

REGULATIONS AND SCHEDULE OF INTERSTATE
CHARGES GOVERNING THE PROVISION OF
SWITCHED INTERSTATE TELECOMMUNICATIONS SERVICES

by

TelNet Worldwide, Inc.

BETWEEN LOCATIONS WITHIN THE UNITED STATES AS SPECIFIED HEREIN

This Tariff is posted pursuant to 47 CFR §§ 42.10 and 61.19

CHECK SHEET

The Title Page and pages listed below of this Tariff are effective as of the date shown. Revised sheets contain all changes from the original Tariff that are in effect on the date indicated.

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CONCURRING CARRIERS

None

CONNECTING CARRIERS

None

OTHER PARTICIPATING CARRIERS

None

SYMBOLS

When changes are made in any tariff sheet, a revised sheet will be issued replacing the tariff sheet affected. Changes will be identified on the revised sheet through the use of the following symbols:

- (C) Indicates Changed Regulation
- (D) Indicates Discontinued Rate or Regulation
- (I) Indicates Rate Increase
- (M) Indicates Move in Location of Text
- (N) Indicates New Rate or Regulation
- (R) Indicates Rate Reduction
- (T) Indicates Change of Text Only

EXPLANATION OF ABBREVIATIONS

IXC Interexchange carrier.

LATA Local Access and Transport Area. A geographic area established by the United States District Court for the District of Columbia in Civil Action No. 17-49, within which a Local Exchange Carrier provides communications services.

LEC Local Exchange Carrier.

SECTION 1 – DEFINITIONS

Access Line - An arrangement which connects the Customer's telephone to a TelNet designated switching center or point of presence.

Authorization Code - A pre-defined series of numbers to be dialed by the Customer or Authorized User on access to TelNet's network to identify the caller and validate the caller's authorization to use the services provided.

Authorized User - A person, firm, corporation, or any other entity authorized by the Customer to utilize the Carrier's service under the terms and conditions of this Tariff. The Customer remains responsible for payment of services.

Calling Card - A billing convenience whereby the End User may bill the charges for a call to an approved telephone company-issued calling card. The terms and conditions of the local telephone company will apply to payment arrangements.

Commission - Federal Communications Commission.

Company or Carrier - TelNet Worldwide, Inc., unless otherwise clearly indicated by the context.

Customer - The person, firm, corporation or other entity which orders, cancels, amends or uses service and is responsible for payment of charges and compliance with this Tariff.

Equal Access - A form of dialed access provided by local exchange companies whereby interexchange calls dialed by the Customer are automatically routed to the Company's network. Presubscribed Customers may also route interexchange calls to the Company's network by dialing an access code supplied by the Company.

TelNet - TelNet Worldwide, Inc.

SECTION 1 - DEFINITIONS, (CONT'D.)

Personal Identification Number (PIN) - See Authorization Code.

Premises - The physical space designated by the Customer for the termination of the Company's service.

Serving Wire Center - A specified geographic point from which the vertical and horizontal coordinate is used in calculation of airline mileage.

Subscriber - See Customer.

Switched Access Origination/Termination - Where access between the customer and the IXC is provided on local exchange carrier Feature Group circuits and the connection to the customer is a LEC-provided business or residential access line. The cost of switched Feature Group access is billed to the IXC.

United States - The forty-eight states contained within the mainland United States, the District of Columbia, Alaska and Hawaii.

V & H Coordinates - Geographic points which define the originating and terminating points of a call in mathematical terms so that the airline mileage of the call may be determined. Call mileage may be used for the purposed of rating calls.

SECTION 2 - RULES AND REGULATIONS**2.1 Undertaking of TelNet Worldwide, Inc.**

TelNet's services and facilities are furnished for communications originating within the United States under terms of this Tariff. The Company's services and facilities are available twenty-four (24) hours per day, seven (7) days per week.

TelNet arranges for installation, operation, and maintenance of the communications services provided in this Tariff for Customers in accordance with the terms and conditions set forth under this Tariff. TelNet 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 TelNet's network. The Customer shall be responsible for all charges due for such service arrangement.

On suitable notice, TelNet may make such tests, adjustments, and inspections as may be necessary to maintain the Company facilities in satisfactory condition. No interruption allowance will be credited to the Customer for the periods during which TelNet makes such tests, adjustments, or inspections.

2.2 Use

The Customer may use services provided under this Tariff for any lawful telecommunications purpose for which the service is technically suited.

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.3 Limitations**

- 2.3.1** TelNet's service offering is subject to the availability of the necessary facilities and/or equipment and subject to the provisions of this Tariff. The Company may decline applications for service to or from a location where the necessary facilities or equipment are not available. The Company may discontinue furnishing service in accordance with the terms of this Tariff.
- 2.3.2** TelNet reserves the right to discontinue service when conditions beyond its control so necessitate, or when the Customer is using the service in violation of either the provisions of this Tariff or the law.
- 2.3.3** TelNet does not undertake to transmit messages, but offers the use of its facilities when available, and it will not be liable for errors in transmission or for failure to establish connection.
- 2.3.4** TelNet reserves the right to discontinue service, limit service, or to impose requirements on Customers as required to meet changing regulatory or statutory rules and standards, or when such rules and standards have an adverse material affect on the business or economic feasibility of providing service, as determined by TelNet in its reasonable judgment.
- 2.3.5** TelNet may limit or discontinue service, without notice to the Customer, by blocking traffic to certain countries, cities, or NXX exchanges, or by blocking calls using certain Authorization Codes, when TelNet deems such action necessary to be necessary for the prevention of unlawful use of its service. TelNet will restore service as soon as it can be provided without undue risk. On request by the Customer affected, TelNet will assign a new Authorization Code to replace the deactivated Authorization Code.

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.4 Assignment or Transfer

The Company directly or indirectly controls all service under this Tariff and neither the Customer nor its Authorized Users may transfer or assign the use of service without TelNet's express prior written consent. Further, such transfer or assignment shall only apply where there is no interruption of the use or location of service. All terms and conditions contained in this Tariff shall apply to all such permitted transferees or assignees, as well as all conditions of service.

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.5 Liability

- 2.5.1** TelNet's liability for damages of any nature arising from errors, mistakes, omissions, interruptions, or delays of the Company, its agents, servants, or employees, in the course of establishing, furnishing, rearranging, moving, terminating, maintaining, restoring, or changing the service or facilities or equipment shall not exceed an amount equal to the charges applicable under this Tariff (calculated on a proportionate basis where appropriate) to the period during which such error, mistake, omission, interruption or delay occurs.
- 2.5.2** TelNet shall in no event be liable for any incidental, indirect, special, or consequential damages (including lost revenue or profits) of any kind whatsoever regardless of the cause or foreseeability thereof.
- 2.5.3** When the services or facilities of other common carriers are used separately or in conjunction with the Company's facilities or equipment in establishing connection to points not reached by the Company's facilities or equipment, TelNet shall not be liable for any act or omission of such other common carriers or their agents, servants or employees.

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.5 Liability, (Cont'd.)

- 2.5.4** TelNet shall not be liable for any failure of performance hereunder if such failure is due to any cause or causes beyond TelNet's reasonable control. Such causes shall include, without limitation, acts of God, vandalism, cable cut, fire, explosion, 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 service to restore service in compliance with the Commission's Rules and Regulations.
- 2.5.5** TelNet shall not be liable for interruptions, delays, errors, or defects in transmission, or for any injury whatsoever, caused by the Customer, the Customer's agents, or Authorized Users, or by facilities or equipment provided by the Customer.
- 2.5.6** TelNet shall not be liable for any claim, loss, or refund as a result of loss, theft or fraudulent use of Authorization Codes or Personal Identification Numbers issued for use with TelNet's services.

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.5 Liability, (Cont'd.)**

2.5.7 The Customer shall indemnify, defend and hold harmless the Company (including the costs of reasonable attorney's fees) against:

- (a) Claims for libel, slander, infringement of copyright or unauthorized use of any trademark, trade name or service mark arising out of the material, data, information, or other content transmitted over the Company's facilities or equipment;
- (b) Claims for patent infringement arising from combining or connecting the Company's facilities or equipment with facilities, equipment, apparatus or systems of the Customer; and
- (c) All other claims (including, without limitation, claims for damage to any business or property, or injury to, or death of, any person) arising out of any act or omission of the Customer, the Customer's agents or Authorized Users, in connection with any service or facilities or equipment provided by the Company.

2.5.8 TelNet shall not be liable for any act or omission of any entity furnishing to the Company or the Company's customers' facilities or equipment used for or with the services the Company offers.

2.5.9 TelNet shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of Customer provided equipment or facilities.

2.5.10 The Company shall neither be liable for the claims of vendors supplying equipment to Customers of the Company which may be installed at the premises of the Company, nor the performance of said vendor or vendor's equipment.

2.6 Minimum Period

The minimum period for which TelNet will provided services under this Tariff and for which rates and charges are applicable is one (1) month unless otherwise specified in this Tariff or in a mutually agreed on contract. When a service is discontinued prior to the expiration of the minimum period, charges are applicable whether the service is used or not.

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.7 Billing and Payment for Service****2.7.1 Responsibility for Charges**

Charges for installations, service connections, moves, rearrangements, and prepaid services, where applicable, are payable on demand to the Company or its authorized agent. Billing thereafter will include recurring charges and actual usage as defined in this Tariff.

The Customer is responsible for payment of all charges for services and equipment furnished to the Customer for transmission of calls via the Company. In particular and without limitation to the foregoing, the Customer is responsible for any and all cost(s) incurred as the result of:

- a) any delegation of authority resulting in the use of his or her communications equipment and/or network services which result in the placement of calls via the Company;
- b) any and all use of the service arrangement provided by the Company, including calls which the Customer did not individually authorize;
- c) any calls placed by or through the Customer's equipment via any remote access feature(s);
- d) any calls placed as a result of the Customer's intentional or negligent disclosure of Authorization Codes or PIN numbers assigned to the Customer; and
- e) any and all calls placed to an 800/888 service number provided to the Customer by the Company.

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.7 Billing and Payment for Service, (Cont'd)****2.7.2 Payment for Service**

All charges due by the Customer are payable to TelNet or any agent that TelNet authorizes to receive such payments. The billing agent may be the Company, a local exchange telephone company, credit card company, or other billing service. Terms of payment shall be according to the rules and regulations of the agent and subject to the rules of regulatory bodies having jurisdiction. Any objections to billed charges must be promptly reported to the Company or its billing agent. Adjustments to Customers' bills shall be made to the extent that circumstances exist which reasonably indicate that such changes are appropriate.

Payments for service provided in association with Company-issued Debit Services must be received by the Company or its authorized agent prior to activation of the Customer's Debit Account. The Company reserves the right to place the Available Balance for the Customer's Debit Account on hold until the check or draft presented for payment clears or is paid.

2.7.3 Late Payment Fees

TelNet may assess a one time late payment fee of 1.5% for any past due charges. Charges are past due if unpaid thirty (30) days following the date of the bill listing the amounts owed by the Customer. TelNet will assess applicable late payment fees according to the terms and conditions of the Company or its billing agent.

2.7.4 Return Check Charge

TelNet may assess a return check charge of \$20.00 whenever a check or draft presented for payment of service is not accepted by the institution on which it is written. The Company will assess any applicable return check charges according to the terms and conditions of the Company or its billing agent.

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.8 Deposits**

TelNet has the right to examine the Customer's credit record. If the Customer's financial condition is unknown or unacceptable to TelNet, then TelNet may require the Customer to provide TelNet a security deposit which the Company may apply against overdue charges. The amount of the security deposit shall not exceed two months' estimated usage, may vary with the Customer's credit history and projected usage, and be collected and maintained in accordance with Commission rules. The fact that a security deposit has been made in no way relieves the Customer from the prompt payment of bills on presentation.

2.9 Advance Payments

For Customers for whom the Company determines an advance payment is necessary, TelNet reserves the right to collect an amount not to exceed two (2) months' estimated charges as an advance payment for service. This will be applied against the next month's charges and a new advance payment may be collected for the next month, if necessary.

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.10 Taxes and Fees**

The Company reserves the right to bill any and all applicable taxes and fees in addition to normal rates and charges for services provided to the customer. Taxes and fees include, but are not limited to: Federal Excise Tax, State Sales Tax, Municipal Tax, and Gross Receipts Tax. Unless otherwise specified in this Tariff, such taxes and fees are in addition to rates as quoted in this Tariff, and TelNet will itemize such taxes and fees separately on Customer invoices.

2.11 Terminal Equipment

The Company's facilities and service may be used with or terminated in terminal equipment or communications systems such as a PBX, key system, single line telephone, or pay telephone. Such terminal equipment shall be furnished and maintained at the expense of the Customer. 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 TelNet 's service. When such terminal equipment is used, the equipment shall comply with the generally accepted minimum protective criteria standards of the telecommunications industry.

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.12 Interconnection**

- 2.12.1** TelNet's service may be interconnected with services or facilities of other authorized communications common carriers and with private systems, subject to technical limitations established by the Company. Service furnished by the Company is not part of a joint undertaking with such other common carriers or systems. The Company does not undertake to provide any special facilities, equipment, or services to enable the Customer to interconnect the facilities or the equipment of the Company with services or facilities of other common carriers or with private systems.
- 2.12.2** Interconnection with the services or facilities of other common carriers shall be under the applicable terms and conditions of this Tariff and the other common carrier's Tariff or equivalent.
- 2.12.3** The Customer shall ensure that the facilities or equipment provided by the Customer are properly interconnected with the facilities or equipment of the Company. If the Customer maintains or operates the interconnected facilities or equipment in a manner which results or may result in harm to the Company's facilities, equipment, personnel, or the quality of service, the Company may, on written notice, require the use of protective equipment at the Customer's expense. If this written notice fails to eliminate the actual or potential harm, the Company may, on written notice, terminate the existing service of the Customer.

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.13 Allowances for Interruption of Service**

Credit allowances for interruptions of service which are not due to the Company's inspection or testing, to the negligence of the Customer, or to the failure of channels, equipment and/or communications systems provided by the Customer, are subject to the general liability provisions set forth in this Tariff.

Credit allowances for interruptions of service caused by service outages or deficiencies are limited to the initial minimum period call charges for re-establishing the interrupted call.

The Customer shall have the obligation to notify the Company immediately of any interruption in service for which the Customer desires a credit allowance. Before giving such notice, the Customer shall ascertain that the trouble is not within his or her control, or is not in wiring or equipment, if any, furnished by Customer.

Interruptions caused by Customer-provided or Company-provided automatic dialing equipment are not deemed an interruption of service as defined herein because the Customer has the option of using the long distance network via LEC access.

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.14 Cancellation by the Customer**

The Customer may discontinue service with written notice to the Company, subject to any applicable term agreements. The Company shall hold the Customer responsible for payment of all bills for service furnished until the cancellation date specified by the Customer or until the date that the written cancellation notice is received, whichever is later.

2.15 Refusal or Discontinuance by the Company

TelNet will continue to provide service until canceled by the Customer, in writing, or until discontinued by the Company as set forth below. TelNet may render bills subsequent to the termination of service for charges incurred before termination.

2.15.1 For Nonpayment: The Company, by written notice to the Customer and in accordance with applicable law, may discontinue service or cancel an application for service without incurring any liability when there is an unpaid balance for service that is more than 30 days overdue.

2.15.2 For Returned Checks: The Customer whose check or draft is returned unpaid for any reason, after two attempts at collection, shall be subject to discontinuance of service in the same manner as provided for nonpayment of overdue charges.

2.15.3 For Lack of Use: The Company, by written notice to the Customer, may discontinue service in the same manner as provided for nonpayment of overdue charges if after sixty (60) days the service has not been used.

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.15 Refusal or Discontinuance by the Company, (Cont'd.)

- 2.15.4** For any violation of law or of any of the provisions governing the furnishing of service under this Tariff: The Customer shall be subject to discontinuance of service, without notice, for any violation of any law, rule, regulation or policy of any government authority having jurisdiction over service, or by reason of any order or decision of a court or other government authority having jurisdiction which prohibits the Company from furnishing such service.
- 2.15.5** For the Company to comply with any order or request of any governmental authority having jurisdiction: The Customer shall be subject to discontinuance of service, without notice, for the Company to comply with any order or request of any governmental authority having jurisdiction.
- 2.15.6** For unauthorized or unlawful use of Authorization Codes: TelNet issues Authorization Codes only to the Customer, and such Authorization Codes may not be sold or otherwise distributed without Telnet's written consent. Any unauthorized or unlawful use of such numbers or codes shall result in the immediate termination of service without notice

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.16 Restoration of Service**

If service has been discontinued for nonpayment or as otherwise provided herein and the Customer wishes it continued, service shall, at the Company's discretion, be restored when all past due amounts are paid or the event giving rise to the discontinuance (if other than nonpayment) is corrected.

2.17 8XX Numbers

2.17.1 The Company will make every effort to reserve "8XX" vanity numbers on behalf of customers, but makes no guarantee or warrantee that the requested "8XX" number(s) will be available or assigned to the customer requesting the number.

2.17.2 8XX numbers shared by more than one Customer, whereby individual customers are identified by a unique Personal Identification Number, may not be assigned or transferred for use with service provided by another carrier. Subject to the limitations provided in § 2.18.2, the Company will only honor Customer requests for change in Resp Org or 8XX service provider for 8XX numbers dedicated to the sole use of that single Customer.

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.18 Use of Recording Devices**

Customers and Authorized Users who use recording devices do so at their own risk. A Customer or Authorized User may only use a recording device only as authorized by applicable federal, state and local laws.

2.19 Miscellaneous Rates and Charges

TelNet may adjust its rates and charges or impose additional rates and charges on its Customers in order to recover amounts it is required by governmental or quasi-governmental authorities to collect from or pay to others in support of statutory or regulatory programs. Examples of such programs include, but are not limited to, the Universal Service Fund, the Presubscribed IXC Charge, and compensation to payphone service providers for the use of their payphones to access TelNet services.

2.20 Prohibited Uses

The Customer shall not use TelNet's services for any unlawful purpose or for any use to which Customer has not obtained any and all required governmental approvals, authorization, licenses, consents and permits.

The Customer may not use the services so as to interfere with or impair service over any facilities and associated equipment, or so as to impair the privacy of any communications over such facilities and associated equipment.

The relationship between TelNet and Customer shall not be that of partners or agents for one of the other, and shall not be deemed to constitute a partnership or agency agreement.

SECTION 3 - SERVICE DESCRIPTIONS AND RATES**3.1 General**

TelNet offers direct dialed (1+), inbound toll-free (8XX), and calling card services for Communications originating and terminating within the United States under the terms of this Tariff.

Direct dial service is offered from originating locations within the mainland United States. Calls may be placed to locations within the mainland United States, Alaska, and Hawaii.

Inbound 8XX service is available to Customers served from locations within the mainland United States. Originating locations for calls placed to the Company's 8XX number services must be within the mainland United States, Alaska, Hawaii, Puerto Rico, and the U.S. Virgin Islands.

When a Customer elects to use the Company's calling card services, calls may be initiated from any location within the United States from which the caller can dial the appropriate access code(s). Calls may be placed to or from locations within the mainland United States, Alaska, Hawaii, Puerto Rico, and the U.S. Virgin Islands, and to locations in Guam and CNMI from locations within the mainland United States, Alaska, Hawaii, Puerto Rico, and the U.S. Virgin Islands.

Customers are billed based on their use of TelNet's network and services. Charges may vary by service offering, mileage band, class of call, time of day, day of week, and/or call duration.

SECTION 3 - SERVICE DESCRIPTION AND RATES, (CONT'D.)

3.2 Call Timing

Billing for calls placed over the Company's network is based in part on the duration of the call.

3.2.1 Timing for calls begins when a completed connection is established between the calling station and the called station.

3.2.2 Chargeable time for all calls ends when the calling station hangs up. If the called station hangs up but the calling station does not, chargeable time ends when the connection is released by automatic timing equipment in the telecommunications network.

3.2.3 For billing purposes, minimum call duration periods vary by service and are specified by product or option in subsequent sections of this Tariff.

3.2.4 For billing purposes, usage after the initial period varies by service and is specified by product or option in subsequent sections of this Tariff.

SECTION 3 - SERVICE DESCRIPTION AND RATES, (CONT'D.)**3.3 Calculation of Distance**

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

The distance between the originating and terminating points is calculated by using the "V" and "H" coordinates of the rate centers, as defined in industry publications, in the following manner:

Step 1: Obtain the "V" and "H" coordinates for the rate centers serving the Customer's location and the called/calling station.

Step 2: Obtain the difference between the "V" coordinates. Obtain the difference between the "H" coordinates.

Step 3: Square the differences obtained in Step 2.

Step 4: Add the squares of the "V" difference and "H" difference obtained in Step 3.

Step 5: Divide the sum of the square obtained in Step 4 by ten (10). Round to the next higher whole number if any fraction results from the division.

Step 6: Obtain the square root of the whole number obtained in Step 5. Round to the next higher whole number if any fraction is obtained. This is the distance between the originating and terminating locations of the call.

SECTION 3 - SERVICE DESCRIPTION AND RATES, (CONT'D.)

3.4 Rate Periods

3.4.1 Time of Day Rate Periods

Peak rates are 8:00 AM to 4:59 PM, Monday through Friday. Off-peak times are all other times.

3.4.2 [Reserved for Future Use]

SECTION 3 - SERVICE DESCRIPTION AND RATES, (CONT'D.)**3.5 Outbound Long Distance Services****3.5.1 Long Distance Service - Option 1**

Option 1 long distance service is a distance and time-of-day insensitive, outbound toll service available to residential and business customers. Customers are presubscribed to the Company's network or that of its underlying carrier. Calls are placed via Switched Access.

Calls placed to locations in the mainland United States, Alaska, and Hawaii are billed in six (6) second increments, with a minimum call duration of thirty (30) seconds.

Usage Charges:

The following rate applies to outbound calls placed to locations in the mainland United States, Alaska, and Hawaii.

Per Minute Rate: \$0.10

SECTION 3 - SERVICE DESCRIPTION AND RATES, (CONT'D.)

3.5 Calling Card Services

TelNet Calling Card Services are offered on a contract basis.

SECTION 4 - MISCELLANEOUS SERVICES AND RATES**4.1 Payphone Surcharge**

In order to recover the Company's expenses to comply with the FCC's pay telephone compensation plan effective on October 7, 1997 (FCC 97-371), an undiscountable per call charge is applicable to all interstate, intrastate, and international calls that originate from any domestic pay telephone used to access TelNet services. This surcharge, which is in addition to standard usage charges and any applicable service charges and surcharges associated with TelNet service, applies for the use of the instrument used to access TelNet service and is unrelated to the TelNet service accessed from the pay telephone.

Pay telephones include coin-operated and coinless phones owned by local telephone companies, independent companies and other IXCs. The Payphone Compensation Charge applies to the initial completed call and any reoriginated call (i.e., using the "#" symbol).

Whenever possible, the Payphone Surcharge will appear on the same invoice containing the usage charges for the surcharged call. In cases where proper pay telephone coding digits are not transmitted to the Company prior to completion of a call, the Payphone Surcharge may be billed on a subsequent invoice after the Company has obtained information from a carrier that the originating station is an eligible pay telephone.

The Payphone Surcharge does not apply to calls placed from pay telephones at which the Customer pays for service by inserting coins during the progress of the call.

Surcharge, per call	\$0.30
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SECTION 4 - MISCELLANEOUS SERVICES AND RATES, (CONT'D.)**4.2 Universal Service Fund Contribution**

In connection with the FCC's Universal Service Orders, TelNet will pay a percentage of its retail revenues to support the Universal Service Fund (USF). TelNet will pass-through the USF assessment to its customers by assessing a charge applicable against all retail interstate and international charges, including usage and non-usage charges. This surcharge is in addition to standard usage charges and any applicable service charges and surcharges associated with the Company's service. The Company's Universal Service Fee factor will match the relevant quarterly Universal Service Contribution Factor approved by the FCC rounded up to the nearest tenth of a percent. Universal Service Contribution Factors are available at www.fcc.gov/ccb/universal_service/quarter.html.

SECTION 5 – PROMOTIONS**5.1 General**

TelNet, from time to time, at its option, promotes subscription or stimulates network usage by offering to waive some or all of the nonrecurring or recurring charges for the Customer (if eligible) of target services for a limited duration. Such promotions shall be made available to all similarly situated Customers in the target market area.

5.2 Demonstration of Service

From time to time the Company may demonstrate service for potential customers by providing free use of its network on a limited basis for a period of time, not to exceed one (1) month. Demonstration of service and the type and duration of service provided will be at the Company's discretion.

5.3 Comparable Pricing Promotion

TelNet may, at its discretion, match certain standard or promotional offerings of other IXCs or resellers in order to acquire new Customers or retain existing Customer accounts. The Customer must demonstrate to the Company's satisfaction that 1) an alternative service offering is valid and currently available from a competing IXC or reseller and 2) the Customer intends to either subscribe to or remain subscribed with the competing IXC or reseller.

SECTION 6 - CONTRACT SERVICES**6.1 General**

TelNet may, at its option, offer service on a contract basis to meet the Customer's specialized requirements that are not contemplated in this Tariff. The terms of each contract shall be mutually agreed on between the Customer and Company and may include discounts off of rates contained herein, waiver of recurring or nonrecurring charges, charges for specially designed and constructed services not contained in the Company's general service offerings, or other customized features. The terms of the contract may be based partially or completely on the term and volume commitment, type of originating or terminating access, mixture of services or other distinguishing features. Service shall be available to all similarly situated Customers for a fixed period of time following the initial offering to the first contract Customer as specific in each individual contract.