EARLY, LENNON, CROCKER & BARTOSIEWICZ, P.L.C.
ATTORNEYS AT LAW
900 COMERICA BUILDING
KALAMAZOO, MICHIGAN 49007-4752
TELEPHONE (616) 381-8844
FAX (616) 349-8525

February 5, 2001

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

010178-TI

Re: KDD America, Inc.

Dear Sir:

Enclosed herewith for filing with the Commission, please find an original and 6 copies of the above captioned corporation's APPLICATION FOR AUTHORITY TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICES WITHIN THE STATE OF FLORIDA, along with a check in the amount of $250.00 to cover filing fees relating to same.

Also enclosed is an exact duplicate of this letter. Please stamp the duplicate received and return same in the self-addressed stamped envelope attached thereto.

Please contact me if you have additional questions or concerns.

Very truly yours,

EARLY, LENNON, CROCKER & BARTOSIEWICZ, P.L.C.

Patrick D. Crocker
PDC/pas

Enclosures

FLORIDA PUBLIC SERVICE COMMISSION

KDD AMERICA, INC. APPLICATION FOR AUTHORITY TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICES WITHIN THE STATE OF FLORIDA	))))	**Docket No.**

APPLICATION

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

( ) **Facilities based carrier** - company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.

( ) **Operator Service Provider** - company provides or plans to provide alternative operator services for IXCs; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.

( ) **Reseller** - company has or plans to have one or more switches but primarily leases the transmission facilities of other carriers. Bills its own customer base for services used.

(X) **Switchless Rebiller** - company has no switch or transmission facilities but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carriers. Rebills end users at a rate above its discount but generally below the rate end users would pay for unaggregated traffic.

( ) **Multi-Location Discount Aggregator** - company contracts with unaffiliated entities to obtain bulk/volume discount plans from certain underlying carriers. Then offers the resold service by enrolling unaffiliated customers.

( ) **Prepaid Debit Card Provider** - any person or entity that purchases 800 access from an underlying carrier or unaffiliated entity for use with prepaid debit card service and/or encodes the cards with personal identification numbers.

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

(X) **Original Authority** (New Company)
( ) **Approval of Transfer** (To another certified company).
( ) **Approval of Assignment of existing certificate** (To an uncertificated company).
( ) **Approval for transfer of control** (To another certificated company).

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

KDD America, Inc.

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

KDD America, Inc.

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

375 Park Avenue, 7th Floor
New York, New York 10152

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

NOT APPLICABLE

7. Structure of organization:

( ) Individual
(X) Foreign Corporation
( ) General Partnership
( ) Other,___________
( ) Corporation
( ) Foreign Partnership
( ) Limited Partnership

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

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

NOT APPLICABLE

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

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

NOT APPLICABLE

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

NOT APPLICABLE

9. If incorporated, please give:

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

Corporate charter number:

Applicant has the authority to transact business within the state of Florida. Applicant attaches evidence of such as <u>Exhibit A.</u>

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

CT Corporation System
1200 South Pine Island Road
Plantation, Florida 33324

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

Fictitious name registration number:________________________

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

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

NOT APPLICABLE

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

NOT APPLICABLE

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

(a) The application:

Patrick D. Crocker, Attorney
Early, Lennon, Crocker & Bartosiewicz, P.L.C.
900 Comerica Building
Kalamazoo, Michigan 49007
(616) 381-8844

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

Hiroshi Hirai, President
KDD America, Inc.
375 Park Avenue, 7th Floor
New York, New York 10152
Phone: (212) 702-3720

(c) Tariff:

Patrick D. Crocker, Attorney
Early, Lennon, Crocker & Bartosiewicz, P.L.C.
900 Comerica Building
Kalamazoo, Michigan 49007
(616) 381-8844

(d) Complaints/Inquiries from customers:

Hiroyuki Aota
KDD America, Inc.
375 Park Avenue, 7th Floor
New York, New York 10152
Phone: (212) 702-3720

11. List the states in which the applicant:

(a) Has operated as an interexchange carrier.

Alabama, Arizona, California, Connecticut, District of Columbia, Idaho, Indiana, Iowa, Kentucky, Minnesota, Missouri, Nebraska, Nevada, New Jersey, New York, North Carolina, North Dakota, Ohio, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, and Virginia.

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

Arkansas, Colorado, Florida, Georgia, Illinois, Kansas, Louisiana, Montana, Oklahoma and Washington.

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

Alabama, Arizona, California, Connecticut, District of Columbia, Idaho, Indiana, Iowa, Kentucky, Minnesota, Missouri, Nebraska, Nevada, New Jersey, New York, North Carolina, North Dakota, Ohio, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, and Virginia.

(d) Has been denied authority to operate as an interexchange carrier and the circumstances involved.

Applicant has never been denied authority to operate as an interexchange carrier.

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

Applicant has never had material regulatory penalties imposed for violations of any telecommunications statutes.

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

Applicant has never been involved in Civil court proceedings with an interexchange carrier, local exchange company, or other telecommunications entity.

12. What services will the applicant offer to other certified telephone companies:

Applicant will not offer services to other certificated telephone companies.

( ) Facilities.
( ) Billing and Collection.
( ) Maintenance.
( ) Other:____________
( ) Operators.
( ) Sales.

13. Do you have a marketing program?

Yes

14. Will your marketing program:

(**X**) Pay commissions?
( ) Offer sales franchise?
( ) Offer multi-level sales incentives?
( ) Offer other sales incentives?

15. Explain any of the offers checked in question 14 (To whom, what amount, type of franchise, etc.).

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

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

17. Please provide the following (if applicable):

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

Yes, the Company name will appear on the bill.

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

The Company will bill for services itself.

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

A. Financial capability.

Regarding the showing of financial capability, the following applies:

The application should contain the applicant's financial statements for the most recent 3 years, including:

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

Applicant attaches recent financial statements as Exhibit B.

Further, a written explanation, which can include supporting documentation, regarding the following should be provided to show financial capability.

1. Please provide documentation that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.

Applicant has sufficient financial capability to provide the requested service in the geographic areas proposed to be served. Applicant's operating revenue will provide Applicant with sufficient financial resources to provide service in the proposed areas. Applicant will not require additional funding to offer services contemplated within the Application.

2. Please provide documentation that the applicant has sufficient financial capability to maintain the requested service.

Applicant has sufficient financial capability to provide the requested service in the geographic areas proposed to be served. Applicant's operating revenue will provide Applicant with sufficient financial resources to provide service in the proposed areas. Applicant will not require additional funding to offer services contemplated within the Application.

3. Please provide documentation that the applicant has sufficient financial capability to meet its lease or ownership obligations.

Applicant will operate as a switchless reseller. Applicant will not own or lease any facilities to provide the services proposed within the Application.

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

If available, the financial statements should be audited financial statements.

If the applicant does not have audited financial statements, it shall be so stated. The unaudited financial statements should then be signed by the applicant's chief executive officer and chief financial officer. The signatures should affirm that the financial statements are true and correct.

B. Managerial capability.

Resume of Applicant's current officers appear as Exhibit C.

C. Technical capability.

As a switchless reseller, Applicant will rely upon the technical capability of the underlying facilities based carrier. The commission has determined that Applicant's underlying facilities based carrier has the technical capability to provide the proposed services.

19. Please submit the proposed tariff under which the company plans to begin operation. Use the format required by Commission Rule 25024.485 (example enclosed).

Applicant's proposed Tariff is attached hereto as Exhibit D.

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

_ MTS with distance sensitive per minutes 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 if FGB
_ Method of access is FGB
_ Method of access is 800

X MTS with statewide flat rates per minute (i.e. not distance sensitive)
_ Method of access is FGA

_ Method of access is FGB
X 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.)

X 800 Service (Toll free)

X WATS type service (Bulk or volume discount)
X Method of access is via dedicated facilities
X Method of access is via switched facilities

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

_ Travel Service
_ Method of access is 950
X Method of access is 800

_ 900 service

_ Operator Services
_ Available to presubscribed customers
_ Available to non presubscribed customers (for example to patrons of hotels, students in Universities, patients in hospitals)
_ Available to inmates

Services included are:

_ Station assistance
_ Person to Person assistance
_ Directory Assistance
_ Operator verify and interrupt
_ Conference Calling

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

1+

22. _____ Other:

****APPLICANT ACKNOWLEDGEMENT STATEMENT****

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of its gross operating revenue derived from intrastate business. Regardless of the gross 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 of 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 LEC's 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 may 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.

10/21/98
DATE

H. Hirai
Hiroshi Hirai
Its: President

****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.)

H. Hirai

Hiroshi Hirai
Its: President

10/21/98
Date

EXHIBIT A

APPLICATION BY FOREIGN CORPORATION FOR AUTHORIZATION TRANSACT BUSINESS IN FLORIDA

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

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

2. New York
(State or country under the law of which it is incorporated)

3. 13-3522662
(FEI number, if applicable)

4. June 29, 1989
(Date of incorporation)

5. Perpetual
(Duration: Year corp. will cease to exist or "perpetual")

6. July 1, 1998
(Date first transacted business in Florida. (See sections 607.1501, 607.1502, and 817.155, F.S.)

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7. 375 Park Avenue, New York, New York, 10152
(Current mailing address)

8. The Offering of interexchange telecommunications services as a reseller
(Purpose(s) of corporation authorized in home state or country to be carried out in the state of Florida)

9. Name and street address of Florida registered agent:

Name: C T CORPORATION SYSTEM

Office Address: c/o C T Corporation System, 1200 South Pine Island Road

Plantation, Florida, 33324
(Zip Code)

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

C T CORPORATION SYSTEM
C. Morales
(Registered agent's signature) (Officer)

C. Morales
Special Asst. Secretary
(Type Name and Title of Officer)

(FL - 2189 - 1/6/98)
CT

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

12. Names and addresses of officers and/or directors:

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

Chairman: ____________________

Address: ____________________

____

Vice Chairman: ____________________

Address: ____________________

____

Director: SEE ATTACHED LIST

Address: ____________________

____

Director: ____________________

Address: ____________________

____

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

President: Hiroshi Hirai

Address: 375 Park Avenue, 7th Avenue, New York, New York, 10152

Vice President: ____________________

Address: ____________________

____

Secretary: Akio Nozaka

Address: ____________________

____

Treasurer: ____________________

Address: ____________________

____

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

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

14. Hiroshi Hirai
(Typed or printed name and capacity of person signing application)

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The Name and Business Address of the Officers and Directors of KDD America, Inc.

Chairman of the Board	Keizo Ohno	1-8-1 Ohtemachi, Chiyoday-ku Tokyo, Japan
President, CEO & Treasurer	Hiroshi Hirai	375 Park Avenue New York, NY 10152
Executive Vice President	Toshiro Kojima	375 Park Avenue New York, NY 10152
Executive Vice President & Secretary	Akio Nozaka	375 Park Avenue New York, NY 10152
Executive Vice President	Susumu Fujioka	455 Market Street San Francisco, CA 94104
Vice President	Makoto Arai	535 Mountain Avenue, Murray Hill, NJ 07974

DIRECTORS

Keizo Ohno	1-8-1, Ohtemachi, Chiyoda-ku, Tokyo Japan
Hiroshi Hirai	375 Park Avenue, New York, NY 10152
Akio Nozaka	375 Park Avenue, New York, NY 10152
Susumu Fujioka	455 Market Street, San Francisco, CA 94104
Mamoru Hironaka	375 Park Avenue, New York, NY 10152
Yasuhiro Shintani	375 Park Avenue, New York, NY 10152
Toshiro Kojima	375 Park Avenue, New York, NY 10152
Tsunekazu Matsudaira	1-8-1 Ohtemachi, Chiyoda-ku, Tokyo, Japan
Noriaki Ishibashi	1-8-1 Ohtemachi, Chiyoda-ku, Tokyo, Japan
Noriyasu Goto	1-8-1 Ohtemachi, Chiyoda-ku, Tokyo, Japan
Makoto Arai	535 Mountain Avenue, Murray Hill, NJ 07974

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State of New York } SS:
Department of State

I hereby certify, that the certificate of incorporation of KDD AMERICA, INC. was filed on 06/29/1989, with perpetual duration, and that a diligent examination has been made of the index of corporation papers filed in this Department for a certificate, order, or record of a dissolution, and upon such examination, no such certificate, order or record has been found, and that so far as indicated by the records of this Department, such corporation is a subsisting corporation.

***

Witness my hand and the official seal of the Department of State at the City of Albany, this 13th day of April one thousand nine hundred and ninety-eight.

Special Deputy Secretary of State

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EXHIBIT B

KPMG

KDD AMERICA, INC.
(A Wholly Owned Subsidiary of
KDD Corporation)

Financial Statements

December 31, 1999 and 1998

(With Independent Auditors' Report Thereon)

345 Park Avenue
New York, NY 10154

Independent Auditors' Report

The Board of Directors
KDD America, Inc.:

We have audited the accompanying balance sheets of KDD America, Inc. (a wholly owned subsidiary of KDD Corporation) as of December 31, 1999 and 1998, and the related statements of operations, stockholder's equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of WorldPartners Company, a 20%-owned partnership. The Company's investment in WorldPartners Company at December 31, 1999 and 1998 was $1,090,000 and $3,351,061, respectively, and its share of losses was $3,261,061 and $558,900 during 1999 and 1998, respectively. The financial statements of WorldPartners Company, which has adopted the liquidation basis of accounting as of July 1, 1999, were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for WorldPartners Company, is based on the report of the other auditors.

Except as discussed in the following paragraph, we conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

We are unable to obtain audited financial statements supporting the Company's investments in Telecomet, Inc., a 29.9%-owned affiliated company, KDD Nethall Ltda., a 37.3%-owned affiliated company and Prism Communications, Inc., a 49%-owned affiliated company or the Company's share of losses in these affiliated companies. The investment in these affiliated companies is stated at $3,262,806 and $1,889,281 at December 31, 1999 and 1998, respectively; the Company's aggregated reported share of loss was $301,651 in 1999 and share of gain was $292,986 in 1998, respectively, as described in note 3. We have been unable to satisfy ourselves as to the carrying values of the investment in affiliated companies or share of their income by other auditing procedures.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding the investments in the affiliated companies and the partnership income and losses, based on our audits, the financial statements referred to above present fairly, in all material respects, the financial position of KDD America, Inc. as of December 31, 1999 and 1998, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

As discussed in note 10, 1998 financial statements have been restated to reflect obligations for certain expenses due to parent.

KPMG LLP

March 29, 2000

KDD AMERICA, INC.
(A Wholly Owned Subsidiary of
KDD Corporation)

Balance Sheets

December 31, 1999 and 1998

Assets	1999	1998 (Restated) (note 10)
Current assets:		
Cash and cash equivalents	$ 12,995,832	37,378,154
Accounts receivable, net of allowance for doubtful accounts of $320,247 in 1999 and $-0- in 1998	7,194,979	771,576
Unbilled receivables	4,121,262	—
Inventory	14,001	33,526
Due from parent and affiliates (note 2)	10,848,977	2,340,612
Due from partnership (note 4)	—	60,318
Prepaid income taxes	2,053,788	2,251,365
Refundable income taxes	500,000	—
Deferred tax assets (note 7)	2,506,449	206,230
Prepaid expenses and other current assets	1,340,183	1,596,330
Total current assets	41,575,471	44,638,111
Investment securities (note 5)	3,388,134	3,241,601
Investment in affiliated companies (note 3)	6,346,206	4,972,681
Investment in partnership (note 4)	1,090,000	3,351,061
Property and equipment, at cost (note 6)	28,303,573	17,650,256
Less accumulated depreciation and amortization	6,955,896	3,158,296
	21,347,677	14,491,960
Goodwill (notes 1 and 3)	589,557	648,663
Deferred tax assets (note 7)	3,511,749	1,162,364
Other assets	114,365	110,303
	$ 77,963,159	72,616,744
Liabilities and Stockholder's Equity		
Current liabilities:		
Due to parent and affiliates	$ 3,910,706	2,739,755
Accrued expenses and other current liabilities	13,520,903	3,290,857
Total current liabilities	17,431,609	6,030,612
Stockholder's equity (note 2):		
Common stock, no par value. Authorized 1,000 shares; issued and outstanding 626 shares	62,590,000	62,590,000
Additional paid-in capital	1,061,578	1,061,578
(Accumulated deficit) retained earnings	(3,091,290)	2,937,704
Accumulated other comprehensive income	(28,738)	(3,150)
Total stockholder's equity	60,531,550	66,586,132
Commitment (note 9)		
	$ 77,963,159	72,616,744

See accompanying notes to financial statements.

KDD AMERICA, INC.
(A Wholly Owned Subsidiary of
KDD Corporation)

Statements of Operations

Years ended December 31, 1999 and 1998

	1999	1998 (Restated) (note 10)
Revenues:		
Telephone, Internet and other services (note 2)	$ 63,362,992	16,427,643
Service fee from parent (note 2)	10,409,760	11,596,907
Total revenues	73,772,752	28,024,550
Operating expenses (notes 2, 8 and 9)	81,685,348	32,216,293
Operating loss	(7,912,596)	(4,191,743)
Other income (expense):		
Rental income	415,515	297,839
Interest income	1,147,417	2,412,738
Share of (loss) income in investment in affiliated companies (note 3)	(301,651)	292,986
Share of loss in investment in partnership (note 4)	(3,261,061)	(558,900)
Gain on sale of securities (note 5)	—	52,079,644
(Loss) gain on sale of property and equipment	(204,735)	303,016
Other, net	41,013	92,542
	(2,163,502)	54,919,865
(Loss) income before income taxes	(10,076,098)	50,728,122
Income tax (benefit) expense (note 7)	(4,047,104)	16,979,420
Net (loss) income	$ (6,028,994)	33,748,702

See accompanying notes to financial statements.

KDD AMERICA, INC.
(A Wholly Owned Subsidiary of
KDD Corporation)

Statements of Stockholder's Equity

Years ended December 31, 1999 and 1998

	Common stock	Additional paid-in capital	Net retained earnings (accumulated deficit) (Restated) (note 10)	Accumulated other comprehensive income	Total stockholder's equity
Balance at December 31, 1997	$ 60,590,000	1,061,578	(5,770,998)	46,066,182	101,946,762
Net income (note 10)	—	—	33,748,702	—	33,748,702
Issuance of 20 shares of common stock (note 2)	2,000,000	—	—	—	2,000,000
Cash dividends - $40,000 per share (note 2)	—	—	(25,040,000)	—	(25,040,000)
Realization of gain due to sale of investment security, net of tax effect of $30,710,788	—	—	—	(46,064,700)	(46,064,700)
Unrealized loss on investment securities, net of tax effect of $3,088	—	—	—	(4,632)	(4,632)
Balance at December 31, 1998 (note 10)	62,590,000	1,061,578	2,937,704	(3,150)	66,586,132
Net loss	—	—	(6,028,994)	—	(6,028,994)
Unrealized loss on investment securities, net of tax effect of $17,059	—	—	—	(25,588)	(25,588)
Balance at December 31, 1999	$ 62,590,000	1,061,578	(3,091,290)	(28,738)	60,531,550

See accompanying notes to financial statements.

KDD AMERICA, INC.
(A Wholly Owned Subsidiary of
KDD Corporation)

Statements of Cash Flows

Years ended December 31, 1999 and 1998

	1999	1998 (Restated) (note 10)
Cash flows from operating activities:		
Net (loss) income	$ (6,028,994)	33,748,702
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	4,130,204	1,472,105
Share of (loss) income in investment in affiliated companies	1,004,672	(292,986)
Share of loss in investment in partnership	3,261,061	558,900
Gain on sale of securities	—	(52,079,644)
Loss on disposition of property and equipment	204,735	(303,016)
Deferred taxes	(4,649,604)	(1,366,493)
Changes in assets and liabilities:		
Accounts receivable	(6,423,403)	(79,573)
Unbilled receivable	(4,072,262)	—
Inventory	19,525	25,335
Due from parent and affiliates	(8,508,364)	(1,248,145)
Due from partnership	60,318	94,535
Prepaid income taxes	197,578	(2,251,365)
Refundable income taxes	(500,000)	—
Prepaid expenses and other current assets	207,147	(1,331,040)
Other assets	(4,063)	(38,483)
Due to parent and affiliates	5,164,307	962,839
Income taxes payable	—	(280,629)
Accrued expenses and other current liabilities	6,236,690	(113,924)
Net cash used in operating activities	(9,700,453)	(22,522,882)
Cash flows from investing activities:		
Purchase of investment securities	(172,121)	(184,894)
Purchase of property and equipment	(11,131,550)	(10,282,784)
Proceeds from sale of property and equipment	—	960,926
Repurchase of partnership interest	(3,000,000)	—
Dividend from partnership	2,000,000	—
Proceeds from sale of partnership interest	—	4,000,000
Proceeds from sale of securities	—	72,167,644
Increase in investment in affiliated companies	(2,378,198)	(3,083,400)
Net cash used in investing activities	(14,681,869)	63,577,492
Cash flows from financing activities:		
Proceeds from issuance of common stock	—	2,000,000
Dividends paid	—	(25,040,000)
Net cash used in financing activities	—	(23,040,000)
Net (decrease) increase in cash and cash equivalents	(24,382,322)	18,014,610
Cash and cash equivalents at beginning of year	37,378,154	19,363,544
Cash and cash equivalents at end of year	$ 12,995,832	37,378,154
Supplementary cash flow information:		
Income taxes paid during the year (net of refund)	$ 837,865	20,600,135

See accompanying notes to financial statements.

KDD AMERICA, INC.
(A Wholly Owned Subsidiary of
KDD Corporation)

Notes to Financial Statements

December 31, 1999 and 1998

(1) Organization and Summary of Significant Accounting Policies

KDD America, Inc. (the Company) is a wholly owned subsidiary of KDD Corporation, formerly known as Kokusai Denshin Denwa Co., Ltd. (the Parent), a Japanese corporation, was incorporated on June 29, 1989 under the laws of the State of New York and began operations on October 1, 1989.

The Company is engaged in providing telecommunications services, including telephone service, private line service, Internet service, facsimile service and telegram service.

The Company also provides services for the Parent based upon service agreements. These services include liaison and coordination with telecommunications-related organizations, research and study of the telecommunications industry and sales support to the Parent.

In July 1998, the Company started providing long-distance and international telephone service.

Cash Equivalents

Cash equivalents of $2,060,721 and $35,960,624 at December 31, 1999 and 1998, respectively, consist of time deposits. For purposes of the statements of cash flows, the Company considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

Inventory

Inventory, which is all finished goods available for sale, is stated at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method.

Investment Securities

The Company's investment securities are categorized as available-for-sale securities, as defined by Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities." Unrealized holding gains and losses are reflected as a net amount in a separate component of stockholder's equity until realized. For the purpose of computing realized gains and losses, cost is identified on a specific-identification basis.

Investment in Affiliated Companies and Investment in Partnership

Investment in 20%- to 50%-owned affiliated companies and investment in partnership are accounted for by the equity method, and investment in less than 20%-owned affiliated company is accounted for by the cost method.

Depreciation and Amortization

Depreciation on property and equipment is calculated on the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized on a straight-line basis over the shorter of the lease term or the estimated useful life of the asset.

Goodwill

Goodwill represents the excess of cost over the value of net assets acquired and is amortized on a straight-line basis over 15 years. As of December 31, 1999 and 1998, accumulated amortization was $297,030 and $237,924, respectively.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Use of Estimates

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities and reported amounts of revenues and expenses to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

(2) **Related Party Transactions**

The following is a summary of transactions with the Parent and affiliates for the years ended December 31, 1999 and 1998:

		1999	1998
Service fee from Parent	$	10,409,760	11,596,907
Facsimile service income from Parent and affiliates		1,010,965	1,116,914
Internet service income from Parent and affiliates		12,981,546	9,007,316
Telecommunication and other service income from Parent and affiliates		9,896,105	1,971,383
Telecommunications-related expenses to affiliates		15,590,207	4,521,926

Under the terms of an agreement with the Parent, the Company receives service fee income based on costs incurred plus 5%.

The Company earns internet service, telecommunication and other service income from the Parent for providing these services between the U.S. and Japan. Revenue is recorded based on an agreement which provides for certain rates to be charged for such services.

The Company issued 20 shares and 130 shares of common stock to the Parent for $2,000,000 in 1998. The Company also paid a cash dividend of $25,040,000 to the Parent in 1998.

(3) **Investment in Affiliated Companies**

The Company initially acquired a 40% interest in Telecomet, Inc. for $1,200,000 on December 10, 1990, and acquired an additional 9.9% interest for $3,290,000 on November 24, 1992. In July 1994, the Parent acquired a direct interest in Telecomet, Inc. and, accordingly, the Company's interest in Telecomet, Inc. was reduced to 29.9%.

At December 31, 1999 and 1998, the Company recorded its share of income which increased the investment balance by $289,096 and $292,986, respectively.

On November25, 1998, the Company acquired a 6% interest in KDD Europe Limited, an affiliated company, for $3,083,400. The investment is accounted for under the cost method.

The Company acquired a 37.3% interest in KDD Nethall Ltda., an affiliated company in Brazil, for $677,294 on January 8, 1999. At December 31, 1999, the Company recorded its share of loss which decreased the investment balance by $77,324. Also, at December 31, 1999, the Company recognized a write-down of goodwill and reduced the investment balance by $244,739.

On February 9, 1999, the Company acquired a 49% interest in Prism Communications, Inc., a Korean company, for $1,700,903. At December 31, 1999, the Company recorded its share of loss which decreased the investment balance by $513,424. Also, at December 31, 1999, the Company recognized a write-down of the investment and reduced the investment balance by $458,282.

Summary unaudited financial information for Telecomet, Inc., KDD Nathall Ltda., and Prism Communications, Inc. as of and for the years ended December 31, 1999 and 1998 is as follows (in thousands):

		Telecomet, Inc.	KDD Nathall Ltda.	Prism Communications, Inc.
1999:				
Current assets	$	8,147	279	1,390
Property and equipment, net		1,883	366	1,631
Other assets, net		214	38	298
Total assets	$	10,244	683	3,319
Liabilities	$	2,959	26	1,831
Stockholder's equity		7,285	657	1,488
Total liabilities and stockholder's equity	$	10,244	683	3,319
Total revenue	$	19,347	1,323	3,460
Net income (loss)	$	745	(207)	(1,048)

		Telecomet, Inc.
1998:		
Current assets	$	8,014
Property and equipment, net		1,960
Other assets, net		63
Total assets	$	10,037
Liabilities	$	3,726
Stockholder's equity		6,311
Total liabilities and stockholder's equity	$	10,037
Total revenue	$	16,589
Net income	$	979

(4) Investment in Partnership

On September 24, 1993, the Company acquired a 30% general partnership interest in WorldPartners Company (WPC), a partnership formed pursuant to the provisions of the State of Delaware Uniform Partnership Law. WPC was established to define, create and support commonly branded telecommunications services under the brand name of WorldSource^{SM}. The Company contributed $3,461,000 on September 24, 1993 and an additional $1,528,000 on January 27, 1994.

On September 30, 1994, the Company sold 6% of its partnership interest to a third party for $1,110,237 and, as a result, the Company's share in WPC decreased to 24%. The excess proceeds over the book value of the sold partnership interest at the time of sale was recorded as a gain of $451,848.

Effective January 1, 1997, the Company sold 4% of its partnership interest to an existing partner for $956,194 and, as a result, the Company's share in WPC decreased to 20%. The excess proceeds over the book value of the sold partnership interest at the time of sale was recorded as a gain of $795,741.

During 1997, the partners made additional contributions to WPC, and the Company contributed in the amount of $6,800,000.

In June 1998, the Company sold a 2% interest of WPC to Telstra, an Australian telecommunications company, for $4,000,000 and, as a result, the Company's share in WPC decreased to 18%. On March 22, 1999, Telstra executed its option to leave the partnership and sell back the partnership interest to the Company at $3,000,000. The excess proceeds over the book value of the sold partnership interest at the time of sale was recorded as an adjustment of investment in WPC of $3,209,004 at December 31, 1998. During 1998, AT&T, one of partners of WPC, announced its intention to withdraw from WPC.

The partnership agreement expired on December 31, 1999. The partners elected to liquidate the partnership in accordance with the Partnership Agreement, and accordingly, WPC is preparing for the windup and orderly liquidation of the partnership's assets and liabilities. On December 15, 1999, the Company received a liquidation dividend of $2,000,000. At December 31, 1999, the net investment in the partnership was $1,090,000 after providing for liquidation adjustments and accordingly, management wrote down its interest in WPC and recognized a loss of $3,261,061 in 1999.

(5) Investment Securities

The Company acquired 1,800,000 shares of common stock of Pacific Gateway Exchange Inc. (PGE), representing 9.5% ownership, for $20,088,000 in July 1996. In July 1998, the Company sold all of PGE stocks at $72,167,644 because of a change in management's strategy. The Company recognized a gain of $52,079,644 from the sale of the stocks in 1998.

All other investment securities are categorized as available-for-sale securities and summarized as follows:

	Cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
1999:				
Marketable securities	$ 3,436,031	23,137	(71,034)	3,388,134
1998:				
Marketable securities	$ 3,246,851	—	(5,250)	3,241,601

These investment securities were classified as noncurrent assets since the Company's management express their intention to hold these securities beyond one year.

(Continued)

(6) Property and Equipment

At December 31, 1999 and 1998, property and equipment at cost were as follows:

	1999	1998
Building	$ 1,175,000	1,175,000
Machinery and equipment	22,471,838	10,313,707
Furniture and fixtures	2,456,288	2,400,299
Automobiles	81,318	95,289
Leasehold improvements	1,812,498	1,698,724
Construction in progress	306,631	1,967,237
	$ 28,303,573	17,650,256

(7) Income Taxes

Income taxes consist of:

	1999	1998
Current expense:		
Federal	$ 302,926	17,187,182
State and local	282,516	1,158,732
	585,442	18,345,914
Deferred:		
Federal	(3,471,778)	(898,698)
State and local	(1,160,768)	(467,796)
	(4,632,546)	(1,366,494)
	$ (4,047,104)	16,979,420

Total income taxes differ from the amount computed by applying the U.S. Federal income tax rate of 34% at December 31, 1999 and 1998 to loss before income taxes as a result of the following:

		1999	1998
Computed expected taxes	$	(3,425,873)	17,247,561
Increase in income taxes resulting from:			
State and local income taxes, net of Federal income tax benefit		(579,646)	318,842
Change in valuation allowance for deferred tax assets		—	(1,223,517)
Other		(41,585)	636,534
Total income taxes	$	(4,047,104)	16,979,420

The tax effects of temporary differences that give rise to significant portions of the deferred income tax assets and liabilities at December 31, 1999 and 1998 are as follows:

		1999	1998
Deferred tax assets:			
Net operating loss	$	2,506,449	—
Investment in affiliated companies		1,188,329	1,253,833
Investment in WPC		2,621,286	789,803
Office rent accrual		368,347	652,504
Depreciation		302,195	—
Others		122,653	44,073
Total gross deferred tax assets		7,109,259	2,740,213
Valuation allowance		(1,091,061)	(1,091,061)
Deferred tax assets		6,018,198	1,649,152
Deferred tax liabilities:			
Depreciation		—	280,558
Deferred tax liabilities		—	280,558
Net deferred tax assets		6,018,198	1,368,594

The net change in the total valuation allowance in 1998 was a decrease of $1,755,301.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods which the deferred tax assets are deductible, management believes it is more likely than not that the Company will realize the benefits of these deductible differences, net of the existing valuation allowance at December 31, 1999.

(8) 401(k) Retirement Plan

In 1995, the Company adopted a 401(k) retirement plan covering all employees who have satisfied certain eligibility requirements. The Company's contributions to the plan are based on a percentage of annual compensation of employees eligible under the plan. The Company's contributions charged to operating expenses were $30,840 and $30,174 for the years ended December 31, 1999 and 1998, respectively.

(9) Commitment

The Company is obligated under noncancelable operating leases for office spaces. Future minimum lease payments under the noncancelable operating leases as of December 31, 1999 are as follows:

Year ending December 31		Amount
2000	$	1,769,582
2001		1,610,033
2002		1,618,909
2003		1,756,268
2004		1,557,263
Thereafter		4,109,167
Total	$	12,421,222

For the years ended December 31, 1999 and 1998, rent expense amounted to $2,168,957 and $1,821,308, respectively.

(10) Prior Period Adjustments

The Company's 1998 financial statements have been restated to reflect an unrecorded liability of $1,283,364 that existed for telecommunication and internet service expenses due to parent. In addition, the Company increased its payable to parent to correct an overstatement of income of $1,002,906. As a result of these prior period adjustments, retained earnings as of December 31, 1998 have been restated to reflect a decrease of $1,371,762, net of taxes of $914,508. The effect of these prior period adjustments on the December 31, 1998 financial statements, as previously reported, is as follows:

	As previously reported	As restated
Prepaid income taxes	$ 1,336,857	2,251,365
Due to parent and affiliates	453,485	2,739,755
Retained earnings	4,309,466	2,937,704

EXHIBIT C

Name	Title	Address
Hiroshi Hirai	President/CEO	415 East 54th Street Apt. #24G, New York, NY 10022
Akio Nozaka	EVP	146 West 57th Street Apt. #45C, New York, NY 10019
Susumu Fujioka	EVP	27 Aurora Dr. Rolling Hills Estate, CA 90274
Tsutomu Tashiro	EVP	706 Ridge Dr., Maclean, VA 22101
Makoto Arai	VP	94 White Oak Ridge Rd. Short Hills、NJ 07078
Mamoru Hironaka	Director	6 Hearthstone Circle, Scarsdale, NY 10583
Yasuhiro Shintani	Director	150 West 56 Street, #4103, New York , NY 10019
Nariyoshi Tanaka	Director	2-3-2, Nishi Shinjuku, Shinjuku-ku, Tokyo, Japan
Tsunekazu Matsud	Director	2-3-3, Nishi Shinjuku, Shinjuku-ku, Tokyo, Japan
Noriyasu Goto	Director	2-3-4, Nishi Shinjuku, Shinjuku-ku, Tokyo, Japan

EXHIBIT D

FLORIDA TELECOMMUNICATIONS TARIFF

This Tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services within the State of Florida by KDD America, Inc. This tariff is on file with the Florida Public Service Commission, and copies may also be inspected, during normal business hours, at the following location: 375 Park Avenue, 7th Floor, New York, New York 10152.

CHECK SHEET

The title page and pages 1-28 inclusive of this Tariff are effective as of the date shown. Original and revised sheets, as named below, comprise all changes from the original Tariff in effect on the date indicated.

SHEET	REVISION	SHEET	REVISION
1	Original	23	Original
2	Original	24	Original
3	Original	25	Original
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* New or Revised Sheets

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Issued by: Hiroshi Hirai, President
KDD America, Inc.
375 Park Avenue, 7th Floor
New York, New York 10152

SYMBOLS

(D) Delete or Discontinue

(I) Change Resulting In An Increase to A Customer's Bill

(M) Moved From Another Tariff Location

(N) New

(R) Change Resulting In A Reduction To A Customer' Bill

(T) Change in Text or Regulation But No Change In Rate or Charge

TARIFF FORMAT

Sheet Numbering - Sheet numbers appear in the upper right hand corner of the page. Sheets are numbered sequentially and from time to time new pages may be added to the Tariff. When a new page is added between existing pages, a decimal is added to the preceding page number. For example, a new page added between Sheets 3 and 4 would be numbered 3.1.

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 Commission. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc. the Commission follows in the tariff approval process, the most current sheet number on file with the Commission is not always the tariff page in effect. Consult the Check Sheet for the sheet currently in effect.

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

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

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 designed by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it. 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.

1. TECHNICAL TERMS AND ABBREVIATIONS

For the purpose of this Tariff, the following definitions will apply:

Access Coordination

Provides for the design, ordering, installation, coordination, pre-service testing, service turn-up and maintenance on a Company or Customer provided Local Access Channel.

Administrative Change

A change in Customer billing address or contact name.

Application for Service

A standard Company order form which includes all pertinent billing, technical and other descriptive information which will enable the Company to provide a communication Service as required.

ASR

ASR (Access Service Request) means an order placed with a Local Access Provider for Local Access.

Authorized User

A person, firm, corporation or other entity that either is authorized by the Customer to receive or send communications or is placed in a position by the Customer, either through acts or omissions, to send or receive communications.

Cancellation of Order

A Customer initiated request to discontinue processing a Service order, either in part or in its entirety, prior to its completion. Cancellation charges will be assessed for each Circuit-end or Dedicated Access line canceled from an order prior to its completion by the Company, under the following circumstances: (1) if the LEC has confirmed in writing to the Company that the Circuit-end or Dedicated Access line will be installed; or (2) if the Company has already submitted facilities orders to and interconnecting telephone company.

Company

KDD America, Inc.

Company Recognized National Holidays

The following are Company Recognized National Holidays determined at the location of the originator of the Call: New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, Christmas Day.

The evening rate is used unless a lower rate would normally apply. When a Call begins in one rate period and ends in another, the rate in effect in each rate period applies to the portion of the Call occurring within that rate period. In the event that a minute is split between two rate periods, the rate in effect at the start of that minute applies.

Customer

The person, firm, corporation or governmental unit which orders Service and which is responsible for the payment of charges and for compliance with the Company's Tariff regulations. A Customer is considered to be an account for billing purposes. The term Customer also includes an entity that remains presubscribed to the Company Service after its account(s) are removed from the Company's billing system, subsequently continues to use Company's network, and is billed by a local exchange carrier for such use, or otherwise uses Service for which no other Customer is obligated to compensate Company.

Customer Premises/Customer's Premises

Locations designated by a Customer where Service is originated/terminated whether for its own communications needs or for the use of its resale customers.

Expedite

A Service order initiated at the request of the Customer that is processed in a time period shorter than the Company's standard Service interval.

FCC

Federal Communications Commission

FPSC

Florida Public Service Commission

Installation

The connection of a Circuit, Dedicated Access line, or port for new, changed or an additional Service.

Interexchange Service

Interexchange Service means that portion of a communications channel between a Company-designated Point-of-Presence in one exchange and a Point-of-Presence in another exchange.

Interruption

Interruption shall mean a condition whereby the Service or a portion thereof is inoperative, beginning at the time of notice by the Customer to Company that such Service is inoperative and ending at the time of restoration.

LATA (Local Access Transport Area)

A geographical area established for the provision and administration of communications Service of a local exchange company.

Local Access

Local Access means the Service between a Customer Premises and a Company designated Point-of-Presence.

Local Access Provider

Local Access Provider means an entity providing Local Access.

Multiplexing

Multiplexing is the sequential combining of lower bit rate Private Line Services onto a higher bit rate Private Line Service for more efficient facility capacity usage or vice versa.

Payment Method

The manner which the Customer designates as the means of billing charges for Calls using the Company's Service.

Physical Change

The modification of an existing Circuit, Dedicated Access line or port, at the request of the Customer, requiring some Physical Change or retermination.

Point-of-Presence (POP)

A Company-designated location where a facility is maintained for the purpose of providing access to its Service.

Primary Route

The route which, in the absence of Customer-designated routing or temporary re-routing, would be used by the Company in the provision of Service.

Rate Center

A specified geographical location used for determining mileage measurements.

Requested Service Date

The Requested Service Date is the date requested by the Customer for commencement of Service and agreed to by the Company.

Service

Service means any or all Service(s) provided pursuant to this Tariff.

Service Commitment Period

The term elected by the Customer and stated on the Service order during which the Company will provide the Services subscribed to by the Customer. The term can be monthly or in the case of Private Line Services for a period of up to 5 years.

Start of Service Date

The Requested Service Date or the date Service first is made available by the Company whichever is later.

Tariff

The current Intrastate Services Tariff and effective revisions thereto filed by the Company with the FPSC.

Toll Call

Any call extending beyond the local exchange of the originating caller which is rated on a toll schedule by the local exchange telephone company.

2. RULES AND REGULATIONS

2.1. Undertaking of the Company

2.1.1. Intrastate Telecommunications Service ("Service") is the furnishing of Company communication Services contained herein between specified locations under the terms of this Tariff. The Company will provide Service to the public by reselling services purchased from underlying facilities based carriers.

2.1.2. Any member of the general public (including any natural person or legally organized entity such as a corporation, partnership, or governmental body) is entitled to obtain Service under this Tariff, provided that the Company reserves the right to deny Service: (A) to any Customer that, in the Company's reasonable opinion, presents an undue risk of nonpayment, (B) in circumstances in which the Company has reason to believe that the use of the Service would violate the provisions of this Tariff or any applicable law or if any applicable law restricts or prohibits provision of the Service, or (C) if insufficient facilities are available to provide the Service (in such cases Company shall make best efforts to accommodate the needs of all potential Customers by means of facility improvements or purchases, of capacity, if such efforts will, in the Company's opinion, provide the Company with a reasonable return on its expenditures), but only for so long as such unavailability exists.

2.1.3. Company, when acting at the Customer's request and as its authorized agent, will make reasonable efforts to arrange for Service requirements, such as special routing, Diversity, Alternate Access, or circuit conditioning.

2.2. Limitations of Services

2.2.1. Service is offered in equal access exchanges subject to the availability of facilities and the provisions of this Tariff. Company reserves the right to refuse to provide Service to or from any location where the necessary facilities and/or equipment are not available.

2.2.2. Service may be discontinued after five working days written notice to the Customer if:

2.2.2.A. the Customer is using the Service in violation of this Tariff; or

2.2.2.B. the Customer is using the Service in violation of the law or Commission regulation.

2.2.3. Service begins on the date that billing becomes effective and is provided on the basis of a minimum period of at least one month, 24 hours per day. For the purposes of computing charges in this Tariff, a month is considered to have 30 days.

2.2.4. The Company reserves the right to discontinue furnishing Services or billing options, upon written notice, when necessitated by conditions beyond its control. Conditions beyond the Company's control include, but are not limited to, a Customer's having Call volume or a calling pattern that results, or may result, in network blockage or other Service degradation which adversely affects Service to the calling party, the Customer, or other Customers of the Company.

2.2.5. The name(s) of the Customer(s) desiring to use the Service must be stipulated in the application for Service.

2.2.6. The Customer agrees to operate the Company provided equipment in accordance with instructions of the Company or the Company's agent. Failure to do so will void the Company liability for interruption of Service and may make Customer responsible for damage to equipment pursuant to Section 2.2.7 below.

2.2.7. Customer agrees to return to the Company all Company-provided equipment delivered to Customer within five (5) days of termination of the Service in connection with which the equipment was used. Said equipment shall be in the same condition as when delivered to Customer, normal wear and tear only excepted. Customer shall reimburse the Company, upon demand, for any costs incurred by the Company due to Customer's failure to comply with this provision.

2.2.8. A Customer shall not use any servicemark or trademark of the Company or refer to the Company in connection with any product, equipment, promotion, or publication of the Customer without prior written approval of the Company.

2.2.9. In the event suit is brought or any attorney is retained by the Company to enforce the terms of this Tariff, the Company shall be entitled to recover, in addition to any other remedy, reimbursement for reasonable attorneys' fees, court costs, costs of investigation and other related expenses incurred in connection therewith.

2.2.10. The provision of Service will not create a partnership or joint venture between the Company and the Customer nor result in joint Service offerings to their respective Customers.

2.2.11. The rate or volume discount level applicable to a Customer for a particular Service or Services shall be the rate or volume discount level in effect at the beginning of the monthly billing period applicable to the Customer for the particular Service or Services. When a Service is subject to a minimum monthly charge, account charge, port charge or other recurring charge or Nonrecurring Charge for both intrastate and interstate Service, only one such charge shall apply per account and that charge shall be the interstate charge.

2.2.12. Service requested by Customer and to be provided pursuant to this Tariff shall be requested on Company Service Order forms in effect from time to time or Customer's forms accepted in writing by an authorized headquarters representative of the Company (collectively referred to as "Service Orders").

2.2.13. If an entity other than the company (e.g., another carrier or a supplier) imposes charges on the Company in connection with a Service that entity's charges will be passed through to the Customer also.

2.2.14. The Service Commitment Period for any Service shall be established by the Service Order relevant thereto and commence on the Start of Service Date. Upon expiration, each Service Commitment Period for such Service shall automatically be extended subject to written notice of termination by either Company or Customer. The charges for Interexchange Service during any such extension shall not exceed the then current Company month-to-month charges applicable to such Service.

2.2.15. The Company or Customers reselling or rebilling service must have a Certificate of Public Convenience and Necessity as an interexchange carrier from the Florida Public Service Commission.

2.3. Liabilities of the Company

2.3.1. Except as provided otherwise in this Tariff, the Company shall not be liable to Customer or any other person, firm or entity for any failure of performance hereunder if such failure is due to any cause or causes beyond the reasonable control of the Company. Such causes shall include, without limitation, acts of God, fire, explosion, vandalism, cable cut, storm or other similar occurrence, any law, order, regulation, direction, action or request of the United States government or of any other government or of any civil or military authority, national emergencies, insurrections, riots, wars, strikes, lockouts or work stoppages or other labor difficulties, supplier failures, shortages, breaches or delays, or preemption of existing Services to restore service in compliance with Part 64, Subpart D, Appendix A, of the FCC's Rules and Regulations.

2.3.2. With respect to the Services contained herein and except an otherwise provided herein, the Company's liability shall not exceed an amount equal to the charge applicable to a one minute Call to the Called Station at the time the affected Call was made. If the initial minute rate is higher than the additional minute rate, the higher rate shall apply. For those Services with monthly recurring charges, the Company's liability is limited to an amount equal to the proportionate monthly recurring charges for the period during which Service was affected.

2.3.3. The Company is not liable for any act or omission of any other company or companies (including any Company affiliate that is a participating or concurring carrier) furnishing a portion of the Service or facilities, equipment, or Services associated with such Service.

2.3.4. The Customer is responsible for taking all necessary legal steps for interconnecting the Customer provided terminal equipment with the Company facilities. The Customer shall ensure that the signals emitted into the Company's network do not damage Company equipment, injure personnel or degrade Service to other Customers. The Customer is responsible for securing all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection. In addition, the customer shall comply with applicable LEC signal power limitations.

2.3.5. The Company may rely on Local Exchange Carriers or other third parties for the performance of other Services such as Local Access. Upon Customer request and execution and delivery of appropriate authorizing documents, the Company may act as agent for Customer in obtaining such other Services. Customer's liability for charges hereunder shall not be reduced by untimely Installation or non-operation of Customer provided facilities and equipment.

2.3.6. The failure to give notice of default, to enforce or insist upon compliance with any of the terms or conditions herein, the waiver of any term or conditions herein, or the granting of an extension of time for performance by the Company or the Customer shall not constitute the permanent waiver of any term or condition herein. Each of the provisions shall remain at all time in full force and effect until modified in writing.

2.3.7. With respect to the routing of Calls by the Company to public safety answering points or municipal Emergency Service providers, Company liability, if any, will be limited to the lesser of: (a) the actual monetary damages incurred and proved by the Customer as the direct result of the Company's action, or failure to act, in routing the Call, or (b) the sum of $1,000.00.

2.3.8. In the event parties other than Customer (e.g., Customer's customers) shall have use of the Service directly or indirectly through Customer, then Customer agrees to forever indemnify and hold Company and any affiliated or unaffiliated third-party, third-party provider or operator of facilities employed in provision of the Service harmless from and against any and all claims, demands, suits, actions, losses, damages, assessments or payments which may be asserted by said parties arising out of or relating to any Defects.

2.3.9. In the event that Company is required to perform a Circuit redesign due to inaccurate information provided by the Customer; or, circumstances in which such costs and expenses are caused by the Customer or reasonably incurred by the Company for the benefit of the Customer, the Customer is responsible for the payment of all such charges.

2.4. Cancellation of Service by a Customer

2.4.1. If a Customer cancels a Service order before the Service begins, before completion of the Minimum Period, or before completion of some other period mutually agreed upon by the Customer and the Company, a charge will be levied upon the Customer for the nonrecoverable portions of expenditures or liabilities incurred expressly on behalf of the Customer by the Company and not fully reimbursed by Installation and monthly charges. If, based on a Service order by a Customer, any construction has either begun or been completed, but no Services provided, the nonrecoverable costs of such construction shall be borne by the Customer.

2.4.2. Either Customer or Company shall have the right, without cancellation charge or other liability, to cancel the affected portion of the Service, if the Company is prohibited by governmental authority from furnishing said portion, or if any material rate or term contained herein and relevant to the affected Service is substantially changed by order of the highest court of competent jurisdiction to which the matter is appeal, the Federal Communications Commission, or other local, state or federal government authority.

2.5. Interruption of Service by the Company

2.5.1. Upon nonpayment of any sum owing to the Company, or upon a violation of any of the provisions governing the furnishing of Service under this Tariff, the Company may, upon five working days written notification to the Customer, without incurring any liability, immediately discontinue the furnishing of such Service. The written notice shall be separate and apart from the regular monthly bill for service. Customer shall be deemed to have canceled Service as of the date of such disconnection and shall be liable for any cancellation charges set forth in this Tariff.

2.5.2. Without incurring any liability, the Company may discontinue the furnishing of Service(s) to a Customer upon five working days written notice if the Company deems that such action is necessary to prevent or to protect against fraud or to otherwise protect its personnel, agents, facilities or Services under the following circumstances:

2.5.2.A. if the Customer provides false information to the Company regarding the Customer's identity, address, credit-worthiness, past or current use of Customer communications Services, or its planned use of the Company Service(s);

2.5.2.B. if the customer does not pay past due charges;

2.5.2.C. in the event of unauthorized use.

2.5.2.D. Following the disconnection of service for any of these reasons, the Company or the local exchange utility acting as Company agent, will notify the telephone end user/customer that service was disconnected and why. The notice will include all reasons for the disconnection and will include a toll-free number where an end user/customer can obtain additional information. Notice shall be deemed given upon deposit, postage prepaid, in the U.S. Mail to the end user's/customer's last known address and in compliance with the Commission's rules.

2.5.3. The discontinuance of Service(s) by the Company pursuant to this Section does not relieve the Customer of any obligations to pay the company for charges due and owing for Service(s) furnished up to the time of discontinuance. The remedies set forth herein shall not be exclusive and the Company shall at all times be entitled to all rights available to it under either law or equity.

2.6. Credit Allowance

2.6.1. Credit allowance for the interruption of Service is subject to the general liability provisions set forth in this Tariff. Customers shall receive no credit allowance for the interruption of service which is due to the Company's testing or adjusting, negligence of the Customer, or to the failure of channels or equipment provided by the Customer. The Customer should notify the Company when the Customer is aware of any interruption in Service for which a credit allowance is desired. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission within Customer's control, or is not in wiring or equipment, if any, furnished by the Customer in connection with the Company's Services.

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

2.6.3. No credit shall be allowed:

2.6.3.A. For failure of services or facilities of Customer; or

2.6.3.B. For failure of services or equipment caused by the negligence or willful acts of Customer.

2.6.4. Credit for an interruption shall commence after Customer notifies Company of the interruption and ceases when services have been restored.

2.6.5. Credits are applicable only to that portion of Service interrupted.

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

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

2.6.8. The Customer shall be credited for an interruption of two hours or more at a rate of 1/720th of the monthly recurring 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:

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

"A" = outage time in hours
"B" = total monthly charge for affected facility

2.7. Use of Service

2.7.1. The Services offered herein may be used for any lawful purpose, including residential, business, governmental, or other use. Resellers and Rebillers must be certified through the FPSC. However, the Customer remains liable for all obligations under this Tariff notwithstanding such sharing or resale and regardless of the Company's knowledge of same. The Company shall have no liability to any person or entity other than the Customer and only as set forth in Section 2.3. The Customer shall not use nor permit others to use the Service in a manner that could interfere with Services provided to others or that could harm the facilities of the Company or others.

2.7.2. Service furnished by the Company may be arranged for joint or authorized use. The Authorized User shall be permitted to use such Service in the same manner as the Customer, but subject to the following:

2.7.2.A. Authorized User must be designated as the Customer.

2.7.2.B. All charges for the Service will be computed as if the Service were to be billed to one Customer. Authorized User which has been designated as the Customer will be billed for all components of the Service and will be responsible for all payments to the Company. In the event that the designated Customer fails to pay the Company, each Authorized User shall be liable to the Company for all charges incurred as a result of its use of the Company's Service.

2.7.3. In addition to the other provisions in this Tariff, Customers reselling company Services shall be responsible for all interaction and interface with their own subscribers or customers. The provision of the Service will not create a partnership or joint venture between Company and Customer nor result in a joint communications Service offering to the Customers of either the Company or the Customer.

2.7.4. Service furnished by the Company shall not be used for any unlawful or fraudulent purposes.

2.7.5. The Customer will be billed directly by the LEC for certain Dedicated Access arrangements selected by the Customer for the provisioning of direct access arrangements. In those instances where the Company at the Customer's request may act as agent in the ordering of such arrangements, the Company will bill the Customer Local Access charges.

2.8. Payment and Billing

2.8.1. The following rules apply only to the Carrier's resold interexchange services and will govern payment and billing practices of the Carrier, unless inconsistent with any rule, order or regulation of the Commission. In the case of any inconsistency, the rule, order, or regulation of the Commission, or other provision of law, shall prevail.

2.8.1.A. Service is provided and billed on a billing cycle basis, beginning on the date that the service becomes effective. Billing is payable upon receipt. A late payment charge will accrue upon any unpaid past due balance.

2.8.1.B. The customer is responsible for payment of all charges for service and facilities furnished by the Carrier to the customer, as well as, all charges for services and facilities furnished by the Carrier to all persons using the customer's codes, premises, facilities, or equipment, with or without the knowledge or consent of the customer. The security of the customer's authorization codes, premises, switched access connections, and direct connect facilities is the sole responsibility of the customer. All calls placed using such direct connect facilities, authorization codes, premises, or switched access connections will be billed to, and must be paid by, the customer. Recurring and non-recurring charges are billed in arrears.

2.8.1.C. All bills are presumed accurate, and shall be binding on the customer unless objection is received by the Carrier in writing within Ninety (90) Days after such bills are rendered.

2.8.1.D. Carrier shall be entitled to revise bills previously rendered to adjust for previously unbilled service, or to adjust upward a bill previously rendered, for a period equivalent to the applicable contract law statute of limitations.

2.8.2. If a LEC has established or establishes a Special Access surcharge, the Company will bill the surcharge beginning on the effective date of such surcharge for Special Access arrangements presently in Service. The Company will cease billing the Special Access surcharge upon receipt of an Exemption Certificate or if the surcharge is removed by the LEC.

2.8.3. In the event the Company incurs fees or expenses, including attorney's fees, in collecting, or attempting to collect, any charges owed the Company, the Customer will be liable to the Company for the payment of all such fees and expenses reasonably incurred.

2.9. <u>Advance Payments</u>

2.9.1. For customers whom the Company feels an advance payment is necessary, the Company reserves the right to collect an amount not to exceed one (1) month's estimated charges, as an advance payment for service. This will be applied against the next month's charges and if necessary, a new advance payment will be collected for the next month.

2.10. <u>Deposits</u>

2.10.1. The Company does not require deposits from the customer.

2.11. <u>Local Charges</u>

2.11.1. In certain instances, customers may be subject to local telephone company charges or message unit charges to access the Carrier's terminal. Carrier is not responsible for any such local or message unit charges incurred by customer in gaining access to Carrier's terminal.

2.12. <u>Assignment</u>

2.12.1. The obligations set forth in this Tariff shall be binding upon and inure to the benefit of the parties hereto and their respective successors or assigns, provided, however, the Customer shall not assign or transfer its rights or obligations without the prior written consent of the Company.

2.13. <u>Tax and Fee Adjustments</u>

2.13.1. All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.

2.14. Timing of Calls

2.14.1. Long distance usage charges are based on the actual usage of the Company network. Chargeable time begins when a connection is established between the Calling Station and the Called Station. Chargeable time ends when either party "hangs up" thereby releasing the network connection.

2.15. Billing Increments

2.15.1. Unless otherwise specified in this Tariff, the minimum call duration for billing purposes is sixty (60) seconds. In addition, unless otherwise specified in this Tariff, usage is measured thereafter in sixty (60) second increments and rounded to the next higher sixty (60) second period.

2.16. Minimum Call Completion Rate

2.16.1. A Customer can expect a call completion rate of not less than 90% during peak use periods for all services.

2.16.2. There shall be no charges for uncompleted calls.

2.17. Method for Calculation of Airline Mileage

2.17.1. The airline mileage between two cities can be calculated using the Vertical (V) and Horizontal (H) coordinates of the serving wire centers associated with the Company's POP locations. The method for calculating the airline mileage is obtained by reference to AT&T's Tariff F.C.C. No. 10 in accordance with the following formula:

the square root of: $$\frac{(V1-V2)^2 + (H1-H2)^2}{10}$$

2.18. Time of Day Rate Periods

2.18.1. Time of Day Rate Periods are determined by the time of day at the location of the Calling station.

The rates shown in Section 4 apply as follows:

DAY:	From 8:01 AM to 5:00 PM Monday - Friday
EVENING:	From 5:01 PM to 11:00 PM Monday - Friday and Sunday
NIGHT/ WEEKEND:	From 11:01 PM to 8:00 AM Everyday From 8:01 AM to 11:00 PM Saturday From 8:01 AM to 5:00 PM Sunday

2.19. Special Customer Arrangements

2.19.1. In cases where a Customer requests a special or unique arrangement which may include engineering, conditioning, installation, construction, facilities, assembly, purchase or lease of facilities and/or other special Services not offered under this Tariff, the Company, at its option, may provide the requested Services. Appropriate recurring charges and/or nonrecurring charges and other terms and conditions will be developed for the Customer for the provisioning of such arrangements, and made part of this tariff and subject to approval by FPSC.

2.20. Inspection

2.20.1. The Company may, upon notice, make such tests and inspections as may be necessary to determine that the requirements of this Tariff are being complied with in the Installation, operation or maintenance of Customer or the Company equipment. The Company may interrupt the Service at any time, without penalty to the Company, should Customer violate any provision herein.

2.21. Employee Concessions

2.21.1. The Company does not offer concessions to employees.

2.22. Rate Quotes

2.22.1. Rate quotes will be provided to end users from 8:00 a.m. to 5:00 p.m. Eastern Time, Monday through Friday by dialing (888) 533-4649.

2.23. Bad Check Charges

2.23.1. The Company does not charge Customers for checks that are returned.

2.24. Per Call Billing Charges

2.24.1. The charges for all calls during a billing month will be totaled. If the total charge includes a fraction of a cent, the fraction is rounded to the next whole cent (e.g., $4,101.345 would be rounded to $4,101.35).

2.25. Special Contracts

2.25.1. Carrier may enter into contracts with end users such as hotels, or special categories of users, wherein additional discounts may be provided for volume use categories of users, wherein additional discounts may be provided for volume use or to reflect services performed for the Carrier by such users. These rates will be reflected in the tariff.

2.25.2. The Company will, from time to time, offer special contract and/or promotions to its customers, waiving certain charges. These promotions will be made part of this tariff and approved by the FPSC with specific starting and ending dates and under no circumstances run for longer than 90 days in any 12 month period.

2.26. Service Agreement

2.26.1. The name(s) of the customer(s) desiring to use the services must be set forth in the Service Agreement. An executed Service Agreement and letter of Agency is required to initiate service.

3. DESCRIPTION OF SERVICE

3.1. Wide Area ("WATS") and Message ("MTS") Telecommunications Services

3.1.1. The Company offers WATS and MTS intrastate interexchange long distance service utilizing switched or dedicated access arrangements between the Customers Premises and the Company's facilities for call origination. Call completion is completed by underlying carrier.

3.2. Timing of Calls

3.2.1. Timing for all calls begins when the called party answers the call (i.e. when two way communications are established.) Answer detection is based on standard industry answer detection methods, including hardware and software answer detection. Chargeable time for all calls ends when one of the parties disconnects from the call. There are no billing charges applied for incomplete calls.

3.3. Switched Dial Service

3.3.1. The Company's Switched Dial Service is an intrastate service designed for outbound calling over switched access facilities. Calls are billed in sixty (60) second increments with an initial billing period of sixty (60) seconds. Calls are not mileage-sensitive or time-of-day sensitive. A monthly service charge applies per presubscribed number of account.

3.4. Switched Toll-free Service

3.4.1. The Company's Switched Toll-free Service is available to the Switched Outbound Service user for incoming calls. Calls originate from any interstate or intrastate location over a toll free number and terminate to a Customer-provided switched access line. Call charges are billed to the Subscriber rather than to the originating caller. Calls are billed in sixty (60) second increments with an initial billing period of sixty (60) seconds. A monthly service charge applies per toll free number.

Issued by: Hiroshi Hirai, President
KDD America, Inc.
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New York, New York 10152

3.5. Dedicated Outbound Service

3.5.1. The Company's Dedicated Outbound Service is an intrastate service designed primarily for business customers. Calls are billed in six (6) second increments with an initial billing period of thirty (30) seconds. Calls originate from Customer-provided dedicated access lines. Calls are not mileage-sensitive or time-of-day sensitive. A monthly service charge applies per dedicated access line.

3.6. Dedicated Toll-free Service

3.6.1. The Company's Dedicated Toll-free Service is available to the Dedicated Outbound Service user for incoming calls. Calls originate from any interstate or intrastate location over a toll free number and terminate to a customer-provided dedicated access line. Call charges are billed to the Subscriber rather than to the originating caller. Calls are billed in six (6) second increments with an initial billing period of thirty (30) seconds. Calls are terminated to Customer-provided dedicated access line. Calls are not mileage-sensitive or time-of-day sensitive. A monthly service charge applies per toll free number.

3.7. Casual Call Service

3.7.1. The Company's Casual Call Service is an intrastate service designed for 10XXXXX access code outbound calling over switched access facilities. Calls are billed in sixty (60) second increments with an initial billing period of sixty (60) seconds. Calls are not mileage- sensitive or time-of-day sensitive.

4. RATES AND CHARGES

4.1. Usage Rates

4.1.1. The following are the per minute usage charges which apply to all calls.

4.2. Switched Dial Service Usage Rates

BUSINESS DAY
EVENING/NIGHT/WEEKEND

Mileage	Initial 60 Seconds	Additional 60 Seconds
All	$0.12	$0.12

Monthly Service Charge: $3.00
(per presubscribed account or number)

4.3. Switched Toll-free Service Usage Rates

BUSINESS DAY
EVENING/NIGHT/WEEKEND

Mileage	Initial 60 Seconds	Additional 60 Seconds
All	$0.15	$0.15

Monthly Service Charge: $3.00
(per toll free number)

4.4. Dedicated Outbound Service Usage Rates

BUSINESS DAY
EVENING/NIGHT/WEEKEND

Mileage	Initial 30 Seconds	Additional 6 Seconds
All	$0.035	$0.007

Installation Charge:	$300.00
Monthly Service Charge: (per dedicated access line)	$500.00

4.5. Dedicated Toll-free Service Usage Rates

BUSINESS DAY
EVENING/NIGHT/WEEKEND

Mileage	Initial 30 Seconds	Additional 6 Seconds
All	$0.05	0.01

Monthly Service Charge: (per toll free number)	$500.00

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4.6. Casual Call Service

BUSINESS DAY
EVENING/NIGHT/WEEKEND

Mileage	Initial 60 Seconds	Additional 60 Seconds
All	$0.12	$0.12

4.7. Directory Assistance Service

4.7.1. The Company does not offer directory assistance at this time.

4.8. Hearing/Speech Impaired Provisions

4.8.1. For purposes of this tariff, the definitions of impaired refers to those persons with communication impairments, including those hearing impaired, deaf, deaf/blind, and speech impaired persons who have an impairment that prevents them from communicating over the telephone without the aid of a telecommunications device for the deaf.

4.8.2. Residential impaired customers or impaired members of a customer's household, upon written application and upon certification of their impaired status, which is evidenced by either a certificate from a physician, health care official, or state agency, or a diploma from an accredited educational institution for the impaired, may receive a discount off their message toll service rates, and, if they utilize telebraile devices, they may receive free access to local and intrastate long distance directory assistance. Additionally, TDD lines maintained by nonprofit organizations and governmental agencies, upon written application and verification that such lines maintained for the benefit of the impaired may receive a discount off their message toll service rates.

4.9. Special Rates for Handicapped Customers

4.9.1. Below are Sections of the Florida Rules concerning handicapped hearing/speech impaired persons and discounts on toll calls using the telecommunications relay service.

4.9.1.A. Hearing/Speech Impaired Persons: Intrastate toll message rates for TDD users shall be evening rates for daytime calls and night rates for evening and night calls.

4.9.1.B. Operation of Telecommunications Relay Service: For intrastate toll calls received from the relay service, the Company shall discount relay service calls by 50 percent off of the otherwise applicable rate for a voice nonrelay call except that were either the calling or called party indicates that either party is both hearing and visually impaired, the call shall be discounted 60 percent off of the otherwise applicable rate for a voice nonrelay call. The above discounts apply only to time-sensitive elements of a charge for the call and shall not apply to per call charges, such as a credit card surcharge. In the case of a tariff which includes either a discount based on number of minutes or the purchase of minutes in blocks, the discount shall be calculated by discounting the minutes of relay use before the tariffed rate is applied.

4.9.1.C. Directory Assistance Charges for Handicapped Persons: Pursuant to Florida Public Service Commission Rules and Regulations, Company will not charge for the first 50 directory assistance calls made each month by a handicapped person. The Company shall charge the prevailing tariff rates for every call in excess of 50 within a billing cycle.

4.10. Payphone Use Service Charge

4.10.1. A Payphone Use Service Charge applies to each completed interLATA and intraLATA non-sent paid message made over a pay phone owned by a utility or Customer Owned Pay Telephone (COPT) Service. This includes calling card service, collect calls, calls billed to a third number, completed calls to Directory Assistance and Prepaid Card Service calls. This charge is collected on behalf of the pay phone owner. All Customers will pay the Company a per call service charge of $0.30.

4.11. Late Charge

4.11.1. A late payment charge of 1.5% will apply to any unpaid past due balance.