

RATES, TERMS AND CONDITIONS DOCUMENT
APPLICABLE TO INTERSTATE AND INTERNATIONAL
LONG DISTANCE SERVICES
FURNISHED BY

HOME TELECOM

TABLE OF CONTENTS

| | |
|---|-----|
| Section 1: <u>Application of Rates, Terms and Conditions</u> | 1-1 |
| Section 2: <u>Definitions</u> | 2-1 |
| Section 3: <u>General Regulations-Interstate and International Long Distance Services</u> | 3-1 |
| 3.1 Scope | 3-1 |
| 3.2 Limitations | 3-1 |
| 3.3 Obligations of the Customer | 3-1 |
| 3.4 Liability of the Company | 3-4 |
| 3.5 Service Orders | 3-5 |
| Section 4: <u>Payment and Credit Regulations</u> | 4-1 |
| 4.1 Charges and Payments for Service or Facilities | 4-1 |
| 4.2 Description of Payment and Billing Periods | 4-1 |
| 4.3 Taxes and Other Charges | 4-2 |
| 4.4 Payment and Late Payment Charge | 4-2 |
| 4.5 Returned Check Charge | 4-2 |
| 4.6 Suspension or Termination for Nonpayment | 4-3 |
| 4.7 Credit Allowances/Service Interruptions | 4-3 |
| 4.8 Service Interruption Measurement | 4-3 |
| 4.9 Termination or Denial of Service by the Company | 4-5 |
| 4.10 Billing Disputes | 4-5 |
| Section 5: <u>Interstate Long Distance Service</u> | 5-1 |
| 5.1 Service Points | 5-1 |
| 5.2 Measurements | 5-1 |
| 5.3 Timing of Calls | 5-2 |
| 5.4 Computation of Distance | 5-3 |
| 5.5 Method of Apply Rates | 5-4 |
| 5.6 Promotional Discounts | 5-4 |
| 5.7 Direct Dialed Interstate Long Distance Services | 5-4 |
| Section 6: <u>International Long Distance Service</u> | 6-1 |
| 6.1 Types of Offerings | 6-1 |
| 6.2 Measurements | 6-1 |

| | |
|--|------|
| 6.3 Timing of Calls | 6-1 |
| 6.4 Computation of Distance | 6-2 |
| 6.5 Method of Applying Rates | 6-2 |
| 6.6 Promotional Discounts | 6-2 |
| 6.7 Direct Dialed International Long Distance Services | 6-2 |
| Section 7: <u>Operator Services</u> | 7-1 |
| 7.1 General | 7-1 |
| 7.2 Responsibilities of the Company for Operator Services | 7-1 |
| 7.3 Responsibilities of the Customer for Operator Services | 7-1 |
| 7.4 Billing Arrangements | 7-2 |
| 7.5 Description of Interstate Operator Services | 7-3 |
| 7.6 Description of International Operator Services | 7-4 |
| Section 8: <u>Other Services</u> | 8-1 |
| 8.1 Calling Card | 8-1 |
| 8.2 800 Service - Interstate | 8-1 |
| 8.3 Directory Assistance | 8-1 |
| 8.4 Prepaid Calling Card Service | 8-2 |
| Section 9: <u>Rates for Interstate Long Distance Service</u> | 9-1 |
| 9.1 Returned Check Charge | 9-1 |
| 9.2 Direct Dialed Interstate Long Distance Service | 9-1 |
| 9.3 Residential Direct Dialed Plans | 9-1 |
| (a) Per Minute Rate Plan | 9-1 |
| (b) Volume Discount | 9-1 |
| (c) Flat Rate | 9-2 |
| (d) Residential 10/30 Plan | 9-2 |
| (e) Flat Rate Buy-In | 9-2 |
| 9.4 Business Direct Dialed Plans | 9-3 |
| (a) Per Minute Rate Plan | 9-3 |
| (b) Volume Discount | 9-3 |
| (c) Flat Rate | 9-3 |
| (d) Volume Service Plan | 9-4 |
| 9.5 Interstate Operator Services | 9-5 |
| 9.6 Calling Card Service | 9-6 |
| 9.7 800 Service | 9-7 |
| 9.8 Directory Assistance | 9-8 |
| 9.9 Prepaid Calling Card Service | 9-8 |
| Section 10: <u>Rates for International Long Distance Service</u> | 10-1 |
| 10.1 Returned Check Charge | 10-1 |

| | |
|--|-------|
| 10.2 Outbound Direct Dialed International Long Distance Service Rate Schedule | 10-1 |
| 10.3 Outbound International Long Distance Service – 10 Digit Dialing Rate Schedule | 10-9 |
| 10.4 Prepaid Calling Card Service Rate Schedule | 10-10 |
| 10.5 Calling Card Service | 10-11 |

JULY 31, 2001

1. Application of Rates, Terms and Conditions

1.1 The rates, terms and conditions contained within this document, hereinafter referred to as “Rates, Terms and Conditions,” are applicable to the provision of Interstate Long Distance Service and International Long Distance Service, hereinafter collectively or individually referred to as "Service", by Home Telecom, hereinafter referred to as the "Company", as specified herein. Service is furnished subject to the availability of facilities and subject to transmission, atmospheric and like conditions. By accepting Service from the Company, the Customer accepts these Rates, Terms and Conditions as a binding agreement between the Customer and the Company.

1.2 These Rates, Terms and Conditions are incorporated by reference in the Long Distance Services Agreement. The Long Distance Services Agreement and the Rates, Terms and Conditions together comprise the rates, terms and conditions applicable to the provision of Interstate Long Distance Services and International Long Distance Services by the Company. A copy of the Long Distance Service Agreement is attached at the beginning of this Rates, Terms and Conditions document. In the event there is a conflict between terms and conditions in the Long Distance Services Agreement and the Rates, Terms and Conditions, the terms and conditions in the Long Distance Services Agreement shall apply.

1.3. The Company may change Rates, Terms and Conditions, including the incorporated Long Distance Service Agreement, from time to time. Changes in rates, terms and conditions are effective no sooner than fifteen (15) days after the Company posts on its Web site modifications to the Rates, Terms and Conditions Document reflecting the changes. The Company will also notify Customers of increases by bill message, bill insert or other reasonable commercial method at least fifteen (15) days prior to the effective date for the increases. Advance notice does not apply to increases in taxes and other charges described in Section 4.1(d) of the Rates, Terms and Conditions. The Company may decrease rates and charges without providing advance notice. Use of the Company’s service after the fifteen (15) day notice period shall be construed as your agreement to the changed rates, terms and conditions.

1.4 The provision of such Service by the Company as set forth in these Rates, Terms and Conditions does not constitute a joint undertaking with the Customer for the furnishing of any Service.

1.5 The Rates, Terms and Conditions contained herein are not applicable to Intrastate Long Distance Service. The Company provides Intrastate Long Distance Service under Home Long Distance, Inc. South Carolina Tariff No. 1 (HLD SC Tariff No. 1) filed with the Public Service Commission of South Carolina. Notwithstanding the inapplicability of the Rates, Terms and

Conditions to Intrastate Long Distance Service, the rates for certain Intrastate Long Distance Services tariffed in HLD SC Tariff No. 1 may or may not be the same as rates for the corresponding Interstate Long Distance Service under the Rates, Terms and Conditions. HLD SC Tariff No. 1 may be viewed at the Company's offices.

JULY 31, 2001

2. Definitions

Certain terms used throughout these Rates, Terms and Conditions are defined as follows:

Access Code

A sequence of numbers that, when dialed, connect the caller to the Provider associated with that sequence.

Application for Service

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

Billed Party

The person or entity responsible for payment of the Company's Service for an Operator Services Call, as follows:

(1) in the case of a Calling Card or Credit Card call, the holder of the calling card or credit card used by the Customer; and

(2) in the case of a Collect or Third Party call, the person responsible for the local telephone service at the telephone number that agrees to accept charges for the call.

Business Customer

A Business Customer is a Customer whose use of the Company's Service is of a business, professional, institutional or otherwise occupational nature who is also designated as a business customer for purposes of local exchange telephone service by the Customer's Local Exchange Carrier.

Calling Card Calls

A call for which charges are billed, not to the originating telephone number, but to a telephone calling card issued either by a local exchange or long distance telephone company for this purpose.

Calling Card Service

Calling Card Service is a Long Distance Service provided by the Company through use of a Company-issued calling card, the HLD Calling Card, to make Interstate Long Distance Service and International Long Distance Service calling card calls through the use of a specific "1-800" toll free telephone number provided by the Company for access to the Calling Card Service.

Call Splashing

The transfer of a telephone call from one provider of operator services to another such provider in such a manner that the subsequent provider is unable or unwilling to determine the location of the origination of the call and, because of such inability or unwillingness, is prevented from billing the call on the basis of such location.

Collect Call

A call for which charges are billed, not to the originating telephone number, but to the destination or termination telephone number.

Company

Home Long Distance, Inc, unless the context indicates otherwise.

Customer

Any individual, partnership, association, trust, corporation, cooperative or governmental agency or other entity which utilizes the Services provided by the Company. A Customer, as set forth herein, is responsible for the payment of charges and for compliance with all applicable terms of the Company's Rates, Terms and Conditions.

Customer Dialed Calling Card Call

A Calling Card Call which is dialed by the Customer and may or may not require intervention by an attended operator position to complete.

Customer - Provided Facilities

The term "Customer - Provided Facilities" denotes all communications facilities provided by the Customer and/or authorized user other than those provided by Home Long Distance, Inc., including but not limited to terminal equipment.

Direct Dialed Call

The term "Direct Dialed Call" denotes a telephone call which is automatically completed and billed to the telephone number from which the call originated without the automatic or live assistance of an operator. This includes calls forwarded by call forwarding equipment. Direct Dialed Calls are also referred to as Station-to-Station calls.

Domestic

Domestic points include all fifty (50) states and all U.S. territories and possessions as defined in the Communications Act of 1934, and as amended by the Telecommunications Act of 1996, and as further defined by the Federal Communications Commission in their orders.

Equal Access

Has the meaning given that term in Appendix B of the Modification of Final Judgment entered August 24, 1982, in United States v. Western Electric, Civil Action No. 82-0192 (United States District Court, District of Columbia), as amended by the Court in its orders issued prior to October 17, 1990.

FCC

The Federal Communications Commission.

Home Long Distance, Inc. Calling Card (HLD Calling Card)

The Home Long Distance, Inc. Calling Card (HLD Calling Card) is the Calling Card issued by the Company to Customers.

Home Long Distance, Inc. South Carolina Tariff No. 1

Home Long Distance, Inc. South Carolina Tariff No. 1 (HLD SC Tariff No. 1) is the Company's tariff on file with the Public Service Commission of South Carolina containing rates, terms and conditions applicable to Company provision of Intrastate Long Distance Services.

International Long Distance Service

International Long Distance Service is a Long Distance Service involving a telephone call originating in one country and terminating in another country. International Long Distance Service includes International Operator Service offered by the Company as provided herein.

International Operator Service

International Operator Service is an Operator Service involving a telephone call originating in one country and terminating in another country.

Interstate Long Distance Service

Interstate Long Distance Service is a Long Distance Service involving a telephone call originating in one state and terminating in another state (also referred to as a "state-to-state" call). Interstate Long Distance Service includes Interstate Operator Service offered by the Company as provided herein. The term "state" for purposes of Interstate Long Distance Service includes all Domestic points including all fifty (50) states and U.S. territories and possessions.

Interstate Operator Service

Interstate Operator Service is an Operator Service involving a telephone call originating in one state and terminating in another state. The term "state" for purposes of Interstate Operator

Service includes all Domestic points including all fifty (50) states and U.S. territories and possessions.

JULY 31, 2001

2. Definitions (Cont'd)

Intrastate Long Distance Service

Intrastate Long Distance Service is a Long Distance Service involving a telephone call originating and terminating in the same state (also referred to as a "in-state" call). Intrastate Long Distance Service includes Intrastate Operator Service if offered by the Company as provided under the applicable tariff. The Company provides Intrastate Long Distance Service under the rates, terms and conditions contained in South Carolina Tariff No. 1 of Home Long Distance, Inc. (SC Tariff No. 1).

Intrastate Operator Services

Intrastate Operator Service is an Operator Service involving a telephone call originating and terminating in the same state.

Line Based Calling Card

A Line Based Calling Card, also called a Local Exchange Carrier Line Based Calling Card (LEC Line Based Calling Card), is a calling card issued to a subscriber by the subscriber's Local Exchange Carrier bearing an account number assigned by the LEC for purposes of billing by the Customer's LEC of calls carried by either the LEC or an interexchange carrier. LEC Line Based Calling Card calls require validation in the LEC's designated line information database (LIDB). Account numbers for LEC Line Based Calling Cards are generally based on the Customer's 10digit telephone line number plus a four-digit personal identification number (PIN).

Local Exchange Carrier (LEC)

A telephone company which furnishes local exchange services.

Long Distance Service (LDS)

The term "Long Distance Service" denotes the furnishing of station-to-station direct dial interstate and international switched network services to the Customer for the completion of long distance voice and Dial-up low speed data transmissions over voice grade channels from the Company's Points of Presence to domestic points and international points and Calling Card Services made with the use of a Company issued Calling Card.

Operator Service

Operator Service is a Long Distance Service provided by the Company that includes, as a component, any automatic or live assistance to a Customer to arrange for billing or completion, or both, of the Long Distance Service.

Operator Services Call

The term "Operator Services Call" denotes an operator assisted call wherein the person originating the call is assisted by an operator but does not specify a particular person, department or extension to be reached through a PBX attendant.

JULY 31, 2001

2. Definitions (Cont'd)

Other Common Carrier

The term "Other Common Carrier" denotes a common carrier, other than HLD, providing domestic or international communications service to the public. Person-to-Person Call A call which is placed under the stipulation that the caller will speak only to a specific called party. Such a call is not completed until either the specific party named by the caller is contacted, or the caller agrees to speak to a different party.

Points of Presence The term "Points of Presence" denotes the sites where HLD provides a network interface with facilities provided by Other Common Carriers, Local Exchange Carriers or Customers for access to the local area network.

Rates, Terms and Conditions

Rates, Terms and Conditions refers to this document as a whole comprising the rates, terms and conditions applicable to the provision of Services to Customers by the Company. Residential Customer A Residential Customer is a customer designated as a residential customer for purposes of local exchange telephone service by the Customer's Local Exchange Carrier. Service The term "Service" denotes the offerings of the Company comprising Interstate Long Distance

Service and International Long Distance Service. Telecommunications The term "telecommunications" denotes transmission of voice communications or, subject to the transmission capabilities of the service, the transmission of data, facsimile, signaling, metering, or any other form of intelligence. Station-to-Station Call See Direct Dialed Call

Third Party Call

A call for which charges are billed, not to the originating telephone number, but to a third party telephone number which is neither the originating nor the terminating telephone number.

800 Service

800 Service is a one-way inbound service originating on facilities provided by the Company and terminating on a regular line. 800 Service enables the Customer to receive calls which are toll-free to the originating party. The 800 Service Customer is responsible for payment of charges associated with calls terminated to Customer's 800 Service. 800 Service includes use of toll free 800, 866, 877, 888 numbers or any other toll free numbers available under the North American Numbering Plan that may be provided by the Company. The term "800 number" as used in the Rates, Terms and Conditions includes all toll free numbers including, but not limited to, those utilizing 800, 866, 877 and 888 prefixes.

3. General Regulations – Interstate and International Long Distance Services

3.1 Scope

The Company is a carrier providing Interstate Long Distance Services and International Long Distance Services to Customers for their direct transmission of voice, data and other types of telecommunications within the United States and between points in the United States and international points, as described in the Rates, Terms and Conditions.

3.2 Limitations (a) The services provided pursuant to the Rates, Terms and Conditions are offered subject to the availability of facilities and the other provisions of the Rates, Terms and Conditions. (b) The Company does not undertake to transmit communications or messages, but rather furnishes facilities, Service and equipment for such transmissions by the Customer. (c) The Company retains the right to deny Service to any Customer who fails to comply with the Rates, Terms and Conditions, or other applicable rules, regulations or laws.

3.3 Obligations of the Customer (a) All Customers assume general responsibilities in connection with the provision and use of the Company's Service. General responsibilities are described in this Section. When facilities, equipment, and/or communication systems provided by others are connected to the Company's facilities, the Customer assumes the additional responsibilities as set forth in Section 3.3. (b) The Customer is responsible for the payment of all charges for any and all Services or facilities provided by the Company to the Customer. (c) Subject to availability, the Customer may use specific codes to identify the users groups on its account and to allocate the cost of its service accordingly. The numerical composition of such codes shall be set forth by the Company to assure compatibility with the Company's accounting and automation systems and to avoid duplication of such specific codes. (d) The Company reserves the right to discontinue the use of any code provided to the Customer and to substitute another code for such Customer's use.

3. General Regulations – Interstate and International Long Distance Services (Cont'd)

3.3 Obligations of the Customer (Cont'd)

(e) The Customer shall indemnify and save harmless the Company from and against all loss, liability, damage and expense, including reasonable counsel fees, due to claims for libel, slander, or infringement of copyright or trademark in connection with any material transmitted by the Customer using the Company's Services; and any other claim resulting from any act or omission of the Customer to the use of the Company's facilities. (f) Nothing contained herein, or in any

other provision of the Rates, Terms and Conditions, or in any marketing materials issued by the Company shall give any Customer or person any ownership interest or proprietary right in any particular code issued by Company; provided, however, that a Customer that continues to subscribe to Company's Services will be provided a replacement code in the event such Customer's initial code is canceled. (g) The Customer shall reimburse the Company for damages to the Company's facilities caused by any negligence or willful act or acts on the part of the Customer. (h) The Customer shall pay and hold the Company harmless from the payment of all charges for service ordered by the Customer from the Local Exchange Carriers or other entities for telecommunications services and/or facilities connecting the Customer and the Company. (i) In the event a suit is brought by the Company, or an attorney is retained by the Company to collect any bill or enforce the terms of the Rates, Terms and Conditions against a Customer, that Customer shall be responsible for payment of all reasonable attorney's fees, court costs, costs of investigation and any and all other related costs and expenses incurred by the Company in connection therewith. (j) The Customer understands that the Services are furnished subject to the condition that there will be no abuse, fraudulent and/or illegal use thereof. Such activity includes, but is not limited to: (1) Using the Service for any purpose which is in violation of any law. (2) Obtaining or attempting to obtain Services through any scheme, false representation and/or use of any fraudulent means or devices whatsoever with the intent to avoid payment, in whole or in part, of charges for Services, or assisting any other person or firm in such regard.

3. General Regulations – Interstate and International Long Distance Services (Cont'd)

3.3 Obligations of the Customer (Cont'd)

(j) Cont'd (3) Attempting to, or actually obtaining, accessing, altering, or interfering with the communications and/or information by rearranging, tampering with or making any connection with any facilities of the Company or assisting any other person or firm in such regard. (4) Using the Services in a manner that interferes unreasonably with the use of Service by one or more other Customers. (5) Using the Service to convey information deemed to be obscene, salacious, or prurient, to impersonate another person with fraudulent or malicious intent, to call another person or persons so frequently, at such times, or in such a manner as to annoy, abuse, or harass, or to convey information of a nature or in a manner that renders such conveyance unlawful.

3. General Regulations – Interstate and International Long Distance Services (Cont'd)

3.4 Liability of the Company

Except as stated in this Section 3.4, the Company shall have no liability for damages of any kind arising out of or related to events, acts, rights or privileges contemplated in the Rates, Terms and Conditions. (a) The liability of the Company for damages resulting in whole or in part from or arising in connection with the furnishing of Service under the Rates, Terms and Conditions including, but not limited to, mistakes, omissions, interruptions, delays, errors or other defects or misrepresentations shall not exceed an amount equal to the charges under the Rates, Terms and Conditions applicable to the specific call (or portion thereof) that was affected. No other liability shall attach to the Company. (b) The Company shall not be liable for any failure of performance hereunder due to causes beyond its control, including, but not limited to: (1) acts of God, fires, flood or other catastrophes; (2) any law, order, regulation, directive, action or request of the

United States Government, or any other government, including state and local governments having jurisdiction over the Company, or of any department, agency, bureau, corporation or other instrumentality of any one or more of said governments, or of any civil or military authority; or (3) national emergencies, insurrections, riots, wars or other labor difficulties. (c) The Company shall not be liable for any act or omission of any other entity furnishing facilities, equipment, or services used by a Customer, with the Company's Services. In addition, the Company shall not be liable for any damages or losses due to the failure or negligence of any customer or due to the failure of customer provided equipment, facilities or services.

3. General Regulations – Interstate and International Long Distance Services (Cont'd)

3.5 Service Orders

The Customer must place an Application for Service with the Company to initiate, cancel or change the Services provided pursuant to the Rates, Terms and Conditions. The Company may request that Applications for Services be in writing and provide, at a minimum, the following information:

(a) Customer's name(s), telephone number(s) and address(es). In the case of a corporation or partnership, a designated officer or agent shall be named as the contact person for such corporation or partnership. (b) Name(s), address(es) and telephone number(s) of person(s) to whom notices from the Company to the Customer shall be addressed, if different from (a) above. (c) The amount of toll service usage the Customer was billed for the two (2) months immediately preceding the request for Service if such information is applicable and available.

4. Payment and Credit Regulations

4.1 Charges and Payments for Service or Facilities

(a) Deposits (1) The Company may, in order to safeguard its interests, require a Customer to make a suitable deposit or provide a surety bond or letter of credit in the amount of the required deposit as a guarantee of the payment of charges. The Company shall have the right to require the Customer to make a deposit prior to or at any time after provision of any Service, not to exceed two (2) months estimated charges. The Company may increase the amount of the deposit to reflect increases to the Customer's annual bill. The Customer will receive a receipt for the deposit. (2) Any deposit as referred to in this Section shall be held by the Company to secure the payment of the Customer's bill. At the Company's option, the deposit may be refunded or credited to the Customer at any time prior to the termination of Service. (3) Interest will be paid by the Company on all sums held on deposit at the rate established annually by the South Carolina Public Service Commission for customer deposits. The interest will be accrued for the period during which the deposit is held by the Company. (4) The fact that a deposit is made does not relieve the Customer from making advance payments or from complying with the Company's regulations for the payment of bills in accordance with the terms herein and does not constitute a waiver or modification of the regulations of the Company providing for the discontinuance of Service for nonpayment of any sums due the Company for Service rendered. (5) Upon termination of Service, and assuming deposits of the Customer are not applied as indicated in

Section 4.1(a)(1), the deposit will be credited to the Customer's account and any credit balance will be refunded after all amounts due the Company have been paid.

4.2 Description of Payment and Billing Periods

(a) Service is provided and billed on a monthly basis. Service continues to be provided and billed on a monthly basis until canceled by the Customer through notice given to the Company.

4. Payment and Credit Regulations (Cont'd)

4.2 Description of Payment and Billing Periods (Cont'd)

(b) When billing functions are performed by a Local Exchange Carrier (LEC), commercial credit card company or others, the payment conditions and requirements of such LECs apply, including any applicable interest. (c) In the event a Local Exchange Carrier, commercial credit card company or others ceases efforts to collect any amounts associated with the Company's charges, the Company may bill the Customer or the called party directly, and may utilize its own billing and collection procedures which shall be consistent with all applicable statutes, rules and regulations.

4.3 Taxes and Other Charges

In addition to payment for Services, Customer must pay all taxes, fees, surcharges and other charges that the Company bills Customer related to Services. Taxes and surcharges will be in the amounts that federal, state and local authorities require the Company to bill Customer. The company will not provide advance notice of changes to taxes and surcharges, except as required by applicable law. All such taxes and charges shall be separately shown and charged on bills rendered by Company or its billing agent.

4.4 Payment and Late Payment Charge

(a) Payment will be due as specified on the Customer bill. Commencing after that due date, a late charge of up to the highest interest rate allowable by law will be applied to all amounts past due.

(b) Collection procedures and the requirement for a deposit are unaffected by the application of a late payment charge. The late payment charge does not apply to unpaid balances associated with disputed amounts. Undisputed amounts on the same bill are subject to the late payment charge if unpaid and carried forward to the next bill. (c) Service may be denied or discontinued at the Company's discretion for nonpayment of amounts due the Company past the due date as specified in Section 4.4(a). Restoration of Service will be subject to all applicable installation charges.

4.5 Returned Check Charge

In cases where the Company issues direct bills to Customers, and payment by check is returned for insufficient funds, or is otherwise not processed for payment, there will be a charge as set

forth herein. Such charge will be applicable on each occasion when a check is returned or not processed.

JULY 31, 2001

4. Payment and Credit Regulations (Cont'd)

4.6 Suspension or Termination for Nonpayment

In the event of nonpayment of any bill rendered or any required deposit, the Company may, after written notice, suspend Service to the Customer.

4.7 Credit Allowances/Service Interruptions

(a) Credit for failure of Service will be allowed only when failure is caused by or occurs in the Company's facilities or equipment owned, provided and billed for by the Company. A credit allowance is not applicable for any period during which Customer cannot utilize the Service, except for such period where the Service is interrupted by the Company for access to its facilities for the purposes of investigating and clearing troubles and/or maintenance.

(b) Credit allowances for failure of Service or equipment starts when the Customer notifies the Company of the failure and ceases when the operation has been restored and an attempt has been made to notify the Customer by the Company.

(c) The Customer shall notify the Company of failures of Service or equipment and make reasonable attempts to ascertain that the failure is not caused by Customer Provided Equipment or Customer provided facilities, any act, or omission of the Customer, or in wiring or equipment connected to the Customer's terminal.

(d) Only those portions of the Service or equipment operation disabled will be credited.

4.8 Service Interruption Measurement

In the event of an interruption of Service that exceeds the minimum requirements set forth in this paragraph, the Company shall make a credit allowance at the Customer's request for a pro rata adjustment of all Service charges billed by the Company for Services rendered inoperative by the interruption. The credit allowance will be computed by dividing the duration of the service interruption measured in twenty-four (24) hour days, from the time the interruption is reported to the Company, by a standard thirty (30) day month, and then multiplying the result by the Company's fixed monthly charges for each interrupted Service.

4. Payment and Credit Regulations (Cont'd)

4.8 Service Interruption Measurement (Cont'd)

A period of time less than twenty-four (24) hours shall not be credited, but an additional period of twenty-four (24) hours or more shall be considered an additional day. In no case shall the

credit exceed the total monthly charges. No adjustments will be made for periods of noncontinuous interruptions, and no other liability shall attach to the Company in consideration of such interruption to Service.

A credit allowance will not be given for interruptions caused by the negligence or willful act of the Customer, or interruptions caused by failure of equipment or service not provided by the Company.

4. Payment and Credit Regulations (Cont'd)

4.9 Termination or Denial of Service by the Company

In the event of nonpayment of any bill rendered or any required deposit, the Company may, after written notice, suspend Customer's Service. The Company may, immediately and without notice to Customer, and without liability of any nature, temporarily deny, terminate, or suspend Customer's Service:

(a) in the event Customer or Customer's agent: (i) willfully damages the Company's equipment, interferes with use of the Company's Service by other customers of the Company; (ii) unreasonably places capacity demands upon the Company's facilities or Service; or (iii) violates any statute or provision of law, or any rule or regulation of any state or federal regulatory agency relating to communications; or (iv) otherwise fails to comply with the provisions of the Rates, Terms and Conditions or applicable law; or (b) in the event Customer becomes insolvent, is the subject of any formal legal proceeding commenced in a court involving a voluntary or involuntary petition or proceeding in bankruptcy, seeks protection or relief from creditors in a formal legal proceeding after a filing for such relief, or executes an assignment for the benefit of creditors; or (c) in the event that the Company determines that any Service is being used fraudulently or illegally, whether by Customer or Customer's agent.

4.10 Billing Disputes

If Customer believes Customer has been billed by the Company in error, Customer must contact the Company within sixty (60) days of the date of the bill which contains the disputed charge. Refunds or adjustments will not be issued for any charge that is more than sixty (60) days old at the time Customer notifies the Company. Customer may withhold from payment to the Company the disputed portion of any bill pending resolution of the dispute. Customer must pay all non-disputed charges on the bill by the due date indicated on the bill. The Company will notify Customer of the results of its inquiry, and either adjust the billing, issue a credit, or notify Customer that all or a portion of the disputed amount is still owed. Customer will be required to pay such amount within fifteen, (15) days thereafter, and if Customer fails to pay this amount within the time required, Customer's account will be deemed past due and unpaid and Customer's Service subject to termination under Section 4.3 above. Any payments Customer withholds pending resolution of the dispute may be subject to a late payment charge at the highest interest rate allowable by law applied to past due amounts.

5. Interstate Long Distance Service

5.1 Service Points

(a) The Company provides originating Service from domestic points in the United States to domestic points identified in the Rates, Terms and Conditions. (b) The Company provides terminating Service from domestic points identified in the Rates, Terms and Conditions to domestic points in the United States.

5.2 Measurements

(a) Time-of-Day Rate Period

Day Rates Evening Rates Night/Weekend Rates

8 a.m. – 5 p.m.

5 p.m. – 11 p.m.

11 p.m. – 8 a.m. &

all day Monday thru Friday Except Saturday, Sunday until 5 p.m.

(b) Availability of Service The Service is available at the rates listed in Section 9, through subscription to any of the Interstate Long Distance Service offerings available from the Company.

(c) The Evening rate applies to the holidays listed below unless a lower rate period is in effect.

New Year's Day** Labor Day
Martin Luther King Day* Columbus Day*
Presidents' Day* Veterans' Day**
Memorial Day* Thanksgiving Day
Independence Day** Christmas Day**

*Applies to Federally observed day only.

**When this holiday falls on a Sunday, the Holiday calling rate applies to calls placed on the following Monday. When this holiday falls on a Saturday, the Holiday calling rate applies to calls placed on the preceding Friday.

5. Interstate Long Distance Service (Cont'd)

5.3 Timing of Calls

(a) Unless otherwise indicated in the Rates, Terms and Conditions, calls are timed by the Company in sixty (60) second increments unless otherwise stipulated by the Company in the Rates, Terms and Conditions. "Ring-busy" and "ring-no-answer" calls will not knowingly be charged to the Customer and if charged in error, will be credited by the Company to the Customer. Timing begins at the "starting event" and ends at the "terminating event," unless otherwise specified. Time between the starting event and the terminating event is the call

duration. The minimum call duration for a completed call is sixty (60) seconds, unless otherwise specified. (b) The starting event occurs when the Company's terminal experiences an "Incoming Signaling Protocol Successful," i.e., upon the seizure of an inbound trunk. (c) The terminating event occurs when the Company's terminal receives a signal from the Local Exchange Carrier that either the calling party or the called party has hung up. (d) There shall be no charge for unanswered calls. Upon receiving reasonable and adequate notice of billing from a Customer for any such call, the Company may issue a credit in an amount equal to the charge for the call. Calls which are in progress longer than one minute will be presumed to have been answered. (e) Interstate Long Distance Service rates are quoted in terms of initial and additional minutes. The initial minute is the first minute or any fraction thereof after connection is made. The additional minute is each minute or any fraction thereof after the initial minute. (f) The time of day at the calling party rate center determines what Time-of-Day rate period applies.

5. Interstate Long Distance Service (Cont'd)

5.4 Computation of Distance

Certain offerings of the Company for Interstate Long Distance Service may be rated on the basis of mileage bands. If rating for a Service is based on mileage bands, the applicable rate section in Section 9 will indicate the mileage bands. If mileage bands are not indicated in Section 9 for an offering, mileage bands do not apply.

(a) For calls rated on the basis of mileage bands, calls are rated on the basis of airline mileage locations of the caller and the called party, regardless of the call's routing. (b) Airline mileage is obtained by using the "V" and "H" coordinates assigned to each point. To determine the airlines distance between any two cities, the airline mileage is determined as follows: (1) Obtain the "V" and "H" coordinates for each city. (2) Obtain the difference between the "V" coordinates of each of the cities. Obtain the difference between the "H" coordinates. (3) Square each difference obtained in step 2, above. (4) Add the square of the "V" difference and the "H" difference obtained in step 3, above. (5) Divide the number obtained in step 4 by 10. Round to the next higher whole number if any fraction is obtained. (6) Obtain the square root of the whole number obtained in step 5 above. Round to the next higher whole number if any fraction is obtained. This is the airline mileage.

5. Interstate Long Distance Service (Cont'd)

5.5 Method of Applying Rates

Unless otherwise indicated in Section 9 for a specific service or calling plan, calls are billed based on whole minute increments with partial minutes rounded up to the next whole minute. Unless otherwise indicated in Section 9 for a specific service or calling plan, initial periods and subsequent periods are billed at the same rate.

5.6 Promotional Discounts

The Company may from time to time offer promotional discounts. Such discounts will be for a specified period of time, will not exceed published rates, and will be offered to all qualifying Customers.

5.7 Direct Dialed Interstate Long Distance Services

(a) Direct Dialed Interstate Long Distance Services are measured use, full time services and are offered on a monthly basis, utilizing interstate communications facilities. When appropriate access arrangements exist, these switched services are available on a presubscription (equal access) basis. Otherwise, the Services require that a Customer access the Company's network via an alternative access code arrangement such as "950-XXXX" plus the Customer's security code, a toll free telephone number with the Customer's security code, or via "1-0-XXX" code with Customer security code. Availability of Direct Dialed Interstate Long Distance Service is limited to areas where the Company has arranged for necessary interconnection with the applicable Local Exchange Carrier. (b) Depending upon the service option chosen by the Customer, the charges for the use of such Interstate Long Distance Services may be based upon the time of day, the total minutes of use and/or the distance of each call. (c) All Customers shall be charged the rates identified in Section 9. (d) The Company offers various rate plans as identified in Section 9.

6. International Long Distance Service

6.1 Service Points

(a) The Company provides originating Service from domestic points in the United States to international points identified in the Rates, Terms and Conditions. (b) The Company provides terminating Service from domestic points identified in the Rates, Terms and Conditions to international points.

6.2 Measurements

(a) Time-of-Day Rate Period

Day Rate Evening Rates Night/Weekend Rates

8 a.m. – 5 p.m.

5 p.m. – 11 p.m.

11 p.m. to 8 a.m. &

all day Monday thru Friday Except Saturday, Sunday until 5 p.m.

(b) Availability of Service

The Service is available at the rates listed in Section 10, through subscription to any of the International Long Distance Services offerings available from the Company.

6.3 Timing of Calls (a) Unless otherwise indicated in the Rates, Terms and Conditions, calls are timed by the Company in sixty (60) second increments unless otherwise stipulated by the

Company in the Rates, Terms and Conditions. “Ring-busy” and “ring-noanswer” calls will not knowingly be charged to the Customer and if charged in error, will be credited by the Company to the Customer. Timing being at the “starting event” and ends at the “terminating event,” unless otherwise specified. Time between the starting event and the terminating event is the call duration. The minimum call duration for a completed call is sixty (60) seconds, unless otherwise specified. (b) The starting event occurs when the Company’s terminal receives a signal from the Local Exchange Carrier that either the calling party or the called party hung up. (c) The terminating event occurs when the Company’s terminal receives a signal from the Local Exchange Carrier that either the calling party or the called party has hung up.

6. International Long Distance Service

6.3 Timing of Calls (Cont’d) (d) There shall be no charge for unanswered calls. Upon receiving reasonable and adequate notice of billing from a Customer for any such call, the Company may issue a credit in an amount equal to the charge for the call. Calls which are in progress longer than one minute will be presumed to have been answered. (e) The time of day at the calling party rate center determines what Time-of-Day rate period applies.

6.4 Computation of Distance

All Outbound International Long Distance Service calls are rated on the basis of the terminating country.

6.5 Method of Applying Rates

Unless specified otherwise in the Rates, Terms and Conditions, the duration of each call for billing purposes will be rounded off to the nearest higher minute.

6.6 Promotional Discounts

The Company may from time to time offer promotional discounts. Such discounts will be for a specified period of time, will not exceed published rates, and will be offered to all qualifying Customers on a non-discriminatory basis, under any rules prescribed by the Commission.

6.7 Direct Dialed International Long Distance Services (a) Direct Dialed International Long Distance Services are measured use, full time services and are offered on a monthly basis, utilizing international communications facilities. Availability of Direct Dialed International Long Distance Service is limited to areas where the Company has arranged for necessary interconnection with the applicable Local Exchange Carrier. (b) All Customers shall be charged the rates identified in Section 10 for Residential and Business Customers.

7. Operator Services

7.1 General

The Company provides Operator Services for telephone calls initiated from its Customers' locations through contractual relationships with interstate and international service providers. Operator Services provided by the Company include Interstate Operator Services and International Operator Services

7.2 Responsibilities of the Company for Operator Services

In addition to the responsibilities of the Company established elsewhere in the Rates, Terms and Conditions, the following responsibilities of the Company apply to Company provision of Operator Services.

(a) The Company shall identify itself, audibly and distinctly, to the Customer at the beginning of each telephone call and a second time before the Customer incurs any charge for the call. (b) The Company shall permit the Customer to terminate the telephone call at no charge before the call is connected. (c) The Company shall disclose immediately to the Customer, upon request and at no charge to the Customer, (1) a quote of its rates or charges for the call; (2) the methods by which such rates or charges will be collected; and (3) the methods by which complaints concerning such rates, charges, or collection practices will be resolved.

7.3 Responsibilities of the Customer for Operator Services

In addition to the responsibilities and obligations of the Customer established elsewhere in the Rates, Terms and Conditions, the following responsibilities apply to Customer use of Company provided Operator Services.

(a) The Customer is responsible for compliance with the applicable regulations set forth in these Rates, Terms and Conditions. (b) The Customer is responsible for establishing his, her or their identity as often as necessary during the course of a call. (c) The Customer is responsible for identifying the station, party, or person with whom communications is desired and/or made at the called number. (d) The Customer is responsible for providing the Company with a valid method of billing for each call. The Company reserves the right to validate the creditworthiness of users through available credit card, calling card, called number, third party telephone number and room number verification procedures. Where a requested billing method cannot be validated, the user may be required to provide an acceptable alternate billing method or the Company may refuse to place the call.

JULY 31, 2001

7. Operator Services (Cont'd)

7.4 Billing Arrangements

(a) Collect, Calling Card and Third Party Calls Charges for calls of this type will be included on the Billed Party's regular local telephone bill pursuant to billing and collection agreements established by the Company or its intermediary with the applicable telephone company or a bill issued directly by the Company or its billing and collection agent or clearing house. Individual

types of billing arrangements may not be available for all types of Operator Services. Where a billing arrangement is not available for a call, the Company will not provide Operator Service. (b) Credit Card Calls Charges for credit card calls will be included on the Billed Party's regular monthly statement from the card-issuing company. Where a billing arrangement is not available for the Company to bill for charges to a credit card, the Company will not provide Operator Service with respect to credit card calls. (c) Unanswered Calls The Company will not bill for unanswered calls in areas where Equal Access is available, nor will the Company knowingly bill for unanswered telephone calls where Equal Access is not available. In the event that an unanswered call is inadvertently billed due to the unavailability of Equal Access, the Company will cancel or refund all such charges upon request of the Billed Party. Any call for which the billed duration exceeds one minute shall be presumed to have been answered. (d) Call Splashing The Company will not engage in Call Splashing, unless the Customer requests to be transferred to another provider of Operator Services, the Customer is informed prior to incurring any charges that the rates for the call may not reflect the rates from the actual originating location of the call, and the Customer then consents to be transferred.

7. Operator Services (Cont'd)

7.4 Billing Arrangements (Cont'd)

(e) Billing Entity Conditions

When billing functions on behalf of the Company are performed by local exchange telephone companies, credit card companies or others, the payment conditions and regulations of such companies apply, including any applicable interest and/or late payment charges. In case of any disputed charges which cannot be resolved by the billing company, the Billed Party may contact the Company directly. If there is still a disagreement about the disputed amount after investigation and review by the Carrier, the Billed Party may file an appropriate complaint with the Federal Communications Commission. The address of the Federal Communications Commission (FCC) is listed below:

Telecommunications Consumers Division Federal Communications Commission 445 12th Street, S.W. Room 5-A724 Washington, D.C. 20554

Customers may file a complaint with the FCC Enforcement Bureau – Telecommunications Consumers Division at: <http://www.fcc.gov/eb/tcd>.

7.5 Description of Interstate Operator Services

The Company offers Interstate Operator Services pursuant to these Rates, Terms and Conditions. All Interstate Operator Services are offered for the purpose of completing interstate telephone calls to any ten-digit telephone number (area code plus seven-digit local number) in the United States.

(a) Types of Operator Services The Company provides the following types of Interstate Operator Services:

- (1) Collect Calls
- (2) Third Party Calls
- (3) Calling Card Calls

Definitions of these services are provided in Section 2 of the Rates, Terms and Conditions.

(b) Person-to Person-Calls

Collect Calls, Third Party Calls and Calling Card Calls for Interstate Operator Services may optionally be placed on a Person-to-Person Call basis. The caller must arrange with the operator to make a person-to-person call; otherwise, all calls will be treated as station-to-station.

JULY 31, 2001

7. Operator Services (Cont'd)

7.6 Description of International Operator Services

The Company offers International Operator Services pursuant to these Rates, Terms and Conditions. All International Operator Services are offered for the purpose of completing international telephone calls originating from the United States and terminating to international points.

The Company provides the following types of International Operator Services:

(a) Third Party Calls (b) Calling Card Calls Definitions of these services are provided in Section 2 of the Rates, Terms and Conditions.

8. Other Services

8.1 Calling Card

The Company issues the Home Long Distance Calling Card, and also allows Customers to utilize the line-based Calling Cards of other local exchange carriers. Different pricing applies to the utilization of other carriers' line-based Calling Cards.

Calling Card Service permits Customers who have arranged for a Company-issued calling card to make calling card calls throughout the domestic United States and international points through the use of a specific "1-800" telephone number provided by the Company. The rates and surcharges for this service are provided for in Section 9.6, herein.

8.2 800 Service - Interstate

800 Service is a one-way inbound service originating on feature group facilities provided by the Company and terminating on a regular line. This Service enables the Customer to receive calls which are toll-free to the originating party. The Customer is responsible for payment of all charges associated with calls so terminated. 800 Service may utilize toll free numbers based on

800, 866 877, 888 or any other prefix assigned by the North American Numbering Plan for use in toll free numbers. Rates for 800 Service are listed in Section 9.7, herein.

8.3 Directory Assistance

Interstate Directory Assistance service is obtained by dialing 1-NPA-555-1212 from a line presubscribed to the Company for InterLATA interexchange service. Rates for Directory Assistance are listed in Section 9.8, herein.

8. Other Services (Cont'd)

8.4 Prepaid Calling Card Services

(a) The Prepaid Calling Card Service is offered by the Company and provides the Customer with access twenty-four hours a day, seven days a week to prepaid toll calls for Interstate Long Distance Service and International Long Distance Service through a Company specified access code. Once made, the call is transferred via automated assistance for completion by the Company and charged against a prepaid card with an available balance on a unit basis. Customers are notified of their remaining card balance each time a call is placed and are notified during a call when the balance is about to be depleted. (b) The Company's Prepaid Calling Card is charged on a per unit basis. For Interstate Long Distance Service Calls, each unit is equal to one (1) minute. Rates per unit applicable to Interstate Long Distance Service for Prepaid Calling Cards are described at Section 9.9. For International Long Distance Service Calls, units will be charged against the card at the number of units identified in Section 10.4 for the international point called. (c) Each fractional minute will be rounded up to the next minute. Payment by the Customer for the Prepaid Calling Card Service is due in advance or upon receipt of the prepaid card. While the Company will not refund any unused units, the Company reserves the right to recall all unused Prepaid Calling Cards and refund to Customers any remaining balances on the recalled cards. (d) Exclusions Calls to the following types of numbers or services may not be completed with a Prepaid Calling Card:

500 numbers Directory Assistance calls 700 numbers Operator Services calls Toll Free numbers Calls which require time or charge quotes 900 numbers (e) Unless specifically noted herein to the contrary, calls made utilizing a Prepaid calling Card are independent of any other product, promotion or term plan offered by the Company. (f) Prepaid Calling Cards are subject to limited availability, and as such will be offered to Customers on a first come, first served basis. (g) The Customer assumes complete liability for the card in the event it is lost, stolen or if unauthorized use of the card has occurred. (h) The Company offers a discounted per-unit rate based on the number of units that the Customer purchases for each card and a discount for presubscribed Customers.

JULY 31, 2001

9. Rates for Interstate Long Distance Service

9.1 Returned Check Charge

A Customer whose payment by check is returned for insufficient funds, or is otherwise not processed for payment, will be subject to a returned check charge. Such charge will be applicable on each occasion when a check is returned or not processed. If the returned check was for a combined interstate and international balance, only a single returned check charge will apply.

Per Occasion \$25.00

9.2 Direct Dialed Interstate Long Distance Service

For Interstate Long Distance Service rates based on time of day, the following rate periods apply:

Day Rates

Evening Rates Night/Weekend Rates

8 a.m. – 5 p.m.

5 p.m. – 11 p.m.

11 p.m. to 8 a.m. &

all day Monday thru Friday Except Saturday, Sunday until 5 p.m.

9.3 Residential Direct Dialed Plans

(a) Per Minute Rate Plan Day Rate Evening Rate Night/Weekend Per Minute Per Minute Rate
Per Minute \$0.25 \$0.20 \$0.15 (b) Volume Discount

Volume discounts are applicable to any Customer whose combined monthly Residential Direct Dialed Interstate Long Distance Service, as determined on a per presubscribed line basis, is the following:

Discount Monthly Total Percentage

\$0 - \$ 9.99 0%

\$10.00 - \$19.99 10%

\$20.00 - \$29.99 20%

\$30.00 - up 30%

9. Rates for Interstate Long Distance Service (Cont'd)

9.3 Residential Direct Dialed Plans (Cont'd)

(c) Flat Rate

Customers may elect that a flat rate be applicable to all calls for all calling periods. This election applies on a per-presubscribed line basis. If this option is selected, no volume discounts apply.

Flat Rate \$0.15 per minute

(d) Flat Rate Buy-In Customers may elect that a flat rate be applicable to all calls for all periods. This election applies on a per-presubscribed line basis. If this option is selected, no volume discounts apply. A monthly fee is associated with this plan. Flat Rate \$0.10 per minute Monthly Fee \$1.50 per month (e) Flat Rate Buy-In Customers may elect that a flat rate of \$0.05 per minute be applicable to all calls for all periods. This election applies on a per-presubscribed line basis. If this option is selected, no volume discounts apply. A monthly fee is associated with this plan. Flat Rate \$0.05 per minute Monthly Fee \$3.95 per month (f) Premium Long Distance

Customers may elect that a monthly flat rate of \$30.00 be applicable to all calls for all periods. This election applies on a per-presubscribed line basis. If this option is selected, no volume discounts apply. No per minute fee is associated with this plan.

Flat Rate \$30.00 per month

9. Rates for Interstate Long Distance Service (Cont'd)

9.4 Business Direct Dialed Plans

(a) Flat Rate Plan

Customers may elect that a flat rate be applicable to all calls for all calling periods. This election applies on a per-presubscribed line basis. If this option is selected, no volume discounts apply.

Flat Rate \$0.119 per minute

(b) Flat Rate Buy-In Customers may elect that a flat rate be applicable to all calls for all periods. This election applies on a per-presubscribed line basis. If this option is selected, no volume discounts apply. A monthly fee is associated with this plan. Flat Rate \$0.099 per minute Monthly Fee \$1.95 per month (c) Flat Rate Buy-In Customers may elect that a flat rate be applicable to all calls for all periods. This election applies on a per-presubscribed line basis. If this option is selected, no volume discounts apply. A monthly fee is associated with this plan.

Flat Rate \$0.079 per minute
Monthly Fee \$14.95 per month

9. Rates for Interstate Long Distance Service (Cont'd)

9.4 Interstate Business Plans (Cont'd)

(d) Volume Service Plan

The Company offers the following Volume Service Plan ("VSP"). Those customers electing VSP shall be required to meet the minimum service commitment period described below, and must be prescribed to the Company for all "1+" interstate and intrastate toll traffic for the term of that commitment. Minimum service usage shall be determined by the Company on a rolling three (3) month average. All usage for a given month shall be determined in arrears. In the event that the

minimum usage is not met based on the rolling average of the prior three (3) months, the Company shall, for the next month, utilize the rates provided in Section 9.3(c).

In the event that the Customer terminates VSP prior to the completion of the term commitment, Customers enrolled in the Term Billing Plan will be liable for a onetime termination charge. If the Customer terminates service prior to the completion of the Term, then Customer will pay termination charges equal to 25% of the three previous months average usage multiplied by the lesser of three months or the number of full months remaining in the Term. Either Customer or the Company may terminate this Term plan within 90 days written notice, providing adequate reason, without termination liability.

No volume discounts as otherwise offered by the Company in the Rates, Terms and Conditions shall apply to VSP.

Minimum Number Presubscribed Minutes of Term of Rate Per Lines Use Commitment Minute of Use

VSP-1 1 2500 1 year \$0.079 VSP-2 1 5000 1 year \$0.059

LONG DISTANCE SERVICES RATES, TERMS AND CONDITIONS

9. Rates for Interstate Long Distance Service (Cont'd)

9.5 Interstate Operator Services

(a) Operator Services Call Charges The total charge for each completed operator assisted call consists of the following charge elements: (a) a measured usage charge dependent on the duration, distance and time of day of the call; (b) a fixed Operator Services charge, as set forth in Section 9.5(b), following, which will be dependent on the type of billing selected (i.e., calling card, third party or other) and/or the completion restriction selected (i.e., station-to-station or person-to-person); and (c) other charges as set forth in Section 9, following. The usage charge element is specified as a rate per minute which applies to each minute of call duration, with fractional minutes of use thereafter counted as one full minute. (b) Operator Service Surcharges

In addition to the Usage Sensitive Charge described in Section 9.5(a)(1) above, the following Operator Service Surcharges apply to Operator Services Calls:

| Type | Service Charge | Surcharge |
|---|----------------|-----------|
| Operator Assistance | | |
| Customer Dialed Collect, Billed to Third Party | \$2.45 | N/A |
| Operator Dialed Collect, Billed to Third Party, Sent Paid | \$3.95 | \$0.79 |
| Operator Dialed, Billed to a Calling Card | \$3.95 | N/A |

| | | |
|--|--------|-----|
| Customer Dialed Billed to a Calling Card Person-to-Person | \$1.75 | |
| Customer Dialed Collect, Billed to Third Party, Calling Card, Sent Paid | \$6.50 | N/A |
| Operator Dialed Collect, Billed to Third Party, Sent Paid | \$6.50 | N/A |
| Operator Dialed, Billed to a Calling Card | \$6.50 | N/A |

N/A Not Applicable

In addition to application of Operator Service Surcharges to Operator Services Interstate Long Distance Services calls, usage charges apply for calls completed in conjunction with Operator Services. The rate applicable to such calls for usage is \$.35 per minute when the call is placed using the above operator services.

9. Rates for Interstate Long Distance Service (Cont'd)

9.6 Calling Card Service (a) Surcharge > Customer Dialed Calling Card-Station Customer Dialed/Automated \$0.80 per call Customer Dialed and Operator Assisted \$0.80 per call Customer Dialed-Operator Must Assist \$0.80 per call (b) Presubscribed Charge Customers who have presubscribed service to Home Long Distance will incur the charges listed below. These charges are in lieu of those items specified in 9.6(a) above. Customer Dialed/Automated \$0.25 per call Customer Dialed and Operator Assisted \$0.25 per call Customer Dialed-Operator Must Assist \$0.25 per call (c) Calling Card Rate Schedule (1) Home Long Distance (HLD) Calling Card >Calling Card calls completed with the HLD Calling Card are available at the rates described in Section 9.3 for Direct Dialed Calls and at the rates described in Section 9.5 preceeding for Operator Assisted Calls. (2) Non-Home Long Distance Calling Card Interstate Calling Card Calls completed with any Calling Card other than the HLD Card are available at the rates described in Section 9.3 preceding for Direct Dialed Calls and at the rates described in Section (d) Operator Services Charges If a Customer utilizes Operator Services live assistance to complete an Interstate Long Distance Service Calling Card Call, Operator Services Surcharges will apply in addition to the Calling Card Surcharge and usage sensitive rates.

JULY 31, 2001

LONG DISTANCE SERVICES RATES, TERMS AND CONDITIONS

9. Rates for Interstate Long Distance Service (Cont'd)

9.7 800 Service

(a) Non-recurring Installation ChargeIn addition to the Monthly Recurring Charge and the Usage Charge described in this Section, an installation charge per line for each Toll Free Service terminating line may be assessed. (b) Monthly Recurring Charge (c) Usage Charges

In addition to the Usage Charges described in this Section, there may be assessed a monthly charge per line for each Toll Free Service terminating line.

| | |
|---|---|
| Non Presubscribed Customer Residence Business Presubscribed Customer (Home Long Distance) | \$0.25 per minute* \$0.25 per minute* \$0.18 per minute* |
|---|---|

Monthly recurring charge per toll free number \$2.00

Presubscribed Customer (Home Long Distance) \$0.10 per minute

*This service is no longer offered to new customers at these rates, but is grandfathered for existing customers effective April 1, 2003.

9. Rates for Interstate Long Distance Service (Cont'd)

9.8 Directory Assistance Rate Per Call \$1.25

9.9 Prepaid Calling Card Service

(a) Rates for Prepaid Calling Cards

No. of Units Purchased on Card Rate Per Unit

1-30 units \$0.17 31 units & above \$0.15

Service charges are associated with Prepaid Calling Card calls made from coin phones.

10. Rates for International Long Distance Service (Cont'd)

10.1 Returned Check Charge

A Customer whose payment by check is returned for insufficient funds, or is otherwise not processed for payment, will be subject to a returned check charge. Such charge will be applicable on each occasion when a check is returned or not processed. If the returned check was for a combined interstate and international balance, only a single returned check charge will apply.

Per Occasion \$25.00

10.2 Outbound Direct Dialed International Long Distance Service Rate Schedule

Outbound Direct Dialed International Long Distance Service is limited to calls originating domestically and terminating internationally (Outbound International Long Distance Service).

The Outbound International Long Distance Service rates in this Section 10.2 apply to both Business Customers and Residential Customers. Calls are billed in full minute increments.

LONG DISTANCE SERVICES
RATES, TERMS AND CONDITIONS

10. Rates for International Long Distance Service (Cont'd)

10.2 Outbound International Long Distance Service Rate Schedule

| COUNTRY | PER MINUTE RATE |
|--------------------|--------------------|
| Afghanistan | \$0.65130 |
| Albania | 0.27710 |
| Algeria | 0.27710 |
| American Samoa | NA |
| Andorra | 0.17080 |
| Angola | 0.39850 |
| Anguilla | 0.33250 |
| Antarctica | 0.64000 |
| Antigua | 0.29710 |
| Argentina | 0.15240 |
| Armenia | 0.32020 |
| Aruba | 0.26770 |
| Ascension Island | 0.92240 |
| Australia | 0.14000 |
| Austria | 0.14930 |
| Azerbaijan | 0.28940 |
| Bahrain | 0.34950 |
| Bangladesh | 0.34790 |
| Belarus | 0.38490 |
| Belgium | 0.13540 |
| Belize | 0.46500 |
| Benin | 0.29870 |
| Bermuda | 0.20000 |
| Bhutan | 0.38180 |
| Bolivia | 0.26020 |
| Bosnia | 0.35000 |
| Bosnia-Herzegovina | 0.40030 |
| Botswana | 0.30640 |

| | |
|------------------------|---------|
| Brazil | 0.18620 |
| British Virgin Islands | 0.36030 |
| Brunei Darussalam | 0.19860 |
| Bulgaria | 0.20010 |
| Burkina Faso | 0.31560 |

LONG DISTANCE SERVICES
RATES, TERMS AND CONDITIONS

10. Rates for International Long Distance Service (Cont'd)

10.2 Outbound International Long Distance Service Rate Schedule (Cont'd)

| COUNTRY | PER MINUTE RATE |
|--------------------------|--------------------|
| Burundi | \$0.27250 |
| Cambodia | 0.42650 |
| Cameroon | 0.44800 |
| Canada | 0.12770 |
| Canary Islands | 0.05000 |
| Cape Verde Island | 0.46960 |
| Central African Republic | 0.32330 |
| Chad Republic | 0.45570 |
| Chile | 0.14310 |
| China | 0.13080 |
| Christmas Island | 0.57590 |
| Cocos Island | 0.72370 |
| Colombia | 0.20780 |
| Comoros | 0.43000 |
| Congo | 0.27560 |
| Cook Islands | 5.03570 |
| Costa Rica | 0.20630 |
| Croatia | 0.18620 |
| Cuba | 1.49520 |
| Cyprus | 0.20470 |
| Czech Republic | 0.05000 |
| Czech Republic | 0.15080 |
| Denmark | 0.14000 |
| Diego Garcia | 2.91360 |
| Djibouti | 0.47880 |

| | |
|-------------------|---------|
| Easter Island | 0.05000 |
| Ecuador | 0.32180 |
| Egypt | 0.41880 |
| El Salvador | 0.23710 |
| Equatorial Guinea | 0.44030 |
| Eritea | 0.56200 |
| Eritrea | 0.39000 |
| Estonia | 0.15390 |
| Ethiopia | 0.58970 |

LONG DISTANCE SERVICES
RATES, TERMS AND CONDITIONS

10. Rates for International Long Distance Service (Cont'd)

10.2 Outbound International Long Distance Service Rate Schedule

| COUNTRY | PER MINUTE RATE |
|------------------|--------------------|
| Faeroe Islands | \$0.31870 |
| Falkland Islands | 1.55990 |
| Fiji Islands | 0.45730 |
| Finland | 0.15080 |
| France | 0.05000 |
| French Antilles | 0.39110 |
| French Guiana | 0.33250 |
| French Polynesia | 0.42650 |
| Gabon | 0.30020 |
| Gambia | 0.41720 |
| Georgia | 0.21550 |
| Germany | 0.15390 |
| Ghana | 0.24780 |
| Gibraltar | 0.21090 |
| Greece | 0.15850 |
| Greenland | 0.85610 |
| Grenada | 0.32330 |
| Guadeloupe | 0.25550 |
| Guantanamo Bay | 1.50290 |
| Guatemala | 0.28480 |
| Guinea | 0.27710 |

| | |
|----------------|---------|
| Guinea Bissau | 1.32000 |
| Guyana | 0.46500 |
| Haiti | 0.30940 |
| Honduras | 0.50040 |
| Hong Kong | 0.13000 |
| Hungary | 0.17550 |
| Iceland | 0.16010 |
| India | 0.35720 |
| Indonesia | 0.21090 |
| Inmarsat (Aor) | 9.22000 |
| Inmarsat (Ior) | 9.22000 |
| Inmarsat (Por) | 9.22000 |
| Iran | 0.34330 |
| Iraq | 0.83770 |

LONG DISTANCE SERVICES
RATES, TERMS AND CONDITIONS

10. Rates for International Long Distance Service (Cont'd)

10.2 Outbound International Long Distance Service Rate Schedule

| COUNTRY | PER MINUTE RATE |
|-------------|--------------------|
| Ireland | \$0.13000 |
| Israel | 0.17080 |
| Italy | 0.14000 |
| Ivory Coast | 0.33870 |
| Japan | 0.14310 |
| Jordan | 0.31100 |
| Kazakhstan | 0.30790 |
| Kenya | 0.41570 |
| Kiribati | 0.83920 |
| Kuwait | 0.25400 |
| Kyrgyzstan | 0.05000 |
| Laos | 0.28480 |
| Latvia | 0.29400 |
| Lebanon | 0.25090 |
| Lesotho | 0.34000 |
| Liberia | 0.28480 |

| | |
|---------------|---------|
| Libya | 0.38000 |
| Liechtenstein | 0.07000 |
| Lithuania | 0.25090 |
| Luxembourg | 0.15240 |
| Macau | 0.19860 |
| Macedonia | 0.39880 |
| Madagascar | 0.44030 |
| Malawi | 0.19860 |
| Malaysia | 0.15000 |
| Maldives | 0.58820 |
| Mali | 0.41720 |
| Malta | 0.28790 |

LONG DISTANCE SERVICES
RATES, TERMS AND CONDITIONS

10. Rates for International Long Distance Service (Cont'd)

10.2 Outbound International Long Distance Service Rate Schedule

| COUNTRY | PER MINUTE RATE |
|----------------------|--------------------|
| Marshall Islands | \$0.68980 |
| Mauritania | 0.44190 |
| Mauritius | 0.41720 |
| Mayotte Island | 0.46500 |
| Mexico | 0.20000 |
| Micronesia | 0.90540 |
| Midway Islands | 0.05000 |
| Moldova | 0.22780 |
| Monaco | 0.40650 |
| Mongolia | 0.31100 |
| Morocco | 0.39570 |
| Mozambique | 0.29250 |
| Myanmar | 0.54040 |
| Namibia | 0.25250 |
| Nauru | 3.24930 |
| Nepal | 0.53120 |
| Netherlands | 0.14470 |
| Netherlands Antilles | 0.26790 |

| | |
|------------------|---------|
| New Caledonia | 0.48810 |
| New Zealand | 0.14000 |
| Nicaragua | 0.33250 |
| Niger | 0.30020 |
| Nigeria | 0.30020 |
| Niue Island | 6.59110 |
| North Korea | 0.72680 |
| Norway | 0.13000 |
| Oman | 0.41720 |
| Pakistan | 0.42650 |
| Palastine | 0.85600 |
| Palau | 0.57740 |
| Panama | 0.25090 |
| Papua New Guinea | 1.11000 |
| Paraguay | 0.34020 |
| Peru | 0.22940 |

LONG DISTANCE SERVICES
RATES, TERMS AND CONDITIONS

10. Rates for International Long Distance Service (Cont'd)

10.2 Outbound International Long Distance Service Rate Schedule

| COUNTRY | PER MINUTE RATE |
|-------------------|--------------------|
| Philippines | \$0.30480 |
| Poland | 0.16160 |
| Portugal | 0.14770 |
| Qatar | 0.48810 |
| Reunion Island | 0.57890 |
| Romania | 0.22470 |
| Russia | 0.18470 |
| Rwanda | 0.23550 |
| Saipan | 1.81710 |
| San Marino | 0.17080 |
| Sao Tome-Principa | 1.46750 |
| Saudi Arabia | 0.38800 |
| Senegal | 0.34640 |
| Serbia | 0.10000 |

| | |
|-----------------------|---------|
| Seychelles | 0.43260 |
| Sierra Leone | 0.60000 |
| Singapore | 0.14620 |
| Slovakia | 0.20780 |
| Slovenia | 0.18780 |
| Solomon Islands | 5.05730 |
| Somali | 0.98700 |
| South Africa | 0.21090 |
| South Korea | 0.16930 |
| Spain | 0.13000 |
| Sri Lanka | 0.36800 |
| St. Helena | 1.70930 |
| St. Pierre & Miquelon | 0.35100 |
| Sudan | 0.42190 |
| Suriname | 0.47270 |
| Swaziland | 0.24480 |
| Sweden | 0.13000 |
| Switzerland | 0.13000 |
| Syria | 0.54970 |

LONG DISTANCE SERVICES
RATES, TERMS AND CONDITIONS

10. Rates for International Long Distance Service (Cont'd)

10.2 Outbound International Long Distance Service Rate Schedule

| COUNTRY | PER MINUTE RATE |
|---------------|--------------------|
| Taiwan | \$0.14160 |
| Tajikistan | 0.30790 |
| Tanzania | 0.44030 |
| Thailand | 0.25000 |
| Togo | 0.38180 |
| Tokelau | 3.15000 |
| Tonga Islands | 0.72990 |
| Tunisia | 0.38490 |
| Turkey | 0.28020 |
| Turkmenistan | 0.36640 |
| Tuvalu | 2.74110 |

| | |
|-----------------------|---------|
| Uganda | 0.28330 |
| Ukraine | 0.25860 |
| United Arab Emirates | 0.53580 |
| United Kingdom | 0.12390 |
| Uruguay | 0.24780 |
| Uzbekistan | 0.26170 |
| Vanuatu | 3.21850 |
| Vatican City | 0.16710 |
| Venezuela | 0.20160 |
| Vietnam | 0.52200 |
| Wallis-Futuna Islands | 4.25030 |
| Western Samoa | 0.48350 |
| Yemen | 0.40800 |
| Yugoslavia | 0.25090 |
| Zaire | 0.54660 |
| Zambia | 0.22630 |
| Zanzibar | 0.29000 |
| Zimbabwe | 0.22470 |

LONG DISTANCE SERVICES
RATES, TERMS AND CONDITIONS

10. Rates for International Long Distance Service (Cont'd)

10.3 Outbound International Long Distance Service – 10 Digit Dialing Rate Schedule

| COUNTRY | PER MINUTE RATE |
|------------------------|--------------------|
| Anguilla | \$0.33250 |
| Antigua | 0.29710 |
| Bahamas | 0.22010 |
| Barbados | 0.29100 |
| Bermuda | 0.20000 |
| British Virgin Islands | 0.36030 |
| Canada | 0.12770 |
| Cayman Island | 0.23400 |
| Dominica | 0.27560 |
| Dominican Republic | 0.20780 |
| Grandturk TC | 0.50000 |

| | |
|------------------|---------|
| Grenada | 0.32330 |
| Jamaica | 0.22320 |
| Marianas Islands | NA |
| Montserrat | 0.32180 |
| Nevis | 1.01170 |
| St. Kitts | 0.31560 |
| St. Lucia | 0.32180 |
| St. Vincent | 0.32950 |
| Trinidad-Tobago | 0.28330 |
| Turks/Caicos | 0.38030 |

LONG DISTANCE SERVICES
RATES, TERMS AND CONDITIONS

10. Rates for International Long Distance Service (Cont'd)

10.4 Prepaid Calling Card Service Rate Schedule

Charges for International Long Distance Service calls charged to a Prepaid Calling Card are charged based on the number of units indicated in the following rate schedule. International calls that cannot be called using 10 digit dialing can not be charged to a Prepaid Calling Card.

Units are purchased based on charges listed at Section 9.9.

| COUNTRY | UNITS |
|------------------------|-------|
| Anguilla | 3 |
| Antigua | 3 |
| Bahamas | 2 |
| Barbados | 3 |
| Bermuda | 1 |
| British Virgin Islands | 3 |
| Canada | 1 |
| Cayman Islands | 2 |
| Dominica | 3 |
| Dominican Republic | 2 |
| Grenada | 4 |
| Guam | 1 |
| Jamaica | 3 |
| Montserrat | 4 |
| St. Kitts | 3 |

| | |
|---------------------------------|---|
| St. Lucia | 2 |
| St. Vincent & The Grenadines | 3 |
| Trinidad & Tobago | 3 |
| Turks & Caicos | 3 |

FEBRUARY 25, 2002

LONG DISTANCE SERVICES
RATES, TERMS AND CONDITIONS

10. Rates for International Long Distance Service (Cont'd)

10.5 Calling Card Service

The Company issues a Calling Card, with which a Customer may charge domestic and international calls via an 800 access number. Appropriate per call surcharges will be applied. (a) Surcharge for Calling Card Service Per Call \$1.00 (b) Calling Card Service: Outbound Calls to Canada For Outbound International Calling Card Calls to Canada (calls originating domestically and terminating to Canada), the following rate applies:

Per Minute \$0.80 (c) Calling Card Service: Outbound Calls to International Points Other Than Canada For Outbound International Calling Card Calls to international points other than Canada (calls originating domestically and terminating to international points other than Canada), the rates for International Direct Dialed International Calls listed at Section 10.2. apply. (d) Calling Card Service: Inbound Calls from International Points Inbound International Calling Card Calls to domestic points from international points are available only by prior arrangement for limited periods subject to availability and Company approval. Customers must contact the Company to request Inbound International Calling Card Call capability for individual international points. If the Company makes arrangements for Inbound International Calling Card Calls, the Company will provide the applicable rate or rates for the international point or points at the time the arrangement is made. If an arrangement for Inbound International Calling Card Calls, such calls will be subject to the rates identified by the Company at and to the terms and conditions contained in the Rates, Terms and Conditions.