

**NOWALSKY, BRONSTON & GOTHARD**

78

A Professional Limited Liability Company  
Attorneys at Law

Leon L. Nowalsky  
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3500 N. Causeway Boulevard  
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Metairie, Louisiana 70002  
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Monica R. Borne  
EllenAnn G. Sands

DEPOSIT

DATE

D 0 1 2

SEP 24 1998

September 23, 1998

Via Overnight Delivery:

981222-7X

Florida Public Service Commission  
Division of Communications, Certification & Compliance Section  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0866

RE: NewSouth Communications Corp.

Dear Sirs:

Enclosed please find an original and six (6) copies of the Application Form for authority to provide alternative local exchange service within the State of Florida which is submitted on behalf of NewSouth Communications Corp. Also enclosed is the requisite \$250.00 filing fee payable to the Florida Public Service Commission.

To acknowledge you receipt of this filing, please return a date stamped copy of this letter in the self-addressed envelope provided.

If you should have any questions regarding these documents, please do not hesitate to call. Thank you.

Sincerely,



Monica R. Borne

Enclosure

cc: Penn Gaines, NewSouth

MAIL ROOM

SEP 24 AM 11:25 '98

DOCUMENT NUMBER-DATE

10628 SEP 24 98

FPSC-RECORDS/REPORTING

**FLORIDA PUBLIC SERVICE COMMISSION  
CAPITAL CIRCLE OFFICE CENTER - 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850**

**APPLICATION FORM  
for**

**AUTHORITY TO PROVIDE ALTERNATIVE LOCAL EXCHANGE SERVICE  
WITHIN THE STATE OF FLORIDA**

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**INSTRUCTIONS**

1. This form is used for an original application for a certificate and for approval of sale, assignment or transfer of an existing alternative local exchange certificate. In case of a sale, assignment or transfer, the information provided shall be for the purchaser, assignee or transferee.
2. Respond to each item requested in the application and appendices. If an item is not applicable, please explain why.
3. Use a separate sheet for each answer which will not fit the allotted space.
4. If you have questions about completing the form, contact:

**Florida Public Service Commission  
Division of Communications, Certification & Compliance Section  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850  
(904) 413-6600**

5. Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$250.00 made payable to the Florida Public Service Commission at the above address.
-

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

Original authority (new company)

Approval of Transfer (to another certificated company)

Example, a certificated company purchases an existing company and desires to retain the original certificate authority.

Approval of assignment of existing certificate (to non-certificated company)

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

Approval for transfer of control (to another certificated company)

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

2. Name of applicant:

NewSouth Communications, Corp.

3. Name under which the applicant will do business (d/b/a): None.

4. If applicable, please provide proof of fictitious name (d/b/a) registration.

Fictitious name registration number: \_\_\_\_\_

5. A. National mailing address including street name, number, post office box, city, state, zip code, and phone number.

130 Industrial Drive  
Greenville, SC 29607  
Ph. (864) 672-5000

B. Florida mailing address including street name, number, post office box, city, state, zip code, and phone number.

None.

6. Structure of organization:

- |                                                         |                                                      |
|---------------------------------------------------------|------------------------------------------------------|
| <input type="checkbox"/> Individual                     | <input type="checkbox"/> Corporation                 |
| <input checked="" type="checkbox"/> Foreign Corporation | <input type="checkbox"/> Foreign Partnership         |
| <input type="checkbox"/> General Partnership            | <input type="checkbox"/> Limited partnership         |
| <input type="checkbox"/> Joint Venture                  | <input type="checkbox"/> Other, Please explain _____ |

7. If applicant is an individual, partnership, or joint venture, please give name, title and address of each legal entity.

Not applicable.

8. State whether any of the officers, directors, or any of the ten largest stockholders have previously been adjudged bankrupt, mentally incompetent, or found guilty of any felony or any crime, or whether such actions may result from pending proceedings. If so, explain.

No officers, directors, or any of the ten largest stockholders have previously been or are involved in proceedings during which they may be adjudged bankrupt, mentally incompetent, or found guilty of any felony or any crime.

9. If incorporated, please provide proof from the Florida Secretary of State that the applicant has authority to operate in Florida.

Certificate of Authority attached as Exhibit A.

Corporate charter number: F28000004797

10. Please provide the name, title, address, telephone number, internet address and facsimile number for the person serving as ongoing liaison with the Commission, and if different, the liaison responsible for this application.

Liaison for this application:  
Monica R. Borne, Attorney  
3508 N. Causeway Blvd., Suite 1442  
Metairie, LA 70002  
Ph. (504) 832-1984; Fax. (504) 831-8892

Ongoing liaison:  
Michael L. LaFrance, President  
130 Industrial Drive  
Greenville, SC 29607  
Ph. (864) 672-5000; Fax. (864) 672-5107

11. Please list other states in which the applicant is currently providing or has applied to provide local exchange or alternative local exchange service. None.

12. Has the applicant been denied certification in any other state? If so, please list the state and the reason for denial. No. The Company has not been denied certification in any state.

13. Have penalties been imposed against the applicant in any other state? If so, please list the state and reason for the penalty. No penalties have been imposed.

14. Please indicate how a customer can file a service complaint with your company.

Customer complaints can be made by dialing 1-800-600-5050 or by writing to the company at the address set forth herein.

15. Please complete and file a price list in accordance with Commission Rule 25-24.825.

Price List attached as Exhibit E.

16. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide alternative local exchange service in Florida. All financial documentation attached as Exhibit B.

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.

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

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 attest that the financial statements are true and correct.**

**B. Managerial capability.**

**Profiles of the applicant's management personnel are attached as Exhibit C.**

**C. Technical capability.**

**Attached as Exhibit D.**

**AFFIDAVIT**

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

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

Official: Michael L. LaFrance  
Signature

9/21/98  
Date

Name: Michael L. LaFrance

672-  
(864) 627-5000  
Telephone Number

Title: President

Address: 130 Industrial Drive  
Greenville, SC 29607

# **EXHIBIT A**

**CERTIFICATE OF AUTHORITY ISSUED  
BY THE FLORIDA SECRETARY OF STATE**





## **EXHIBIT B**

### **UNAUDITED FINANCIAL STATEMENTS AND PROJECTED FINANCIAL STATEMENTS**

**In support of its financial capability to provide the requested services, the Company has provided its unaudited financial statements for the six months ending June 30, 1998 and its audited financial statements for the period from July 30, 1997 (inception) to December 31, 1997.**

**The Company's President has attached an Affidavit attesting to the accuracy of the financial statements submitted and an explanation of the Company's overall financial capability.**

**VERIFICATION BY APPLICANT**

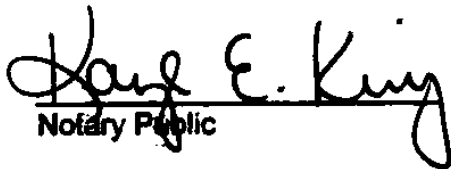
STATE OF South Carolina )  
COUNTY OF Greenville ) ss:

**Michael L. LaFrance, President of NewSouth Communications Corp.** having been duly sworn and deposed, hereby states as follows:

That he is President of the Company; that the attached financial documents were prepared under his supervision and are true and correct to the best of his knowledge and belief.

  
\_\_\_\_\_  
Michael L. LaFrance, President  
NewSouth Communications Corp.

This document was signed in my presence this 21<sup>st</sup> day of September 1998.

  
\_\_\_\_\_  
Notary Public

My Commission expires:  
10/10/2000

## **FINANCIAL ABILITY TO PROVIDE CONTINUOUS SERVICE**

The Company is financially capable to provide the requested service in the geographic areas proposed and will be able to maintain such services and meet any and all lease or ownership obligations as evidenced by its year-end financial documents which have been attached and verified by a Company official.



NEWSOUTH HOLDINGS, INC.

Consolidated Balance Sheet  
June 30, 1998

ASSETS

Current Assets

Cash/Investments

Petty Cash	5200.00
First Union Checking	1,782,732.51
First Union Capital Markets Investments	<u>9,012,866.94</u>

10,795,819.45

Accounts Receivable

71,814.23

Other Current Assets

Deposits	988,389.80
Advances	16,121.17
Stockholder Receivable	38,860.00
Inventory	49,328.51
Prepaid Expenses	<u>16,397.11</u>

709,096.59

Fixed Assets

Automobiles	14,990.00
Computer Equipment	222,961.73
Equipment	31,943.49
Furniture	111,268.08
Capitalized Network Costs	92,044.17
Customer Premise Equipment	2,742.30
Switch & Equipment	2,431,895.18
Accumulated Depreciation	<u>(96,372.31)</u>

2,811,472.64

TOTAL ASSETS

14,388,202.91

LIABILITIES & EQUITY

Liabilities

Accounts Payable	324,796.74
Other Payables	14,953.80
Accrued Payroll	76,128.23
Accrued Expenses	11,461.16
Notes Payable	<u>14,990.00</u>

442,329.93

Equity

Redeemable Series A Convertible Preferred Stock	13,000,000.00
Redeemable Series B Convertible Preferred Stock	2,000,000.00

Common Stock	102,000.00
Additional Paid-in Capital	690,743.67
Accumulated Deficit	(445,343.84)
Year-to-Date Earnings (Loss)	<u>(1,401,526.85)</u>

13,945,872.98

TOTAL LIABILITIES & EQUITY

14,388,202.91



NEWSOUTH HOLDINGS, INC.

Consolidated Statement of Income and Operations  
For the Six Months Ending June 30, 1998

	June	YTD
<b>Revenue</b>		
Equipment Sales (NST)	\$47,463.92	\$232,446.68
<b>Total Revenue</b>	<u>47,463.92</u>	<u>232,446.68</u>
<b>Cost of Sales</b>		
Local Service Costs	20,505.04	20,505.04
Commissions, Enhanced & One-time Costs	1,510.45	1,510.45
Cost of Equipment Sold (NST)	41,437.38	185,029.98
<b>Total Cost of Sales</b>	<u>63,452.87</u>	<u>187,045.47</u>
<b>Gross Profit</b>	<u>(15,988.95)</u>	<u>45,401.21</u>
<b>Personnel Costs</b>		
Salaries	153,384.32	680,130.31
Payroll Taxes and Benefits	19,441.89	85,583.73
<b>Total Personnel Expense</b>	<u>172,826.21</u>	<u>765,714.04</u>
<b>Sales, General &amp; Administrative Costs</b>		
Advertising & Marketing	9,078.38	15,883.41
Bank Service Charges		1,738.37
Billing Costs	4,133.11	10,929.98
Computer Software & Consulting	13,918.80	39,519.88
Consulting Fees	(21,312.70)	19,418.98
Dues & Subscriptions	1,786.30	7,081.14
Education & Seminars	2,480.00	9,190.00
Equipment Rental	1,211.99	3,081.99
Equipment Expense	12,952.41	24,238.58
Equipment Repairs		390.00
Insurance - Property & Casualty	(2,212.83)	2,861.11
Licenses & Permits	760.00	4,015.00
Meals & Entertainment	4,041.69	12,305.99
Miscellaneous Expense	43.32	1,079.39
Office Expense	10,941.18	51,382.24
Payroll Processing Fees	86.30	527.53
Postage & Shipping	1,018.29	6,654.13
Printing Expense	900.10	23,678.98
Professional Fees	78,386.48	159,728.10
Promotion	100.00	228.71
Recruiting	1,378.00	2,345.00
Relocation Costs	10,908.34	51,384.84
Rent Expense	7,982.23	38,478.90
Repairs & Maintenance	2,389.30	5,982.75
Cellular Phone Expense	1,448.54	8,908.98
Telephone Expense	6,024.32	24,282.54
Paging Expense	18.58	18.58
Training		13,988.15
Travel	23,156.18	38,583.23
Utilities	2,578.70	6,324.40
Vehicle Expense		184.88
<b>Total Sales, General &amp; Administrative Expenses</b>	<u>178,183.97</u>	<u>689,157.85</u>
<b>Total Personnel, S,G &amp; A Expenses</b>	<u>342,910.18</u>	<u>1,375,071.89</u>
<b>EBITDA</b>	<u>(338,897.13)</u>	<u>(1,329,670.68)</u>
Depreciation	30,312.00	63,658.00
Interest	(9,316.74)	(21,801.83)
<b>Total Income</b>	<u>(317,892.39)</u>	<u>(1,401,526.85)</u>

**Consolidated Statements of Stockholders' Equity and Retained Earnings  
 For the Six Months Ending June 30, 1998**

	LLC Units	Common Stock		Series A Convertible Preferred Stock		Series B Convertible Preferred Stock		Additional Paid in Capital	Accumulated Debits	Total
		Shares	Amount	Shares	Amount	Shares	Amount			
Balance, December 31, 1997	\$ 289,258 67								\$ (445,243 94)	\$ 343,614 83
Exchange of LLC units for Common Stock by founders	\$ (789,658 87)	10,180,000	\$ 100,000 00					\$ 887,258 67		\$
Issuance of Series A Preferred Stock				3,880,887	\$ 13,000,000 00			\$		\$ 13,000,000 00
Issuance of Series B Preferred Stock						1,222,222	\$ 2,000,000 00	\$		\$ 2,000,000 00
Issuance of Common Stock		80,000	\$ 800 00					\$ 7,398 00		\$ 7,398 00
<b>Net Loss</b>									<b>\$ (1,405,826 85)</b>	<b>\$ (1,405,826 85)</b>
<b>Balance, June 30, 1998</b>	<b>\$ -</b>	<b>10,260,000</b>	<b>\$ 100,000 00</b>	<b>3,880,887</b>	<b>\$ 13,000,000 00</b>	<b>1,222,222</b>	<b>\$ 2,000,000 00</b>	<b>\$ 894,743 87</b>	<b>\$ (1,405,826 85)</b>	<b>\$ 13,995,873 88</b>

**Deloitte &  
Touche LLP**



***NewSouth Communications, LLC***

***A Development Stage Company***

***Financial Statements for the Period from July 30, 1997  
(Date of Inception) to December 31, 1997 and  
Independent Auditors' Report***



**NEWSOUTH COMMUNICATIONS, LLC**  
*A Development Stage Company*

**TABLE OF CONTENTS**

---

	<b>Page</b>
<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS:</b>	
Balance Sheet at December 31, 1997	2
Statement of Operations for the period from July 30, 1997 (date of inception) to December 31, 1997	3
Statement of Cash Flows for the Period from July 30, 1997 (date of inception) to December 31, 1997	4
Notes to Financial Statements	5-7



## **INDEPENDENT AUDITORS' REPORT**

**Board of Directors  
NewSouth Communications, LLC  
Greenville, SC**

We have audited the accompanying balance sheet of NewSouth Communications, LLC (a development stage company) (the "Company") at December 31, 1997 and the related statements of operations and deficit accumulated during the development stage, and cash flows for the period from July 30, 1997 (date of inception) to December 31, 1997. 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 audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform our 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 audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Company at December 31, 1997, and the results of its operations and its cash flows for the period from July 30, 1997 (date of inception) to December 31, 1997 in conformity with generally accepted accounting principles.

*Deloitte + Touche LLP*

May 28, 1998

**NEWSOUTH COMMUNICATIONS, LLC**  
*A Development Stage Company*

**BALANCE SHEET**  
**DECEMBER 31, 1987 (NOTE 1)**

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**ASSETS**

**CURRENT ASSETS:**

Cash	\$ 86,179
Notes receivable from members (Note 3)	279,582
Miscellaneous receivable	<u>7,215</u>
Total current assets	372,976

**DEPOSITS (Note 4)** 206,618

**PROPERTY AND EQUIPMENT, NET (Note 5)** 51,102

**TOTAL ASSETS** \$ 630,696

**LIABILITIES AND MEMBERS' CAPITAL**

**CURRENT LIABILITIES:**

Accounts payable and accrued liabilities	\$ 46,458
Salaries and other amounts payable to members	<u>279,582</u>
Total current liabilities	<u>326,040</u>

**COMMITMENTS (Note 4)**

**MEMBERS' CAPITAL:**

Members' capital (Note 6)	788,860
Less: Note receivable from member (Note 3)	<u>(38,860)</u>
Members' capital - net	750,000
Deficit accumulated during the development stage	<u>(445,344)</u>
Total members' capital	<u>304,656</u>

**TOTAL LIABILITIES AND MEMBERS' CAPITAL** \$ 630,696

See notes to financial statements.

**NEWSOUTH COMMUNICATIONS, LLC**  
*A Development Stage Company*

**STATEMENT OF OPERATIONS AND DEFICIT ACCUMULATED  
DURING THE DEVELOPMENT STAGE  
PERIOD FROM JULY 30, 1987 (DATE OF INCEPTION) TO DECEMBER 31, 1987 (NOTE 1)**

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<b>OPERATING EXPENSES:</b>	
Selling, general and administrative	\$ 442,942
Depreciation and amortization	<u>2,714</u>
<b>TOTAL OPERATING EXPENSES</b>	<b>445,656</b>
<b>INTEREST INCOME</b>	<u>(312)</u>
<b>NET LOSS AND DEFICIT ACCUMULATED DURING THE DEVELOPMENT STAGE</b>	<b><u>\$ 445,344</u></b>

See notes to financial statements.

**NEWSOUTH COMMUNICATIONS, LLC**  
*A Development Stage Company*

**STATEMENT OF CASH FLOWS**  
**PERIOD FROM JULY 30, 1997 (DATE OF INCEPTION) TO DECEMBER 31, 1997 (NOTE 1)**

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**CASH FLOWS FROM OPERATING ACTIVITIES:**

Net loss	\$ (445,344)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation and amortization	2,714
Changes in assets and liabilities which provided (used) cash:	
Notes receivable from members	(279,582)
Miscellaneous receivable	(7,215)
Deposits	(206,618)
Accounts payable and accrued liabilities	46,458
Salaries and other amounts payable to members	<u>279,582</u>
Net cash used in operating activities	(610,005)
<b>NET CASH USED IN INVESTING ACTIVITIES - Purchases of property and equipment</b>	(53,816)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES - Members' capital contributions</b>	<u>750,000</u>
<b>NET INCREASE IN CASH AND BALANCE, END OF PERIOD</b>	<u>\$ 86,179</u>

See notes to financial statements.

**NEWSOUTH COMMUNICATIONS, LLC**  
*A Development Stage Company*

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE PERIOD JULY 30, 1997 (DATE OF INCEPTION) TO DECEMBER 31, 1997**

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**1. ORGANIZATION AND NATURE OF BUSINESS**

The Company was formed in 1997 as a limited liability company. The Company is a development stage company that is developing switched local, long distance and enhanced telecommunications services primarily to medium to large-sized organizations in selected markets in the southeastern United States. See Note 7.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Property and Equipment* - Property and equipment is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives of the Company's office equipment, furniture and other range from 3 to 5 years.

*Income Taxes* - The Company is not a taxpaying entity for purposes of federal and state income taxes, and thus, no income taxes have been provided for in these financial statements. Pro rata income from the Company is combined with the income and expenses of the members from other sources and reported on the members' tax returns.

*Use of Estimates* - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

*Advertising* - The Company expenses advertising costs in the period incurred. Advertising expense totaled \$9,458 for the period from July 30, 1997 (date of inception) to December 31, 1997.

**3. NOTES RECEIVABLE FROM MEMBERS**

Effective December 31, 1997, the Company entered into agreements for capital contributions aggregating \$318,442 from its members. The notes receivable were interest-bearing at 10% commencing June 15, 1998 or January 1, 1999.

As of May 28, 1998, \$279,582 of the notes receivable were collected and, accordingly, such amount was classified as a current asset in the accompanying balance sheet. The remaining \$38,860 has not been collected and such amount is due January 1, 1999. This amount has been classified as a reduction of members' capital in the accompanying balance sheet.

#### 4. COMMITMENTS

*Leases* - The Company leases office premises in various locations under operating lease arrangements. Total rent expense for the period from July 30, 1997 (date of inception) to December 31, 1997 totaled \$13,388.

Future minimum rental payments under operating leases having initial or remaining noncancelable lease terms in excess of one year are as follows at December 31:

1998	\$ 47,112
1999	21,027
2000	21,027
2001	21,027
2002	21,027
Thereafter	<u>70,090</u>
Total	<u>\$ 201,310</u>

*Purchase Commitments* - At December 31, 1997, the Company had an outstanding commitment to purchase switching equipment with an aggregate cost of \$2,034,686 and had paid a deposit of \$203,469, classified as other assets in the accompanying balance sheet at December 31, 1997.

#### 5. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 1997:

Office equipment, furniture and other	\$ 53,816
Less accumulated depreciation and amortization	<u>(2,714)</u>
Total	<u>\$ 51,102</u>

In addition, see Note 4 for commitment at December 31, 1997 to purchase switching equipment.

#### 6. MEMBERS' CAPITAL

At December 31, 1997, there were 10,150,000 Class C units (6,052,711) and Class D units (4,097,289) issued and outstanding. The units have equal voting rights and share equally in profits or losses.

As described in Note 7, on February 17, 1998, the Company became a wholly owned subsidiary of NewSouth Holdings, LLC.

#### 7. SUBSEQUENT EVENTS

On February 6, 1998, the Company entered into a \$1 million line of credit agreement with a bank to provide the Company working capital financing for one year. Borrowings under the line of credit are unsecured but are personally guaranteed by the members of the Company. Borrowings bear interest at the 30-day adjusted LIBOR plus 250 basis points. Interest is payable monthly and any outstanding borrowings are due on demand after the February 6, 1999 expiration of the credit facility.

On February 17, 1998, the Company became a wholly owned subsidiary of NewSouth Holdings, LLC ("Holdings"), a Delaware limited liability company. The members of the Company exchanged their capital in the Company at February 17, 1998 for all Class C and Class D units in Holdings. In addition, on February 17, 1998, Seruus Telecom Fund, L.P. and two of its principals purchased for \$2 million all Class B units, as described below, in Holdings.

On February 17, 1998, the Company also formed NewSouth Technologies, LLC as a wholly-owned subsidiary. NewSouth Technologies, LLC is primarily a telecommunications consulting and equipment brokerage company specializing in the purchasing and sales of used and reconditioned digital switching, transmission and power equipment.

On March 5, 1998, The Public Service Commission of South Carolina granted the Company authority to provide local exchange services and related long distance telecommunications service within the non-rural areas in South Carolina.

On April 17, 1998, the Company entered into an interconnection agreement with BellSouth Telecommunications, Inc. enabling the Company to provide local exchange telecommunications services in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee. The agreement is for a one year term commencing October 8, 1997 and contains renewal negotiation provisions.

On May 4, 1998, the Company received a commitment from a qualified investor to purchase \$10 million of \$15 million of Series A Convertible Preferred Stock to be offered by NewSouth Holdings, LLC, the Company's parent. The proceeds from the offering are to be used for the working capital needs of the Company, to fund capital expenditure requirements of the Company and to pay certain fees and expenses of the offering. Such commitment to purchase the Series A Convertible Stock will terminate on June 30, 1998 or if any event is discovered or occurs which may have a material adverse effect on the business or financial condition of the Company.

On May 22, 1998, the holders of Holdings authorized that Holdings be converted from a limited liability company to a corporation.

.....




# **EXHIBIT C**

## **MANAGEMENT PROFILES**

130 Industrial Drive  
Greenville, SC 29607  
Voice: 864-672-3000  
Fax: 864-672-5055  
E-Mail: corp@newsouth.net

NewSouth Holdings, Inc.

# Management Overview



*The Premier Southeastern  
Competitive Local Exchange Carrier*



**NewSouth**  
communications

# TABLE OF CONTENTS

<b>MANAGEMENT TEAM &amp; BOARD OF DIRECTORS</b> .....	<b>1 - 9</b>
Company Overview.....	1
Management Team.....	1 - 7
Board of Directors.....	7 - 9

## Company Overview



**Employee Owned  
Organization with  
Strong Corporate  
Principles**

## Management Overview

**President & CEO**

NewSouth<sub>inc</sub> Holdings, Inc. ("Holdings"), a Delaware corporation, was formed in June 1998 as a holding company for NewSouth<sub>inc</sub> Communications, LLC ("Communications"), a South Carolina limited liability company. References herein to "NewSouth<sub>inc</sub>" or the "Company" shall include Holdings and Communications, unless the context otherwise indicates.

NewSouth<sub>inc</sub>, based in Greenville, SC, is *South Carolina's first locally headquartered, switch-based Competitive Local Exchange Carrier ("CLEC")*. The Company is currently developing local telephone exchange networks, primarily in second-tier and third-tier Southeastern markets/local access and transport areas (LATAs), in conjunction with other telecommunications services to compete with the telecommunications services offered by Incumbent Local Exchange Companies ("ILECs") and Interexchange Carriers ("IXCs").

To ensure NewSouth<sub>inc</sub> is the employer of choice and the best organization we can be, Management will build the Company upon the following principles:

- ① The opportunity for all employees to be owner partners
- ② A team approach throughout the *entire* organization
- ③ A meaningful employee ownership program, insuring rewards come to those who build value
- ④ A policy of honesty, fairness, loyalty to our employees, ourselves, and our customers
- ⑤ A fun, enjoyable, and "world-class learning environment" focused on cutting edge technologies

NewSouth<sub>inc</sub>'s senior management team possess more than 125 years of combined cumulative telecommunications, legal, and financial experience and have been hand picked for their combined and complementary knowledge. Each manager of NewSouth<sub>inc</sub> brings unique talents, yet all possess similar proven track records in building successful telecommunications oriented companies. In addition to each NewSouth<sub>inc</sub> member's individual success record, all members have previously worked together, in one combination or another, as a team in a number of successful start-up and hyper-growth telecom related companies.

**Michael L. LaFrance**, 38, has over 12 years of experience in the telecommunications industry. Mr. LaFrance has served in various senior executive capacities at ACC Corp. and several of its domestic and international subsidiaries. Mr. LaFrance has also served in senior or ownership positions with Axxess USA Corp., LDDS Communications (currently known as "WorldCom" - the nation's 4th largest long distance carrier), Comtel-TMC, Comtel of New Orleans, and Communications Management Corp.

From 1994 to 1997, Mr. LaFrance served in various capacities with ACC

Corp., a publicly traded global telecommunications holding company where he was recognized for strategically managing both the top line revenue and SG&A expenses of the company. During Mr. LaFrance's tenure at ACC, the company as a whole grew from \$106MM to over \$360MM in revenue and in which time he served in numerous capacities, including the following:

- ① President of ACC Long Distance Corp. (ACC's United States long distance subsidiary)
- ① President of ACC National Telecom Corp. (ACC's local telephone service subsidiary)
- ① President of ACC Global Corp. (ACC's international subsidiary)
- ① Executive Vice-President of ACC Corp. (the publicly traded holding company of ACC)

In these positions, Mr. LaFrance was responsible for all aspects of each company's day-to-day operations and long-term strategic planning. At ACC's parent level, Mr. LaFrance was responsible for worldwide merger and acquisition coordination, strategic planning, and corporate development.

Under Mr. LaFrance's leadership, ACC became *one of the first* competitive entrants in the local service market, and subsequently became *the first* profitable competitive local exchange carrier ("CLEC") in the United States.

Before joining ACC, Mr. LaFrance served as Executive Vice President and General Manager of Access USA Corp. (a designer, manufacturer, and builder of proprietary wireless and paging equipment and networks worldwide in conjunction with the Matsushita Corporation of Japan and its consumer electronics subsidiary, Panasonic) and Access USA Communications Corp. from 1992 to 1994. Mr. LaFrance was also an equity owner and served on the Board of Directors of both companies.

Prior to joining Access, Mr. LaFrance served as Director of Administration and Director of Regulatory Affairs for LDDS Communications (currently known as "WorldCom" - the nation's 4<sup>th</sup> largest long distance carrier) where his duties were as follows:

- ① Management of all network cost (the largest single expense of the corporation)
- ① Merger activity
- ① Due diligence
- ① State and federal governmental affairs

Prior to LDDS, Mr. LaFrance served as Senior Vice President of Comtel Long Distance, which he sold to LDDS Communications. Mr. LaFrance began his career in the telecommunications industry as President of Communications Management Corp., a telecommunications service and consulting group.

Mr. LaFrance holds a Bachelor of Science degree in Economics from the University of Southwestern Louisiana where he graduated cum laude with special

**EVP - Network &  
Engineering**

notation for outstanding achievement in the field of economics.

Mr. LaFrance is a member of many telecommunications industry organizations including Comptel, ACTA, and TRA and has served on the Executive Board of the ACCA. Mr. LaFrance has recently served on the Averill Council of the Memorial Art Gallery, the George Eastman Council, and the United Way of Rochester, New York. Mr. LaFrance is a lifetime member of Who's Who of American Business Leaders.

Tracy J. Cooper, 38, has more than 16 years of experience as a founder, owner, manager, and director of telephony, paging, and network engineering companies.

Since 1991, Mr. Cooper has held the position of President and Owner of Telecommunications Resources, Inc. ("TRI"), an international telecommunications consulting, equipment brokerage, and installation company specializing in digital switching, transmission, and power equipment. TRI's revenues have experienced an average internal growth rate of over 30% each year since the company's founding. TRI's customers include such recognized industry leaders as WorldCom, ACC Corp., Kallback International Telecom Ltd., Anserphone Systems, Pacific Gateway, Radiofone, Cellular One, Time Warner Communications, Star Telecommunications, ACSI, Answer Network, and Access Global.

Prior to founding TRI, Mr. Cooper held several positions, including the following:

- ① Director of Telecommunications for Access USA Corp. (a designer, manufacturer, and builder of proprietary wireless equipment and networks worldwide in conjunction with the Matsushita Corporation of Japan and its consumer electronics subsidiary, Panasonic) where he was responsible for all engineering, development, and provisioning of multi-national RBDS alphanumeric paging, wireless, and satellite data systems
- ① Regional Network Manager for LDDS Communications (currently known as "WorldCom" - the nation's 4th largest long distance carrier) where he managed all switch sites, POPs, and associated switch personnel in a three-state region
- ① Manager of Engineering & Facilities for Comtel/TMC of Louisiana, Inc. (a switch-based regional long distance company) where he was responsible for all engineering, design, and implementation of digital voice and data networks
- ① President of Comtel of New Orleans (a switch-based regional long distance company) where he was responsible for all day-to-day operations and administration including management of sales, customer service, collections, switching, and field services
- ① Vice President of and founder of Communications Management Corporation (a telecommunications consulting firm)
- ① President and founder of Omni Tech Corporation (a large South Central United States regional interconnect company)

Mr. Cooper has built a national reputation for his telephony and technology

accomplishments, including the following:

- ① Development of new audio and video teleconferencing products as well as custom data transmission and distribution applications
- ① Design and construction of state-of-the-art network control centers and switching facilities
- ① Engineering and installing the first multi-state RBDS paging system in the U.S.
- ① Developing wireless credit card validation systems, wireless emergency alert systems, and wireless bulk data transfer systems

Mr. Cooper holds extensive certifications from Bellcore, Digital Switch Corporation ("DSC"), Seimens Stromberg Carlson, Space 2000 Satellite Communications (VSAT), Business Communications Review (X.25), and Mitel Corporation.

**EVP - Sales & Marketing**

**David K. Hudson, 36, has more than 14 years of experience as entrepreneur, sales and marketing manager, and Vice President of Sales and Marketing in the telecommunications industry. Mr. Hudson has served in various capacities with long distance telecommunications companies, including Tel/Man, Inc., SouthernNet, Inc., Telecom USA, Corporate Telemanagement Group, and most recently, LCI International.**

Upon graduation from The Citadel, the Military College of South Carolina, Mr. Hudson began his telecom career with Tel/Man, Inc. from 1984 to 1988 holding various positions in sales and marketing management. Mr. Hudson was instrumental in starting and growing the North Carolina market for Tel/Man and instrumental in Tel/Man's merger with SouthernNet, Inc., which later became Telecom USA. Telecom USA was subsequently sold to MCI for \$1.2 billion. In 1988, Mr. Hudson founded Visual Marketing Group, a Greenville, SC-based advertising and marketing company.

In late 1989, Mr. Hudson became a founding partner and investor in Corporate Telemanagement Group, Inc. ("CTG"), a Greenville, SC-based long distance and data communications company with a national marketing strategy. As Vice President of Sales and Marketing, Mr. Hudson was instrumental in building the company's direct sales and third party dealer sales channels. Under Mr. Hudson's sales and marketing leadership, annual sales revenue grew from \$0, in late 1989, to over \$100MM in 1996, with an average internal growth rate of over 30% each year. Mr. Hudson was also instrumental in the successful due diligence and integration of the nine corporate acquisitions by CTG, which were aggregately valued at over \$36MM.

In September 1995, CTG was sold to LCI International, the nation's sixth largest long distance company, for over \$180MM. This value was approximately 18 times monthly revenues that, to this day, is one of the highest multiples ever paid for a long distance reseller in the US. Mr. Hudson remained as Regional Vice President for LCI until September 1996.

Neal L. Nodvin, 42, has over 23 years of business experience as a hands-on manager in start-up and growth-oriented companies. Mr. Nodvin earned his status in the business community with a respectable foundation of over 18 years experience in mortgage, commercial, and investment banking, as well as an extensive hands-on history in the dynamic telecommunications industry.

Mr. Nodvin has been the founder and/or co-founder of four privately held companies and the creator and/or manager of five new business ventures at First Union National Bank. In each of these positions, Mr. Nodvin has been recognized as a leader in his ability to both determine the value of companies and create additional value in companies—especially as internal company value relates to industry strategy and growth.

From 1996 to most recently, Mr. Nodvin acted as the Chief Operating Officer of Atlas Communications, Ltd., a 24-month-old telecommunications company currently generating annual revenue run rate of over \$150MM. Mr. Nodvin is credited with generating over 60% of Atlas' revenues and was responsible for all new product development, strategic planning, joint venture creation, mergers/acquisitions, and financial development.

Prior to joining Atlas, Nodvin was the founder, President, and CEO of Receivables Funding Corporation ("RFC<sub>™</sub>", now known as RFC Capital Corporation), the first specialty finance company dedicated exclusively to the telecommunications industry which currently funds over \$350MM of telecommunications receivables annually. Mr. Nodvin designed RFC<sub>™</sub> to provide rapidly growing telecommunications companies (with services including long distance, local, cellular, PCS, paging, and ISP) the power of non-recourse asset securitization of their Account Receivables. RFC<sub>™</sub> has maintained a customer/client base of telecommunications companies (from start-ups to those with revenues of over \$4 billion) by providing them virtually unlimited receivables-based capital and thus the ability to affirm a competitive advantage within their marketplace.

In guiding RFC<sub>™</sub> to provide sound funding without taking inordinate risks, Mr. Nodvin has consulted literally hundreds of successful telecommunications-oriented companies (including both fiber and non-fiber-based IXCs and retail carriers, LEC and direct billing companies, enhanced service providers, third-party verifiers, and collection companies) and analyzed their internal structure.

Prior to founding RFC, Mr. Nodvin managed numerous other high-growth businesses and held the following positions:

- ① Chief Operating Officer of Stein World, Inc. where he helped restructure and turn-around this privately-held furniture importer and distributor
- ① Managing Partner and Co-Founder of Integrated Benefits Group, Inc. which he built into one of the nation's largest employee-paid benefits firms
- ① Director of Corporate Finance of Williams, Benjamin, Benator & Libby (an Atlanta-based regional accounting firm) where he oversaw all merger and acquisitions activity
- ① Managing Partner and Co-Founder of 23 GENERA . (a Charlotte-based merger and acquisition consulting firm)



Prior to founding 23 GENERAL, Mr. Nodvin spent 10 years with First Union National Bank. During his tenure at First Union, Mr. Nodvin held the following positions:

- ① Mortgage Banker (where he gave birth to packaged financing for which he was named "Rookie-of-the-Year" in 1979)
- ① Bond Trader and Money Manager, with the primary responsibility of jointly overseeing annual joint syndication in excess of \$10 billion and a risk portfolio of over \$50MM
- ① Equity/Syndication Manager of First Union Leasing where he designed and initiated the lease brokerage division and personally generated over \$250MM in new loans and leases over a 2½-year period
- ① Vice President/Investment Banker of First Union's Funds Management Division where he designed and managed the sales and marketing efforts for private placement debt and asset-backed securities

As an active business leader, Mr. Nodvin founded and held the position of President of the Metrolina Entrepreneurial Council, a Charlotte, NC-based business organization with a membership of over 350 business owners, bankers, lawyers, accountants, venture capitalists, and other professionals dedicated to helping create and promote high-growth businesses.

Mr. Nodvin earned his Bachelor of Business Administration degree from the University of Georgia and his Masters in Business Administration from Wake Forest University. Mr. Nodvin was a past member of the National Association of Securities Dealers (NASD), the Municipal Securities Rulemaking Board (MSRB), a past recipient of Who's Who in Finance, a lifetime recipient of Who's Who Worldwide, and a current Board Member of RFC.

#### **EVP - Operations**

**J. Edward Terrell**, 36, has more than 13 years of experience as a Sales Manager, Director, and Vice President of Operations in the telecommunications industry. Mr. Terrell served in various capacities with Tel/Man, Inc., SouthernNet, Inc., Telecom USA, Inc., Corporate Telemanagement Group, Inc. ("CTG"), and most recently, as Director of Operations for LCI International.

Mr. Terrell joined CTG in March 1990, shortly after the company was founded. After serving as a Regional Sales Director, Mr. Terrell was named Director of Operations in July 1991. This unique opportunity proved to be very successful for CTG as Mr. Terrell brought a salesperson's perspective to telecommunications operations. As a result, CTG became an industry leader in Order Entry, Customer Activation, Provisioning, and Customer Service for long distance resellers and ultimately, as a switch-based carrier.

Under Mr. Terrell's operational leadership, CTG became:

- ① The first switchless reseller to secure a Dedicated Account Team from Sprint and other major carriers for Account Management and Customer Service, and
- ① A leader in the development of on-line customer activation with BellSouth and

other Regional Bell Operating Companies (RBOCs), to activate long distance service with a local carrier.

In the process of nine acquisitions with CTG, aggregately valued at over \$36MM, Mr. Terrell was responsible for the operational due diligence for all acquisition candidates. Additionally, Mr. Terrell managed the customer conversion, operations, and customer service teams of all acquired companies.

Mr. Terrell serves on the Business Advisory Council for The Greenville Urban League and The Consulting Group for Greenville National Bank and holds a Bachelor of Arts from The Citadel, The Military College of South Carolina.

**VP of Network  
Planning &  
Provisioning**

**Amy L. Gardner, 29, Vice President of Network Planning and Provisioning,** has more than seven years of experience in the telecommunications industry. She has served in various capacities with local and long distance companies, including LDDS/WorldCom Communications where she serves as the LDDS/WorldCom's *first* Traffic Engineer and Manager of Network Planning; ACC Communications Corp. where she served as Director of Network Services; US ONE Communications Corp. where she served as Vice President of Network Design; and Qwest Communications Corp. where she acted as Director of Network Optimization and Administration with responsibilities for all network cost, planning, translations, and traffic engineering on Qwest's five-switch DMS network. Under Ms. Gardner's leadership, Qwest was able to implement the first long distance dedicated Voice over IP and was instrumental in planning their nationwide network of over 17,000 miles of fiber with points of presence in over 125 cities.

**General Counsel and  
VP of Legal &  
Regulatory Affairs**

**Kevin A. Hendricks, 32, General Counsel and Vice President of Legal and Regulatory Affairs,** most recently practiced with Nelson Mullins Riley & Scarborough ("NMRS"). During his tenure at the firm, his focus was on corporate finance, with an emphasis in mergers and acquisitions. Prior to joining NMRS, Mr. Hendricks practiced at the worldwide firm Jones Day Reavis & Pogue in the Atlanta office, where he concentrated on corporate finance. Mr. Hendricks is a 1988 magna cum laude graduate of Furman University with a degree in Accounting and was graduated with honors from the University of Texas with both a Masters of Business Administration and a Juris Doctor law degree.

**Board of Directors**

**Chairman of the Board**

**Leighton Cabbage, 45,** has more than 14 years of experience as entrepreneur, President, COO, and Vice President of Sales in the telecommunications industry. Mr. Cabbage has served in various capacities with long distance telecommunications companies, including the following: ITT/Metromedia, Tel/M: 1, SouthernNet, Advantage Companies, LDDS, and, most recently, as co-founder, President, and COO of Corporate Telemanagement Group, Inc. ("CTG").

CTG was the first long distance telecommunications company to finance its

revenue growth solely through independent agent sales. From 1991 to 1995, Mr. Cabbage was responsible for all day-to-day operations of CTG, as well as CTG's nine telecommunication acquisitions. Mr. Cabbage also helped CTG claim recognition in 1994 as one of Inc. Magazine's fastest growing privately held companies.

Mr. Cabbage currently serves on the Board of Directors for the following firms:

- ① Seruus Ventures, LLC (a Greenville, SC-based venture capital and investment banking firm exclusively dedicated to the communications industry)
- ① The Delta Group (a software company dedicated to the healthcare industry)
- ① Telequest (a telecommunications-related home bill paying company)
- ① Aero Charter (a charter airline company)
- ① The Greenville Urban League

Mr. Cabbage has been awarded the South Carolina Entrepreneur of the Year award by Ernst and Young and Merrill Lynch and was a finalist for the 1995 Businessman of the Year Award.

#### **Board Member**

**Leon Nowalsky, 38, has 13 years of experience in the telecommunications industry specializing in regulatory and corporate law. Mr. Nowalsky is currently a partner in the firm of Nowalsky and Bronston, LLP, a New Orleans-based telecommunications law practice specializing in regulatory matters, merger and acquisitions, and corporate law. The firm provides advice and counsel to over 60 public and private telecommunications companies including LDDS/WorldCom (currently known as "WorldCom" - the nation's 4th largest long distance carrier).**

As both in-house counsel at both Advanced Telecommunications Corporation ("ATC") and LDDS/Worldcom and since entering private practice in 1990, Mr. Nowalsky worked on numerous acquisitions and mergers including the following:

- ① ATC's \$125MM merger of Microtel, Inc. TTI
- ① ATC's \$100MM acquisition of GALL-SI Telecommunications, Inc.
- ① The \$800MM merger of ATC and LDDS Communications, Inc.
- ① The \$1 billion three-way merger of LDDS WorldCom, Metromedia Communication, and Resurgens Communications Group
- ① WorldCom's \$2.5 billion acquisition of Williams Telecommunications Group ("Wiltel")
- ① WorldCom's \$800MM acquisition of IDB Communications (a California-based satellite network operator, specializing in international transmission)
- ① WorldCom's \$180MM acquisition of Impact Telecommunications (a switched-based long distance carrier)

- ① WorldCom's \$100MM acquisition of Dial Net (a switched-based long distance carrier)

Mr. Nowalsky currently serves on the Board of Directors of the following firms:

- ① Seruus Ventures, LLC (a Greenville, SC-based venture capital and investment banking firm exclusively dedicated to the communications industry)
- ① Network Long Distance (a NASDAQ listed telecommunications company he took public in 1990)
- ① Receivables Funding Corporation/RFC Capital Corporation (the first finance company dedicated exclusively to the telecommunications industry)
- ① J.C. DuPont (a Louisiana-based oil and gas concern)

Mr. Nowalsky received his bachelor's degree from Tulane University and his juris doctorate from Loyola University School of Law.

**Board Member**

Scott B. Perper, 42, is Senior Vice President & Managing Partner of First Union Capital Partners, Inc. (FUCP). AT FUCP, he focuses on investments in media, communications, and other areas. Prior to joining FUCP in 1989, Mr. Perper was a Vice President in the Corporate Finance Department of Kidder, Peabody & Co. Incorporated in New York where he worked from 1985 to 1989. Mr. Perper worked at E.F. Hutton & Company, Inc. as a Vice President in the Public Finance Department and the Philadelphia National Bank before attending graduate school. Mr. Perper graduated from Bowdoin College in 1978 where he earned a Bachelor of Arts degree in government and legal studies. In 1985, Mr. Perper earned a Master of Business Administration degree from Harvard Graduate School of Business Administration.

**Board Member**

L. Watts Hamrick, III, 38, is Senior Vice President & Partner of First Union Capital Partners, Inc. (FUCP). At FUCP, he works primarily with media and communications clients. Prior to joining FUCP in 1987, Mr. Hamrick was a senior tax consultant at Price Waterhouse in New York. Mr. Hamrick is a Certified Public Accountant. Mr. Hamrick earned a Bachelor of Arts degree, magna cum laude, in management science/accounting in 1981 from Duke University and a Master of Business Administration degree with a concentration in accounting and finance in 1982 from Duke's Fuqua School of Business.

## **EXHIBIT D**

### **TECHNICAL CAPABILITY**

**The Company will provide local exchange service as a facilities-based carrier using the Lucent switch platform to provide service. the Company will connect the newly deployed Lucent SESS 2000 switches with leased unbundled network elements from competitive access providers (CAPs), other CLECs, and incumbent local exchange carriers (ILECs). By purchasing and deploying its own switches, and by leasing transport from other carriers, the Company is able to quickly enter new markets.**

**In addition, the Company's officers have technical experience in the telecommunications industry.**

# **EXHIBIT E**

## **PROPOSED PRICE LIST**

**TITLE SHEET**

**ALTERNATIVE LOCAL EXCHANGE SERVICES PRICE LIST**

This price list contains the descriptions, regulations, service standards and rates applicable to alternative local exchange telecommunications services provided by NewSouth Communications Corp. with principal offices at 130 Industrial Drive, Greenville, South Carolina 29607. This price list applies for services furnished within the state of Florida. This price list is on file with the Florida Public Service Commission, and copies may be inspected during normal business hours at the Company's principal place of business.

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Issued:  
Issued By:

J. Pendleton Gaines, Director Regulatory Affairs  
NewSouth Communications Corp.  
130 Industrial Drive  
Greenville, SC 29607

Effective:

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**CHECK SHEET**

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

<b>Page</b>	<b>Revision</b>
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original
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25	Original
26	Original

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**CHECK SHEET (Cont'd)**

<b>Page</b>	<b>Revision</b>
27	Original
28	Original
29	Original
30	Original
31	Original
32	Original
33	Original
34	Original
35	Original
36	Original
37	Original
38	Original
39	Original
40	Original

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**TABLE OF CONTENTS**

Title Sheet.....	1
Check Sheet.....	2
Table of Contents.....	4
Symbols Sheet.....	5
Tariff Format Sheets.....	6
Exchange Service List.....	7
Section 1 - Technical Terms and Abbreviations.....	8
Section 2 - Rules, Regulations and Service Quality Criteria.....	11
Section 3 - Basic Service Descriptions and Rates.....	22

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### SYMBOLS SHEET

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

- D - Delete or Discontinue
- I - Change Resulting in an Increase to a Customer's Bill
- M - Moved From Another Price List Location
- N - New
- R - Change Resulting in a Reduction to a Customer's Bill
- T - Change in Text or Regulation But No Change in Rate or Charge

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## PRICE LIST FORMAT SHEETS

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

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

**C. Paragraph Numbering Sequence -** There are nine levels of paragraph coding. Each level of coding is 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).

**D. Check Sheets -** When a price list filing is made with the FPSC, an updated check sheet accompanies the price list filing. The check sheet lists the sheets contained in the price list, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (\*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revisions levels on some pages). The price list user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the FPSC.

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### EXCHANGE SERVICE LIST

The Company will provide local exchange service within the service areas as defined herein. Local calling areas will coincide with those of the Incumbent Local Exchange Carrier (ILEC), unless otherwise specified.

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## SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

**Account Codes:** Allows a User to allocate local calls to a 4-digit, non-verified account code.

**Authorized User:** A person, firm, corporation or other entity that either is authorized by the Customer to use local exchange telephone service or is placed in a position by the Customer, either through acts or omissions, to use local exchange telephone service.

**Automatic Call Back:** Allows the user to automatically re-originate a call to the last dialed number regardless of whether the call was answered, unanswered or busy.

**Call Forwarding Busy Line:** Automatically routes incoming calls to a designated answering point when the called line is busy.

**Call Forwarding No Answer:** Automatically routes incoming calls to a designated answering point when the called line does not answer within a pre-specified number of rings.

**Call Forwarding Variable:** Automatically routes incoming calls to a designated answering point, regardless of whether the user's Station is idle or busy.

**Call Transfer/Consultation/Conference:** Provides the capability to add a third party, using the same line.

**Call Waiting:** Provides the User with a burst of tone to indicate that another call is waiting. The second call can either be answered by flashing the switch hook or hanging up the phone and being rung back by the caller.

**Caller ID with Number:** Identifies the 10-digit number of the calling party.

**Company:** NewSouth Communications Corp., a Delaware Corporation, which is the issuer of this tariff.

**Circular Hunt:** Hunts through all of the lines in the hunt group regardless of the number dialed.

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**SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (Continued)**

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

**Direct Inward Dialing (DID):** A service attribute that routes incoming calls directly to Stations, by-passing a central answering point.

**Hunting:** Routes a call to an idle Station line. With Serial Hunting, calls to a member of a hunt group will search from that point to the end of the group and stop. Two types of hunting are Sequential hunting and Circular hunting.

**Local Calling:** A completed call or telephonic communication between a calling Station and any other Station within the local service area of the calling Station.

**Local Exchange Carrier:** A company which furnishes exchange telephone service.

**Mbps:** Megabits, or millions of Bits, per second.

**Message Waiting:** This feature provides an indication to a Station User that a message is waiting. Indications may be visual (lamp) or audible (stuttered dial tone).

**Non-Recurring Charges:** The one-time initial charges for services or facilities, including but not limited to charges for construction, installation, or special fees, for which the Customer becomes liable at the time the Service Order is executed.

**Preferred Call Forwarding:** Forwards calls from a list of up to six telephone numbers designated by the users.

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**SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (Continued)**

**Recurring Charges:** The monthly charges to the Customer for services, facilities and equipment, which continue for the agreed upon duration of the service.

**Remote Activation Call Forwarding:** Remote access to call forwarding allows the customer remotely activate or deactivate Call Forwarding from any touch-tone phone.

**Remote Call Forwarding:** Calls can be remotely forwarded to a to a back-up position or voice mail box.

**Sequential Hunt:** Starts at the number dialed and ends at the last phone number in the hunt group.

**Services:** The Company's telecommunications services offered on the Company's network.

**Shared Facilities:** A facility or equipment system or subsystem which can be used simultaneously by several Customers.

**Six-Way Calling:** The User can sequentially call up to five other people and add them together to make up a six-way call.

**Speed Call:** Provides a User with the option to call selected directory numbers by dialing a one or two-digit code.

**Station:** Telephone equipment from or to which calls are placed.

**Trunk:** A communications path connecting two switching systems in a network, used in the establishment of an end-to-end connection.

**User:** A Customer or any other person authorized by the Customer to use service provided under this tariff.

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## **SECTION 2 - RULES, REGULATIONS AND SERVICE QUALITY CRITERIA**

### **2.1 Undertaking of the Company**

The Company services and facilities are furnished for communications originating at specified points within the state of Florida under the terms of this price list.

The Company installs, operates and maintains the communications services provided herein in accordance with the terms and conditions set forth under this price list. It may act as the customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the customer, to allow connection of a customer's location to the Company's network. The customer shall be responsible for all charges due for such service arrangement.

### **2.2 Limitations**

2.2.1 Service is offered subject to the availability of facilities and provisions of this price list.

2.2.2 The Company reserves the right to discontinue furnishing service, or limit the use of service necessitated by conditions beyond its control; or when the customer is using service in violation of the law or the provisions of this price list.

2.2.3 All facilities provided under this price list are directly controlled by the Company and the customer may not transfer or assign the use of service or facilities, except with the express written consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service or facilities.

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**SECTION 2 - RULES, REGULATIONS AND SERVICE**  
**QUALITY CRITERIA (Continued)**

- 2.2.4 Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this price list shall apply where there is no interruption of the use or location of the service or facilities.
- 2.2.5 Customers reselling or rebilling services must have a Certificate of Public Convenience and Necessity as an ALEC carrier from the Florida Public Service Commission.

**2.3 Liabilities of the Company**

- 2.3.1 The Company's liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in the transmission occurring in the course of furnishing service or facilities, and not caused by the negligence of its employees or its agents in no event shall exceed an amount equivalent to the proportionate charge to the customer for the period during which the aforementioned faults in transmission occur.
- 2.3.2 The Company shall be indemnified and held harmless by the customer against claims for libel, slander, or infringement of copyright arising out of the material, data, information, or other content transmitted over the Company's facilities.

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**SECTION 2 - RULES, REGULATIONS AND SERVICE**  
**QUALITY CRITERIA (Continued)**

**2.4 Interruption of Service**

**2.4.1 Credit allowance for the interruption of service which is not due to the company's testing or adjusting, negligence or the customer, or to the failure of channels or equipment provided by the customer, are subject to the general liability provisions set forth in 2.3.1 herein. It shall be the customer's obligation to notify the Company immediately of any service interruption 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 by the customer within his control, if any, furnished by the customer and connected to the Company's facilities. No refund or credit will be made for the time that the company stands ready to repair the service and the subscriber does not provide access to the Company for such restoration work.**

**2.4.2 No credit shall be allowed for an interruption of a continuous duration of less than twenty-four hours after the subscriber notifies the Company.**

**2.4.3 The customer shall be credited for an interruption of more than twenty-four hours as follows:**

**Credit Formula:**

$$\text{Credit} = A/B \times C$$

**"A" - outage time in days**

**"B" - total days in month**

**"C" - total monthly charge for affected facility**

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**SECTION 2 - RULES, REGULATIONS AND SERVICE  
QUALITY CRITERIA (Continued)**

**2.5 Disconnection of Service by Carrier**

The Company, upon five (5) working days written notice to the customer, may discontinue service or cancel an application for service without incurring any liability for any of the following reasons:

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

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**SECTION 2 - RULES, REGULATIONS AND SERVICE**  
**QUALITY CRITERIA (Continued)**

**2.6 Deposits**

Deposits may be collected from Customers or potential Customers whose credit or payment history is unsatisfactory or unknown to the Company as allowed pursuant to Florida regulations. The deposit shall not exceed an amount equivalent to the charges for one month's local exchange service. Interest shall accrue at a minimum interest rate of eight percent (8%) per annum.

**2.7 Advance Payments**

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

**2.8 Taxes**

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.

**2.9 Billing of Calls**

All charges due by the subscriber are payable at any agency duly authorized to receive such payments. Any objection to billed charges should be promptly reported to the Company. Adjustments to customer's bills shall be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with the approved rates or that an adjustment may otherwise be appropriate.

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**SECTION 2 - RULES, REGULATIONS AND SERVICE**  
**QUALITY CRITERIA (Continued)**

**2.10 Equipment**

- 2.10.1** The Company's facilities and service may be used with or terminated in Customer-provided terminal equipment or Customer-provided communications systems, such as a PBX, key system or Pay Telephone. Such terminal equipment shall be furnished and maintained at the expense of the Customer, except as otherwise provided. The Customer is responsible for all costs at his or her premises including personnel, wiring, electrical power, and the like, incurred in the use of the Company's service. The Customer is responsible for ensuring that customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities.
- 2.10.2** The Company shall use reasonable efforts to maintain facilities and equipment that it furnishes to the Customer. The Customer may not, nor may the Customer permit others, to disconnect, rearrange, remove, attempt to repair or otherwise interfere with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.
- 2.10.3** Equipment the Company provides or installs at the Customer premises for use in connection with services the Company offers shall not be used for any purpose other than that for which the Company provided it.
- 2.10.4** The Customer shall be responsible for payment of service charges, as set forth herein, for visits by the Company's agents or employees to the premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.

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**SECTION 2 - RULES, REGULATIONS AND SERVICE**  
**QUALITY CRITERIA (Continued)**

2.10.5 The Company shall not be responsible for the installation, operation or maintenance of any customer-provided equipment. Where such equipment is connected to the facilities furnished pursuant to this price list, the responsibility of the Company shall be limited to the furnishing of facilities offered under this price list and to the maintenance and operation of such facilities. Subject to this responsibility, the Company shall not be responsible for the transmission of signals by customer-provided equipment or for the quality of, or defects in, such transmission, or the reception of signals by customer provided equipment.

2.10.6 Upon reasonable notification to the Customer and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the customer is complying with the requirements set forth in the section for the installation, operation and maintenance of customer-provided facilities, equipment and wiring in the connection of such facilities and equipment to Company-provided facilities and equipment.

2.10.7 Title to all facilities provided by the Company under this price list shall remain in the Company's name or in the name of the carrier supplying the services and facilities being resold.

**2.11 Installation**

Service is installed upon mutual agreement between the Customer and the company. The service agreement does not alter rates specified in this price list.

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**SECTION 2 - RULES, REGULATIONS AND SERVICE**  
**QUALITY CRITERIA (Continued)**

**2.12 Service Implementation**

Absent a promotional offering, service implementation charges will apply to new service orders or to orders to change existing service. Implementation charges for business services are listed in Section 3.

**2.13 Reconnection Charge**

A reconnection fee may be charged when service is re-established for customers who have been disconnected for non-payment, and is payable at the time that the restoration of suspended service and facilities is arranged.

**2.14 Operator Service Rules**

The Company will enforce the operator service rules specified by the Commission and by the FCC.

**2.15 Access to Telephone Relay Services**

Where required by the Commission, the Company will participate in telephone relay services for handicapped and/or hearing impaired end users, and will comply with all regulations and requirements. The Company shall impose any monthly surcharge or any other related charge upon its local telecommunications subscribers as may be required by state law.

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**SECTION 2 - RULES, REGULATIONS AND SERVICE**  
**QUALITY CRITERIA (Continued)**

**2.16 Calculation of Distance**

Usage charges for all mileage sensitive products are based on the airline distance between rate centers associated with the originating and terminating points of the call.

The airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. The company uses the rate centers and associated vertical and horizontal coordinates that are produced by Bell Communication Research in their NPA-NXX V&H Coordinate Tape and AT&T Tariff.

Formula: 
$$\sqrt{\frac{(V1 - V2)^2 + (H1 - H2)^2}{10}}$$

**2.17 Cancellation of Service by Customer**

Customers can cancel basic local exchange service by providing written or oral notification to the Company.

For cancellation of Private Branch Exchange (PBX) Service, the customer must provide five (5) working days written notice of cancellation to the Company.

**2.18 Minimum Call Completion Rate**

Customers can expect a call completion rate (number of calls completed divided by the number of calls attempted) of 90% during peak use periods for all FGD services (1+ dialing)

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**SECTION 2 - RULES, REGULATIONS AND SERVICE**  
**QUALITY CRITERIA (Continued)**

**2.19 Access to 911 Emergency Services**

The Company will provide, at no cost to the customer, 911 emergency services access at levels equal to the service provided by the ILEC.

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## **SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES**

### **3.1 Timing of Calls**

#### **3.1.1 When Billing Charges Begin and End for Phone Calls**

The customer's usage charge is based on the actual usage of the Company's network. Usage begins when the called party picks up the receiver, (i.e., when 2 way communication, often referred to as "conversation time" is possible). When the called party picks up is determined by hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. When software answer supervision is employed, up to 60 seconds of ringing is allowed before it is billed as usage of the network. A call is terminated when the calling or called party hangs up.

#### **3.1.2 Billing Increments**

The billing increments for each service is set forth in the individual product rate section.

#### **3.1.3 Per Call Billing Charges**

Billing will be rounded up to the nearest penny for each call.

#### **3.1.4 Uncompleted Calls**

There shall be no charges for uncompleted calls.

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**SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES (Continued)**

**3.2 Determining Applicable Rate in Effect**

For the initial minute, the rate applicable at the start of chargeable time at the calling station applies. For additional minutes, the rate applicable is that rate which is in effect at the calling station when the additional minute(s) begin. That is, if chargeable time begins during the Day Period, the Day Rate applies to the initial minute and to any additional minutes that the call continues during the rate period. If the call continues into a different rate period, the appropriate rates from that period apply to any additional minutes occurring in that rate period. If an additional minute is split between two rate periods, the rate period applicable at the start of the minute applies to the entire minute.

**3.3 Payment of Calls**

**3.3.1 Return Check Charges**

A return check charge of \$25.00 will be assessed for checks returned for insufficient.

**3.4 Restoration of Service**

A reconnection fee of \$25.00 per occurrence is charged when service is re-established for customers who had been disconnected for non-payment.

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**SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES (Continued)**

**3.5 Local Service Areas**

Where facilities are available, service areas are defined by the following LATAs:

<b>LATA</b>	<b>Service Area</b>
<b>Orlando</b>	<b>458</b>
<b>Jacksonville</b>	<b>452</b>
<b>Tampa</b>	<b>952</b>
<b>Ft. Lauderdale</b>	<b>460</b>

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**SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES (Continued)**

**3.6 Product Descriptions**

**3.6.1 Business Services**

**Business Services** are offered for local calling using the facilities of the Company and/or those of other authorized Local Exchange Carriers. **Business Services** are offered primarily to the following:

- 1. Offices, stores, factories, mines and all other places of a strictly business nature;**
- 2. Offices of hotels, boarding houses, apartment houses, colleges, quarters occupied by clubs and fraternal societies, public, private or parochial schools, hospitals, nursing homes, libraries, churches, and other institutions; and**
- 3. Services terminating solely on the secretarial facilities of a telephone answering bureau.**

**3.6.1A. Local Basic Business Exchange Line Services**

The **Basic Business Line** provides the Customer with a single, voice-grade communications channel. Each **Basic Business Line** will include a telephone number. **Local Basic Business Exchange Lines** are provided using a T-1 facility access with 24 channels for each customer. This service provides customers with unlimited monthly calling at a flat monthly rate based on term commitment. The customer will be billed the monthly recurring charges as specified in Section 3.7.2.A.

Optional features available with **Basic Business Exchange Line Service** include those features specified in Section 3.1.6.A.1. Installation charges apply.

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**SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES (Continued)**

**3.6 Product Descriptions (Cont'd)**

**3.6.1 Business Services (Cont'd)**

**3.1.6.A.1 Optional Features**

A Local Basic Business Exchange Line service customer may order the following optional features: Automatic Call Back, Call Forwarding Busy Line, Call Forwarding No Answer, Call Forwarding Variable, Call Waiting, Hunting, Preferred Call Forwarding, Remote Activation Call Forwarding, Remote Call Forwarding, 6-Way Calling and Speed Calling.

**3.6.1.B. PBX Trunk Service:**

PBX Trunk service provides Customer's with voice-grade communication channel(s) to the Customer's Private Branch Exchange (PBX) or Hybrid Key System. PBX Trunk Service can be provisioned as either analog or digital. PBX Trunks can be used to carry one-way outbound or two-way traffic. This service provides customers with unlimited local calling, as well as the option for sequential or circular hunting. The customer will be billed the monthly recurring charges as specified in Section 3.7.2.B.

Installation charges also apply.

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**SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES (Continued)**

3.6 **Product Descriptions (Cont'd)**

3.6.1 **Business Services (Cont'd)**

3.6.1.C **PBX Trunk - Direct Inward Dialing (DID)**

Provides the Customer with a single analog or digital connection that can carry one-way, inbound traffic. The number of digits to be outpulsed must be specified by the Customer. The customer will be billed the monthly recurring charges as specified in Section 3.7.2.C.

Customer is required to purchase at least one DID number block for each DID equipped trunk or trunk group, or DID-equipped channel or group. The Company reserves the right to limit the amount of DID numbers constituting a block of telephone numbers in a group. Blocks of a number group will be determined at the sole discretion of the Company's resources. In addition, the Company reserves the right to review vacant DID stations or numbers not in use to determine efficient telephone number utilization. Should the Company determine, based on its own discretion, that there is inefficient number utilization, the company may reassign the DID numbers.

The Customer has not property rights to the telephone number or any other call number destination associated with DID service furnished by the Company, and no right to continuance of service through any particular end office. The Company reserves the right to change such numbers, or the end office designation associated with such number or both, assigned to the customer, whenever the company deems it necessary to do so in the conduct of its business."

Installation charges also apply.

3.6.1.C.1 **Direct Inward Dialing Numbers:** Telephone numbers can be obtained in blocks of 20 numbers.

Additional monthly charges will apply.

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## **SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES (Continued)**

### **3.6 Product Descriptions (Cont'd)**

#### **3.6.1 Business Services (Cont'd)**

##### **3.6.1.D. Primary Rate Interface (PRI Service)**

**PRI Service is an alternative arrangement for individual Alternative Local Exchange Services such as PBX trunks. PRI Local is provisioned at the 1.544 Mbps rate via the Primary Rate Interface standard of the Integrated Services Digital Network (ISDN). PRI Service provides the Customer with the capabilities of simultaneous access, transmission and switching of voice, data and imaging services via channelized transport.**

**The Customer will be billed the Monthly Recurring Charges specified in Section 3.7.2.D. In addition, all applicable charges associated with PBX Trunk Service will apply. Customers subscribing to DID capability will be assessed DID number charges as specified in Section 3.7.2.C.**

**Install charges will apply.**

##### **3.6.1.D.1 PRI Service Arrangement**

**PRI consists of twenty-three bearer (B) channels and one data (D) channel. With PRI, the B channels can carry voice conversations at 1.544 megabits per second; however, the customer's terminal equipment and interconnection through non-digital central offices may cause transmission speeds to be slower than the maximum achievable**

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**SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES (Continued)**

**3.6 Product Descriptions (Cont'd)**

**3.6.1 Business Services (Cont'd)**

**3.6.1.D. Primary Rate Interface (PRI Service)(Cont'd)**

**3.6.1.D.1 PRI Service Arrangement**

Customer Premise Equipment that is compatible with the ISDN interface is the responsibility of the customer. Company is not responsible if any changes in the provisioning of PRI Service result in the obsolescence of the customer's equipment or the need for the customer to modify or change their customer premise equipment. Additionally, PRI Service is subject to the availability of company facilities.

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**SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES (Continued)**

**3.6 Product Descriptions (Cont'd)**

**3.6.1 Business Services (Cont'd)**

**3.6.1.E Local Service Term Plan**

Customers who enroll in a Local Service Term Plan are eligible to receive the credits described below on specific monthly recurring charges based on the customer's term commitment. The customer must commit to service for a term of either one, two, or three years. The term of the Local Service Term Plan will commence no earlier than the first of the next billing month in which the customer subscribes to the plan. The customer will receive a credit equal to ten percent, fifteen percent or twenty percent of their monthly recurring charges, based on their term commitment, for the following services: Local Basic Business Exchange Line or PBX service; one way, 2-way or DID. The credit will be applied to the following months bill in lieu of all other discounts or promotions on the following recurring charges: Business Exchange Line or PBX trunks, One Way, 2-Way or DID.

<u>Term Commitment</u>	<u>Credit</u>
1 year	10%
2 years	15%
3 years	20%

A plan will automatically renew for an equivalent term unless the customer provides written notification to cancel the Company's Local Service Term Plan. Company must received this notice not less than 30 days prior to the expiration of the term plan.

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**SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES (Continued)**

**3.6 Product Descriptions (Cont'd)**

**3.6.1 Business Services (Cont'd)**

**3.6.1.E Local Service Term Plan (Cont'd)**

**3.6.1.E.1. Cancellation or Discontinuance with Liability**

Discontinuance of all Local Services furnished under the Local Service Term Plan prior to the expiration of the Committed term constitutes discontinuance of the plan and the customer will be billed and required to pay an early termination charge. The early termination charge will be equal to the customer's highest billed monthly charges incurred during the length of the term commitment multiplied by the number of months remaining in the customer's term plan.

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### **SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES (Continued)**

#### **3.6.2 Directory Listings**

For each Customer of local exchange service, the Company shall arrange for the listing of the Customer's main billing telephone number in the directory(ies) published by the dominant Local Exchange Carrier in the area at no additional charge. At a Customer's option, the Company will arrange for additional listings, with charges applying per listing or per number, as specified in Section 3.10.

#### **3.6.3 Operator-Assisted Services**

A Customer may obtain the assistance of a local operator to complete local exchange telephone calls. Various billing arrangements are available including Third Number Billing, Collect, Calling Card, Person-to-Person and Station-to-Station. Charges will be applied on a per call basis as specified in Section 3.9.

##### **3.6.3.A Operator Dialed Surcharge**

This surcharge applies to Operator, Station and Person-to-Person rated calls when the Customer has the capability of dialing all the digits necessary to complete a call, but elects to dial only the appropriate operator code and requests the operator to dial the called station. The surcharge does not apply to:

- (1) Calls where a Customer cannot otherwise dial the call due to defective equipment or trouble on the network; and
- (2) Calls in which a Company operator places a call for a calling party who is identified as being handicapped and unable to dial the call because of her/her handicap.

The Operator Dialed Surcharge applies in addition to any other applicable operator charges.

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### **SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES (Continued)**

#### **3.6.4 Directory Assistance**

Customer may obtain Directory Assistance in determining telephone numbers within its local calling area by calling the Directory Assistance operator.

The Customer may request a maximum of two telephone numbers per call to the Directory Assistance service.

A credit will be given for calls to Directory Assistance when:

The Customer experiences poor transmission or is cut-off during the call; or

The Customer is given an incorrect telephone number.

To obtain such a credit, the Customer must notify its Customer Service representative.

#### **Exemptions**

1. The single-line main telephone exchange line of a handicapped user, as defined by the Federal Register, Vol. 35 #126, which has been registered with the Company will be exempt from Directory Assistance charges for the first 50 calls within a billing cycle as set forth in Section 3.12.
2. Directory Assistance attempts to telephone numbers which are non-listed or non-listed and non-published are exempt from the rate.

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**SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES (Continued)**

**3.7 Business Line Rates**

**3.7.1 Non-Recurring Charges**

**3.7.1.A Basic Business Exchange Line Service, PBX Trunk Service, PBX Trunk - Direct Inward Dialing and Primary Rate Interface Service**

Installation Charge: (24 channels/customer)	\$1,200.00
Optional Feature Installation	\$ 15.50
Account Setup (per account)	\$ 00.00
Account Changes Moves, Changes, Additions (per change)	\$ 10.00
Account Changes (per billing record changes)	\$ 10.00
Line Restoral Charge (per line)	\$ 10.00
Suspension of Service Restoral Charge (per line)	\$ 10.00

(Applies for line restoral after Customer-initiated suspension.)

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**SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES (Continued)**

**3.7 Business Line Rates**

**3.7.1 Non-Recurring Charges**

**3.7.1.B. Optional Feature Charges at Installation**

Automatic Call Back	15.50
Call Forwarding Busy Line	15.50
Call Forwarding No Answer	15.50
Call Forwarding Variable	15.50
Call Waiting	15.50
Hunting	15.50
Preferred Call Forwarding	15.50
Remote Activation Call Forwarding	15.50
Remote Call Forwarding	15.50
6-Way Calling	15.50
Speed Calling 30	15.50

**3.7.2 Monthly Recurring Charges**

**3.7.2.A Basic Business Exchange Line Service**

	<u>1 Year</u>	<u>2 Year</u>	<u>3 Year</u>
	<u>Monthly</u>	<u>Monthly</u>	<u>Monthly</u>
	<u>Current</u>	<u>Current</u>	<u>Current</u>
Basic Business Line – Unlimited Option	\$39.60	\$37.35	\$35.10

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**SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES (Continued)**

**3.7 Business Line Rates (Cont'd)**

**3.7.2 Monthly Recurring Charges (Cont'd)**

**(Cont'd) 3.7.2.A Basic Business Exchange Line Service**

**3.7.2.A.1 Optional Features Recurring Charges**

Automatic Call Back	4.25
Call Forwarding Busy Line	2.50
Call Forwarding No Answer	2.50
Call Forwarding Variable	4.00
Call Waiting	4.00
Hunting	9.00
Preferred Call Forwarding	4.00
Remote Activation Call Forwarding	7.50
Remote Call Forwarding	15.50
6-Way Calling	4.00
Speed Calling 30	4.00

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**SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES (Continued)**

**3.7 Business Line Rates (Cont'd)**

**3.7.2 Monthly Recurring Charges (Cont'd)**

**3.7.2.B. DOD/2-Way PBX Trunk Charges**

	Year 1 Monthly Current	Year 2 Monthly Current	Year 3 Monthly Current
T-1 Facility Access	\$189.00	\$178.00	\$168.00
Digital Local Channel Charge (per T1)			
Each Mile (per T1)	50.00	40.00	30.00
Unlimited Option DOD/2-Way (per trunk)	28.50	27.00	25.50
Hunting:			
Sequential	9.00	9.00	9.00
Circular(per Trunk)	9.00	9.00	9.00

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**SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES (Continued)**

**3.7 Business Line Rates (Cont'd)**

**3.7.2 Monthly Recurring Charges (Cont'd)**

**3.7.2.C. DID Trunk Charges**

	<u>Year 1</u> <u>Monthly</u> <u>Current</u>	<u>Year 2</u> <u>Monthly</u> <u>Current</u>	<u>Year 3</u> <u>Monthly</u> <u>Current</u>
T-1 Facility Access Digital Local Channel	\$189.00	\$178.00	\$168.00
Charge (Each Mile) (per T1)	50.00	40.00	30.00
Unlimited Option DID Trunk (per Trunk)	28.50	27.00	25.50
Hunting:			
Sequential	9.00	9.00	9.00
Circular (per Trunk)	9.00	9.00	9.00
Pulsing (per Trunk)	6.40	6.40	6.40
DID Block of 20# (per Trunk)	3.40	3.40	3.40

Rates for a volume of numbers greater than 1000 will be provided on an Individual Case Basis.

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**SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES (Continued)**

**3.7 Business Line Rates (Cont'd)**

**3.7.2 Monthly Recurring Charges (Cont'd)**

**3.7.2.D. PRI Charges**

	<u>Year 1</u> <u>Monthly</u> <u>Current</u>	<u>Year 2</u> <u>Monthly</u> <u>Current</u>	<u>Year 3</u> <u>Monthly</u> <u>Current</u>
T-1 Access Line	\$220.00	\$200.00	\$180.00
Interface-Voice/Data	200.00	185.00	175.00
B - Channels	52.00	49.00	46.00
1 D-Channel	26.00	26.00	26.00
Telephone Numbers (block of 20#s)	3.40	3.40	3.40

**3.8 Directory Assistance:**

Customer may obtain Directory Assistance in determining telephone numbers within its local calling area by calling the Directory Assistance operator.

Per Call  
\$0.45

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**SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES (Continued)**

**3.9 Operator Assisted Surcharges:**

The following surcharges will be applied  
on a per call basis:

Third Number Billing	\$1.25
Collect Calling	1.25
Person to Person	1.25
Station to Station	1.25
General Assistance	1.25

**3.10 Directory Listing**

**3.10.1 Non-Recurring Charges:** Non-Recurring Charges associated with  
Directory Listings are as follows:

**Per Listing or Per Number at Installation:**

Primary Listing	N/C
Additional Listing	\$10.00
Non-Listed Number	10.00
Non-Published Number	10.00

**3.10.2 Recurring Charges:** Monthly Recurring Charges associated with  
Directory Listings are as follows:

**Per Listing or Per Number:**

Primary Listing	N/C
Additional Listing	\$1.20
Non-Listed Number	0.80
Non-Published Number	2.75

**Return Check Charge** **\$15.00**

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**SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES (Continued)**

**3.12 Special Rates for the Handicapped**

**3.12.1 Directory Assistance**

There shall be no charge for up to fifty (50) calls per billing cycle from lines or trunks servicing individuals with disabilities. The Company shall charge the prevailing tariff rates for every directory assistance call in excess of 50 within a billing cycle.

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# NOWALSKY, BRONSTON & GOTHARD

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Metairie, Louisiana 70002  
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Facsimile: (504) 831-0892

Monica R. Borne  
EllenAnn G. Sands

DEPOSIT DATE  
D 0 1 2 # SEP 2 4 1998

September 23, 1998

### Via Overnight Delivery:

Florida Public Service Commission  
Division of Communications, Certification & Compliance Section  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0866

981222-TX

RE: NewSouth Communications Corp.

Dear Sirs:

Enclosed please find an original and six (6) copies of the Application Form for authority to provide alternative local exchange service within the State of Florida which is submitted on behalf of NewSouth Communications Corp. Also enclosed is the requisite \$250.00 filing fee payable to the Florida Public Service Commission.

To acknowledge you receipt of this filing, please return a date stamped copy of this letter in the self-addressed envelope provided.

If you should have any questions regarding these documents, please do not hesitate to call. Thank



FIRST UNION NATIONAL BANK  
OF SOUTH CAROLINA  
GREENVILLE, SC  
29602

2089

DATE  
9/22/98

AMOUNT  
\$250.00

Two hundred fifty Dollars And 00 Cents

PAY

TO THE ORDER OF  
FL Public Service Commission  
2540 Shumard Oak Blvd.

Tallahassee FL 32399-0866

DOCUMENT NUMBER-DATE

10628 SEP 24 98

THIS CHECK IS VALID ONLY IF ALL INFORMATION IS CORRECT