

ATTORNEYS AT LAW

900 COMERICA BUILDING KALAMAZOO, MICHIGAN 49007-4752 TELEPHONE (616) 381-8844 FAX (616) 349-8525

# RECEIVED

JUN 26 1997

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OF COUNSEL VINCENT T EARLY

FPSC - Records/Reporting II MILLEN

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GEORGE H LENNON JOHN T PETERS, IR. DAVID G CROCKER HAROLD E FISCHER, IR. LAWRENCE M BRENTON GORDON C MILLER BLAKE D CROCKER ROBERT M TAYLOR PATRICK D CROCKER ANDREW J VORBRICH\* NICOLETTE G HAID!\*\*

\*Also admitted in lowe

\*\*Also admitted in California and North Carolina

June 24, 1997

Mr. Walter D'Haeseleer Director, Division of Communications Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0688

Re:

Z-TEL, INC.

Dear Mr. D'Haeseleer:

Enclosed herewith for filing with the Commission, please find an original and 12 copies of the above captioned corporation's APPLICATION FOR AUTHORITY TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICES WITHIN THE STATE OF FLORIDA, along with a check in the amount of \$250.00 to cover filing fees relating to same.

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

Please contact me if you have additional questions or concerns.

Very truly yours,

BARLY, LENNON, PETERS & CROCKER, P.C.

Patrick D. Grocker

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# FLORIDA PUBLIC SERVICE COMMISSION DEPOSIT

DATE

Z-TEL, INC.	D 5 5 4 -	MUK	2 6 1997
APPLICATION FOR AUTHORITY TO PR	CONTRACTOR OF THE CONTRACTOR O	)	Case No:_
INTEREXCHANGE TELECOMMUNICAT		)	970777-TI
SERVICES WITHIN THE STATE OF FLO	RIDA	)	110111

### APPLICATION

- Select what type of business your company will be conducting (check all that apply):
  - Facilities based carrier company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.
  - Operator Service Provider company provides or plans to provide alternative operator services for IXCs; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.

Check received with filting and forwarded to Piscal for deposit.

Fiscal to forward a copy of check () to RAR with proof of deposit.

Initials of person who forwarded check:

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

- (X) Switchless Rebiller company has no switch or transmission facilities but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carriers. Rebills end users at a rate above its discount but generally below the rate end users would pay for unaggregated traffic.
- () Multi-Location Discount Aggregator company contracts with unaffiliated entities to obtain bulk/volume discount plans from certain underlying carriers. Then offers the resold service by enrolling unaffiliated customers.
- () Prepaid Debit Card Provider any person or entity that purchases 800 access from an underlying carrier or unaffiliated entity for use with prepaid debit card service and/or encodes the cards with personal identification numbers.
- This is an application for (check one):
  - (X) Original Authority (New Company)
  - () Approval of Transfer (To another certified company).
  - Approval of Assignment of existing certificate (To an uncertificated company).
  - () Approval for transfer of control@Bulanother MRER-DATE certificated company).

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

### Z-TEL, INC.

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

### Z-TEL, INC.

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

### 4403 S.E. 16th Place, Suite #1 Cape Coral, Florida 33904

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

### 4403 S.E. 16th Place Cape Coral, Florida 33904

Structure of organization:

()	Individual	(X)	Corporation
()	Foreign Corporation	()	Foreign Partnership
Ö	Geeral Partnership	()	Limited Partnership
()	Other.		

- If applicant is an individual or partnership, please give name, title and address of sole proprietor or partners.
  - (a) Provide proof of compliance with the foreign limited partnership statute (Chapter 620.169.FS) if applicable.

### NOT APPLICABLE

- (b) Indicate if the individual or any of the partners have previously been:
  - adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings.

#### NOT APPLICABLE

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

### NOT APPLICABLE

- If incorporated, please give:
  - (a) Proof from the Florida Secretary of State that the applicant has authority to operate in Florida.

Corporate charter number: F97000002158

Applicant has the authority to transact business within the state of Florida. A copy of Applicant's Articles of Incorporation, and Certificate of Authority to transact business within Florida appears as Exhibit A.

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

The Corporation Trust Company of Florida One East Fifth Street Reno, Nevada 89501

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

Fictitious name registration number:
--------------------------------------

- (d) Indicate if any of the officers, directors, or any of the officers, directors, or any of the ten largest stockholders have previously been:
  - adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings.

### NOT APPLICABLE

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

#### NOT APPLICABLE

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

(a) The application:

Patrick D. Crocker, Attorney EARLY, LENNON, PETERS & CROCKER, P.C. 900 Comerica Building Kalamazoo, Michigan 49007 (616) 381-8844

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

James C. Watson, Vice President Z-TEL, INC. 4403 S.E. 16th Place, Suite #1 Cape Coral, Florida 33904 (800) 800-7275

(c) Tariff:

Patrick D. Crocker, Attorney EARLY, LENNON, PETERS & CROCKER, P.C. 900 Comerica Building Kalamazoo, Michigan 49007 (616) 381-8844

(d) Complaints/Inquiries from customers:

James C. Watson, Vice President Z-TEL, INC. 4403 S.E. 16th Place, Suite #1 Cape Coral, Florida 33904 (800) 800-7275

- 11. List the states in which the applicant:
  - (a) Has operated as an interexchange carrier.

Applicant is a newly formed corporation which is seeking authority to provide the resale of telecommunications service throughout the United States.

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

Applicant has Applications pending to be certified as an interexchange carrier throughout the United States.

(c)	Is certificated to operate a	s an inte	rexchange carrier.
	Applicant is a newly for authority to provide the throughout the United S	resale o	orporation which is seeking of telecommunications service
(d)	Has been denied authority and the circumstances inv	to oper olved.	ate as an interexchange carrier
	Applicant has never bee interexchange carrier.	en denie	d authority to operate as an
(e)	Has had regulatory p telecommunications statue	enalties s and the	imposed for violations of circumstances involved.
	Applicant has never his violations of any telecom	ad regul imunicat	latory penalties imposed for lions statutes.
(f)	Has been involved in civil carrier, local exchange entity, and the circumstan	company	oceedings with an interexchange or other telecommunications lved.
	Applicant has never bee with an interexchange car telecommunications enti-	rrier, loc	ed in Civil court proceedings al exchange company, or other
What services	will the applicant offer to	other ce	ertified telephone companies:
()	Facilities.	()	Operators.
(X)	Billing and Collection.	(X)	
()	Maintenance.	()	
8	Other:		
Do you have	a marketing program?		
Yes			
Will your ma	rketing program:		
(X)	Pay commissions?		
()	Offer sales franchise?		
$\ddot{0}$	Offer multi-level sales inc	entives?	
()	Offer other sales incentiv		
Explain any of franchise,		estion 14	(To whom, what amount, type

Applicant shall pay commissions to sales representatives.

12.

13.

14.

15.

(X)	Residential customers.	(X)	Business customers.
	PATS providers.	()	PATS station end-users
()	Hotels & motels.	()	Hotel & motel guests.
Ö	Universities.	()	University dormitory
( )	( ) Other: (specify)	resid	ents.
Pleas	se provide the following (if applica-	able):	
Pleas (a)	Will the name of your company	appear o	on the
	Will the name of your company bill for your services, and if no	appear of	ill the
	Will the name of your company bill for your services, and if no billed party contact to ask ques	appear of t who w tions abou	ill the at the
	Will the name of your company bill for your services, and if no	appear of twho w tions about the number	ill the at the

(b)

Z-Tel, Inc. 4403 S.E. 16th Place, Suite #1 Cape Coral, Florida 33904

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

### Applicant attaches financial statements as Exhibit B.

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

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

Applicant has sufficient financial capability to provide the requested service in the geographic areas proposed to be served. Applicant's operating revenue will provide Applicant with sufficient financial resources to provide service in the proposed areas. Applicant will require additional funding to offer services contemplated within the Application. Should Applicant require additional funding for Applicant's operations in Florida, Applicant's principal shall make \$25,000.00 available to Applicant.

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

Applicant has sufficient financial capability to provide the requested service in the geographic areas proposed to be served. Applicant's operating revenue will provide Applicant with sufficient financial resources to provide service in the proposed areas. Should Applicant require additional funding for Applicant's operations in Florida, Applicant's principal shall make \$25,000.00 available to Applicant.

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

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

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

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

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

Managerial capability.

Resume of Applicant's officer appears as Exhibit C.

C. Technical capability.

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

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

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

- 20. The applicant will provide the following interexchange carrier services (Check all that apply):
  - X MTS with distance sensitive per minutes rates
  - Method of access is FGA
  - Method of access is FGB
  - X Method of access is FGD
  - X Method of access is 800
  - MTS with route specific rates per minute
  - Method of access is FGA
  - Method of access if FGB
  - Method of access is FGB
  - Method of access is 800
  - MTS with statewide flat rates per minute (i.e. not distance sensitive)
  - Method of access is FGA
  - Method of access is FGB
  - Method of access is FGD
  - Method of access is 800
  - MTS for pay telephone service providers
  - Block-of-time calling plan (Reach out Florida, Ring America, etc.)
  - X 800 Service (Toll free)
  - WATS type service (Bulk or volume discount)
  - X Method of access is via dedicated facilities
  - Method of access is via switched facilities

	X.	Private Line services (Channel Services)
	_	(For ex. 1.544 ms., DS-3, etc)
	X.	Travel Service
	-	Method of access is 950
	X.	Method of access is 800
	_	900 service
	_	Operator Services
	_	Available to presubscribed customers
	-	Available to non presubscribed customers (for example to patrons of hotels, students in Universities, patients in hospitals)
	-	Available to inmates
	Serv	ices included are:
	_	Station assistance
	_	Person to Person assistance
	_	Directory Assistance
	_	Operator verify and interrupt
	-	Conference Calling
21.	Wha were	t does the end user dial for each of the interexchange carrier services that checked in services included (above)?
	1+	
22.	_	_ Other:

### \*\*APPLICANT ACKNOWLEDGEMENT STATEMENT\*\*

- REGULATORY ASSESSMENT FEE: I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of its gross operating revenue derived from intrastate business. Regardless of the gross revenue of a company, a minimum annual assessment fee of \$50 is required.
- GROSS RECEIPTS TAX: I understand that all telephone companies must pay
  a gross receipts tax of one and one-half percent of all intra and interstate
  business.
- SALES TAX: I understand that a seven percent sales tax must be paid on intra and interstate revenues.
- APPLICATION FEE: A non-refundable application fee of \$250.00 must be submitted with the application.
- LEC BYPASS RESTRICTIONS: I acknowledge the Commission's policy that
  interexchange carriers shall not construct facilities to bypass the LEC's without
  first demonstrating to the Commission that the LEC cannot offer the needed
  facilities at a competitive price and in a timely manner.
- 6. RECEIPT AND UNDERSTANDING OF RULES: I acknowledge receipt and understanding of the Florida Public Service Commission's Rules and Orders elating to may provision of interexchange telephone service in Florida. I also understand that it is my responsibility to comply with all current and future Commission requirements regarding interexchange telephone service.

 ACCURACY OF APPLICATION: By my signature below, I attest to the accuracy of the information contained in this application and associated attachments.

DATE 0, 179/

James C. Watson, Vice President

### \*\*APPENDIX B\*\*

### CUSTOMER DEPOSITS AND ADVANCE PAYMENTS

A statement of how the Commission can be assured of the security of the customer's deposits and advance payments may be responded to in one of the following ways (applicant please check one):

- (X) The applicant will not collect deposits nor will it collect payments for service more than one month in advance.
- ( ) The applicant will file with the Commission and maintain a surety bond in an amount equal to the current balance of deposits and advance payments in excess of one month. (Bond must accompany application.)

James C. Watson, Vice President

Z-TEL, INC.

6/6/97 Date

. .

# **EXHIBIT** A



Bepartment of State

I certify from the records of this office that Z-TEL, INC. doing business in Florida as Z-TEL COMMUNICATIONS, INC., is a corporation organized under the laws of Nevada, authorized to transact business in the State of Florida, qualified on April 23, 1997.

The document number of this corporation is F97000002158.

I further certify that said corporation has paid all fees and penalties due this office through December 31, 1997, and its status is active.

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

Given under mp hand and the Great Seal of the State of Florida, at Tallahassee, the Capital, this the Twenty-eighth day of April, 1997

CR2EO22 (1-95)

Sandia B. Mortham

Sandra B. Mortham Secretary of State ECRETARY OF STATE OF THE

FEB 1 8 1997

ARTICLES OF INCORPORATION

OF

Then Hell-

Z-TEL, INC.

FIRST: The name of this corporation is:

Z-TEL, INC.

SECOND: Its principal office in the State of Nevada is located at 502 East John Street, Carson City, Nevada, 89706. The name and address of its resident agent is CSC Services of Nevada, Inc., at the above address.

THIRD: The nature of the business or objects or purposes proposed may be organized under the General Corporation Law of the State of Nevada;

To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Nevada.

FOURTH: The total authorized capital stock of the corporation is 25,000,000 all of which are of a par value of \$.001 each and are of the same class and are common shares.

FIFTH. The governing board of this corporation shall be known as directors, and the number of directors may from time to time be increased or decreased in such manner as shall be provided in the by-laws of this corporation, provided that the number of directors shall not be reduced less than one unless there is less than one stockholder.

The name and post office address of the first board of directors, which shall be one in number, is as follows:

NAME

POST OFFICE ADDRESS

Scott Symons

1700 S. Dixie Highway Ste 4D Boca Raton, FL 33432

SIXTH: The capital stock, after the amount of the subscription price, or par value, has been paid in, shall not be subject to assessment to pay the debts of the corporation.

SEVENTH: The name and post office address of the incorporator signing the articles of incorporation is as follows:

NAME

POST OFFICE ADDRESS

B. Gould

502 East John Street Carson City, NV 89706

EIGHTH: The corporation is to have perpetual existence.

NINTH: In furtherance and not in limitation of the powers conferred by statue, the board of directors is expressly authorized, subject to the by-laws, if any, adopted by the shareholders, to make, alter or amend the by-laws of the corporation.

TENTH: Meetings of stockholders may be held outside of the State of Nevada at such place or places as may be designated from time to time by the board of directors or in the by-laws of the corporation.

ELEVENTH: This corporation reserves the right to amend, alter, change or repeal any provision contained in the articles of incorporation, in the manner now or hereafter prescribed, and all rights conferred upon stockholders herein are granted subject to this reservation.

I, THE UNDERSIGNED, being the sole incorporator herein before named for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Nevada, do make and file these articles of incorporation, hereby declaring and certifying that the facts herein stated are true, and accordingly have hereunto set my hand this seventeenth day of February, A.D 191997.

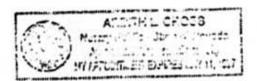
B: Gould, Incorporator

STATE OF NEVADA

88

CARSON CITY

On this seventeenth day of February, A.D., 1997, before me a Notary Public, personally appeared, B. Gould, who severally acknowledged that he/she executed the above instrument.



Notary Public

#### CERTIFICATE OF ACCEPTANCE

OF

#### APPOINTMENT OF RESIDENT AGENT

I, B. Gould, Authorized Representative, on behalf of CSC Services of Nevada, Inc. hereby accepts appointment as Resident Agent of the above-named corporation.

Authorized Representative

February 17, 1997

IN THE OFFICE OF THE CECRETARY OF STATE OF THE STATE OF NEVADA

MAR 04 1997

CERTIFICATE OF AMENDMENT

FAX:941-540-2776

110. 3/89 -97

CEAN HELLER, SECRETARY OF STATE

OF

CERTIFICATE OF INCORPORATION

OF

Z-TEL, INC.

Under Section 78.385 of the General Corporation Law of the State of Nevada

The undersigned, B. Gould, sole incorporator of Z-TEL, INC. , a corporation organized and existing under the laws of the State of Nevada ("the Corporation"), of which no stock has been issued, incorporated on February 18, 1997, does hereby certify as follows:

PIRST: The name of the Corporation is Z-TEL, INC.

SECC D: The Certificate Incorporation of the Corporation has been amended as follows:

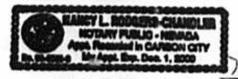
Article "FOURTH" of the Certificate of Incorporation of the Corporation, is hereby amended to read as follows:

"FOURTH: The total authorized capital stock of the corporation is 75,000,000 all of which are of a par value of S.001 each and are of the same class and are common shares."

> incorporator Sole

STATE OF NEVADA )
: 68.:
CARSON CITY )

I, Nancy L. Rodgers-Chandler, a notary public, do hereby certify that on this 4th day of February, 1997, personally appeared before me B. Gould, who being by me first duly sworn declared that she is the sole incorporator of Z-Tel, Inc. and that the statements therein contained are true.



Motary Public Charles

My commission expires /2/1/co (Notorial Seal)

IN THE OFFICE OF THE ECRETARY OF STATE OF THE STATE OF NEVADA

### CERTIFICATE OF AMENDMENT

12:24

4/21/97

OF

CERTIFICATE OF INCORPORATION

OF

Z-TEL, INC.

Under Section 78.385 of the General Corporation Law of the State of Nevada

The undersigned, R. Gould, as sole incorporator of Z-TEL, INC., a corporation organized and existing under the laws of the State of Nevada ("the Corporation"), does hereby certify as follows:

PIRST: The name of the Corporation is Z-THL, INC.

SECOND: The original Articles were filed in the Office of the Secretary of State on February 18, 1997.

THIRD: As of the date of this certificate, no stock of the corporation has been issued.

FOURTH: The Certificate Incorporation of the Corporation has been amended as follows:

Article "FOURTH" of the Certificate of Incorporation of the Corporation, is hereby amended to read as follows:

"FOURTH: The total authorized capital stock of the corporation is 10,000 all of which are of a par value of 5.10 each and are of the same class and are common shares."

sele incorporator

CARSON CITY )

I, Nancy Rodgers-Chandler, a notary public, do hereby certify that on this twenty-first day of April, 1997, personally appeared before me, B. Gould, who, being by me first duly sworn, declared that she is the incorporator of Z-Tel, Inc. that executed the foregoing document as the incorporator of the corporation, and that the statements therein contained are true.



Manay & Rodgers Chardler

My commission expires 12/1/00 (Notorial Seal)

# **EXHIBIT B**

## Z-TEL, INC. BALANCE SHEET JUNE 1, 1997

ASSETS		
Cash and Banks		\$ 25,000.00
Organization Costs		\$ 33,812,00
TOTAL ASSETS		5 58,832.00
		*
LIABILITIES AND EQUITY	XI	
Liabilites		s .
Equity		
Paid in Capital - Investors		\$ 58,832,00
Reatined Earnings - Beginning	<u>s</u> .	
Current Year Profit (Loss)	s -	
Reatined earnings - Ending	<u>s</u> -	s ·
TOTAL EQUITY		5 58,832,00
TOTAL LIABILITIES AND FOULTY		5 58,832.00

# EXHIBIT C

### BIOGRAPHIES

Tom Chubokas Tom Chubokas began in business at the early age of 15, handling shrinkage for a warehouse retail sales outfit. Mr. Chubokas then attended college at Bowling Green University and graduated from Cleveland State University with a Bachelor of Arts degree.

From 1980 to 1988 Mr. Chubokas started the Marshall Corporation. He became President and C.E.O. of Marshall Corporation, the largest privately owned security firm in the state of Ohio from 1984 to 1988. His client list included accounts such as Revco, Riteaid, I.J. Fox, and Woolworths, together with many other prestigious firms and individuals. This company was sold in 1988-1989.

In 1990 Mr. Chubokas entered into the communications arena, running an agent based support and sales organization. This company grew to become one of the largest sales and marketing firms in the telecommunications industry. In addition, Mr. Chubkas is accomplished in Carrier relations and has negotiated contracts for and on behalf of Carriers.

James C. Watson Mr. Watson began his career in telecommunications in 1984 during the divesture of AT&T. Mr. Watson's expertise is in the development of high-tech system applications and network development, focused in the environment of Carriers services, CAPs, and Local Exchange Carrier Services. Much of his career has been devoted to interexchange switching platforms, administrative management and operations of facilities.

During his tenure with C&L Communications of San Antonio, Mr. Watson was responsible for the technical and sales training of 65 independent, switched based Intexchange Carriers.

Mr. Watson assisted in the original service program for the Debit Cellular Market in 1991.

Mr. Watson owned a telecommunications consulting comany - Intelligent Network Communications, Inc. - offering services in every aspect of telecommunications. Carrier and Reseller Billing, Carrier Auditing, Regulatory Consulting, T-1 and DS-3 Provisioning and Support, Switch Partitioning, Consulting Services and Customer Support. Mr. Watson enjoys a reputation as one of the top consultants in the Interexchange Telecom Industry.

### BIOGRAPHIES (continued)

Mr. Watson has diplomas and certification in Electronics Advanced Electronic\* ISDN and FT/T-1, T-3, \* Electro-Mechanical Engineering, CPE telephone equipment systems\* T-1 Digital Interface Cards to Channel Banks\*, Mitel Digital PBX Training \* Call Controller and PBX Router, Digital Data Termination Equipment

Systems Overviews: Harris 20/20, DMS 250, DEC 400 and 600, Data Packer Systems, Interegrated Audio Text Systems, Sonet Multiplexing and Redundancy, Data Network Design and Planning. DS-1 / d4 and DS-1 ESF Protocals, Call Controller PBX Router, Frame Relay LM-1, Cellular & Microwave radio systems, Basic Satellite.

Tatiana Filippov Tatiana Filippov is currently employed in marketing and sales by American Airlines. Ms. Filippov was previously a founder and director of Salon Technologies, Inc., a distributor and marketer of salon quality cosmetics. Salon Technologies, Inc. pioneered the introduction of "Jolco" products into Canada and is currently the leading salon product line in Canada. Ms. Filippov is director of two other private companies with assets of over two million dollars. Ms. Filippov assists in international affairs and marketing.

# **EXHIBIT D**

### FLORIDA TELECOMMUNICATIONS TARIFF

This Tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services within the State of Florida by Z-Tel, Inc. This tariff is on file with the Florida Public Service Commission, and copies may also be inspected, during normal business hours, at the following location: 4403 S.E. 16th Place, Suite #1, Cape Coral, Florida 33904.

Issued: June 24, 1997

Effective:

Issued by:

James C. Watson, Vice-President Z-Tel, Inc. 4403 S.E. 16th Place, Suite #1

Cape Coral, Florida 33904



The title page and pages 1-37 inclusive of this Tariff are effective as of the date shown. Original and revised sheets, as named below, comprise all changes from the original Tariff in effect on the date indicated.

SHEET	REVISION	SHEET	REVISION
1	Original	21	Original
1 2	Original	22	Original
3	Original	23	Original
4	Original	24	Original
5	Original	25	Original
6	Original	26	Original
7	Original	27	Original
8	Original	28	Original
9	Original	29	Original
10	Original	30	Original
11	Original	31	Original
12	Original	32	Original
13	Original	33	Original
14	Original	34	Original
15	Original	35	Original
16	Original	36	Original
17	Original	37	Original
18	Original	81	
	Original		
19 20	Original		
20	Original		

<sup>.</sup> New or Revised Sheets

Issued: June 24, 1997

Effective:

Issued by:

James C. Watson, Vice-President

Z-Tel, Inc.

4403 S.E. 16th Place, Suite #1 Cape Coral, Florida 33904

# CONCURRING, CONNECTING AND OTHER PARTICIPATING CARRIERS

CONCURRING CARRIERS:

No Concurring Carriers

CONNECTING CARRIERS:

No Connecting Carriers

OTHER PARTICIPATING CARRIERS:

No Participating Carriers

Issued: June 24, 1997

Effective:

Issued by:

James C. Watson, Vice-President

Z-Tel, Inc.

4403 S.E. 16th Place, Suite #1 Cape Coral, Florida 33904



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

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

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

- 2.
- 2.1.
- 2.1.1.
- 2.1.1.A.
- 2.1.1.A.1.
- 2.1.1.A.1.(a).
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Check Shee s - When a Tariff filing is made with the FPSC, an updated check sheet accompanies the Tariff filing. The check sheet lists the pages contained in the Tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision, all revisions made in a given filing are designed by an asterisk (\*). There will be no other symbols used on this page if these are the only changes made to it. The Tariff user should refer to the latest check sheet to find out if a particular page is the most current on file with the FPSC.

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James C. Watson, Vice-President Z-Tel, Inc. 4403 S.E. 16th Place, Suite #1

Cape Coral, Florida 33904

FPSC Tariff No. 1 Original Page No. 5

### APPLICABILITY

This Tariff contains the Service offerings, rates, terms and conditions applicable to the furnishing of intrastate interexchange telecommunications services within the State of Florida by Z-Tel, Inc. (hereinafter "Company").

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- (D) Delete or Discontinue
- (I) Change Resulting In An Increase to A Customer's Bill
- (M) Moved From Another Tariff Location
- (N) New
- (R) Change Resulting In A Reduction To A Customer' Bill
- (T) Change in Text or Regulation But No Change In Rate or Charge

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### TABLE OF CONTENTS

		Sheet
CHECK SHEE	T	2
CONCURRING	G, CONNECTING AND OTHER PARTICIPATING CARRIERS	3
TARIFF FORM	AAT	4
APPLICABILE	TY	5
EXPLANATIO	N OF SYMBOLS	6
	ONTENTS	
	AL INDEX	
SECTION 1.	TECHNICAL TERMS AND ABBREVIATIONS	10
SECTION 2.	RULES AND REGULATIONS	17
SECTION 3.	SERVICE AND DESCRIPTION OF RATES	31
SECTION 4	RATES	33

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James C. Watson, Vice-President Z-Tel, Inc. 4403 S.E. 16th Place, Suite #1 Cape Coral, Florida 33904



### Alphabetical Index

SUBJECT	Page
Alphabetical Index	8
Applicability	
Assignment	
Rad Check Charge	
Cancellation of Service by Customer	
Cancellation for Cause by the Company	
Check Sheet	
Concurring Connecting and Other Participating Carriers	
Credit Allowance	
Descrite	
Description and Limitations of Services	
Directory Assistance Service	
Emergency Calls	
F. J. G.	28
Hearing/Speech Impaired Provisions	
Inspection	
Liability	
Local Charges	
Method for Calculation of Airline Miles	
Minimum Call Completion Rate	
Non-recurring Charges	
Other Terms and Conditions	
Payment and P' ing	
Rates	
1 + Switched Outhound Service	
Dedicated Outbound Service	
800 Switched Service	
Dedicated Inhound Service	
Calling Card Service	
Pate Onotes	
Recurring Charges	
Rules and Regulations	
Pules for Special Rates for Handicapped Customers	
Carries Agreement	
Service and Description of Rates	
1+ Switched Outbound Service	
Dedicated Outbound Service	
800 Switched Service	
Dedicated Inbound Service	
Calling Card Service	
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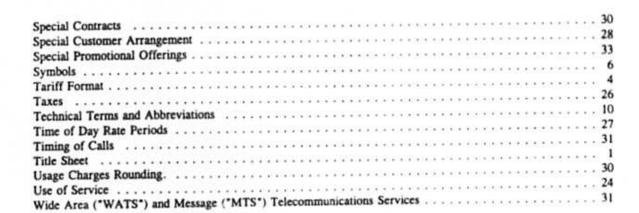
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## 1. TECHNICAL TERMS AND ABBREVIATIONS

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

## Access Coordination

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

### Administrative Change

A change in Customer billing address or contact name.

### Alternate Access

Alternate Access is a form of Local Access except that the provider of the Service is an entity, other than the Local Exchange Carrier, authorized or permitted to provide such Service. The charges for Alternate Access may be subject to private agreement rather than published or special tariff if permitted by applicable governmental rules.

## Application for Service

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

### ASR

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

### Authorized User

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

#### Bandwidth

The total frequency band, in hertz, allocated for a channel.

### Bill Date

The date on which billing information is compiled and sent to the Customer.

Issued: June 24, 1997

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A completed connection between the Calling and Called Stations.

### Called Station

The telephone number called.

### Calling Station

The telephone number from which a Call originates.

### Cancellation of Order

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

### Channel or Circuit

A dedicated communications path between two or more points having a Bandwidth or Transmission Speed specified in this Tariff and selected by a Customer.

#### Company

Z-Tel, Inc.

## Company Recognized National Holidays

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

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

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### Customer

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

### Customer Premises/Customer's Premises

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

### DCS

DCS means Digital Cross-Connect System.

## Dedicated Access/Special Access

Dedicated Local Access between the Customer's Premises or serving wire center and the Company's Pointof-Presence for origination or termination of Calls.

### DS-0

DS-0 means Digital Signal Level 0 Service and is a 64 Kbps signal.

### DS-1

DS-1 means Digital Signal Level 1 Service and is a 1.544 Mbps signal.

### DS-0 with VF Access

DS-0 Service with VF Local Access facilities provides for the transmission of analog voice and/or data within 300 Hz to 3000 Hz frequency range.

#### DS-0 with DDS Access

DS-0 Service with VF Local Access facilities provides for the transmission of digital data at speeds 2.4, 4.8, 9.6 or 56 Kbps.

#### Due Date

The Due Date is the date on which payment is due.

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Effective:

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Z-Tel, Inc.



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

FCC

Federal Communications Commission

FPSC

Florida Public Service Commission

Individual Case Basis (ICB)

Individual Case Basis (ICB) determinations involve situations where complex Customer-specific Company arrangements are required to satisfactorily serve the Customer. The nature of such Service requirements makes it difficult or impossible to establish general tariff provisions for such circumstances. When it becomes possible to determine specific terms and conditions for such offerings, they will be offered pursuant to such terms and conditions.

### Installation

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

#### Interexchange \_crvice

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

### Interruption

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

### Kbps

Kilobits per second.

### LATA (Local Access Transport Area)

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

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

### Local Access Provider

Local Access Provider means an entity providing Local Access.

### Local Exchange Carrier (LEC)

The local telephone utility that provides telephone exchange services.

## Mbps

Megabits per second.

### Multiplexing

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

### N/A

Not available.

#### Nonrecurring Charges

Nonrecurring Charges are one-time charges.

### Payment Method

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

### Physical Change

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

### Point-of-Presence (POP)

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

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Z-Tel, Inc.



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

### Private Line

A dedicated transmission channel furnished to a customer without intermediate switching arrangements for full-time customer use.

### Private Line Service

A dedicated full-time transmission Service utilizing dedicated access arrangements.

## Rate Center

A specified geographical location used for determining mileage measurements.

## Requested Service Date

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

### Restore

To make Service operative following an interruption by repair, reassignment, re-routing, substitution of component parts, or otherwise, as determined by the carrier(s) involved.

### Route Diversay

Two channels which are furnished partially or entirely over two physically separate routes.

#### Service

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

## Service Commitment Period

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

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Z-Tel. Inc.

## Special Promotional Offerings

Special trial offerings, discounts, or modifications of its regular Service offerings which the Company may, from time to time, offer to its Customers for a particular Service. Such offerings may be limited to certain dates, times, and locations.

## Start of Service Date

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

### Tariff

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

## Toll Call

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

### Transmission Speed

Data transmission speed or rate, in bits per seconds (bps).

## Two-Way Conversation

A Two-Way Conversation is a telephone conversation between or among two or more parties.

### VF

VF is voice frequency or voice-grade Service designed for private-line Service. Normal transmission is in the 300 hertz to 3000 hertz frequency band.

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2.



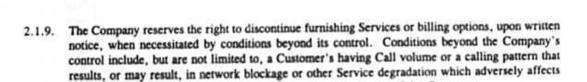
- 2.1. Description and Limitations of Services
- 2.1.1. Intrastate Telecommunications Service ("Service") is the furnishing of Company communication Services contained herein between specified locations under the terms of this Tariff. The Company will provide Service to the public by reselling services purchased from underlying facilities based carriers.
- 2.1.2. Any member of the general public (including any natural person or legally organized entity such as a corporation, partnership, or governmental body) is entitled to obtain Service under this Tariff, provided that the Company reserves the right to deny Service: (A) to any Customer that, in the Company's reasonable opinion, presents an undue risk of nonpayment, (B) in circumstances in which the Company has reason to believe that the use of the Service would violate the provisions of this Tariff or any applicable law or if any applicable law restricts or prohibits provision of the Service, or (C) if insufficient facilities are available to provide the Service (in such cases Company shall make best efforts to accommodate the needs of all potential Customers by means of facility improvements or purchases, of capacity, if such efforts will, in the Company's opinion, provide the Company with a reasonable return on its expenditures), but only for so long as such unavailability exists.
- 2.1.3. Company, when acting at the Customer's request and as its authorized agent, will make reasonable efforts to arrange for Service requirements, such as special routing, Diversity, Alternate Access, or circuit conditioning.
- 2.1.4. Service is offered in equal access exchanges subject to the availability of facilities and the published published facilities and the published published facilities and/or equipment are not available.
- 2.1.5. Service may be discontinued after five business days written notice to the Customer if:
  - 2.1.5.A. the Customer is using the Service in violation of this Tariff; or
  - 2.1.5.B. the Customer is using the Service in violation of the law or Commission regulation.
- 2.1.6. Service begins on the date that billing becomes effective and is provided on the basis of a minimum period of at least one month, 24 hours per day. For the purposes of computing charges in this Tariff, a month is considered to have 30 days.
- 2.1.7. Service will be provided until canceled, by the Customer on not less than thirty (30) days' written notice from the date of postmark on the letter giving notice of cancellation. Restoration of Service will be done in accordance with the Commission's rules and regulations.
- 2.1.8. Nothing herein, or in any other provision of this Tariff, or in any marketing materials issued by the Company shall give any person any ownership, interest, or proprietary right in any code or 800 number issued by the Company to its Customers.

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Service to the calling party, the Customer, or other Customers of the Company.

2.1.10 Except as otherwise provided in this Tariff or as specified in writing by the party entitled to receive Service, notice may be given orally or in writing to the persons whose names and business addresses appear on the executed Service order and the effective date of any notice shall be the date of delivery of such notice, not the date of mailing. By written notice, Company or Customer may change the party to receive notice and/or the address to which such notice is to be delivered. In the event no Customer or Company address is provided in the executed Service order, notice shall be given to the last known business address of Customer or, as appropriate.

## 2.2 Other Terms and Conditions

- 2.2.1. The name(s) of the Customer(s) desiring to use the Service must be stipulated in the application for Service.
- 2.2.2. The Customer agrees to operate the Company provided equipment in accordance with instructions of the Company or the Company's agent. Failure to do so will void the Company liability for interruption of Service and may make Customer responsible for damage to equipment pursuant to Section 2.2.3 below.
- 2.2.3. Cv tomer agrees to return to the Company all Company-provided equipment delivered to Customer within five (5) days of termination of the Service in connection with which the equipment was used. Said equipment shall be in the same condition as when delivered to Customer, normal wear and tear only excepted. Customer shall reimburse the Company, upon demand, for any costs incurred by the Company due to Customer's failure to comply with this provision.
- 2.2.4. A Customer shall not use any servicemark or trademark of the Company or refer to the Company in connection with any product, equipment, promotion, or publication of the Customer without prior written approval of the Company.
- 2.2.5. In the event suit is brought or any attorney is retained by the Company to enforce the terms of this Tariff, the Company shall be entitled to recover, in addition to any other remedy, reimbursement for reasonable attorneys' fees, court costs, costs of investigation and other related expenses incurred in connection therewith.
- 2.2.6. The provision of Service will not create a partnership or joint venture between the Company and the Customer nor result in joint Service offerings to their respective Customers.

Issued: June 24, 1997

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- 2.2.7. The rate or volume discount level applicable to a Customer for a particular Service or Services shall be the rate or volume discount level in effect at the beginning of the monthly billing period applicable to the Customer for the particular Service or Services. When a Service is subject to a minimum monthly charge, account charge, port charge or other recurring charge or Nonrecurring Charge for both intrastate and interstate Service, only one such charge shall apply per account and that charge shall be the interstate charge.
- Service requested by Customer and to be provided pursuant to this Tariff shall be requested on Company Service Order forms in effect from time to time or Customer's forms accepted in writing by an authorized headquarters representative of the Company (collectively referred to as "Service Orders\*).
- If an entity other than the company (e.g., another carrier or a supplier) imposes charges on the 2.2.9. Company in consection with a Service that entity's charges will be passed through to the Customer also.
- 2.2.10 The Service Commitment Period for any Service shall be established by the Service Order relevant thereto and commence on the Start of Service Date. Upon expiration, each Service Commitment Period for such Service shall automatically be extended subject to written notice of termination by either Company or Customer as of a date not less than thirty (30) days after delivery of said notice to the other. The charges for Interexchange Service during any such extension shall not exceed the then current Company month-to-month charges applicable to such Service.

#### 2.3. Liability

- Except as provided otherwise in this Tariff, the Company shall not be liable to Customer or any other person, firm or entity for any failure of performance hereunder if such failure is due to any cause or causes beyond the reasonable control of the Company. Such causes shall include, without limitation, acts of God, fire, explosion, vandalism, cable cut, storm or other similar occurrence, any law, order, regulation, direction, action or request of the United States government or of any other government or of any civil or military authority, national emergencies, insurrections, riots, wars, strikes, lockouts or work stoppages or other labor difficulties, supplier failures, shortages, breaches or delays, or preemption of existing Services to restore service in compliance with Part 64, Subpart D, Appendix A, of the FCC's Rules and Regulations.
- With respect to the Services contained herein and except an otherwise provided herein, the 2.3.2. Company's liability shall not exceed an amount equal to the charge applicable to a one minute Call to the Called Station at the time the affected Call was made. If the initial minute rate is higher than the additional minute rate, the higher rate shall apply. For those Services with monthly recurring charges, the Company's liability is limited to an amount equal to the proportionate monthly recurring charges for the period during which Service was affected.

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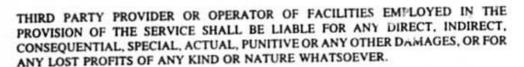
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- 2.3.3. The Company is not liable for any act or omission of any other company or companies (including any Company affiliate that is a participating or concurring carrier) furnishing a portion of the Service or facilities, equipment, or Services associated with such Service.
- 2.3.4. The Customer is responsible for taking all necessary legal steps for interconnecting the Customer provided terminal equipment with the Company facilities. The Customer shall ensure that the signals emitted into the Company's network do not damage Company equipment, injure personnel or degrade Service to other Customers. The Customer is responsible for securing all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection. In addition, the customer shall comply with applicable LEC signal power limitations.
- 2.3.5. The Company may rely on Local Exchange Carriers or other third parties for the performance of other Services such as Local Access. Upon Customer request and execution and delivery of appropriate authorizing documents, the Company may act as agent for Customer in obtaining such other Services. Customer's liability for charges hereunder shall not be reduced by untimely Installation or non-operation of Customer provided facilities and equipment.
- 2.3.6. The failure to give notice of default, to enforce or insist upon compliance with any of the terms or conditions herein, the waiver of any term or conditions herein, or the granting of an extension of time for performance by the Company or the Customer shall not constitute the permanent waiver of any term or condition herein. Each of the provisions shall remain at all time in full force and effect until modified in writing.
- 2.3.7. The Company shall not be liable to the Customer or any other person, firm or entity in any respect whatsoever as a result of mistakes, accidents, errors, omissions, interruptions, delays, or defects in Service (collectively "Defects"). Defects caused by or contributed to, directly or indirectly, by any act or omission of Customer or its customers, affiliates, agents, representatives, invitees, licensees, successors or assigns or which arise from or are caused by the use of facilities or equipment of Customer or related parties shall not result in the imposition of any liability whatsoever upon the Company, and Customer shall pay to the Company any reasonable costs, expenses, damages, fees or penalties incurred by the Company as a result thereof, including penalties incurred by the Company as a result thereof, including costs of Local Access Providers' labor and materials. In addition, all or a portion of the Service may be provided over facilities of third parties, or sold by third parties, and the Company shall not be liable to Customer or any other person, firm or entity in any respect whatsoever arising out of Defects caused by such third parties. THE CCMPANY SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, SPECIAL, ACTUAL, PUNITIVE OR ANY OTHER DAMAGES, OR BUSINESS INTERRUPTION, FOR ANY LOST PROFITS OF ANY KIND OR NATURE WHATSOEVER ARISING OUT OF ANY DEFECTS OR ANY OTHER CAUSE. THE COMPANY'S LIABILITY, IF ANY, WITH REGARD TO THE DELAYED INSTALLATION OF THE COMPANY'S FACILITIES OR COMMENCEMENT OF SERVICE SHALL NOT EXCEED \$1,000. THIS WARRANTY AND THESE REMEDIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OR REMEDIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN THE EVENT OF AN INTERRUPTION IN SERVICE OR ANY DEFECT IN THE SERVICE WHATSOEVER. NEITHER COMPANY NOR ANY AFFILIATED OR UNAFFILIATED THIRD PARTY.

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- 2.3.8. With respect to the routing of Calls by the Company to public safety answering points or municipal Emergency Service providers, Company liability, if any, will be limited to the lesser of: (a) the actual monetary damages incurred and proved by the Customer as the direct result of the Company's action, or failure to act, in routing the Call, or (b) the sum of \$1,000.00.
- 2.3.9. In the event parties other than Customer (e.g., Customer's customers) shall have use of the Service directly or indirectly through Customer, then Customer agrees to forever indemnify and hold Company and any affiliated or unaffiliated third-party, third-party provider or operator of facilities employed in provision of the Service harmless from and against any and all claims, demands, suits, actions, losses, damages, assessments or payments which may be asserted by said parties arising out of or relating to any Defects.
- 2.3.10 In the event that Company is required to perform a Circuit redesign due to inaccurate information provided by the Customer; or, circumstances in which such costs and expenses are caused by the Customer or reasonably incurred by the Company for the benefit of the Customer, the Customer is responsible for the payment of all such charges.
- 2.4. Cancellation of Service by a Customer
- 2.4.1. If a Customer cancels a Service order before the Service begins, before completion of the Minimum Period, or before completion of some other period mutually agreed upon by the Customer and the Company, a charge will be levied upon the Customer for the nonrecoverable portions of expenditures or liabilities incurred expressly on behalf of the Customer by the Company and not fully reimbursed by Installation and monthly charges. If, based on a Service order by a Customer, any construction has either begun or been completed, but no Services provided, the nonrecoverable costs of such construction shall be borne by the Customer.
- 2.4.2. Upon thirty (30) days' prior written notice, either Customer or Company shall have the right, without cancellation charge or other liability, to cancel the affected portion of the Service, if the Company is prohibited by governmental authority from furnishing said portion, or if any material rate or term contained herein and relevant to the affected Service is substantially changed by order of the highest court of competent jurisdiction to which the matter is appeal, the Federal Communications Commission, or other local, state or federal government authority.

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- 2.5.1. Upon nonpayment of any sum owing to the Company, or upon a violation of any of the provisions governing the furnishing of Service under this Tariff, the Company may, upon five business days written notification to the Customer, except in extreme cases, without incurring any liability, immediately discontinue the furnishing of such Service. The written notice shall be separate and apart from the regular monthly bill for service. Customer shall be deemed to have canceled Service as of the date of such disconnection and shall be liable for any cancellation charges set forth in this Tariff.
- 2.5.2. Without incurring any liability, the Company may discontinue the furnishing of Service(s) to a Customer upon five business days written notice if the Company deems that such action is necessary to prevent or to protect against fraud or to otherwise protect its personnel, agents, facilities or Services under the following circumstances, except under extreme cases where the customer may be disconnected immediately and without notice:
  - 2.5.2.A. if the Customer refuses to furnish information to the Company regarding the Customer's credit-worthiness, its past or current use of common carrier communications Services or its planned use of Service(s);
  - 2.5.2.B. if the Customer provides false information to the Company regarding the Customer's identity, address, credit-worthiness, past or current use of Customer communications Services, or its planned use of the Company Service(s);
  - if the Customer states that it will not comply with a request of the Company for reasonable security for the payment for Service(s);
  - 2.5.2.D. if the Customer has been given five business days written notice in a separate mailing by the Company of any past due amount (which remains unpaid in whole or in part) for any of the Company's communications Services to which the Customer either subscribes or had subscribed or used;
  - 2.5.2.E. in the event of unauthorized use.
  - 2.5.2.F. Following the disconnection of service for any of these reasons, the Company or the local exchange utility acting as Company agent, will notify the telephone end user/customer that service was disconnected and why. The notice will include all reasons for the disconnection and will include a toll-free number where an end user/customer can obtain additional information. Notice shall be deemed given upon deposit, postage prepaid, in the U.S. Mail to the end user's/customer's last known address and in compliance with the Commission's rules.

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James C. Watson, Vice-President

Z-Tel, Inc.

- 2.5.3. The discontinuance of Service(s) by the Company pursuant to this Section does not relieve the Customer of any obligations to pay the company for charges due and owing for Service(s) furnished up to the time of discontinuance. The remedies set forth herein shall not be exclusive and the Company shall at all times be entitled to all rights available to it under either law or equity.
- 2.6. Credit Allowance
- 2.6.1. Credit allowance for the interruption of Service is subject to the general liability provisions set forth in this Tariff. Customers shall receive no credit allowance for the interruption of service which is due to the Company's testing or adjusting, negligence of the Customer, or to the failure of channels or equipment provided by the Customer. The Customer should notify the Company when the Customer is aware of any interruption in Service for which a credit allowance is desired. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission within Customer's control, or is not in wiring or equipment, if any, furnished by the Customer in connection with the Company's Services.
- 2.6.2. No credit is allowed in the event service must be interrupted in order to provide routine service quality or related investigations.
- 2.6.3. No credit shall be allowed:
  - 2.6.3.A. For failure of services or facilities of Customer; or
  - For failure of services or equipment caused by the negligence or willful acts of Customer.
- 2.6.4. Credit for an interruption shall commence after Customer notifies Company of the interruption and ceases when services have been restored.
- 2.6.5. Credits are applicable only to that portion of Service interrupted.
- 2.6.6. For purposes of credit computation, every month shall be considered to have 720 hours.
- 2.6.7. No credit shall be allowed for an interruption of a continuous duration of less than two hours.
- 2.6.8. The Customer shall be credited for an interruption of two hours or more at a rate of 1/720th of the monthly recurring charge for the service affected for each hour or major fraction thereof that the interruption continues. Calculations of the credit shall be made in accordance with the following formula.

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Issued by: James C. Watson, Vice-President Z-Tel, Inc. 4403 S.E. 16th Place, Suite #1 Cape Coral, Florida 33904 Credit Formula:

"A" = outage time in hours

"B" = total monthly charge for affected facility

### 2.7. Use of Service

- 2.7.1 The Services offered herein may be used for any lawful purpose, including residential, business, governmental, or other use. There are no restrictions on sharing or resale of Services. However, the Customer remains liable for all obligations under this Tariff notwithstanding such sharing or resale and regardless of the Company's knowledge of same. The Company shall have no liability to any person or entity other than the Customer and only as set forth in Section 2.3. The Customer shall not use nor permit others to use the Service in a manner that could interfere with Services provided to others or that could harm the facilities of the Company or others.
- 2.7.2. Service furnished by the Company may be arranged for joint use or authorized use. The joint user or Authorized User shall be permitted to use such Service in the same manner as the Customer, but subject to the following:
  - 2.7.2.A. One joint user or Authorized User must be designated as the Customer.
  - 2.7.2.B. All charges for the Service will be computed as if the Service were to be billed to one Customer. The joint user or Authorized User which has been designated as the Customer will be billed for all components of the Service and will be responsible for all payments to the Company. In the event that the designated Customer fails to pay the Company, each joint user or Authorized User shall be liable to the Company for all charges incurred as a result of its use of the Company's Service.
- 2.7.3. In addition to the other provisions in this Tariff, Customers reselling company Services shall be responsible for all interaction and interface with their own subscribers or customers. The provision of the Service will not create a partnership or joint venture between Company and Customer nor result in a joint communications Service offering to the Customers of either the Company or the Customer.
- Service furnished by the Company shall not be used for any unlawful or fraudulent purposes.
- 2.7.5. The Customer will be billed directly by the LEC for certain Dedicated Access arrangements selected by the Customer for the provisioning of direct access arrangements. In those instances where the Company at the Customer's request may act as agent in the ordering of such arrangements, the Company will bill the Customer Local Access charges.

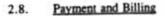
Issued: June 24, 1997

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Issued by:

James C. Watson, Vice-President Z-Tel, Inc. 4403 S.E. 16th Place, Suite #1

Cape Coral, Florida 33904



- 2.8.1 The following rules apply only to the Carrier's resold interexchange services and will govern payment and billing practices of the Carrier, unless inconsistent with any rule, order or regulation of the Commission. In the case of any inconsistency, the rule, order, or regulation of the Commission, or other provision of law, shall prevail. Carrier's billing agent is OAN.
  - 2.8.a. Service is provided and billed on a billing cycle basis, beginning on the date that the service becomes effective. Billing is payable upon receipt. A late payment charge of 1.5% per billing cycle and 18% per annum will accrue upon any unpaid amount commencing Twenty Eight (28) Days after rendition of bills.
  - 2.8.b. The customer is responsible for payment of all charges for service and facilities furnished by the Carrier to the customer, as well as, all charges for services and facilities furnished by the Carrier to all persons using the customer's codes, premises, facilities, or equipment, with or without the knowledge or consent of the customer. The security of the customer's authorization codes, premises, switched access connections, and direct connect facilities is the sole responsibility of the customer. All calls placed using such direct connect facilities, authorization codes, premises, or switched access connections will be billed to, and must be paid by, the customer. Recurring and non-recurring charges are billed in arrears.
  - 2.8.c. All bills are presumed accurate, and shall be binding on the customer unless objection is received by the Carrier in writing within Ninety (90) Days after such bills are rendered.
  - 2.8.d Carrier shall be entitled to revise bills previously rendered to adjust for previously unbilled service, or to adjust upward a bill previously rendered, for a period equivalent to the applicable contract law statute of limitations.
  - 2.8.e. 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 tervice. This will be applied against the next month's charges and if necessary, a new advance payment will be collected for the next month.

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- 2.8.5. If a LEC has established or establishes a Special Access surcharge, the Company will bill the surcharge beginning on the effective date of such surcharge for Special Access arrangements presently in Service. The Company will cease billing the Special Access surcharge upon receipt of an Exemption Certificate or if the surcharge is removed by the LEC.
- 2.8.6. In the event the Company incurs fees or expenses, including attorney's fees, in collecting, or attempting to collect, any charges owed the Company, the Customer will be liable to the Company for the payment of all such fees and expenses reasonably incurred.
- 2.8.7. Company will not require deposits by Customers for Services.
- 2.9. Local Charges
- 2.9.1. In certain instances, customers may be subject to local telephone company charges or message unit charges to access the Carrier's terminal. Carrier is not responsible for any such local or message unit charges incurred by customer in gaining access to Carrier's terminal.
- 2.10. Assignment
- 2.10.1. The obligations set forth in this Tariff shall be binding upon and inure to the benefit of the parties hereto and their respective successors or assigns, provided, however, the Customer shall not assign or transfer its rights or obligations without the prior written consent of the Company.
- 2.11. Taxes
- 2.11.1 All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.
- 2.11.2 If at any future time a municipality acquires the legal right to impose an occupation tax, license tax, permit fee, franchise fee or other similar charge upon the Carrier, and imposes the same by ordinance or otherwise, such taxes, fees or charges shall be billed to the end users receiving service within the territorial limits of such municipality. Such billing shall allocate the tax, fee or charge among end users uniformly on the basis of each end user's monthly charges for the types of service made subject to such tax, fee or charge.
- 2.11.3 If at any future time a county or other local taxing authority acquires the legal right to impose an occupation tax, license tax, permit fee, franchise fee or other similar charge upon the Carrier, and imposes the same by ordinance or otherwise, such taxes, fees or charges shall be billed to the end users receiving service within the territorial limits of such county or other taxing authority. Such billing shall allocate the tax, fee or charge among end users uniformly on the basis of each end user's monthly charges for the types of service made subject to such tax, fee or charge.

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- 2.11.4 When utility or telecommunications assessments, franchise fees, or privilege, license, occupational, excise, or other similar taxes or fees, based on interstate or intrastate receipts are imposed by certain taxing jurisdictions upon the Company or upon local exchange companies and passed on to the Company through or with interstate or intrastate access charges, the amounts of such taxes or fees will be billed to Customers in such a taxing jurisdiction on a prorated basis. The amount of charge that is prorated to each Customer's bill is determined by the interstate or intrastate telecommunications service provided to and billed to an end user/customer service location in such a taxing jurisdiction with the aggregate of such charges equal to the amount of the tax or fee imposed upon or passed on to the Company.
- 2.12. Method for Calculation of Airline Mileage
- 2.12.1 The airline mileage between two cities can be calculated using the Vertical (V) and Horizontal (H) coordinates of the serving wire centers associated with the Company's POP locations. The method for calculating the airline mileage is obtained by reference to AT&T's Tariff F.C.C. No. 10 in accordance with the following formula:

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

where V1 and H1 correspond to the V&H coordinates of City 1 and V2 and H2 correspond to the V&H coordinates of City 2.

xample:		_ <u>v</u> _	_н_
	City 1	5004	1406
	City 2	5987	3424

the square root of: 
$$\frac{(5004-5987)^2 + (1406-3424)^2}{10}$$

The result is 709.83 miles. Any fractional miles are rounded to the next higher whole number; therefore, the airline mileage for this example is 710 miles.

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### 2.13. Time of Day Rate Periods

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

The rates shown in Section 4 apply as follows:

DAY:

From 8:01 AM to 5:00 PM Monday - Friday

EVENING:

From 5:01 PM to 11:00 PM Monday - Friday and Sunday

NIGHT/

WEEKEND:

From 11:01 PM to 8:00 AM Everyday From 8:01 AM to 11:00 PM Saturday From 8:01 AM to 5:00 PM Sunday

### 2.14. Special Customer Arrangements

2.14.1 In cases where a Customer requests a special or unique arrangement which may include engineering, conditioning, Installation, construction, facilities, assembly, purchase or lease of facilities and/or other special Services not offered under this Tariff, the Company, at this option, may provide the requested Services. Appropriate recurring charges and/or Nonrecurring Charges and other terms and conditions will be developed for the Customer for the provisioning of such arrangements.

#### 2.15. Inspection

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

#### 2.16. Deposits

The Company does not require a deposit from the customer.

### 2.17. Employee Concessions

The Company does not offer concessions to employees.

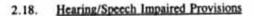
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- 2.18.1. For purposes of this tariff, the definitions of impaired refers to those persons with communication impairments, including those hearing impaired, deaf, deaf/blind, and speech impaired persons who have an impairment that prevents them from communicating over the telephone without the aid of a telecommunications device for the deaf.
- 2.18.2. Residential impaired customers or impaired members of a customer's household, upon written application and upon certification of their impaired status, which is evidenced by either a certificate from a physician, health care official, or state agency, or a diploma from an accredited educational institution for the impaired, may receive a discount off their message toll service rates, and, if they utilize telebraile devices, they may receive free access to local and intrastate long distance directory assistance. Additionally, TDD lines maintained by nonprofit organizations and governmental agencies, upon written application and verification that such lines maintained for the benefit of the impaired may receive a discount off their message toll service rates.
- 2.19. Rules for Special Rates for Handicapped Customers
- 2.19.1. Below are Sections of the Florida Rules concerning handicapped hearing/speech impaired persons and discounts on toll calls using the telecommunications relay service.
  - 2.19.a. <u>Hearing/Speech Impaired Persons</u> "Intrastate toll message rates for TDD users shall be evening rates for daytime calls and night rates for evening and night calls. These discounts shall be offered by all interexchange carriers and LECs."
  - 2.19.b. Operation of Telecommunications Relay Service "For intrastate toll calls received from the relay service, the Company shall discount relay service calls by 50 percent off of the otherwise applicable rate for a voice nonrelay call except that were either the calling or called party indicates that either party is both hearing and visually impaired, the call shall be discounted 60 percent off of the otherwise applicable rate for a voice nonrelay call. The above discounts apply only to time-sensitive elements of a charge for the call and shall not apply to per call charges, such as a credit card surcharge. In the case of a tariff which includes either a discount based on number of minutes or the purchase of minutes in blocks, the discount shall be calculated by discounting the minutes of relay use before the tariffed rate is applied.
  - 2.19.c. Director Assistance Charges for Handicapped Persons: Pursuant to Florida Public Service Commission Rules and Regulations, Company will not charge for the first 50 directory assistance calls made each month by a handicapped person.

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### 2.20. Rate Quotes

Rate quotes will be provided to end users from 8:00 a.m. to 5:00 p.m. Central Time, Monday through Friday by dialing 800/800-7275.

## 2.21. Bad Check Charges

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

### 2.22. Usage Charges Rounding

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

## 2.23. Directory Assistance Service

The Company does not offer directory assistance at this time.

### 2.24. Special Contracts

- 2.24.1. Carrier may enter into contracts with end users such as hotels, or special categories of users, wherein additional discounts may be provided for volume use categories of users, wherein additional discounts may be provided for volume use or to reflect services performed for the Carrier by such users.
- 2.24.2. The Company will, from time to time, offer special contract and/or promotions to its customers, waiving certain charges. These promotions will be approved by the FPSC with specific starting and ending dates and under no circumstances run for longer than 90 days in any 12 month period.

#### 2.25 Service Agreement

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

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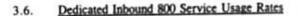


- 3.1. Wide Area ("WATS") and Message ("MTS") Telecommunications Services
- 3.1.1. The Company offers WATS and MTS intrastate interexchange long distance service utilizing switched or dedicated access arrangements between the Customers Premises and the Company's facilities for call origination. Call completion is completed by underlying carrier.
- 3.2. Timing of Calls
- 3.2.1. Timing for all calls begins when the called party answers the call (i.e. when two way communications are established.) Answer detection is based on standard industry answer detection methods, including hardware and software answer detection. Chargeable time for all calls ends when one of the parties disconnects from the call. There are no billing charges applied for incomplete calls.
- 3.3. 1+ Switched Outbound Services
- 3.3.1. Company's 1+ switched outbound services permit outward calling utilizing premium switched Feature Group D access on both the originating and terminating ends. The minimum call duration for billing purposes is eighteen (18) seconds. Usage is measured thereafter in six (6) second increments and rounded to the next higher six (6) second period.
- 3.4. Dedicated Outbound Service
- 3.4.1 Dedicated outbound service permits outward 1+ calling to stations. Dedicated outbound service is distinguished from other services by the existence of a dedicated, special access connection on one end. High Volume Customers may elect Dedicated Access 1+ Service. Customer selecting this Service shall commit to utilize the Company's Service for a specified terms, and shall agree to pay any applicable local loop charges.
- 3.5. 800 Switched Service
- 3.5.1. The Company's 800 Switched Inbound Service permits inward calling (via 800 codes) to a specific location utilizing premium switched, Feature Group D access on both ends. The Company's 800 Switched Service is available to Customers executing a month to month or long term contract having a minimum one year commitment with the Company.

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3.6.1. The Company's Dedicated Inbound 800 Service permits inward calling (via 800 codes) to a specific location featuring the use of a dedicated, special access type connection on the terminating end. Dedicated 800 Service is available to Customers executing a one or two year term commitment with the Company. The minimum call duration for billing purposes is eighteen (18) seconds. Usage is measured thereafter in six (6) second increments and rounded to the next higher six (6) second period. In addition to the charges set forth below, the Customer is responsible for any applicable local loop charges.

## 3.7. Calling Card Service

3.7.1. The Company's Calling Card Service is a customized calling card service with features including voice response or touch-tone dialing. Customers may pay both a per card surcharge and a measured usage charge for each call. Customers access the service through an "800" number established by the Company. The Company may charge an activation fee of \$5.00. The Company will assess a surcharge of \$4.95 in addition to the rates shown below, depending on the program selected. The charges for Calling Card Service are calculated on the basis of each complete call. The minimum call duration for billing purposes is sixty (60) seconds. Usage is measured thereafter in sixty (60) second increments and rounded to the next higher sixty (60) second period.

## 3.8. Special Promotional Offerings

3.8.1 The Company may from time to time engage in Special Promotional Offerings or Trial Service Offerings limited to certain dates, times or locations designed to attract new subscribers or increase subscriber wasge when approved by the Commission. All promotions shall include exactly what charges are being reduced or waived, who is eligible, what customers have to do to be eligible, and the staring and ending date of such promotion. Individual customers may not receive such reduced rates for more than 90 days per a 12 month period.

### 3.9. Emergency Calls

3.9.1 Customer shall configure its PBX or other switch vehicle from which a customer places a call so that 911 emergency calls, where available, and similar emergency calls will be automatically routed to the emergency answering point for the geographical location where the call originated without the intervention of Company.

#### 3.10. Minimum Call Completion Rate

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

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## RATES

- 4.1. 1 + Switched Inbound Usage Rates
- 4.1.1. Switched 1+ inbound service permits inward calling (via 800 or 888 codes) to a specific location utilizing premium switched, Feature Group D access on both ends.

## BUSINESS DAY EVENING/NIGHT/WEEKEND

Mileage	Initial 18 Seconds	Additional 6 Seconds
All	\$0.0525	\$0.0175

4.1.2. Customers will receive the following discounts on base tariff rates when executing term or volume commitments:

## DISCOUNTS

VOLUME	1 YEAR TERM
\$500 - \$999	5.7%
\$1,000 - \$1,499	6.1%
\$1,500 - \$2,999	17.1%
\$3,000 - \$3,999	19.5%
OVER \$4,000	22.9%

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4.2.



Dedicated Inbound 800 Usage Rates

4.2.1 Dedicated inbound service permits inward calling (via 800 or 888 codes) to a specific location featuring the use of a dedicated, special access type connection on the terminating end. Customers will be responsible for all applicable local loop charges.

## BUSINESS DAY EVENING/NIGHT/WEEKEND

Mileage	Initial 18 Seconds	Additional 6 Seconds
All	\$0.0375	\$0.0125

4.2.2. Customers will receive the following discounts on base tariff rates when executing term or volume commitments:

### DISCOUNTS

VOLUME	1 YEAR TERM
\$5,000 - \$9,999	8%
\$10,000 - \$19.999	12%
\$20,000 - \$29,999	16%
\$30,000 - \$49,999	20%
OVER \$50,000	24%

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- 4.3. Switched Outbound Usage Rates
- 4.3.1. Switched outbound services permits outward calling utilizing premium switched Feature Group D access on both the originating and terminating end.

## BUSINESS DAY EVENING/NIGHT/WEEKEND

Mileage	Initial 18 Seconds	Additional 6 Seconds
All	\$0.0525	\$0.0175

4.3.2. Customers will receive the following discounts on base tariff rates when executing term or volume commitments:

## DISCOUNTS

VOLUME	1 YEAR TERM
\$500 - \$999	5.7%
\$1,000 - \$1,499	6.1%
\$1,500 - \$2,999	17.1%
\$3,000 - \$3,999	19.5%
OVER \$4,000	22.9%

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## 4.4. Dedicated Outbound Usage Rates

4.4.1. Dedicated outbound service permits outward calling to stations in diverse service areas. Dedicated outbound service is distinguished from other services by the existence of a dedicated, special access connection on one end.

## BUSINESS DAY EVENING/NIGHT/WEEKEND

Mileage	Initial 18 Seconds	Additional 6 Seconds
All	\$0.0375	\$0.0125

4.4.2. Customers will receive the following discounts on base tariff rates when executing term or volume commitments:

### DISCOUNTS

VOLUME	1 YEAR TERM
\$5,000 - \$9,999	8%
\$10,000 - \$19.999	12%
\$20,000 - \$29,999	16%
\$30,000 - \$49,999	20%
OVER \$50,000	24%

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James C. Watson, Vice-President

Z-Tel, Inc.



- 4.5. Calling Card Usage Rates
- 4.5.1 The Company's Calling Card Service permits Customers to place long distance calls utilizing Company issued Calling Cards for billing purposes using .
- 4.5.2. Customer may receive a 25% discount under a specific term agreement when such agreement relates to the Company's switched outbound service or switched inbound service.

## BUSINESS DAY EVENING/NIGHT/WEEKEND

Mileage	Initial Minute	Additional Minute
Ali	\$0.25	\$0.25

- 4.6 Recurring Charges
- 4.6.1. Customers will incur the following monthly Recurring Charges:

	SWITCHED ACCESS	DEDICATED ACCESS
Per 800 Number	\$5.00	\$5.00
Accounting Codes(non-verified)	N/C	N/C
Authorization Codes/BTN (verified)	N/C	N/C
Authorization Code change/add/delete	N/C	N/C
Monthly Recurring Charge Per T-1	N/C	\$25.00
Monthly Service Fee	\$3.00	\$3.00

- 4.7. Non-recurring Charges
- 4.7.1. Customers will incur the following Non-recurring Charges:

	SWITCHED ACCESS	DEDICATED ACCESS
Per 800 Number	N/C	N/C
Accounting Codes(non-verified)	N/C	N/C
Authorization Codes/BTN (verified)	\$25.00	N/C
Authorization Code change/add/delete	N/C	N/C
Set and Installation Charge	N/C	N/C

Issued: June 24, 1997

Effective:

Issued by:

James C. Watson, Vice-President

Z-Tel, Inc.

# FLORIDA PUBLIC SERVICE COMMISSION DEPOSIT

DATE

Z-TEL, INC.	D 5 5 4 Pm	MUK	2 6 1997
APPLICATION FOR AUTHORITY TO		)	Case No:_
INTEREXCHANGE TELECOMMUNIC		)	
SERVICES WITHIN THE STATE OF F		)	
DESCRICTED WITHER THE PROPERTY OF			

## APPLICATION

- Select what type of business your company will be conducting (check all that 1. apply):
  - Facilities based carrier company owns and operates or plans to () own and operate telecommunications switches and transmission facilities in Florida.
  - Operator Service Provider company provides or plans to () provide alternative operator services for IXCs; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.

Check received will forwarded to Piscal for di Fiscal to forward a copy of check () to RAR with proof of deposit.

initials of person who forwarded week-

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

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

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

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