a Virtual Private Network, Calling Card Validation and 800 Service. These services included the integration of switching systems (NTI and AT&T), computer systems (SCP, SMS, AP) and working with or planning for CCS7, ISDN, STP, IP etc. implementation. Successfully competed against IBM, AT&T, Northern Telecom, Tandem, Stratus and DEC.

Direct reports included 5 Salespersons and 8 System Analysts. Regional responsibility included all budget, expense, staffing, planning, and goal setting.

EDUCATION

BS - Business Administration

The University of Texas at Austin

CPA, CPCU, APA

Frank McGovern

General Manager

Quality Telephone, Inc. Irving, TX

Managing multiple different roles for Quality Telephone, a switchless CLEC (Competitive Local Exchange Carrier) providing local residential telephone service. Specific projects include, regulatory initiatives, financial controls and distribution development.

Manager – New Product Development

Verizon/GTE Irving, TX

Responsible for profit and loss, project management and all aspects of bringing new lines of business into the market place, including all market research, marketing, direct marketing, sales, distribution, operations, network design and finances. Brought five new product lines to GTE with a combined 5 year financial projections of \$160 million. Mercer Consulting cited GTE as having the best New Product Development Organization in the Telecom industry.

Staff Manager – Corporate Strategy

Verizon/GTE Irving, TX

Responsible for multiple projects determining the future direction of GTE's Residential local phone service. Projects included the coordination of the 1992 1993 and 1994 consumer market plan followed by GTE's Residential Local Organization. Plans included the development of the long term retail outlet plan, creation of the strategy for residential data, evaluation of the on-line market place, definition and co-development the business plan for a directory assistance product.

Staff Specialist – New Services Regulatory

Verizon/GTE Irving, TX

Developed regulatory support and strategies for business consumer and government products. Products included Centrex, CLASS, and E-911. Testified before State Public Utility Commissions.

Engineering & Operations Positions

General Electric

Engineering Manager

GE Mexican Operations – C.C. Acuna, Mexico

Directed 4 engineers and 12 technicians for start up of a 400 person new factory in Mexico.

Department Supervision

GE Automotive Lighting – Memphis TN

Supervised 87 employees in the production of 2 million light bulbs daily. Initiated a project leading 3 engineers to save \$175,000. Improved the production process by 4%.

Quality Engineer

GE Power Systems – Fitchburg, MA

Supervised 7 employees on 3 shifts for the receipt of incoming components. Managed volume growth increasing from 40 to 80 million dollars without increasing employees.

Project Engineer

GE Power Systems – Lynn, MA

Supervised 15 employees to establish a new warehouse. Moved \$12 million dollars of production to a new facility. Integrated 10,00 parts into a new inventory system.

Computer System Specialist

GE Aerospace Systems – Utica, NY

Designed a PC Based computer network for over 600 PCs. Wrote the front-end code, user's manual and system documentation. Trained employees in the software.

Design Engineer

Raytheon, Bedford, MA

Developed diagnostic test code for several stages of the Patriot Missile.

EDUCATION

Masters of Business Administration - Marketing

The University of Texas, at Austin

Masters of Science - Mechanical Engineering

The University of Texas, at Austin

BS - Industrial Engineering and Operations Research

The University of Massachusetts, at Amherst

David M. Sanchez

Development Manager

Quality Telephone, Inc., Dallas, TX

Key member in all aspects of the development of Quality Telephone, a CLEC (Competitive Local Exchange Carrier) company offering residential local service in nine states. Planned and managed the back office operations including customer support, operating software, database system design, financial tracking (accounts receivable, payment postings, and bank transactions), and LEC interfaces.

Senior Activations Analyst -

Affiliated Computer Systems, Dallas, TX

Supervised Activations Department for a Long Distance Communications client which included both a professional analysis staff and a clerical / junior analysis staff. Primary duties included error identification, resolution, and procedural development. Tracked new customer information to ensure data was not compromised by system processes, software problems, or customer input failure. Researched system problems utilizing flowcharting processes and worked closely with programmers to meet production requirements. Tested new systems to ensure user and functionality goals were met. Developed training and procedures for new and existing systems

Senior Production Control Analyst

Excel Telecommunications, Dallas, TX

Responsible for inspecting and testing all MIS products before they were sent to internal and external recipients. Along with one other associate, we trained and developed a 20-person staff in all aspects related to the quality of MIS Products. Jointly, we created positions and trained staff in Job Control, Agent Commissions, Customer Billing, New Customer processes, Customer Correspondence, and special situations. Interacted closely with internal customers and programming staff to determine causes of system and hardware problems and provided workable solutions. Coordinated the setting up of numerous remote.

Financial Analyst

MBNA Information Services, Dallas, TX

Provided administrative support and financial analysis to the End User Computing department. Primary duties for this COBOL and FOCUS programming department included budget forecasting and compilation, corporate client billing, regulatory records control of testing and procedures data, QA and testing of COBOL and FOCUS software changes, client training management, and word processing. Additional duties included assisting programmers in testing and correcting programs to meet critical time requirements.

Operations Analyst

NationsBank, Dallas, TX

Examined operations budget of \$11 million for five regional account research departments. Analyzed variances and explained significant changes. Prepared budget forecasts. Reviewed and explained month-end financial results. Conducted analytical studies of issues and recommended policy and procedures. Key member of the Quality Action Team utilizing management and organizational skills to reduce Proof Operator input errors for Dallas Operations. Supervised the Electronic Service HomeBanking Department. Member of the team which pioneered computer banking to customers.

EDUCATION

BS - Business Administration

The University of Massachusetts, at Amherst

Christine M. Robison

Distribution Manager

Quality Telephone, Inc. Dallas, TX

Responsible for Distribution, Advertising. Managing over distribution locations in four states, Texas, New Jersey, Maryland, and Florida. Managed the regional start and the strong growth of the service and area.

Financial Coordinator

Legal Services of Michigan, Inc. Detroit, MI

Responsible for a wide variety of areas including monthly and year-end reporting of financial status to budget in order to make proper adjustments. Maintenance of General Ledger Revenue/Expense reports and Balance Sheet. Coordinating and completing annual audit with accounting consultants. Submitting monthly and quarterly grant financial reports. Purchasing, Accounts Payable, Grants Receivable. Payroll and Personal, including salary and hourly payroll, monthly and quarterly taxes, benefit and employee policy administration. Legal Services, a non-profit legal firm, has an annual budget of \$1.8 million.

Distribution Manager – Michigan

Frito Lay, Inc. Detroit, MI

Responsible for 100% service to sales through a 3 shift shipping operation. Accountabilities included managing an operating budget of over \$4 million annually including supplies, equipment, support staff and shift supervisors. Setting, communicating and meeting department goals and reporting on period performance.

Managed 15 Receiving, 15 Utility employees and one Administrator and all incoming materials worth over \$3 million annually. Accountable for department financial and budget forecasts. Instituted performance measures to improve labor costs 30% and reduce carton inventory from 2 1/2 to 1 weeks, a \$150,000 annual impact.

Financial Coordinator – New York and New England

Frito Lay, Inc., Killington, CT

Responsible for tracking plant operating budget of \$90 million. Managed and developed support team of 5 administrators including Payroll, Purchasing, Accounts Payable, Accounts Receivable and General Administration. Accountable for the review and publishing of period financial information. Enhanced cost tracking systems to project earnings and expenditures to provide more accurate period and yearend forecasts. Trained, coached and challenged site management to take ownership of appropriate accounts. Dealt with a wide variety of vendors to gain best price and committed service.

EDUCATION

BS - Business Administration

The University of Massachusetts, at Amherst

Quality Telephone...

- A. Price Sheet
- B. Applicant Acknowledgement Statement & Affidavit
- C. Management Team Review
- D. Financial Capability Documentation

Quality Telephone...

December 13, 2000

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

RE: Financial Capability for Application for ALEC Certification in the State of Florida

The following is a review of the financial capabilities of Quality Telephone, Inc. Quality Telephone currently does not have financial statements in that the company has not yet begun operations. The company's primary focus of operations will be in Texas, the Northeast and Florida. Quality Telephone will begin operations in Texas and New Jersey on January 7th, 2001.

The management team is strong with solid the financial backing.

The customer count expectation for the state of Florida is modest, with less than 300 customers by year-end 2001. Therefore, Quality Telephone more than surpasses the financial capabilities

Quality Telephone current has \$75,000 of seed money before operations begin in bank accounts with First Union and Wells Fargo. Documentation available upon request. Additional funding is committed if needed by the management team. This is more than sufficient to reach Quality Telephone's goals per the financial projections.

Enclosed is

Financial Projection for the state of Florida
Letter of Commitment from John Darrah, President
Letter of Commitment form Frank McGovern, Vice President

Please call with any questions



Frank McGovern
Vice President
Quality Telephone

P.O. BOX 141048 • DALLAS, TEXAS 75214
PHONE 214-824-8016 • FAX 214-821-0343

Quality Telephone, INC
Estimate of Cash Flow 01/01 to 12/02

Per Customer per Month	Year 1												320
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
Customer Count - Florida	15	40	60	85	110	150	190	225	260	280	300	300	320
Revenues													
Revenues - Base	\$ 49.00	\$ 735	\$ 1,960	\$ 2,940	\$ 4,165	\$ 5,390	\$ 7,350	\$ 9,310	\$ 11,025	\$ 12,740	\$ 13,720	\$ 14,700	\$ 15,680
Revenues - Features	\$ 5.00	\$ 38	\$ 100	\$ 150	\$ 213	\$ 275	\$ 375	\$ 475	\$ 563	\$ 650	\$ 700	\$ 700	\$ 700
Expenses													
Cost of Service - Base	\$ 18.00	\$ 270	\$ 720	\$ 1,080	\$ 1,530	\$ 1,980	\$ 2,700	\$ 3,420	\$ 4,050	\$ 4,680	\$ 5,040	\$ 5,400	\$ 5,760
Cost of Service - Features	\$ 3.20	\$ 24	\$ 64	\$ 96	\$ 136	\$ 176	\$ 240	\$ 304	\$ 360	\$ 416	\$ 448	\$ 480	\$ 512
Labor	\$ 9.25	\$ 139	\$ 370	\$ 555	\$ 786	\$ 1,018	\$ 1,388	\$ 1,758	\$ 2,081	\$ 2,405	\$ 2,590	\$ 2,775	\$ 2,960
Distribution Costs	\$ 6.00	\$ 90	\$ 240	\$ 360	\$ 510	\$ 660	\$ 900	\$ 1,140	\$ 1,350	\$ 1,560	\$ 1,680	\$ 1,800	\$ 1,920
Toll Free Number	\$ 2.87	\$ 43	\$ 115	\$ 172	\$ 244	\$ 316	\$ 431	\$ 545	\$ 646	\$ 746	\$ 804	\$ 861	\$ 918
Billing	\$ 1.17	\$ 18	\$ 47	\$ 70	\$ 99	\$ 129	\$ 176	\$ 222	\$ 263	\$ 304	\$ 328	\$ 351	\$ 374
Miscellaneous	\$ 4.00	\$ 60	\$ 160	\$ 240	\$ 340	\$ 440	\$ 600	\$ 760	\$ 900	\$ 1,040	\$ 1,120	\$ 1,200	\$ 1,280
Overhead, Rent, HVAC	\$	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250
Total Revenues	\$	\$ 735	\$ 1,960	\$ 2,940	\$ 4,165	\$ 5,390	\$ 7,350	\$ 9,310	\$ 11,025	\$ 12,740	\$ 13,720	\$ 14,700	\$ 15,680
Expenses	\$	\$ 893	\$ 1,966	\$ 2,823	\$ 3,896	\$ 4,968	\$ 6,684	\$ 8,399	\$ 9,900	\$ 11,401	\$ 12,259	\$ 13,117	\$ 13,975
Cash Flow	\$	\$ (158)	\$ (6)	\$ 117	\$ 269	\$ 422	\$ 667	\$ 911	\$ 1,125	\$ 1,339	\$ 1,461	\$ 1,583	\$ 1,705
Cummulative Cash Flow	\$	\$ (158)	\$ (164)	\$ (47)	\$ 222	\$ 644	\$ 1,311	\$ 2,222	\$ 3,346	\$ 4,685	\$ 6,146	\$ 7,729	\$ 9,434

Year One	
Florida Projected Cash Flow	\$ 9,434
Other States Projected Cash Flow	\$ 37,735
Total Projected Revenues	\$ 47,169

Notes

Revenues - Base
Revenues - Features
Base revenues are projected to be \$49 per month
Charges are \$5 each and 50% of customers will order features

Cost of Service - Base
Cost of Service - Features
Labor
Distribution Costs
Toll Free Number
Overhead, Rent, HVAC
Estimated to be \$18 per month paid to GTE, Bell South, and Sprint
Average estimate to be 3 20 per feature
Average of \$5 per customer, Service of 30 minutes of support a month with \$10 per hours fully loaded
Paid to Distribution Channels
Estimated to be 15 minutes per month per customer at \$0 10 per minute
Shared with revenue from Arizona Customer base. Texas is 20% Arizona will be 80%.

Quality Telephone
P.O. Box 141048
Dallas, Texas 75214-1048

Quality Telephone, INC
Estimate of Cash Flow 01/01 to 12 Estimate of Cash Flow 01/01 to 12/02

Quality Telephone, INC

	Per Customer per Month	Year 2											
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Customer Count - Florida		330	340	350	355	360	365	370	375	380	385	390	395
Revenues													
Revenues - Base	\$ 49.00	\$ 16,170	\$ 16,660	\$ 17,150	\$ 17,395	\$ 17,640	\$ 17,885	\$ 18,130	\$ 18,375	\$ 18,620	\$ 18,865	\$ 19,110	\$ 19,355
Revenues - Features	\$ 5.00	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700	\$ 700
Expenses													
Cost of Service - Base	\$ 18.00	\$ 5,940	\$ 6,120	\$ 6,300	\$ 6,390	\$ 6,480	\$ 6,570	\$ 6,660	\$ 6,750	\$ 6,840	\$ 6,930	\$ 7,020	\$ 7,110
Cost of Service - Features	\$ 3.20	\$ 528	\$ 544	\$ 560	\$ 568	\$ 576	\$ 584	\$ 592	\$ 600	\$ 608	\$ 616	\$ 624	\$ 632
Labor	\$ 9.25	\$ 3,053	\$ 3,145	\$ 3,238	\$ 3,284	\$ 3,330	\$ 3,376	\$ 3,423	\$ 3,469	\$ 3,515	\$ 3,561	\$ 3,608	\$ 3,654
Distribution Costs	\$ 6.00	\$ 1,980	\$ 2,040	\$ 2,100	\$ 2,130	\$ 2,160	\$ 2,190	\$ 2,220	\$ 2,250	\$ 2,280	\$ 2,310	\$ 2,340	\$ 2,370
Toll Free Number	\$ 2.87	\$ 947	\$ 976	\$ 1,005	\$ 1,019	\$ 1,033	\$ 1,048	\$ 1,062	\$ 1,076	\$ 1,091	\$ 1,105	\$ 1,119	\$ 1,134
Billing	\$ 1.17	\$ 386	\$ 398	\$ 410	\$ 415	\$ 421	\$ 427	\$ 433	\$ 439	\$ 445	\$ 450	\$ 456	\$ 462
Miscellaneous	\$ 4.00	\$ 1,320	\$ 1,360	\$ 1,400	\$ 1,420	\$ 1,440	\$ 1,460	\$ 1,480	\$ 1,500	\$ 1,520	\$ 1,540	\$ 1,560	\$ 1,580
Overhead, Rent, HVAC	\$	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250
Total Revenues		\$ 16,170	\$ 16,660	\$ 17,150	\$ 17,395	\$ 17,640	\$ 17,885	\$ 18,130	\$ 18,375	\$ 18,620	\$ 18,865	\$ 19,110	\$ 19,355
Expenses		\$ 14,404	\$ 14,833	\$ 15,262	\$ 15,476	\$ 15,690	\$ 15,905	\$ 16,119	\$ 16,334	\$ 16,548	\$ 16,763	\$ 16,977	\$ 17,192
Cash Flow		\$ 1,766	\$ 1,827	\$ 1,889	\$ 1,919	\$ 1,950	\$ 1,980	\$ 2,011	\$ 2,041	\$ 2,072	\$ 2,102	\$ 2,133	\$ 2,163
Cummulative Cash Flow		\$ 1,766	\$ 3,594	\$ 5,482	\$ 7,401	\$ 9,351	\$ 11,331	\$ 13,342	\$ 15,383	\$ 17,455	\$ 19,557	\$ 21,690	\$ 23,853

Year Two	
Florida Projected Cash Flow	\$ 23,853
Other States Projected Cash Flow	\$ 95,414
Total Projected Revenues	\$ 119,267

Notes
 Revenues - Base
 Revenues - Features
 Cost of Service - Base
 Cost of Service - Features
 Labor
 Distribution Costs
 Toll Free Number
 Overhead, Rent, HVAC

Quality Telephone...

December 13, 2000

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

RE: Commitment to the Financial Soundness of Quality Telephone

It is my strong belief that the management team and current financials of Quality Telephone is solid and capable to profitably reach the goals set.

My current available assets are over \$1,000,000. In the event that Quality Telephone requires additional capital to reach goals I reserve the option to provide such needed funds.

Thank you,



John Darrah
President
Quality Telephone

P.O. BOX 141048 • DALLAS, TEXAS 75214
PHONE 214-824-8016 • FAX 214-821-0343

Quality Telephone...

December 13, 2000

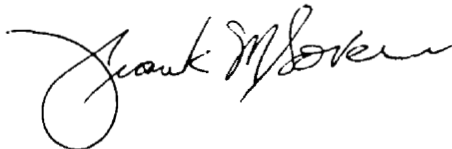
Florida Public Service Commission
Divisions of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6770

RE: Commitment to the Financial Soundness of Quality Telephone

It is my strong belief that the management team and current financials of Quality Telephone is solid and capable to profitably reach the goals set.

My current available assets are over \$250,000. In the event that Quality Telephone requires additional capital to reach goals I reserve the option to provide such needed funds.

Thank you,



Frank McGovern
Vice President
Quality Telephone