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

ATTORNEYS AT LAW

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ROBERT M. TAYLOR RON W. KIMBREL PATRICK D. CROCKER THOMAS A. BIRKHOLD RUSSELL B. BAUGH ANDREW J. VORBRICH TYREN R. CUDNEY OF COUNSEL

JOHN T. PETERS, JR.

VINCENT T. EARLY
(1922-2001)
(1922-2001)
(1926-1992)

THOMESON BENNETT (1912-2004) October 23, 2006

Darlene Standley, Chief Telecommunications Division Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243

06-00268

RE: Neutral Tandem-Tennessee, LLC

Dear Ms. Standley:

Enclosed for filing with the Regulatory Authority, please find an original and three (3) copies of the above captioned corporation's APPLICATION FOR CERTIFICATE TO PROVIDE LOCAL AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES, along with a check in the amount of \$25.00 for filing fees relating to same and CONFIDENTIAL financials filed under separate cover.

Also enclosed is an exact duplicate of this letter. Please date-stamp the duplicate and return same to me in the enclosed postage-paid envelope.

Please contact the undersigned should you have any questions or concerns.

Very truly yours,

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

Patrick D. Crocker

RECEIVED

OCT 25 2006

enc

PDC/bmr

TN REGULA.

### BEFORE THE TENNESSEE REGULATORY AUTHORITY

IN THE MATTER OF THE APPLICATION OF NEUTRAL TANDEM-TENNESSEE, LLC FOR A CERTIFICATE TO PROVIDE COMPETING LOCAL AND INTEREXCHANGE TELECOMMUNICATION SERVICES

# APPLICATION FOR CERTIFICATE TO PROVIDE COMPETING LOCAL AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

Pursuant to applicable Tennessee Statutes and the Rules and Regulations of the Tennessee Regulatory Authority and Section 253 of the Federal Telecommunications Act of 1996, NEUTRAL TANDEM-TENNESSEE, LLC ("NT-TN" or "Applicant") respectfully requests that the Tennessee Regulatory Authority ("TRA") grant to NT-TN authority to provide competing local and interexchange telecommunications services, including facilities-based and resold local exchange and long distance telecommunications services, within the State of Tennessee. Applicant is willing and able to comply with all applicable rules and regulations in Tennessee, including TCA §65-4-201, pertaining to the provision of competing local telecommunications services.

In support of its Application, Applicant submits the following:

### 1. (a) The full name and address of the Applicant:

NEUTRAL TANDEM-TENNESSEE, LLC One South Wacker Drive, Suite 200 Chicago, IL 60606

Telephone: (312) 384-8000 Facsimile: (312) 346-3276 Toll Free: (866) 388-7258

### (b) Questions regarding this application should be directed to:

Patrick D. Crocker Early, Lennon, Crocker& Bartosiewicz, P.L.C. 900 Comerica Building Kalamazoo, MI 49007

Telephone: (269) 381-8844 Facsimile: (269) 381-8822

### (c) Contact name and address at the Company is:

Ron Gavillet, Executive Vice President NEUTRAL TANDEM-TENNESSEE, LLC One South Wacker Drive, Suite 200 Chicago, IL 60606

Telephone: (312) 384-8040 Facsimile: (312) 346-3276

2. Organizational Chart of Corporate Structure: Include any pertinent acquisition or merger information.

### See Exhibit A

### 3. Corporate information:

Applicant is a privately held limited liability company organized under the laws of the State of Delaware on August 28, 2006. Applicant is authorized to transact business within the State of Tennessee, effective September 12, 2006. A copy of the qualifying documents is provided in **Exhibit B**. The names and addresses of the principal corporate officers and governors are provided in **Exhibit C**. There are no officers in Tennessee. The biographies of the principal officers and any other key technical staff are in **Exhibit D**.

# 4. NT-TN possesses the managerial, technical, and financial ability to provide local telecommunications service in the State of Tennessee as demonstrated below:

### (a) Financial Qualifications:

NT-TN, a wholly-owned subsidiary of Neutral Tandem, Inc., was recently formed for the purpose of providing services in Tennessee. Accordingly, in support of its financial qualifications, NT-TN attaches financial statements for its parent company, Neutral Tandem, Inc., as **Exhibit E**.

Attached hereto as <u>Exhibit F</u> are the projected balance sheet, income statement, and statement of cash flows for 2006, 2007, and 2008. NT-TN intends to use a tandem switch and lease fiber optic facilities to provide services in Tennessee; however, NT-TN has not finalized facilities plans at this time and so no capital expenditures budget is available. While NT-TN anticipates having the necessary facilities available upon commencement of service in Tennessee, where NT-TN lacks facilities and where customer demand warrants, Applicant may resell the high capacity special access services, such as DS-1, DS-3, and multiplexing services, of other facilities-based carriers.

Neither NT-TN's financials nor their projected financials reflect any revenues or expenses associated with reciprocal compensation.

A Letter of Credit is provided as **Exhibit G**.

### (b) Managerial Ability:

As shown in Exhibit D to this Application, NT-TN has the managerial expertise to successfully operate a telecommunications enterprise in Tennessee. As described in the attached biographical information, NT-TN's management team has extensive management and business experience in telecommunications.

### (c) Technical Qualifications:

NT-TN's services will satisfy the minimum standards established by the TRA. The Company will file and maintain tariffs in the manner prescribed by the TRA and will meet minimum basic local standards, including quality of service and billing standards required of all LEC'S regulated by the TRA. Applicant will not require customers to purchase CPE, which cannot be used with the Incumbent Local Exchange Carrier's systems. As noted in the biographies (Exhibit D) of the principal officers, the officers have several years of telecommunications expertise. Thus, Applicant is certainly technically qualified to provide local exchange service in Tennessee.

### 5. Proposed Service Area:

Applicant proposes to provide both facilities-based and resold non-switched dedicated and private line services in the areas that are currently being served by BellSouth, GTE, Sprint, and any other eligible ILEC which is designated open to competition and to the extent authorized by the Commission and under the Telecommunications Act of 1996. Service will be provided twenty-four hours a day, seven days a week.

NT-TN is currently not authorized to provide telecommunications services in any jurisdiction. There is, however, a generally separate limited liability company set up for each of Neutral Tandem's affiliates by state. Neutral Tandem Inc. is the parent of each affiliate. Following is a list of affiliates with authority to provide service in other jurisdictions:

Neutral Tandem-California, LLC

Neutral Tandem-Colorado, LLC

Neutral Tandem-Florida, LLC

Neutral Tandem-Georgia, LLC

Neutral Tandem-Illinois, LLC

Neutral Tandem-Indiana, LLC Neutral Tandem-Maryland, LLC

Neutral Tandem-Michigan, LLC

Neutral Tandem-Minnesota, LLC

Neutral Tandem-Missouri, LLC Neutral Tandem-Nevada, LLC

Neutral Tandem-New Jersey, LLC

Neutral Tandem-New York, LLC

Neutral Tandem-Oregon, LLC

Neutral Tandem-Washington, LLC

also services Wisconsin

also services Ohio

also services Connecticut and Pennsylvania

Applicant's affiliates have authority to provide telecommunications services as indicated:

JURISDICTION	AUTHORIZED TO PROVIDE	DATE SERVICE COMMENCED
California	Local Exchange and Interexchange	Feb 2005
Colorado	Local Exchange and Interexchange	N/A
Connecticut	Local Exchange and Interexchange	Jan 2005
Florida	Local Exchange and Interexchange	Feb 2005
Georgia	Local Exchange and Interexchange	Aug 2005
Illinois	Local Exchange and Interexchange	Feb 2004
Indiana	Local Exchange and Interexchange	Oct 2005
Maryland	Local Exchange and Interexchange	N/A
Michigan	Local Exchange and Interexchange	Sep 2004
Minnesota	Local Exchange and Interexchange	Jul 2005
Missouri	Interexchange	N/A
Nevada	Local Exchange and Interexchange	N/A
New Jersey	Local Exchange and Interexchange	N/A
New York	Local Exchange and Interexchange	Aug 2004
Ohio	Local Exchange and Interexchange	Jan 2005
Oregon	Local Exchange and Interexchange	N/A
Virginia	Local Exchange and Interexchange	N/A
Washington	Local Exchange and Interexchange	N/A
Wisconsin	Local Exchange and Interexchange	Dec 2004

### 6. Types of Local Exchange Service to be provided:

Applicant seeks authority to provide both facilities-based and resold non-switched dedicated and private line services that will provide ILECs, CLECs, ISPs, paging and cellular companies, cable companies, and government and corporate customers with broadband transmission services.

Applicant will not be marketing to residential or small businesses; but primarily to other carriers. Applicant's initial service offering will consist of transport and access services for competitive carriers. Applicant has no plans to provide dial tone services to end user customers at this time. If Applicant does offer dial tone service in the future it will comply with all applicable state and federal regulations, including Chapter 1220-4-8-.04 (3) (b) and (c).

Applicant intends to expand its service offerings to include facilities-based and resold local exchange services and a full range of 1+ interexchange telecommunications services on a resale basis, as market conditions warrant.

### 7. Repair and Maintenance:

Applicant understands the importance of effective customer service for local service customers and has made arrangements for its customers to call the company at its toll-free customer service number 866-388-7258. In addition, customers may contact the company in writing at the headquarters address, as well as via email at billing@neutraltandem.com. The toll free number will be printed on the customer's monthly billing statements.

Customer service representatives are available from 8 a.m. to 8 p.m. Monday through Friday and from 9 a.m. to 1 p.m. Saturday (all times Central) to address customer complaints. Customers who are unsatisfied with the initial resolution offered by a customer service representative will be referred to a supervisor. A customer who is dissatisfied with the

resolution offered by a supervisor will be referred to the Tennessee Regulatory Authority. The Company will establish a dedicated representative of its legal department for receipt of such escalated complaints from the Commission. The Tennessee contact person knowledgeable about providers operations is Ron Gavillet, reference 1.(c) above.

Grant of the Application will further the goals of the Tennessee Legislature and further the public interest by expanding the availability of competitive telecommunications services in the State of Tennessee. In addition, intrastate offering of these services is in the public interest because the services will provide Tennessee customers increased efficiencies and cost savings. Authorizing NT-TN to provide local exchange telecommunications services will enhance materially the telecommunications infrastructure in the State of Tennessee and will facilitate economic development.

In particular, the public will benefit both directly, through the use of the competitive services to be offered by NT-TN and indirectly, because NT-TN's presence in Tennessee will increase the incentives for other telecommunications providers to operate more efficiently, offer more innovative services, reduce their prices, and improve their quality of service. Grant of this Application will further enhance the service options available to Tennessee citizens for the reasons set forth above.

- 8. Small and Minority-Owned Telecommunications Business Participation Plan: (65-5-212): See Exhibit H
- 9. Toll Dialing Parity Plan: See Exhibit I
- 10. Applicant has served notice of this application to the eighteen (18) incumbent local exchange telephone companies in Tennessee with a statement regarding the company's intention of operating geographically. See Exhibit J for the list.
- 11. Numbering Issues: Statement provided in Exhibit K
- 12. Tennessee Specific Operational Issues: Statements provided in Exhibit L
- 13. Waivers and Regulatory Compliance

Applicant requests that the Commission grant it a waiver of those regulatory requirements inapplicable to competitive local service resellers as stated below and referenced in Tennessee Rules and Regulations Chapter 1220-4-1-. 1 1 and Chapter 1220-4-2-.09. Such rules are not appropriate or necessary for competitive providers and constitute an economic barrier to entry into the local exchange market.

### 1. Financial Record-Keeping System

a. Applicant requests that it be exempt from any record-keeping rules or regulations that might require a carrier to maintain its financial records in conformance with the Uniform System of Accounts ("USOA"). The USOA was developed by the FCC as a means of regulating telecommunications companies subject to rate base regulation, and as a competitive carrier, Applicant does not maintain its financial records in this manner.

- b. As a competitive carrier, Applicant maintains its book of accounts in accordance with Generally Accepted Accounting Principles ("GAAP"). Neither the FCC, nor the Commission, has required Applicant to maintain its records under the USOA for purposes of Applicant's interexchange operations. Thus, Applicant does not possess the detailed cost data required by USOA, nor does it maintain detailed records on a state specific basis. As a competitive provider, Applicant's network operations are integrated to achieve maximum efficiency. Having to maintain records pertaining specifically to its Tennessee local service operations would place an extreme burden on Applicant.
- c. Moreover, Applicant asserts that because it utilizes GAAP, the Commission will have a reliable means by which to evaluate Applicant's operations. Therefore, Applicant hereby respectfully requests to be exempted from the any USOA requirements of the Commission.
- d. The Applicant does agree that it will provide wire line activity reports as required by Commission rules and regulations.

### 14. Miscellaneous:

- A. Sworn Pre-filed testimony: Exhibit M
- B. Applicant does not require customer deposits
- C. Applicant has not been subject to any complaints.
- D. Applicant's tariffs: Exhibit N.

### **CONCLUSION:**

NT-TN respectfully requests that the TRA enter an order granting it a certificate of convenience and necessity to provide competing facilities-based and resold local exchange and long distance telecommunications service throughout the State of Tennessee in the service areas of Bell South, GTE and Sprint and any other ILEC that does not enjoy a rural exemption under Section 251(f) of the Telecommunications Act of 1996. For the reasons stated above, NT-TN's provision of these services would promote the public interest by providing high-quality service at competitive prices and by creating greater economic incentives for the development and improvement for all competing providers.

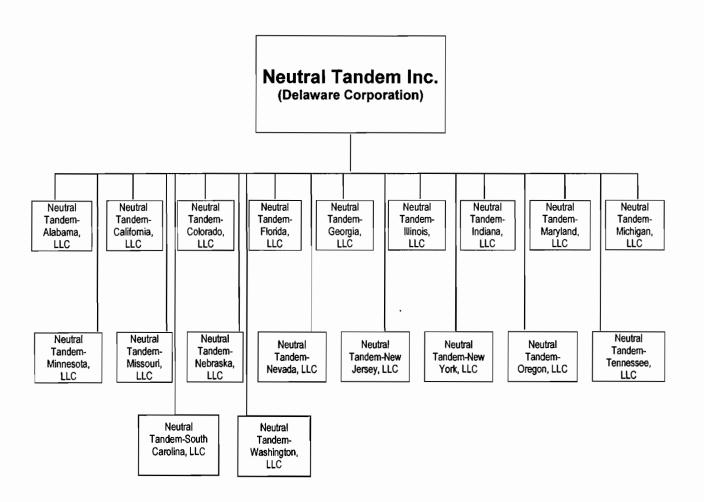
Respectfully submitted this 32 day of October 2006.

NEUTRAL TANDEM-TENNESSEE, LLC

Ron Gavillet, Executive Vice President

# **EXHIBIT A**

# **Organizational Chart of Corporate Structure**



# **EXHIBIT B**

# **Articles of Organization**

and

**Certificate of Authority to Transact Business in Tennessee** 

Delaware

PAGE 1

# The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "NEUTRAL TANDEM-TENNESSEE, LLC", FILED IN THIS OFFICE ON THE TWENTY-EIGHTH DAY OF AUGUST, A.D. 2006, AT 5:52 O'CLOCK P.M.

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 5005510

DATE: 08-29-06

4211643 8100 060801410

# STATE of DELAWARE LIMITED LIABILITY COMPANY CERTIFICATE of FORMATION

	Second: The address of its registered office in the State of Delaware is $\frac{2711}{1}$	
	Centerville Road Suite 400 in the City of Wilmington, DE 19808	The
	name of its Registered agent at such address is Corporation Service Company	
	Third: (Use this paragraph only if the company is to have a specific effective dissolution: "The latest date on which the limited liability company is to disso	
	Fourth: (Insert any other matters the members determine to include herein.)	
,		
,		
,	water the state of	
•	Witness Whereast the undersigned have executed this Cartificate of Formation	n this
h	Witness Whereof, the undersigned have executed this Certificate of Formation day of day of, 20	n this
h	Witness Whereof, the undersigned have executed this Certificate of Formation day of August, 20 06.	n this
h	Witness Whereof, the undersigned have executed this Certificate of Formation day of August , 20 06  By: Authorized Pe	

Typed or Printed

State of Delaware Secretary of State Division of Corporations Delivered 05:53 PM 08/28/2006 FILED 05:52 PM 08/28/2006 SRV 060801410 - 4211643 FILE

RDA 2458

coate of Tennest Con Line 1980	CATION FOR 2006 SEP LL AND EL					
Benertment of State on CERTIFICAT	TE OF AUTHORITY					
Corporate Pilings CRETARY Of Limited L 312 Eighth Avenue North CRETARY OF Limited L 6th Floor, William R. Snodgrass Tower Nashville, TN 37243  (For use on	inbility Company) And After 1/1/2006) SECRET, RY OF STATE					
To the Secretary of State of the State of Tennessee:						
Pursuant to the provisions of §48-249-904 of the Tennessee Revised Limited Liability Company Act, the undersigned hereby applies for a certificate of authority to transact business in the State of Tennessee, and for that purpose sets forth:						
1. The name of the Limited Liability Company is: Neutral T	andem-Tennessee, LLC					
If different, the name under which the certificate of author	ity is to be obtained is:					
eign Limited Liability Company if its name of of the Tennessee Revised Limited Liability (	ssee may not issue a certificate of authority to a for- loes not comply with the requirements of § 48-249-106 Company Act. If obtaining a certificate of authority ny name, an application must be filed pursuant to § 48-					
2. The state or country under whose law it is formed is: De	laware					
and its date of its formation is: August 28, 2006	(must be month, day and year)					
<ol> <li>The complete street address (including zip code) of its p</li> <li>S. Wacker Drive Suite 200 Chicago, IL 60606</li> </ol>	rincipal executive office is:					
Street City/State	Zip Code					
4. The complete street address (including the county and t 2908 Poston Avenue, Nashville, TN 37203 (Davidson Cou	he zip code) of its registered office in Tennessee: nty)					
Street City/State	County Zip Code					
The name of its registered agent at that office is: Corporati	ion Service Company					
5. If the provisions of TCA §48-249-309(i) (relating to foreign section should be attached as part of this document.						
6. The number of members at the date of filing if more tha	t six (6):					
7. If the limited liability company commenced doing busined date of commencement (month, day and year)	ness in Tennessee prior to the approval of this application, the					
NOTE: This application must be accompanied by a certificate of existence (or a document of similar import) duly authenticated by the Secretary of State or other official having custody of the Limited Liability Company records in the state or country under whose law it is organized. The certificate shall not bear a date of more than two (2) months prior to the date the application is filed in this state.						
September 6, 2006	Neutral Tandem-Tennessee, LLC					
Signature Date	Name of Limited Liability Company					
Manager	100					
Manager Signer's Capecity	Signature  Paranti Constillat					
	Signature Ronald Gavillet Name (typed or printed)					

Filing Fee: \$50 per member / minimum fee=\$300, meximum fee=\$3.000

88-4233 (Rev. 01/06)

# **EXHIBIT C**

# **Principal Officers**

Rian J. Wren

One South Wacker Drive, Suite 200

Chicago, IL 60606

Telephone: (312) 384-8000

Ron Gavillet

One South Wacker Drive, Suite 200

Chicago, IL 60606

Telephone: (312) 384-8040

Rob Junroski

One South Wacker Drive, Suite 200

Chicago, IL 60606

Telephone: (312) 384-8000

**President and Chief Executive Officer** 

**Executive Vice President** 

**Chief Financial Officer** 

### **EXHIBIT D**

### **Biographies of Principal Officers**

### and

### **Technical Qualifications**

**Rian J. Wren,** President and Chief Executive Officer, is a telecommunications industry veteran and pioneer of IP telephony. As Senior Vice President and General Manager of Telephony for Comcast Cable, Wren was responsible for the overall delivery of telephony services for the country's leading cable and broadband communications provider until joining Neutral Tandem in February 2006.

Wren joined Comcast in 1999 and was named CEO of Broadnet, Comcast's international wireless company in 2000. After returning to Comcast Business Communications (CBC), he served as the business unit's President where he had management and leadership responsibility for providing network solutions to Comcast's business customers.

Prior to joining Comcast, Wren held several senior management positions at AT&T, including President of the Southeast Region, and worked in the Consumer, Business, Network Services, and Network Systems Manufacturing organizations for more than 20 years.

Wren holds a Bachelor of Science degree in Electrical Engineering from the New Jersey Institute of Technology and an M.B.A. from Stanford University.

Ron Gavillet is the Executive Vice President of External Affairs of Neutral Tandem-California, LLC and its parent Neutral Tandem, Inc. Most recently, Ron served as Executive Vice President External Affairs General Strategy and and Counsel for MCG Corp.'s Biznessonline.com, Inc. In addition, after 5 years in private practice with the law firm Skadden, Arps, Slate, Meagher & Flom, Ron held senior legal & strategy positions with MCI, Universal Access, Vertex Broadband Corp., and USN Communications, Inc. Ron has authored several articles on telecommunications and was the Founder and Co-Chair of the Federal Communications Bar Association Midwest Chapter. Ron has both a B.A. in Communications and a B.S. in Political Science from Southern Illinois University; a J.D. from the Columbus School of Law at Catholic University of America; and Masters in Management from the Kellogg Graduate School of Management at Northwestern University.

Rob Junkroski is the Chief Financial Officer of Neutral Tandem-California, LLC and its parent, Neutral Tandem, Inc. Mr. Junkroski was most recently Vice President of Finance with Focal Communications. His responsibilities included managing all the working capital functions within the company including accounts payable and receivable, credit and collections, carrier and enduser billing, regulatory compliance and real estate management. Mr. Junkroski previously served as Treasurer and Controller and was responsible for all the accounting, revenue assurance, audit, cash and risk management and customer credit functions. Mr. Junkroski was also involved with capital raising activities at Focal totaling \$1 billion. Before joining Focal, Mr. Junkroski was Controller for Brambles Equipment Services, Inc. and Focus Leasing Corporation.

**Surendra Saboo,** is the Chief Operating Officer and Executive Vice President. Most recently, Mr. Saboo was the Vice President of Operations for wireless services at Comcast. He brings more than 20 years of executive management experience in the telecommunications industry to Neutral Tandem. Saboo joined Comcast in June 2000 as Executive Vice President and Chief Operating Officer of Broadnet, a pan-European subsidiary of Comcast, where he was responsible for launching broadband services in six countries within 12 months. In 2002, he returned to the U.S. and became the Vice President of Product Development and Operations for Comcast's voice business. In this capacity, he was responsible for the turn-around of the circuit-switched business to profitability and launching of the VoIP based Comcast digital voice service.

Prior to joining Comcast, he was the Chairman, CEO and Founder of Teledigm, an e-CRM software product company in Dallas. Prior to starting Teledigm, he spent 14 years at AT&T in a variety of operating areas including research and development, engineering, product management, strategy, systems development and operations. He began his career with AT&T in 1986 as a Member of Technical Staff at Bell Laboratories in Holmdel, NJ.

Saboo holds a B.S. degree in Mechanical Engineering, a Masters in Industrial and Systems Engineering, and a Ph.D in Operations Research. He has also completed the Advanced Management Program at Hawaii University.

### **TECHNICAL QUALIFICATIONS**

### A. Proposed Network Data:

1. Geographic area coverage: (e.g., Nashville, Memphis, Knoxville, entire state, etc.) Specify areas which will be excluded

Applicant requests authority throughout the entire State of Tennessee.

2. Location of switches - i.e., cities.

Applicant has not finalized facilities plans at this time.

3. Method of deployment

Applicant has not finalized facilities plans at this time.

4. Type of equipment: (e.g., DMS-100 or 5ESS, etc., Fiber Rings, etc.)

Applicant intends to use a tandem switch and lease fiber optic facilities. However, where Applicant lacks facilities and where customer demand warrants, Applicant may resell the high capacity special access services, such as DS-1, DS-3, and multiplexing services, of other facilities-based carriers.

5. Services offered (If voice grade service is provide, will 911, etc, be offered)

Applicant intends to provide both facilities-based and resold nonswitched dedicated and private line services that will provide ILECs, CLECs, ISPs, paging and cellular companies, cable companies, and government and corporate customers with broadband transmission services throughout Tennessee. Service will be provided 24 hours a day, seven days a week.

Applicant will not be marketing to residential or small business; but primarily to other carriers. Applicant's initial service offering will consist of transport and access services for competitive carriers. Applicant has no plans to provide dial tone services to end user customers at this time. If Applicant does offer dial tone service in the future, it will comply with all applicable state and federal regulations.

Applicant intends to expand its service offerings to include facilities-based and resold local exchange services and a full range of 1+ interexchange telecommunications services on a resale basis as market conditions warrant.

B. Specify engineering expertise: (i.e., retained firm, staff electrical engineer, etc.) Data regarding key technical staff.

Applicant maintains a network operations center that is staffed 24-hours a day. Further, Applicant's facilities will be maintained under the supervision of its COO/EVP, Surendra Saboo, who has more than 20 years of executive management experience in the industry, as evidenced in the biography included in this Exhibit D.

C. State if there are any special CPE (Customer Provided Equipment) requirements that would not be compatible with an incumbent carrier.

There are no special CPE requirements that would not be compatible with an incumbent carrier.

### D. Repair and Maintenance

1. Ensure customer service will meet needs of customer.

All complaints will be referred to the Customer Service Department, which will respond promptly to the customer. NT-TN maintains a toll-free customer service number between the hours of 8:00 am and 5:00 pm prevailing Central Standard Time to address service, billing, and repair complaints.

If a complaint is not resolved to the customer's satisfaction within the Company, the customer will be directed to seek assistance from the Tennessee Regulatory Authority.

2. Phone number for repair and maintenance (customer service)

Toll Free number for repair and maintenance is 1-888-380-2721.

3. Address for written communication of repair and maintenance

NEUTRAL TANDEM-TENNESSEE, LLC One South Wacker Drive, Suite 200 Chicago, IL 60606

4. Name and address of Tennessee contact person responsible for and knowledgeable about provider's operations.

Ron Gavillet, CEO
NEUTRAL TANDEM-TENNESSEE, LLC
One South Wacker Drive, Suite 200
Chicago, IL 60606
Telephone: (212) 543, 1660

Telephone: (312) 543-1660 Facsimile: (312) 264-0179

### **EXHIBIT E**

### **Current Financial Statements**

### **CONFIDENTIAL TREATMENT REQUESTED**

### FILED UNDER SEAL

The financial statements of Neutral Tandem Inc. ("NTI") are being filed under separate cover. Neutral Tandem-Tennessee, LLC is a wholly owned subsidiary of NTI.

These documents demonstrate the company's financial ability to provide the proposed services. NTI is a privately-held company and as such its financial statements are not public information, but rather confidential and proprietary information. These financial statements are therefore submitted under seal. NTI respectfully requests that this confidential information not be provided to any party other than members of staff who need to review the material for evaluation of applicant's fitness to provide service.

# **EXHIBIT F**

# Projected Financial Statements CONFIDENTIAL TREATMENT REQUESTED FILED UNDER SEAL

# **EXHIBIT G**

**Letter of Credit** 

MEMBER OF THE ABN AMRO GROUP MEMBER OF THE AB

LASALLE BANK N. H. GLUBAL TRADE ADVISORY ABN AMRO PLAZA 540 W. MADISUN - 26TH FLUUR CHICAGO, IL 60661 TELEPHONE: 312-904 8462 TELEFAX: 312-904-6303 SWIFT: LASLUS44

SEPTEMBER 29, 2006

BENEFICIARY: TENNESSEE REGULATORY AUTHORITY 460 JAMES ROBERTSON PARKWAY NASHVILLE, TENNESSEE 37243-0505 CHICAGO, IL 60606

APPLICANT: NEUTRAL TANDEM-TENNESSEE. LLC 1 S. WACKER DR., SUITE 200

THE ABN AMPO GROUP MEMBER OF THE ABN AMPO GRO

STANDBY LETTER OF CREDIT NUMBER: 8593719

AMOUNT: USD 20,000.00 (TWENTY THOUSAND AND 00/100 UNITED STATES DOLLARS )

DATE OF EXPIRY: SEPTEMBER 25, 2007 PLACE OF EXPIRY: OUR COUNTERS

### REFERENCE:

ABN AMPO GROUP MEMBER OF THE ABN AMFO GROUP MEMBER OF THE ABN AMRO GROUP MEMBER OF THE ABN AMPO GROUP MEMBER OF

NAME OF COMPANY AUTHORIZED BY TRA: NEUTRAL TANDEM-TENNESSEE, LLC COMPANY ID # AS ASSIGNED BY THE TRA: IRREVOCABLE LETTER OF CREDIT NUMBER: 8593719 EFFECTIVE DATE: SEPTEMBER 29, 2006 EXPIRATION DATE: SEPTEMBER 25, 2007

YOÙ HAVE REGUESTED OF LASALLE BANK N.A. (THE "LENDER") THAT WE ESTABLISH AN IRREVOCABLE LETTER OF CREDIT WHICH WILL REMAIN AVAILABLE ON BEHALF OF NEUTRAL THROEM-TENNESSE, LLC (THE "COMPANY") WHO HAS APPLIED TO THE TENNESSEE REGUALTORY AUTHORITY (THE "TRA") FOR AUTHORITY TO PROVIDE TELECOMMUNICATIONS SERVICE IN THE STATE OF TENNESSEE. WE ARE INFORMED THAT THE PURPOSE OF THIS CETTER OF CREDIT IS TO SECURE PAYMENT OF ANY MONETARY SANCTION IMPOSED AGAINST THE COMPANY, ITS REPRESENTATIVES, SUCCESSORS OR ASSIGNS, IN ANY ENFORCEMENT PROCEEDING BROWNT UNDER TITLE 65 OF TENNESSEE CODE ANNUTATED OR THE CONSUMER TELEMARKETING ACT OF 1990, BY OR UN DEHALF OF THE TRA.

WE HEREBY ESTABLISH AND ISSUE. IN FAVOR OF THE TRA, AN IRREVOCABLE LETTER OF CREDIT IN THE AMOUNT OF TWENTY THOUSAND DOLLARS (\$20,000.00) LAWFUL MONEY OF THE UNITED STATES OF AMERICA. THE TRA MAY DRAW UPON THIS LETTER OF CREDIT, AT ANY TIME AND FROM TIME TO TIME, BY DELIVERING A LETTER OF CREDIT NOTICE, SUBSTANTIALLY IN THE FORM SET FORTH DELOW (A "NOTICE"), WHICH NOTICE SHALL SPECIFY THE AMOUNT (THE "DRAW AMOUNT") TO BE DRAWN AND THE BENEFICIARY'S BANK ACCOUNT (THE "BANK ACCOUNT") FO WHICH THE DRAW SHOULD BE DELIVERED AND SHALL BE SIGNED BY DNE PURPORTING TO BE AN OFFICIAL DESIGNATED AND DULY AUTHORIZED BY THE TRA, TO LENDER AT THE ADDRESS LISTED BELOW, OR TO SUCH UTHER ADDRESS AS THE LENDER SHALL NOTIFY THE TRA IN WRITING BY CERTIFIED MAIL OR BY COURIER. PROMPTLY AFTER THE DELIVERY OF  OUR REFERENCE NUMBER: \$593719

PAGE NUMBER:

CONDITIONS OF THE LETTER OF CREDIT, THE LENDER HEREBY COVENANTS AND AGREES TO DELIVER, BY WIRE TRANSFER OF IMMEDIATELY AVAILABLE FUNDS. THE DRAW AMOUNT TO TO THE BANK ACCOUNT.

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT WILL DE AUTOMATICALLY EXTENDED FOR ADDITIONAL PERIODS OF 1 YEAR(S) FROM THE CURRENT OR ANY FUTURE EXPIRATION DATE UNLESS WE SEND YOU WRITTEN NOTIFICATION AT LEAST 30 DAYS PRIOR TO THE THEN CURRENT EXPIRATION DATE THAT WE ELECT NOT TO EXTEND THIS LETTER OF CREDIT FOR SUCH ADDITIONAL PERIOD, IT BEING UNDERSTOOD THAT THE LENDER SHALL NOT BE RELIEVED OF LIABILITY THAT MAY HAVE ACCRUED UNDER THIS LETTER OF CREDIT PRIOR TO THE DATE OF CANCELLATION.

THE LENDER HEREBY REPREDENTS AND WARRANTS THAT IT IS GUALIFIED AND AUTHORIZED TO ISSUE THIS LETTER OF CREDIT.

EXCEPT AS OTHERWISE EXPRESSLY STATED, THIS LETTER OF CHEDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDIT (1993 REVISION) INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500, OR ANY REVISIONS THERETO.

TITLE

YOURS VERY TRULY,

LASALLE BANK N.A.

ADDRESS OF LENDER:

ABN AMRO PLAZA

540 WEST MADISON STREET, 26TH FLOOR

CHICAGO, IL 60661

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THIS IS TO CERTIFY THAT I CREDIT AND FOUND THE SAME FOUND THE SAME FREGULATORY AUTHORITY, STATOF	TO BE SUFFICIENT A HAS BEEN FILED WITH	ND IN CONFORMIT THE TENNEUEE	TY
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		ME: Tle:	
LETTER (	FORM OF OF CREDIT NOTICE		*
LASALLE BANK N.A. ABN AMRO PLAZA 540 WEST MADISON STREET, E CHICAGO, IL 60661	26TH FLOOR		
RE: IRREVOCABLE LETTER OF	CREDIT NO. 9593719		
DEAR SIR OR MADAM:			
THAT THE UNDERSIGNED IS AN AUTHORIZED BY THE TRA TO I SANCTION IN THE AMOUNT OF BEEN IMPOSED AGAINST NEUTR REPRESENTATIVES, SUCCESSON PROCEEDING BROUGHT UNDER THE CONSUMER TELEMARKETING TRA.	DELIVER THIS NOTICE  \$(THE RAL TANDEM-TENNESSE, RS OR ASSIGNS, IN A TITLE 65 OF TENNESSE	AND THAT A MONE "DRAW AMOUNT. LLC 1TS NENFORECEMENT LE CODE ANNOTAT	"> HAS
PURSUANT TO THAT CERTAIN . ABOVE, WE HEREBY REQUEST T AMOUNT TO THE BANK ACCOUN IMMEDIATELY AVAILABLE FUNI	THAT YOU DELIVER PA F LISTED BELOW BY W USI	YMENT OF THE DI LRE TRANSFER OF	MAN A
NAME OF BANK ACCOUNT: ACCOUNT NUMBER: ABA ROUTING NUMBER: REFERENCE: NAME OF CUNTACT: TELEPHONE NUMBER: FACSIMILE NUMBER:			
PLEASE CONFIRM RECEIPT OF WIRE CONFIRMATION NUMBER ( SENDING A FACSIMILE TO THE	THIS NUTICE AND TH OF THE DELIVERY OF E PERSON AT THE NUM	E FEDERAL RESER THE DRAW AMOUN DER LISTED ABOV	VE.
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# EXHIBIT H

# Small and Minority-Owned Telecommunications Business Participation Plan

### Exhibit H:

# SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS PARTICIPATION PLAN

Pursuant to T.C.A. §65-5-212, as amended, Neutral Tandem-Tennessee, LLC ("NT-TN") submits this small and minority-owned Telecommunications business participation plan (the "Plan") along with its Application for a Certificate of Public Convenience and Necessity to provide competing intrastate and local exchange services in Tennessee.

### I. PURPOSE

The purpose of §65-5-212 is to provide opportunities for small and minority-owned businesses to provide goods and services to Telecommunications service providers. NT-TN is committed to the goals of §65-5-212 and to taking steps to support the participation of small and minority-owned Telecommunications businesses in the Telecommunications industry. NT-TN will endeavor to provide opportunities for small and minority-owned Telecommunications businesses to compete for contracts and subcontracts for goods and services. As part of its procurement process, NT-TN will make efforts to identify and inform minority-owned and small businesses that are qualified and capable of providing goods and services to NT-TN of such opportunities. NT-TN's representatives will contact the Department of Economic and Community Development, the administrator of the small and minority-owned Telecommunications assistance program, to obtain a list of qualified vendors. Moreover, NT-TN will seek to increase awareness of such opportunities so that companies not otherwise identified will have sufficient information to participate in the procurement process.

### II. DEFINITIONS

As defined in §65-5-212.

Minority-Owned Business. Minority-owned business shall mean a business which is solely owned, or at lease fifty-one percent (51%) of the assets or outstanding stock of which is

owned, by an individual who personally manages and controls daily operations of such business, and who is impeded from normal entry into the economic mainstream because of race, religion, sex or national origin and such business has annual gross receipts of less than four million dollars (\$4,000,000).

Small Business. Small Business shall mean a business with annual gross receipts of less than four million dollars (\$4,000,000).

### III. ADMINISTRATION

NT-TN's Plan will be overseen and administered by the individual named below, hereinafter referred to as the Administrator, who will be responsible for carrying out and promoting NT-TN's full efforts to provide equal opportunities for small and minority-owned businesses. The Administrator of the Plan will be:

Ron Gavillet, Executive Vice President NEUTRAL TANDEM-TENNESSEE, LLC One South Wacker Drive, Suite 200 Chicago, IL 60606

Telephone: (312) 384-8040 Facsimile: (312) 346-3276

The Administrator's responsibilities will include:

- (1) Maintaining an updated Plan in full compliance with §65-5-212 and the rules and orders of the Tennessee Regulatory Authority.
- (2) Establishing and developing policies and procedures necessary for the successful implementation of the Plan.
- (3) Preparing and submitting such forms as may be required by the Tennessee Regulatory Authority, including the filing of required annual updates.
- (4) Serving as the primary liaison to and cooperate with the Tennessee Regulatory Authority, other agencies of the State of Tennessee, and small and minority-owned businesses to locate and use qualified small and minority-owned businesses as defined in §65-5-212.
- (5) Searching for and developing opportunities to use small and minority-owned businesses and encouraging such businesses to participate in and bid on contracts and subcontracts.
- (6) Providing records and reports and cooperate in any authorized surveys as required by the Tennessee Regulatory Authority.

(7) Establishing a record-keeping system to track qualified small and minority-owned

businesses and efforts to use such businesses.

Providing information and educational activities to persons within NT-TN and training (8) such persons to seek out, encourage, and promote the use of small and minority-owned

businesses.

In performance of these duties, the Administrator will utilize a number of resources, including:

Chambers of Commerce

The Tennessee Department of Economic and Community Development

The United States Department of Commerce

**Small Business Administration** 

Office of Minority Business

The National Minority Supplier Development Counsel

The National Association of Women Business Owners

The National Association of Minority Contractors

Historically Black Colleges, Universities, and Minority Institutions

The efforts to promote and ensure equal opportunities for small and minority-owned

businesses are primarily spelled out in the Administrator's duties above. Additional efforts to

provide opportunities to small and minority-owned businesses will include offering, where

appropriate and feasible, small and minority-owned businesses assistance with technical,

insurance, bonding, licensing, production, and deadline requirements.

IV. RECORDS AND COMPLIANCE REPORTS

NT-TN will maintain records of qualified small and minority-owned business and efforts

to use the goods and services of such businesses. In addition, NT-TN will maintain records of

educational and training activities conducted or attended and of the internal procurement

procedures adopted to support this plan.

NT-TN will submit records and reports required by the Tennessee Regulatory Authority

concerning the Plan. Moreover, NT-TN will cooperate fully with any surveys and studies

required by the Tennessee Regulatory Authority.

Neutral Tandem-Tennessee, LLC

Dated: 9 125/2006

Kon Gavillet, Executive Vice President

# <u>EXHIBIT I</u>

**Toll Dialing Parity Plan** 

### **NEUTRAL TANDEM-TENNESSEE, LLC**

### PROPOSED PLAN FOR PROVIDING TOLL DIALING PARITY

### Introduction

Section 251(b)(3) of the Telecommunications Act of 1996 (the "Act"), 47 USC §251(b)(3), requires each local exchange carrier ("LEC") to provide dialing parity to competing providers of telephone exchange service and telephone toll services. In order to ensure that each LEC is providing toll dialing parity, the Federal Communications Commission's ("FCC") regulations implementing the ACT, 48 CFR §52.213, require each LEC to file a plan for providing toll dialing parity with the state commission or the FCC. NEUTRAL TANDEMTENNESSEE, LLC hereby files, for review by the Tennessee Regulatory Authority ("TRA"), its Proposed Plan for Providing Toll Dialing Parity.

### **TOLL DIALING PARITY PLAN**

### Technical Implementation

NT-TN will be offering dialing parity for all toll calls. Each customer requesting NT-TN local exchange service will be given the opportunity to affirmatively select a presubscribed carrier for intraLATA toll and interexchange toll calls. NT-TN intends to utilize the underlying carrier's 2-PIC capabilities. This allows a customer to presubscribe to a preferred carrier for intraLATA toll calls and the same or different carrier for interLATA toll calls. NT-TN will be implementing this plan upon receiving authority from the TRA to provide service. NT-TN will initially be establishing service in the LATA served by Bell South.

### **Business Office Practices**

NT-TN will ensure that all customers are aware they have a choice of intraLATA, as well as interLATA toll carriers. In response to each request for NT-TN service, a NT-TN sales representative will inform the customer that NT-TN will presubscribe the customer's toll service to both the intraLATA and the interLATA toll carrier(s) of the customer's choice. In this way, the

customer knows that a choice can be made among intraLATA and interLATA toll carriers. All carriers will be treated on a non-discriminatory basis and each customer will be given the opportunity to affirmatively select an intraLATA and interLATA toll carrier. NT-TN will maintain a list of available toll carriers and keep it updated. NT-TN will process a customer's PIC charge to a toll carrier other than NT-TN in the same fashion and in the same time frames as a request to presubscribe to itself. Once a NT-TN customer has chosen an intraLATA and interLATA toll carrier, the customer will be able to verify that selection at any time by dialing a toll free number. Customers will have access on a nondiscriminatory basis to telephone numbers, operator services, directory assistance, and directory listings. NT-TN does not have a PIC change charge waiver period at this time.

In responding to a communication from another intraLATA and interLATA telecommunications carrier, NT-TN's customer care representative will use an industry-standard Customer Account Record ("CARE") format to accept the required change. Such changes will be implemented only through a CARE request to ensure that changes are not made without appropriate authorization. Other carriers may submit a CARE request of NT-TN either manually or electronically.

### Anti-Slamming

NT-TN will comply with the FCC's anti-slamming provisions, 47 CFR § 64-110-150. NT-TN will make available a PIC-freeze option to requesting customers to protect the customer from unauthorized changes to its selected intraLATA and interLATA toll carrier.

### Dialing Plan

The following matrix outlines the proposed routing of calls.

0 NT-TN local Operator Service

00 Dial to presubscribed Toll Provider Operator

Service

1+10 digits Dial to presubscribed intraLATA Toll

Provider or interLATA Toll Provider Operator Service (depending on 10 digit

number dialed).

10xxx or 101xxx+0 Dial around presubscribed intraLATA or

interLATA Toll Provider to alternate Toll Provider Operator Service identified by code used by xxx or xxix portion of dialing

request).

10xxx or 101xxxx+0+10 digits Dial around presubscribed intraLATA or

interLATA Toll Provider to alternate Toll Provider Operator Service (identified by code used in xxx or xxix portion of dialing

request).

10xxx or 101xxxx+1+10 digits Dial around presubscribed intraLATA or

interLATA Toll Provider to direct dial through alternate Toll Provider (identified by code used in xxx or xxix portion of dialing

request).

### **Applicability**

This plan for providing dialing parity is intended to apply to all dial tone lines provisioned by NT-TN. NT-TN will comply with all rules of the FCC and the TRA.

### Conclusion

NT-TN respectfully requests that the TRA approve its proposed plan for providing toll-dialing parity.

# **EXHIBIT J**

# Notice of Filing and Incumbent Local Exchange Service Providers

### **CERTIFICATE OF SERVICE**

STATE OF MICHIGAN	)	
	)	SS.
COUNTY OF KALAMAZOO	)	

Beth Ronfeldt, being duly sworn, deposes and states that on the 23<sup>th</sup> day of October 2006, served a copy of the NOTICE OF FILING of the APPLICATION OF NEUTRAL TANDEMTENNESSEE, LLC FOR A CERTIFICATE TO PROVIDE COMPETING LOCAL AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES via U.S. Mail on the parties on the attached service list.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 23<sup>rd</sup> day of October 2006 at Kalamazoo, Michigan.

Emkerfeltt
Beth M. Ronfeldt

### BEFORE THE TENNESSEE REGULATORY AUTHORITY

IN THE MATTER OF THE APPLICATION OF	)
NEUTRAL TANDEM-TENNESSEE, LLC FOR	)
A CERTIFICATE TO PROVIDE COMPETING	)
LOCAL TELECOMMUNICATIONS SERVICES	)
	)

### **NOTICE OF FILING**

TO: ALL INTERESTED PARTIES SET FORTH IN EXHIBIT K OF THIS APPLICATION.

PLEASE TAKE NOTICE, that in accordance with the Tennessee Regulatory Authority Rules for the Provision of Competitive Intrastate Telecommunications Services, you are hereby given notice that on October 23, 2006, NEUTRAL TANDEM-TENNESSEE, LLC filed an Application for a Certificate of Public Convenience and Necessity to Provide Facilities-based AND Resold Local Exchange and Long Distance Telecommunications Services.

This 23<sup>rd</sup> day of October 2006

NEUTRAL TANDEM-TENNESSEE, LLC

Its Attorney

# INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS CERTIFICATED IN TENNESSEE (FACILITIES-BASED)

## 1. ARDMORE TELEPHONE COMPANY, INC.

P.O. Box 549 517 Ardmore Avenue Ardmore, TN 38449

## 2. BELLSOUTH

333 Commerce Street Nashville, TN 37201-3300

#### 3. CENTURY TELEPHONE OF ADAMSVILLE

P.O. Box 405 116 N. Oak Street Adamsville, TN 38310

#### 4. CENTURY TELEPHONE OF CLAIBORNE

P.O. Box 100 507 Main Street New Tazewell, TN 37825

### 5. CENTURY TELEPHONE OF OOLTEWAH-COLLEGEDALE, INC.

P.O. Box 782 5616 Main Street Ooltewah, TN 37363

#### 6. CITIZENS COMMUNICATIONS COMPANY OF TENNESSEE

P.O. Box 770 300 Bland Street Bluefield, WV 24701

# 7. CITIZENS COMMUNICATIONS COMPANY OF THE VOLUNTEER STATE

P.O. Box 770 300 Bland Street Bluefield, WV 24701

## 8. LORETTO TELEPHONE COMPANY, INC.

P.O. Box 130 Loretto, TN 38469

#### 9. MILLINGTON TELEPHONE COMPANY, INC.

P.O. Box 429 4880 Navy Road Millington, TN 38083-0429

# INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS CERTIFICATED IN TENNESSEE (FACILITIES-BASED)

#### 10. SPRINT-UNITED

112 Sixth Street Bristol, TN 37620

## 11. TDS TELECOM-CONCORD TELEPHONE EXCHANGE, INC.

P.O. Box 22610 701 Concord Road Knoxville, TN 37933-0610

# 12. TDS TELECOM-HUMPHREYS COUNTY TELEPHONE COMPANY

P.O. Box 552 203 Long Street New Johnsonville, TN 37134-0552

#### 13. TDS TELECOM-TELLICO TELEPHONE COMPANY, INC.

P.O. Box 9 102 Spence Street Tellico Plains, TN 37385-0009

#### 14. TDS TELECOM-TENNESSEE TELEPHONE COMPANY

P.O. Box 18139 Knoxville, TN 37928-2139

## 15. TEC-CROCKETT TELEPHONE COMPANY, INC.

P.O. Box 7 Friendship, TN 38034

## 16. TEC-PEOPLE'S TELEPHONE COMPANY, INC.

P.O. Box 310 Erin, TN 37061

## 17. TEC-WEST TENNESSEE TELEPHONE COMPANY, INC.

P.O. Box 10 244 E. Main Street Bradford, TN 38316

## 18. UNITED TELEPHONE COMPANY

P.O. Box 38 120 Taylor Street Chapel Hill, TN 37034

# **EXHIBIT K**

# **Numbering Issues**

1. What is your company's expected demand for NXXs per NPA within a year of approval of your application?

Applicant's expected demand for NXXs per NPA within a year of approval is no more than 1,000 NXXs or a single one thousand block.

2. How many NXXs do you estimate that you will request from NANPA when you establish your service footprint?

Applicant anticipates no more than 1,000 total NXXs and will utilize 1000's blocks of numbers wherever they are available in lieu of entire NXXs.

3. When and in what NPA do you expect to establish your service footprint?

The Company intends to market service throughout the State of Tennessee. Accordingly, the Company's footprint shall initially include BellSouth.

4. Will the company sequentially assign telephone numbers within NXXs?

Yes.

5. What measures does the company intend to take to conserve Tennessee numbering resources?

The Company will assign numbers consistent with demand.

6. When ordering new NXXs for growth, what percentage fill of an existing NXX does the company use to determine when a request for a new NXX will be initiated?

Majority of NXX's will be existing customers.

# **EXHIBIT L**

# **Tennessee Specific Operational Issues**

 How does the company intend to comply with TCA §65-21-114? In its description, please explain technically how the company will not bill for countywide calls within Tennessee.

Billing features will prevent the billing of countywide calls.

2. Is the company aware of the Tennessee County Wide Calling database maintained by BellSouth and the procedures to enter your telephone numbers on the database?

Yes.

3. Is your company aware of the local calling areas provided by the Incumbent Local Exchange Carriers in your proposed service areas?

Yes.

4. Explain the procedures that will be implemented to assure that your customers will not be billed long distance charges for calls within the metro calling areas.

Billing features will preclude such billing.

5. Please provide the name and telephone number of an employee of your company that will be responsible to work with the TRA on resolving customer complaints.

Jan Hewitt 866-388-7258

6. Does the company intend to telemarket its services in Tennessee? If yes, is the company aware of the telemarketing statutes and regulations found in TCA §65-4-401 et seq. And Chapter 1220-4-11?

No.

# **EXHIBIT M**

**Sworn Pre-Filed Testimony** 

# BEFORE THE TENNESSEE REGULATORY AUTHORITY NASHVILLE, TENNESSEE

APPLICATION OF
NEUTRAL TANDEM-TENNESSEE, LLC FOR
A CERTIFICATE TO PROVIDE COMPETING
LOCAL TELEPHONE SERVICES

## PRE-FILED TESTIMONY OF RON GAVILLET

- I, Ron Gavillet, do hereby testify as follows in support of the application of Neutral Tandem-Tennessee, LLC ("NT-TN") for a Certificate of convenience and necessity as a competing telecommunications services provider to provide telecommunication services throughout the State of Tennessee.
- Q: Please state your full name, business address, and position.
- A: My name is Ron Gavillet. My business address is Neutral Tandem-Tennessee, LLC, One South Wacker Drive, Suite 200; Chicago, IL 60606. My position is Executive Vice President of NT-TN.
- Q: Please briefly describe your duties.
- A: I manage the legal, regulatory and external affairs of the Company.
- Q: Please describe your business experience and educational background.
- A: Most recently, I served as Executive Vice President of Strategy and External Affairs and General Counsel for MCG Capital Corp.'s Cleartel Communications, Inc. After nearly 5 years in private practice with the law firm of Skadden, Arps, Slate, Meagher & Flom, I held senior legal and strategy positions with MCI, Universal Access, Vertex Broadband Corp., and USN Communications, Inc. I authored several articles on telecommunications and was the Founder and Co-Chair of the Federal Communications Bar Association Midwest Chapter.

I have a B.A. in Communications and a B.S. in Political Science from Southern Illinois University; a J.D. from the Columbus School of Law at Catholic University of America;

- and Masters in Management from the Kellogg Graduate School of Management at Northwestern University.
- Q: Are all statements in NT-TN's Application true and correct to the best of your knowledge, information and belief?
- A: Yes, to the best of my knowledge, information and belief all statements in NT-TN's Application are true and correct.
- Q: Please describe the current corporate structure of Neutral Tandem-Tennessee, LLC
- A: Neutral Tandem, Inc. is a privately-held corporation organized under the laws of the State of Delaware and is the parent of 19 LLCs set up as operating companies in 23 different states as outlined in Number 5 and Exhibit A of the Application. NT-TN Networks, LLC does not have operating authority in any jurisdiction.
- Q: Does Neutral Tandem-Tennessee, LLC possess the requisite managerial, financial, and technical abilities to provide the services for which it has applied for authority?
- A: Yes, NT-TN possesses the requisite managerial, financial, and technical abilities to provide the services for which it has applied for authority.
- Q: Please describe Neutral Tandem-Tennessee, LLC's financial qualifications.
- A: As evidence of NT-TN's financial qualifications and resources to offer telecommunications services in Tennessee we submit financial information in Exhibits E, F, and G.
- Q: Please describe Neutral Tandem-Tennessee, LLC's managerial and technical qualifications.
- A: The senior management of NT-TN has great depth in the telecommunications industry and offer extensive technical and managerial expertise to NT-TN pertaining to the telecommunications business. In evidence of managerial and technical qualifications we submit Exhibit D, which includes the biographies of NT-TN's key officers and personnel.

- Q: What services will Neutral Tandem-Tennessee, LLC offer?
- A: Applicant will market its services primarily to other carriers. Applicant seeks authority to provide both facilities-based and resold non-switched dedicated and private line services that will provide ILECs, CLECs, ISPs, paging and cellular companies, cable companies, and government and corporate customers with broadband transmission services throughout Tennessee.

Applicant intends to expand its service offerings to include facilities-based and resold local exchange services and a full range of 1+ interexchange telecommunications services on a resale basis as market conditions warrant.

- Q: Will Neutral Tandem-Tennessee, LLC offer service to all consumers within its service area?
- A: NT-TN will offer service primarily to other carriers within its service area.
- Q: Does Neutral Tandem-Tennessee, LLC plan offer local exchange telecommunications services in areas served by any incumbent local exchange telephone company with fewer than 100,000 total access lines?
- A: No, Applicant does not plan for the foreseeable future to offer local exchange telecommunications services in such areas.
- Q: Will the granting of a certificate of convenience and necessity to Neutral Tandem-Tennessee, LLC serve the public interest?
- A: Yes, the public will benefit both directly, through the use of the competitive services to be offered by NT-TN and indirectly, because NT-TN's presence in Tennessee will increase the incentive for other telecommunications providers to operate more efficiently, offer more innovative services, reduce their prices, and improve their quality of service. Granting of a certificate of convenience and necessity to NT-TN will further enhance the service options available to Tennessee citizens.

- Q: Does Neutral Tandem-Tennessee, LLC intend to comply with all TRA rules, statutes, and orders pertaining to the provision of telecommunications services in Tennessee, including those for disconnection and reconnection of service?
- A: Yes, NT-TN intends to comply with all TRA rules, statutes, and orders pertaining to the provision of telecommunications services in Tennessee, including those for disconnection and reconnection of service.
- Q: Has any state ever denied Neutral Tandem-Tennessee, LLC, or one of its affiliates, authorization to provide intrastate service?
- A: No, neither NT-TN nor any of its affiliates has ever been denied authority to provide intrastate service by any State or jurisdiction.
- Q: Has any state ever revoked the certification of Neutral Tandem-Tennessee, LLC or one of its affiliates?
- A: No, NT-TN's certification has never been revoked in any state or jurisdiction.
- Q: Has Neutral Tandem-Tennessee, LLC or one of its affiliates ever been investigated or sanctioned by any regulatory authority for service or billing irregularities?
- A: Neither NT-TN nor any of its affiliates has ever been investigated or sanctioned by any regulatory authority for service or billing irregularities.
- Q: Who is knowledgeable about Neutral Tandem-Tennessee, LLC's operations and will serve as Neutral Tandem-Tennessee, LLC's regulatory and customer service contact?
- A: Ron Gavillet, EVP and General Counsel, is knowledgeable about NT-TN's operations and will serve as regulatory and customer contact.
- Q: Please explain in detail Neutral Tandem-Tennessee, LLC's proposed procedures for responding to information requests from the TRA and its staff.
- A: NT-TN's attorney or company staff will respond to information requests from the TRA and its staff.

Q:	Does this conclude your testimony?
A:	Yes it does.
I swea	or that the foregoing testimony is true and correct to the best of my knowledge.
	Savillet, EVP al Tandem-Tennessee, LLC
Subsc	ribed and sworn to me this <u>IY</u> day of <u>OC</u> 2006.
Notary	OFFICIAL SEAL HOLLY BROWN NOTARY PUBLIC - STATE OF ILLINOIS MY COMMISSION EXPIRES: 12/10/08

# EXHIBIT N

**Proposed Tariff** 

# Wholesale and Retail Services

This tariff contains the description, regulations and rates for telecommunications service and facilities provided by Neutral Tandem-Tennessee, LLC. Tariff and regulatory matters should be addressed to

Neutral Tandem-Tennessee, LLC One South Wacker Drive, Suite 200 Chicago, IL 60606 Telephone 1-888-380-2721

This tariff applies for service furnished within the State of Tennessee. This tariff is on file with the Tennessee Regulatory Authority. ("TRA"), and copies may be inspected, during normal business hours, at the Company's office in Chicago, Illinois.

ISSUED: EFFECTIVE:

**ISSUED BY:** 

#### **CHECK SHEET**

Pages of this tariff, as indicated below, are effective as of the date shown at the bottom of the respective pages. Original and revised pages, as named below, comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

PAGE	REVISION	PAGE	REVISION	<u>PAGE</u>	REVISION
1	Original	41	Original		
2 3	Original	42	Original		
3	Original	43	Original		
4	Original	44	Original		
5 6	Original	45	Original		
6	Original	46	Original		
7	Original	47	Original		
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ISSUED: EFFECTIVE:

ISSUED BY:

## **TABLE OF CONTENTS**

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ISSUED:

EFFECTIVE:

ISSUED BY:

## **SYMBOLS**

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

- C Change in regulation or rate structure.
- D Delete or discontinue
- I Increase in rate.
- M Moved from another tariff location.
- N New rate or regulation.
- R Reduction in rate.
- T Change in text or regulation but no change in rate or charge.

ISSUED: EFFECTIVE:

ISSUED BY: NEUTRAL TANDEM-TENNESSEE, LLC

Ron Gavillet, Executive Vice President One South Wacker Drive, Suite 200

#### **TARIFF FORMAT**

- A. Page Numbering Page numbers appear in the upper right corner of the sheet. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. When a new page is added between existing pages with whole numbers, a decimal is added. For example, a new page added between pages 34 and 35 would be page 34.1.
- **B.** Page Revisions Revision numbers also appear in the upper right corner of the page. These numbers are used to determine the most current page version on file with the TRA. For example, 4th Revised Page 34 cancels the 3rd Revised Page 34. Consult the check sheet for the page currently in effect.
- **C. Paragraph Numbering Sequence -** There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level of coding.

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

Check Sheet - When a tariff is filed with the TRA, an updated check sheet accompanies the filing. The check sheet lists the tariff pages, with a cross reference to the current revision number. When new sheets are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (\*). There will be no other symbols used on this sheet if these are the only changes made. 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 TRA.

ISSUED: EFFECTIVE:

ISSUED BY:

#### 1.1 Definitions

**Application for Service -** a standard order form which includes all pertinent billing, technical and other descriptive information which will enable the carrier to provide the communication service.

**ASR (Access Service Request) -** Service order processed to the underlying local exchange or interexchange carrier.

**Authorization Code** - a numerical code, one or more of which are assigned to a customer to enable a reseller to identify use of service on its account and to bill the customer accordingly for such service. Multiple authorization codes may be assigned to a customer to identify individual users or groups of users on its account.

**Authorized User** - a person, firm, corporation or other entity authorized by the customer to receive or send communications.

**Automatic Dialing Device -** an apparatus provided by the carrier which, when attached to customer's telephone equipment, dials the carrier's facilities, emits an authorization code, and forwards the called number to the carrier's facilities.

Bandwidth - the total frequency band allocated for a channel.

**Business Customer -** any Customer of the Company who is not a Residential Customer as described herein.

Busy Hour - the two consecutive half hours during which the greatest volume of traffic is handled.

**Cancellation of Order -** a customer-initiated request to discontinue processing a service order, either in part or in its entirety, prior to its completion.

Carrier - Neutral Tandem-Tennessee, LLC, unless specifically stated otherwise.

Company - Neutral Tandem-Tennessee, LLC, sometimes referred to as "Carrier."

**Completed Calls -** calls answered at the distance end. If a customer is charged for an incomplete call, the Company will issue a one minute credit upon the customer's request.

Custom Account Coding - key, legend or table created by the customer for a unique project or account numbers for its private use.

**Customer -** the person, firm, corporation or other entity that orders or uses service and is responsible for payment of the rates and charges under a contract or this tariff.

**Customer Premises Equipment -** communications equipment located at the customer's premises. Such equipment may be provided by the customer or by The Company.

Day Rate Period - unless otherwise specified in this tariff, the Day Rate Period applies during the hours of 8:00 a.m. to, but not including 5:00 p.m., Monday through Friday.

**Dedicated Port** - a port on reseller's switch which is dedicated, at extra charge, to customer's exclusive use, and which is connected to the customer's premises by a private line furnished by the customer or the customer's serving local exchange company.

**Delinquent or Delinquency -** an account for which a bill or payment agreement for services or equipment has not been paid in full on or before the due date. Amounts due and unpaid after the due date may be subject to a late payment charge.

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### 1.1 **Definitions** (continued)

**Disconnect** - to render inoperable or to disable circuitry thus preventing outgoing and incoming toll communications service.

**Dialed Number Information Service (DNIS)** - A toll free service option, under which Carrier electronically transmits to Customer, identifying digits (up to 10 digits) that indicate which number was dialed when multiple numbers terminate on the same trunk group.

**Evening Rate Period -** unless otherwise specified in this tariff, the Evening Rate Period applies during the hours of 5:00 p.m. to, but not including 11:00 p.m., Sunday through Friday.

**Excessive Call Attempt -** a customer attempt to call over the carrier's network using an invalid authorization code during a measured 15 minute period, within which 10 or more incomplete call attempts are made by the customer from the same customer line, and where those attempts do not complete because the customer has not used a valid authorization code.

**Expedite -** The best effort acceleration of the installation date in advance of commitment date provided by the Company.

**Holidays** - for the purposes of this tariff recognized holidays are New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas day.

**Holiday Rate Period** - the evening rate will apply to calls made on the Company recognized holidays, provided, however, that calls made on holidays during the Night/Weekend Rate Period shall be billed at the lower of the Evening Rate and the Night/Weekend Rate.

**Interexchange Utility** - a utility, resale carrier or other entity that provides intrastate telecommunications services and facilities between exchanges within the state, without regard to how such traffic is carried. A local exchange utility that provides exchange service may also be considered an interexchange utility.

**Local Distribution Area -** metropolitan locations served by the Company which have been defined by the local exchange telephone company as a local calling area under its local exchange tariff.

**Measured Use Service** - the provision of long distance measured time communications telephone service to customers who access the carrier's services at its switching and call processing equipment by means of access facilities obtained from another carrier by the customer or otherwise provided at its own expense (the customer is responsible for arranging for the access line).

Message - a completed telephone call by a customer or end user.

Network Terminal - any location where the Company provides services described herein.

**Night/Weekend Rate Period** - unless otherwise specified in this tariff, the Night/Weekend Rate Period applies during the hours of 11:00 p.m. to, but not including 8:00 a.m., Monday through Friday; all day Saturday; and from 8:00 a.m. to, but not including 5:00 p.m. Sunday.

**Normal Business Hours -** the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding holidays.

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## 1.1 **Definitions** (continued)

**Physical Change -** the modification of a circuit, dedicated access line, or port at the request of the customer requiring an actual material change.

Post-engineering - After provisioning of service elements.

**Pre-engineering - Prior** to provisioning of service elements.

**Premises -** the space occupied by an individual customer in a building, in adjoining buildings occupied entirely by that customer, or on contiguous property occupied by the customer separated only by a public thoroughfare, a railroad right of way or a natural barrier.

Rate - money, charge, fee or other recurring assessment billed to customers for services or equipment.

**Residential Customer -** For the purpose of this tariff, a Residential Customer is a Customer of the Company whose primary use of the Company's service is for personal use in a house, apartment or other residential dwelling. A Residential Customer is also a Customer who accesses the Company's service using an access line that has not been assigned a business class of service by the local service provider.

**Routing Function -** terminating number for toll free service may be designated by time of day, day of the week, region of originating ANI or percentage of calls.

**Suspension** - temporary disconnection or impairment of service which disables either outgoing or incoming toll communications services provided by the Company.

**Speed Number -** a signaling arrangement by which a customer may elect to dial a preprogrammed four-digit number in place of a designated ten-digit number.

**Terminal Equipment -** telephone instruments, including pay telephone equipment, the common equipment of large and small key and PBX systems and other devices and apparatus, and associated wiring, which are intended to be connected electrically, acoustically or inductively to the telecommunication system.

**Toll Free Service -** a service that provides long distance calling to a predesignated destination where charges are the responsibility of the call terminated party.

United States - the forty-eight contiguous United States and the District of Columbia.

Validated Account Codes - account codes that have restricted access.

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## 1.2 Abbreviations:

**CPE -** Customer Premises Equipment

LATA - Local Access and Transport Area

LDA - Local Distribution Area

LEC - Local Exchange Carrier

MRC - Monthly Recurring Charge

MTS - Message Telecommunications Service

NRC - Nonrecurring Charge

NSF - Non-sufficient funds

PBX - Private Branch Exchange

SAL - Special Access Line

V&H - Vertical and Horizontal Coordinates

**WATS-** Wide Area Telephone Service

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# 2.1 Undertaking of the Company

The Company provides long distance message telecommunications service to customers for their direct transmission of voice, data and other types of telecommunications.

Communications originate when the customer accesses the Company directly or through the facilities of another carrier via one or more access lines, equal access or on a dial-up basis. The Company may act as the customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the customer, to allow connection of a customer's location to the Company's network. The customer shall be responsible for all charges due for such service arrangements.

The Company's services are provided on a monthly basis, unless otherwise stated in this tariff. Services are available twenty-four (24) hours per day, seven (7) days per week.

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#### 2.2 Limitations on Service

- 2.2.1 Service is offered subject to the availability of the necessary facilities and/or equipment and subject to the provisions of this tariff.
- 2.2.2 The Company reserves the right to discontinue furnishing service upon written notice, when necessitated by conditions beyond its control or when the customer is using the service in violation of the provisions of this tariff or in violation of the law.
- 2.2.3 To the extent that any conflict arises between the terms and conditions of a service agreement or other contract and the terms and conditions of this tariff, the tariff shall prevail.
- **2.2.4** Title to all equipment provided by the Company under this tariff remains with the Company.
- 2.2.5 The customer may not transfer or assign the use of service provided under this tariff except with the prior written consent of the Company. Such transfer or assignment shall only apply where there is no interruption in the use or location of the service, and all regulations and conditions contained in this tariff, as well as all conditions for service, shall apply to all such permitted assignees or transferees.
- 2.2.6 Customer may request Carrier to assign one or more sub-accounts for billing purposes, and to direct sub-account invoices to customer's affiliates or other designated entities for payment. Such requests shall not affect the liability of the customer, who shall remain solely liable to the Company for payment of all invoices for service requested and obtained by customer, whether invoiced by the Company to the customer, the customer's affiliates, or other designated entities.

#### 2.3 Use of Service

Service may not be used for any unlawful purposes or for any purpose for which any payment or other compensation is received by the customer, except where the customer is a duly authorized and regulated common carrier.

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## 2.4 Limitation of Liability

- 2.4.1 In view of the fact that the customer has exclusive control of its communications over the facilities furnished by the Company, and other uses for which facilities may be furnished by the Company, and because of the unavoidableness of errors incident to the services and to the use of such facilities of the Company, the services and facilities furnished by the Company are subject to the regulations and limitations specified herein.
- 2.4.2 The Company's failure to provide or maintain facilities under this tariff shall be excused by labor difficulties, governmental orders, civil commotions, acts of Nature and other circumstances beyond the Company's reasonable control, subject to the interruption allowance provisions under this tariff.
- 2.4.3 Defacement of premises No liability shall attach to the Company by reason of any defacement or damage to the customer's premises resulting from the existence of the Company's equipment or facilities on such premises, or by the installation or removal thereof, when such defacement or damage is not the result of the negligence of the Company or its employees.
- Indemnification The Company's liability, if any, for its gross negligence or willful 2.4.4 misconduct is not limited by this tariff. With respect to any other claim or suit by a customer or by any others, the customer indemnifies and saves harmless the Company against claims, losses or suits for injury to or death of any person, or damage to any property which arises from the use, placement or presence of the Company's equipment, facilities and associated wiring of the customer's premises and further the customer indemnifies and saves harmless the Company against claims for libel, slander, invasion of privacy or the infringement of copyright arising directly or indirectly from the material transmitted over the facilities of the Company or the use thereof by the customer; against claims for infringement of patents arising from combining with or using in connection with, facilities furnished by the Company and apparatus, equipment and systems provided by the customer; and against all other claims arising out of any act or omission of the customer in connection with the services or facilities provided by the Company. No agents or employees of other carriers shall be deemed to be agents or employees of the Company
- 2.4.5 The Company's liability, if any, for its gross negligence or willful misconduct is not limited by this tariff. With respect to any other claim or suit, by a customer or any others, for damages arising out of mistakes, omissions, interruptions, delays or errors, or defects in transmission occurring in the course of fumishing service hereunder, the Company's liability, if any, shall not exceed an amount equivalent to the proportionate charge to the customer for the period of service during which such mistake, omission, interruption, delay, error, or defect in transmission or service occurs and continues. This liability shall be in addition to any amounts that may otherwise be due to the customer under this tariff as an allowance for interruptions. However, any such mistakes, omission, interruptions, delays, errors, or defects in transmission or service which are caused or contributed to by the negligence or willful act of the customer, or authorized user, or joint user, or which arise from the use of customer provided facilities or equipment shall not result in the imposition of any liability whatsoever upon the Company.

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#### 2.4 Limitation of Liability (continued)

- 2.4.6 The Company shall not be liable for any damages, including usage charges that the customer may incur as a result of the unauthorized use of authorization codes or communications equipment. The unauthorized use of communications equipment includes, but is not limited to, the placement of calls from the customer's premises, and the placement of calls through equipment controlled and/or provided by the customer, that are transmitted over the Company's network without the authorization of the customer. The customer shall be fully liable for all such usage charges.
- 2.4.7 NOTWITHSTANDING ANY OTHER PROVISION HEREOF, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY OR ANY THIRD PARTY FOR THE INDIRECT CONSEQUENTIAL, INCIDENTAL RELIANCE, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES (INCLUDING BUT NOT LIMITED TO DAMAGES FOR LOST PROFITS, LOST REVENUES OR COST OF PURCHASING REPLACEMENT SERVICES) ARISING OUT OF OR RELATING TO SERVICES PROVIDED UNDER THIS TARIFF. ADDITIONALLY, SUPPLIER SHALL NOT BE LIABLE TO THE CUSTOMER FOR ANY ACTUAL DAMAGES IN EXCESS OF THE AGGREGATE AMOUNT THE SUPPLIER HAS PRIOR TO SUCH TIME COLLECTED FROM THE CUSTOMER WITH RESPECT TO SERVICES DELIVERED HEREUNDER.

#### 2.5 Interruption of Service

- 2.5.1 If a customer's service is interrupted other than by the negligence or willful act of the customer, and it remains out of order for eight normal working hours or longer after access to the premises is made available and after being reported to be out of order, appropriate adjustments or refunds shall be made to the customer. The amount of adjustment or refund shall be determined on the basis of the known period of interruption, generally beginning from the time the service interruption is first reported. The refund to the customer shall be a pro rata part of the monthly recurring charges (but not for per minute or per call charges) for the period of days and that portion of the service facilities rendered useless or inoperative. The refund may be accomplished by a credit on a subsequent bill for the service.
- 2.5.2 A credit allowance for interruptions of service which are not due to the Company's testing or adjusting, to the negligence of the customer, or to the failure of the channels, equipment, and/or communications systems provided by the customer, are subject to the general liability provisions set forth herein. It shall be the obligation of the customer to notify the carrier of any interruption in service. Before giving such notice, the customer shall ascertain that the trouble is not being caused by any action or omission by or within the customer's control and is not in wiring or equipment connected to the carrier terminal.

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#### 2.6 Restoration of Service

The use and restoration of service in emergencies shall be in accordance with the Part 64, Subpart D of the Federal Communications Commission's rules and Regulations which specifies the priority system for such activities.

## 2.7 Customer Responsibility

- 2.7.1 All customers assume general responsibilities in connection with the provisions and use of the Company's service. When facilities, equipment, and/or communication systems provided by others are connected to the Company's facilities, the customer assumes additional responsibilities. All customers are responsible for the following:
  - A. The customer is responsible for placing orders for service, paying all charges for service rendered by the Company and complying with all of the Company's regulations governing the service. The customer is also responsible for assuring that its users comply with regulations.
  - **B.** When placing an order for service, the customer must provide:
    - 1. The names and addresses of the persons responsible for the payment of service charges, and
    - 2. The names, telephone numbers, and addresses of the customer contact persons.
  - C. The customer must pay the Company for the replacement or repair of the Company's equipment when the damage results from:
    - 1. The negligence or willful act of the customer or user;
    - 2. Improper use of service; and
    - 3. Any use of equipment or service provided by others.
  - **D.** After receipt of payment for the damages, the Company will cooperate with the customer in prosecuting a claim against any third party causing damage.
- 2.7.2 Upon reasonable notice, the equipment provided by the Company shall be made available for such tests and adjustments as may be necessary to maintain them in satisfactory condition. No interruption allowance will be granted for the time during which such tests and adjustments are made.

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## 2.7 Customer Responsibility (continued)

#### 2.7.3 Deposits

Applicants or customers whose financial condition is not acceptable to the Company or is not a matter of general knowledge, may be required to make, at any time, a cash deposit up to an amount equaling two and one-half times (2.5x) one (1) month's actual or estimated charges for the purpose of guaranteeing final payment for service, in accordance with the rules of the TRA. Interest on cash deposits will be payable per the deposit rules and regulations prescribed by the TRA for the period during which the deposit is held. Such deposit will be refunded or credited to the customer upon termination or after one year of prompt payment for service.

#### 2.7.4 Credit Allowance

Credit for failure of service or equipment will be allowed only when failure is caused by or occurs in equipment owned, provided and billed for, by the Company.

- A. Credit allowances for failure of service or equipment starts when the customer notifies the Company of the failure or when the Company becomes aware of the failure and ceases when the operation has been restored and an attempt has been made to notify the customer.
- B. The customer shall notify the Company of failures of service or equipment and make reasonable attempts to ascertain that the failure is not caused by the customer or in wiring or equipment connected to the terminal.
- C. Only those portions of the service or equipment operation disabled will be credited. No credit allowances will be made for:
  - Interruptions of service resulting from the Company performing routine maintenance;
  - Interruptions of service for implementation of a customer order for a change in the service;
  - 3. Interruption caused by the negligence of the customer or an authorized user;
  - 4. Interruptions of service because of the failure of service or equipment due to the customer or authorized user provided facilities.

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#### 2.7 Customer Responsibility (continued)

#### 2.7.5 Cancellation by Customer

If a customer orders services requiring special equipment and/or facilities dedicated to the customer's use and then cancels its order before the service begins, before a completion of the minimum period mutually agreed upon by the customer and the Company, a charge will be made to the customer for the non-recoverable 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 such an order, any construction has either begun or been completed, but no such services provided; the non-recoverable cost of such construction shall be borne by the customer.

#### 2.7.6 Payment and Charges for Services

Charges for service are applied on a recurring and nonrecurring basis. Service is provided and billed on a monthly basis. Service continues to be provided until disconnection is requested by the customer in writing, or until canceled by the Company pursuant to this tariff.

#### A. Payment of Charges

Payment will be due upon receipt of the statement. A payment is considered delinquent thirty (30) days after rendition of the bill. A bill is considered rendered when deposited in the U. S. Mail for delivery to customer's last known address.

- The customer is responsible for payment of all charges for service furnished to the customer. Charges based on actual usage during a month will be billed monthly in arrears. All fixed monthly and nonrecurring charges for services ordered will be billed monthly in advance.
- Service may be denied or discontinued by the Company for nonpayment of past due or delinquent amounts due the Company. Restoration of service will be subject to all applicable installation charges. Disconnection may not occur before thirty (30) days from invoice and the Company must give five (5) days written notice before any disconnection can occur.

## 2.7.7 Application of Rates

The rates for service are those in effect for the period that service is furnished.

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## 2.8 Responsibility of the Company

- **2.8.1 Calculation of Credit Allowance** Under the limitations of section 2.7.4, when service is interrupted the credit allowance will be computed on the following basis.
  - A. No credit shall be allowed for an interruption of less than two hours.
  - **B.** The customer shall be credited for an interruption of two hours or major fraction thereof that the interruption continues.
  - C. Where there has been an outage, and a minimum usage charge applies, and the customer fails to meet the minimum usage, a credit shall be applied against that minimum. The credit shall equal 1/360th of the monthly minimum charges associated with the portion of service disabled for each period of two hours or major fraction thereof that the interruption continues.

#### 2.8.2 Cancellation of Credit

Where the Company cancels a service or the provision of equipment and the final service period is less than the monthly billing period, a credit will be issued for any amounts billed in advance, prorated at 1/30th of the monthly recurring charge for each day the service was rendered or the equipment was provided. This credit will be issued to the customer or applied against the balance remaining on the customer's account.

#### 2.8.3 Disconnection of Service by the Company

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

- A. Non-payment of any sum due to the Company for service for more than thirty days beyond the date of rendition of the bill for such service;
- B. Violation of any regulation governing the service under this tariff;
- C. Violation of any law, rule, or regulation of an government authority having jurisdiction over the service; or
- **D.** The Company is prohibited from furnishing services by order of a court or other government authority having jurisdiction.
- **E.** Customer uses equipment is such a manner as to adversely affect the Company's equipment or service to others.

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## 2.8 Responsibility of the Company (continued)

#### 2.8.4 Fractional Charges

Charges for a fractional part of a month (which follows a full month) are calculated by counting the number of days remaining in the billing period after service is furnished or has been discontinued. The number of days remaining in the billing period are counted starting with the day after the service was furnished or discontinued. Divide that figure by thirty days. The resultant fraction is then multiplied by the monthly charge to arrive at the fractional monthly charge.

#### 2.8.5 Insufficient Fund Checks

Customers will be charged \$20.00 on all checks issued to the Company which are returned due to insufficient funds. At the discretion of the Company, the insufficient funds check charge may be waived under appropriate circumstances (e.g. a bank error).

#### 2.9 Taxes and Fees

- 2.9.1 All state and local taxes (e.g., gross receipts tax, sales tax, municipal utilities tax) are not included in the rates under this tariff, but shall be listed as separate line items on the customer's bill.
- 2.9.2 To the extent that a municipality, other political subdivision or local agency of government, or TRA imposes and collects from the Company a gross receipts tax, occupation tax, license tax, permit fee, franchise fee, or regulatory fee, such taxes and fees shall, as allowed by law, be billed pro rata to the customer receiving service from the Company within the territorial limits of such municipality, other political subdivision or local agency of government.
- 2.9.3 Service shall not be subject to taxes for a given taxing jurisdiction if the customer provides the Company with written verification, acceptable to the Company and to the relevant taxing jurisdiction, that the customer has been granted a tax exemption.
- 2.9.4 The Company may adjust its rates or impose additional rates on its customer to recover amounts it is required by governmental or quasi-governmental authorities to collect from or pay to others. The Company may also adjust its rates or impose additional rates to cover the administrative cost of collecting such charges or paying compensation to other entities. Examples of such programs include, but are not limited to, the Universal Service Fund (USF), the Presubscribed Interexchange Carrier Charge (PICC), and compensation to pay telephone service providers for the use of their pay telephones to access the Company's services.

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## 2.10 Unauthorized Carrier Change Charge

Carrier will assess Reseller a \$200 Unauthorized Carrier Change Charge (UCCC) for each Primary Interexchange Carrier (PIC) made without prior valid authorization which results in Carrier being named in a complaint filed with a state or federal regulatory authority or counsel. Continued acts of unauthorized PIC's by any Reseller shall be considered grounds for refusing to provide service to that Reseller.

## 2.11 Unauthorized Service Change Charge

Carrier will assess Reseller a \$200 Unauthorized Service Change Charge (USCC) for each unauthorized addition of services on an end user's bill which results in Carrier being named in a complaint filed with a state or federal regulatory authority or counsel. Continued acts of unauthorized service changes by any Reseller shall be considered grounds for refusing to provide service to that Reseller.

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#### SECTION 3 - GENERAL SERVICE DESCRIPTION

#### 3.1 Timing of Calls

- 3.1.1 The customer's monthly usage charges for the Company service are based upon the total number of minutes the customer uses and the service options to which the customer subscribes. Chargeable time begins when the connection is established between the calling station and the called station or PBX. Chargeable time ends when the either party 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 within the telecommunications network.
- **3.1.2** No charges apply if a call is not completed.

#### 3.2 Start of Billing

For billing purposes, the start of service is the day following acceptance by the customer of the Company's service or equipment. The end of service date is the last day of the minimum notification of cancellation or any portion of the last day, after receipt by the Company of notification of cancellation as described in Section 2 of this tariff.

#### 3.3 Interconnection

Service furnished by the Company may be interconnected with services or facilities of other authorized communications common carriers and with private systems, subject to the technical limitations established by the Company. Service technical limitations established by the Company. Service furnished by the Company is not part of a joint undertaking with such other carriers. Any special interface equipment of the Company and other participating carriers shall be provided at the customer's expense.

Interconnection with the facilities or services of other carriers shall be under the applicable terms and conditions of other carriers' tariffs. The customer is responsible for taking all necessary legal steps for inter connecting its customer-provided terminal equipment or communications systems with the Company's. The customer shall secure all licenses, permits, right-of-ways, and other arrangements necessary for such interconnection.

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#### **SECTION 3 - GENERAL SERVICE DESCRIPTION**

#### 3.4 Terminal Equipment

The Company's service may be used with or terminated in customer provided terminal equipment or customer provided communication systems, such as teleprinter, handsets, or data sets. Such terminal equipment shall be furnished and maintained at the expense of the customer, except as otherwise provided. The customer is responsible for all costs at its premises, including customer personnel, wiring, electrical power, and the like incurred in its use of the Company's service.

The customer shall ensure that its terminal facilities are of the proper mode, band-width, power, data, speed, and signal level for the intended use of the customer, and that the signals do not damage the Company's equipment, injure personnel or degrade service to other customers.

If the customer fails to maintain and operate its terminal equipment properly, resulting in the occurrence or possibility of harm to the Company's equipment or personnel, or impairment to the quality of service to other customers, the Company may, upon written notice, require the use of protective equipment at the customer's expense. If this fails to produce satisfactory quality and safety of service, the Company may, upon written notice, terminate the customer's service.

#### 3.5 Calculation of Distance

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

The airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. The Company uses the rate centers and associated vertical and horizontal coordinates that are currently being used within the industry.

Formula:

$$\sqrt{\frac{(V_1 - V_2)^2 + (H_1 - H_2)^2}{10}}$$

#### 3.6 Minimum Call Completion Rate

The customer can expect a call completion rate of 99% per 100 calls attempted during peak use periods for all Feature Group D (1+) services. The Company will engineer its switching systems on the basis that ninety-nine percent (99%) of the customers accessing their system will be served during the busy hour.

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#### SECTION 3 - GENERAL SERVICE DESCRIPTION

## 3.7 Special Service Arrangements

Special Service Arrangement charges will be based on the estimated cost of furnishing such services including the cost of operating and maintaining such a service, the cost of equipment and materials used in providing such a service, the cost of installation including engineering, labor supervision, transportation, and the cost of any other specific item associated with the particular Special Service Arrangement request.

#### 3.8 Availability of Service

Carrier offers interexchange telecommunications service within its Service Area to Customers, subject to the terms and conditions of a Service Agreement and this tariff. Service is available twenty-four (24) hours per day, seven (7) days per week.

## 3.9 Pay Telephone (Payphone) Surcharge

A surcharge shall be assessed for each call made from a pay telephone to a Company-provided toll-free number or placed by using a travel card and dialing the Company's prefix in the form 101XXXX. This charge is to compensate the Company for the Federal Communications Commission assessment which is paid by the Company to pay telephone service providers for the use of their pay telephone instruments. The following charges are applicable on the first day of the billing month following the effective date of FCC Order 99-7 in CC Docket No. 96-128.

	Retail Customers	Wholesale Customers
Per Call Charge	\$0.35	\$0.30

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#### **SECTION 4 - CARRIER LONG DISTANCE SERVICES**

#### 4.1 Resale Service Offerings - General

Applicable rate schedules for the following services are provided in Section 4.4. Dedicated Access Lines may be required to connect Customer or End User locations to Carrier's Hub. Such dedicated Access Lines, when required, shall be the sole responsibility of Customer. Notwithstanding such responsibility, Carrier shall, upon Customer's request, order such dedicated Access Lines on behalf of Customer or its End Users, and shall invoice Customer for all related recurring and non-recurring charges. Intrastate rate plans are tied to specific interstate and international rate plans which may include term plan options for interstate calling rates.

## 4.1.1 Minimum Reseller Customer Usage Commitment

Reseller service rates shall be based upon the Minimum Customer Usage Commitment made by Customer and listed in the Service Agreement. Applicable rates are as indicated below:

- A. Option A Rates shall apply to all Customers with a Minimum Customer Usage Commitment of less than \$1 million per month.
- B. Option B Rates shall apply to all Customers with a Minimum Customer Usage Commitment equal to or greater than \$1 million per month.

### 4.1.2 Availability of Non-Day Reseller Rates

Non-Day rates for reseller services are only available to those Customers who in their Service Agreement select the "Non-Day Rate Option", and who ensure that a minimum of sixty percent (60%) of their monthly billable minutes fall within the Non-Day rate period.

#### 4.1.3 Dedicated Access Lines

Dedicated Access Lines may be required to connect Customer's location(s) to Carrier's Point-of-Presence (POP). Such dedicated Access Lines, when required, shall be the sole responsibility of Customer. Notwithstanding such responsibility, Carrier shall, upon Customer's request, order such dedicated Access Lines on behalf of Customer, and shall invoice Customer for all related recurring and nonrecurring charges.

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#### **SECTION 4 - CARRIER LONG DISTANCE SERVICES**

#### 4.2 Switched and Dedicated Reseller Service Rates

#### 4.2.1 Dial Access 1+ Service

## <u>Usage Sensitive Charges – Rate Per Minute</u>

Option	Day	Non-Day
A	\$0.1038	\$0.1038
В	\$0.0986	\$0.0986

#### 4.2.2 Dedicated Access 1+ Service

## **Usage Sensitive Charges - Rate Per Minute**

Option	Day	Non-Day
Α	\$0.0589	\$0.0589
В	\$0.0560	\$0.0560

#### 4.2.3 Switched Termination 800 Service

## <u>Usage Sensitive Charges – Rate Per Minute</u>

Option	Day	Non-Day
A	\$0.1038	\$0.1038
В	\$0.0986	\$0.0986

## **Non-Usage Sensitive Charges**

Per Toll Free Number Per Month	\$0.50

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#### **SECTION 4 - CARRIER LONG DISTANCE SERVICES**

# 4.2 Switched and Dedicated Reseller Service Rates (continued)

#### 4.2.4 Dedicated Termination 800 Service

## <u>Usage Sensitive Charges - Rate Per Minute</u>

Option	Day	Non-Day
Α	\$0.0589	\$0.0589
В	\$0.0560	\$0.0560

## Non-Usage Sensitive Charges

Per Directory Listed 800 Number Per Month	\$15.00
Non-Recurring Charge for DNIS Installation	\$100.00
Non-Recurring DNIS Change Order Charge	\$50.00

#### 4.2.5 Travel Card Service

Travel Card Service is a time-of-day banded outbound long distance service. This service allows Customer or its End Users to place long distance calls from locations other than their primary service location through the use of 800 number network access and an Authorization Code.

#### Usage Sensitive Charges - Rate Per Minute

Option	Day	Non-Day
Α	\$0.1338	\$0.1338
В	\$0.1271	\$0.1271

## Non-Usage Sensitive Charges

Oharna Bar Call	No Ohanna
Charge Per Call	No Charge
1	_

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#### 5.1 General

The Company offers Message Telecommunications Service or MTS, outbound Wide Area Telecommunications Service (WATS), Inbound 800 Service, Travel Card Service, Operator Assisted calling programs, Private Line Services and Frame Relay Service. The customer's total monthly use of Carrier's service is charged at the applicable rates per minute set forth herein.

### 5.1.1 Message Telecommunications Service (MTS)

MTS or 1+ dialing is achieved by when the LEC programs the customer's telephone lines to automatically route 1+ calls to the Company's network. Service is billed in six (6) second increments, with partial seconds of usage rounded up to the next six (6) second increment, with a minimum billing of eighteen (18) seconds.

### 5.1.2 Toll Free (i.e., 800/888) Service

Toll Free Service is inbound telecommunications service which permits calls to be completed to the customer's location without charge to the calling party. Access to the service is gained by dialing a ten-digit telephone number which terminates at the customer's location. Toll Free Services originate via normal shared use facilities and are terminated via the customers' local exchange service access line.

The Company will accept a prospective Toll Free Service at customer's request for up to ten (10) toll free telephone numbers and will reserve such numbers on a first-come first-served basis. All requests for Toll Free Service number reservations must be written, dated and signed by the customer. The Company does not guarantee the availability of numbers until assigned. The requested Toll Free Service telephone numbers, if available, will be reserved for and furnished to the customer.

If a customer who has received a Toll Free Service number does not subscribe to Toll Free Service within thirty (30) days, the Company reserves the right to re-assign the number to another customer.

#### 5.1.3 Travel Card Service

Travel Card Service allows subscribers who are away from home or office to place calls by gaining access to the Company's network via an 800 number. Travel Card Service is provided upon request to presubscribed customer and is not a stand-alone product.

### 5.1.4 Directory Assistance

Listed telephone numbers will be provided to requesting customers at a per call charge.

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## 5.2 Usage Charges and Billing Increments

## 5.21 Usage Charges

Usage charges are determined by the time of day rate periods and minutes of use within each rate period. The rate period is determined by the time and day of call origination at the customer's location.

### 5.2.2 Billing Increments

Unless specifically stated in the product description, usage is billed in sixty (60) second increments.

## 5.3 Business Customer and Travel Card Services

### 5.3.1 Rates

	Per Minute	MRC
Switched 1+	\$0.1570	
Standard Switched Toll Free Services	\$0.1570	
Switched Toll Free Services with Routing Function	\$0.15	\$9.00
Travel Card Services	\$0.25	
Dedicated Outbound WATS Services	\$0.0810	
Dedicated Toll Free Services	\$0.0810	

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# 5.4 Business Customer Programs

Developed for use by alternative marketers. Provided to independent agents, telemarketers, multi-level marketing groups, organizations and clubs.

### 5.4.1 Rates

	Per Minute	MRC
Switched 1+	\$0.1570	
Standard Switched Toll Free Services	\$0.1570	
Switched Toll Free Services with Routing Function	\$0.15	\$9.00
Travel Card Services	\$0.25	
Dedicated Outbound WATS Services	\$0.0810	
Dedicated Toll Free Services	\$0.0810	

# 5.5 Directory Assistance Charge

Directory Assistance service provides access to an operator for the purpose of obtaining telephone number information. Directory Assistance calls are billed on a per inquiry basis. The Customer may requests two number per call to the Directory Assistance Operator.

Per Call Charge	\$1.40

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# 5.6 Integrated Access Service

#### 5.6.1 Broadband Services

Broadband services (i.e., Frame Relay) customers with an IAS plan will be subject to the following additional provisions:

- At the end of the Customer's service term, service will renew for successive three month periods. Either the Customer or Carrier may terminate services upon thirty (30) days written notice prior to then of the term or any successive three month renewal.
- If the Customer terminates usage of IAS services prior to the end of the term, the Customer will pay to Carrier 100% of the then-current dedicated access monthly charges (for access provided by the Company), multiplied by the number of months remaining in the term.

## 5.6.2 Nonrecurring Charges

A nonrecurring charge applies to establish IAS. All local installation charges of the local carrier are also passed through to the IAS Customer.

Ionrecurring IAS Establishment Charge:	\$1,500.00
--	------------

### 5.6.3 Early Termination

A penalty is computed and applied as a lump sum to the Customer's bill when the Customer cancels service prior to expiration of the term commitment by multiplying fifty percent (50%) of the minimum usage commitment times the number of months remaining in the term.

### 5.6.4 Pass Through Charges

The Company will pass through to the IAS Customer all charges incurred from local exchange carriers in providing dedicated high capacity access (T-1).

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### 5.7 Business Rate Plan

## 5.7.1 Description

Business Rate Plan is available to the Company's business Customers with no monthly minimum charges or line count restrictions. This service utilizes switched or dedicated access lines. Outbound calls are billed in six (6) second increments after an initial minimum call duration of eighteen (18) seconds. Dedicated Toll Free Service is billed in six (6) second increments after a minimum call duration of thirty (30) seconds. No term and volume discounts apply to this service.

### 5.7.2 Rates

	Per Minute	MRC
Switched 1+	\$0.10	
Standard Switched Toll Free Services	\$0.10	
Switched Toll Free Services with Routing Function	\$0.15	\$9.00
Travel Card Services	\$0.25	
Dedicated Outbound WATS Services	\$0.0369	
Dedicated Toll Free Services	\$0.0369	

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### 5.8 LD Rate Plan

LD Rate Plan is a long distance plan available to the Company's Customers on a presubscribed basis. This service utilizes switched or dedicated access lines. Calls are billed in six (6) second increments after an initial billing increment of eighteen (18) seconds. Calling Card calls are billed in one (1) minute increment after an initial billing increment of one (1) minute. Partial increments are rounded to the next higher increment. No monthly recurring charges or term and volume discounts apply to this service.

### 5.8.1 Rates

	Per Minute IntraLATA	Per Minute InterLATA
Switched 1+	\$0.046	\$0.046
Standard Switched Toll Free Services	\$0.046	\$0.046
Travel Card Services	\$0.250	\$0.250
Dedicated Outbound Services	\$0.023	\$0.023

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## 5.9 Business Migration Plan

# 5.9.1 Description of Service

The Business Migration Plan is offered to Business Customers for lines presubscribed to the Company. This Plan is offered for both inbound (e.g., 800 service) and direct dialed outbound calling. Business Migration Plan is available only in conjunction with the Company's corresponding interstate plan.

### 5.9.2 Rates and Charges

## A. Calculation of Charges

All outbound calls are measured in six (6) second increments after an initial minimum call duration of eighteen (18) seconds. Toll free calls are measured in six (6) second increments after a minimum call duration of thirty (30) seconds. Total monthly usage is determined by recording each call individually and rounding the call to the next full minute on a per-call basis. The total monthly usage during a billing period is the sum of the minutes computed for each individual call.

### B. Application of Rates

The applicable Usage Rate Level and corresponding Monthly Recurring Charge (MRC) is based on the total billing demonstrated at the time service is ordered or initiated. The MRC applies to each account with one or more lines presubscribed to the Business Migration Plan, regardless of the number lines subscribed. The MRC applies in full for each month or partial month of service. The MRC is permanently waived for Customers who demonstrate a usage history of \$775 or more.

## C. Change in Rate Level

The Customer may initiate a request for a change in usage rate level, or the Company may initiate a change upon notice to the Customer, when total billing for a consecutive three month interval falls into a higher or lower rate category. When the Usage Rate Level is changed, the corresponding Monthly Recurring Charge is also changed.

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# 5.9 Business Migration Plan (continued)

# 5.9.2 Rates and Charges (continued)

## D. Rates

Demonstrated Usage Level	Per Minute Usage Rate Level	MRC
\$0.00-\$99.99	\$0.0900	\$6.00
\$100-\$774.99	\$0.0750	\$7.00
\$775 and over	\$0.0590	\$0.00

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#### 6.1 General

Services listed in this Section are available to retail as well as wholesale customers.

### 6.2 Operator Services

Operator services are available to Consumers from any Customer location. Operator Services allows the Consumer to place a call from a Customer location and arrange for billing other than to the originating telephone number. Calls are rounded up to the next whole minute for billing purposes and are billed to the Consumer through the monthly bill of the Consumer's local exchange carrier.

The following billing arrangements are available to Consumers through the Company's Operator Services:

## 6.2.1 Customer Dialed Calling/Credit Card

This is a service whereby the end user dials all of the digits necessary to route and bill the call without any operator assistance. Such calls may be billed either to a telephone company issued calling card or a commercial credit card.

### 6.2.2 Operator Station

This is a service whereby the caller places a non-person-to-person call with the assistance of an operator (live or automated). When placing an operator station call, the caller is connected to a non-specified individual at the terminating end. Such calls may be billed to a calling card, credit card, the called number (collect) or a valid third party telephone number.

### 6.2.3 Person-to-Person

This is a service whereby the person originating the call specifies to Carrier's operator a particular person to be reached, or a particular person, station, room number, department, or office to be reached through a PBX attendant. Person-to-person calls may be billed to a calling card, credit card, the called number (collect) or a valid third party telephone number.

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# 6.2 Operator Services (continued)

# 6.2.4 Rates and Charges

Per Minute Usage Rate			\$0.30	
1.0				
Per Call Service Charges		Per Call		
Customer Dialed Calling C	ard Station:	4		
Customer Dialed / Auto	omated		\$1.50	
Customer Dialed & Op	perator Assisted		\$2.25	
Customer Dialed-Oper	Operator Must Assist		\$1.50	
Operator Dialed Calling Ca	erator Dialed Calling Card		\$2.25	
	Per Call			
Operator Station:	Automated	t	Operator Assisted	
Collect	\$2.25		\$3.50	
Billed to Third Party	\$2.35		\$3.50	
Person to Person			\$4.90	

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## 6.3 Frame Relay Service

### 6.3.1 General Description

Frame Relay Service is an enhanced form of packet switching which uses variable length packets to connect multiple local area networks (LANs) for data transmission. Frame Relay Service is available throughout the United States where digital local access is available. The rules for Frame Relay Service in this Section are in addition to those rules found in Sections 1 through 3 of this tariff.

### 6.3.2 Definitions

**Asynchronous Transfer Mode (ATM)** - an international high-speed, high-volume, packet-switched transmission protocol standard that supports integrated voice, video and data communications. ATM uses short uniform 53 byte cells to divide data into packets for ultra fast switching through the network. The 53 byte cells contain 5-byte destination address headers and 48 data bytes.

**Committed information rate (CIR)** - the statistical measurement of throughput on a PVC over time measured in bits per second. The CIR is the rate at which the network agrees to accept data from the user, and which the network commits to transfer data under normal operating conditions.

**Permanent virtual circuit (PVC)** - the facilities used to form a communications path connecting between two ports. Although a PVC may be defined in static manner with static parameters, it is not fixed to a stationary path through the network.

**Port** - a network entry or exit point on the frame relay switch that connects to the Company's frame relay network.

**Service Date** - The date Frame Relay Service is installed and available, or the date specified on the customer's order form, whichever is later. The service date is the date on which all nonrecurring charges will be billed and monthly charges begin for Frame Relay Service.

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## 6.3 Frame Relay Service (continued)

#### 6.3.3 Rate Elements

Frame Relay Service has three rate elements:

- A. local access facilities;
- B. ports; and
- **C.** a permanent virtual circuit (PVC).

#### 6.3.4 Local Access

Local access facilities must be obtained to access Frame Relay Service. The local access facilities are ordered from the local exchange telephone company. The rates for the local access facilities vary by local exchange company and are found in that the Company's tariff.

## 6.3.5 Port Speed

Port speed is selected to accommodate the various PVCs that use a particular port. The speed represents the highest attainable data rate into or out of the location at any point in time. Available speeds range from 56 Kbps to 1.536 Mbps. A frame relay port connection provides the physical interface into the network and provides the logical termination of PVCs assigned to that port.

# 6.3.6 PVC

The PVC connects the customer's specific end-points on the interexchange network. Each PVC is assigned a committed information rate (CIR), which is the average minimum data rate the network will allocate to the PVC under normal operating conditions. The data transmission rate for a PVC can be greater than the CIR when excess capacity is available on the port and on the network. When this excess capacity exists, an average data rate above the CIR may be achieved up to the port capacity. Data sent across a virtual connection in excess of that connection's CIR will be marked discard eligible in the event of network congestion, and will be delivered only if the instantaneous demand for output on a transmission channel is equal to or less than the capacity of the queue for that channel.

PVCs may be either asymmetrical (one-way) or symmetrical (two-way). Symmetrical (two-way) traffic requires the use of one-symmetrical PVC or two asymmetrical PVCs.

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## 6.3 Frame Relay Service (continued)

# 6.3.7 Frame Relay Service - Guarantees

## A. Network Availability

Network availability is measured as the total number of minutes in a billing month during which core network PVC routes are available to exchange data between the two network infrastructure node end points, divided by the total number of minutes in a billing month. A lapse in network availability is calculated commencing with the date on which the customer informs the Company of service non-availability, and ends on the date of service restoration. The PVC route will be measured from infrastructure port to infrastructure port and will not include the customer premises equipment (CPE) or local access facilities.

# B. Network Availability Objective

The Company engineer's its network to achieve availability of 99.9% for networks designed with ten (10) or more network sites and a fully meshed network topology or a star network topology in which each remote site has PVCs connected to at least two network hubs engineered to a separate infrastructure node. In all other instances, the Company engineers its network to achieve availability of at least 99.5%.

## C. Frame Delivery

Frame delivery measures the percentage of customer's frame relay packets delivered from the Company's network ingress port to the Company's network egress port. This percentage will not include packet delivery failures attributable to local access facilities or CPE.

#### **D.** Frame Delivery Objective

The Company engineers its network to achieve a frame delivery level of 99.9% of frames within a customer's CIR, and 99.0% of frames above a customer's CIR. These delivery rates apply for networks designed with ten (10) or more network sites and a fully meshed network topology or a star network topology in which each remote site has PVCs connected to at least two network hubs engineered to a separate infrastructure node. In all other instances, the Company engineers its network to achieve a frame delivery level of 99.0%.

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## 6.3 Frame Relay Service (continued)

## **6.3.7** Frame Relay Service – Guarantees (continued)

## E. Network Latency

Network latency measures the elapsed time, in milliseconds, required for one data cell (frame relay packets converted to ATM cells on the Company's backbone network) to be delivered from the customer's Frame Relay Service network ingress port to the network egress port. Packet delivery failures attributable to local access facilities or CPE are not included.

# F. Network Latency Objective

The Company engineers its network to achieve a one-way network latency of 65 milliseconds. This parameter applies for networks designed with ten (10) or more network sites and a fully meshed network topology or a star network topology in which each remote site has PVCs connected to at least two network hubs engineered to a separate infrastructure node. In all other instances, the Company engineers its network to achieve a network latency of 75 milliseconds.

### G. Exclusions

The standards described above do not include periods of non-attainment resulting in whole or in part from one or more of the following causes:

- Any act or omission on the part of the customer, its contractors, or any other entity over which the customer exercises control or has the right to exercise control;
- Scheduled maintenance:
- Labor strikes
- 4. Force Majeure events beyond the control of the Company (including, but not limited to, acts of Nature, government regulation and national emergency); and,
- 5. Any act or omission on the part of a third party including, but not limited to, the local access provider.

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## 6.3 Frame Relay Service (continued)

#### 6.3.8 Minimum Service Terms

- A. The minimum service requirement is one month for domestic service and one year for international service. The customer may subscribe to service under one, two, three, four or five year term plans. For any term plan, the rates will be fixed for the term. The term will begin on the first day of the month following the date the service is installed and available. Upon expiration, the term will be automatically extended at the term plan rates for successive ninety (90) day periods, unless thirty (30) days prior to the end of the term or each such extension either (a) the customer or the Company provides written notice to the other that it does not want such extension, or (b) the customer subscribes to another term plan and the rates of the new term plan apply.
- B. If additional sites are added to a customer's Frame Relay Service after the initial subscription to a term plan, such sites will be incorporated into the customer's term plan and will have the same termination date as the customer's original term plan.
- C. Existing customers may subscribe to a new term plan for Frame Relay Service of the same or greater value prior to the end of the customer's existing term plan without incurring any termination liability if the new term plan extends beyond the old term plan termination date by at least one year.

### 6.3.9 Termination of Frame Relay Service

Customer must provide the Company with 30 days written notice before terminating frame relay service. Customers terminating service prior to fulfilling their term commitment will be assessed a termination liability equal to one hundred percent (100%) of the monthly recurring charge for each access line, port and PVC service terminated multiplied by the number of months remaining in the first year of the term plan, plus fifty percent (50%) of the monthly recurring charges for each circuit canceled multiplied by the number of months remaining in the term plan after the first year. The customer will not have any termination liability if it subscribes to another Company service of the same or greater monthly revenues and volume, and with a term no less than the remaining months of the term plan or one year, whichever is greater, at the same time the notice of termination is received. The customer will also be liable for a pro-rata amount of any waived installation charges based on the number of months remaining in the term plan.

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## **6.3** Frame Relay Service (continued)

#### 6.3.10 Rates

The following rates and charges apply to Frame Relay Services. The Company reserves the right to offer the Customer arrangements developed on a case-by-case basis in response to a bona fide special request from a Customer or prospective Customer to develop a competitive bid for a service not generally available under this Tariff. ICB rates will be offered to the Customer in writing and on a nondiscriminatory basis. Contracts resulting from a special request will be filed with the Tennessee Regulatory Authority if required by the TRA.

## A. Port Charges

NRC: For installation per port	\$275.00
Speed (Kbps)	MRC: Per Port
56 - 64	\$162.00
112 - 128	\$295.00
168 - 192	\$319.00
224 - 256	\$344.00
280 - 320	\$424.00
336 - 384	\$500.00
448 - 512	\$635.00
504 - 576	\$680.00
560 - 640	\$725.00
616 - 704	\$770.00
672 - 768	\$850.00
896 - 1024	\$1,010.00
1120 -1280	\$1,135.00
1344 -1536	\$1,325.00

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# 6.3 Frame Relay Service (continued)

# 6.3.10 Rates (continued)

# B. PVC Charges

NRC F	Per Asymmetrical PVC	\$15.00
	Per Symmetrical PVC modification or reconfiguration)	\$30.00
CIR (Kbps)	MRC: Asymmetrical (One-Way)	MRC: Symmetrical (Two-Way)
0	\$0.00	\$0.00
4	\$5.00	\$10.00
8	\$8.00	\$16.00
16	\$16.30	\$32.60
32	\$31.80	\$63.60
48	\$46.10	\$92.20
64	\$53.00	\$106.00
128	\$101.00	\$202.00
192	\$151.00	\$302.00
256	\$201.00	\$402.00
320	\$252.00	\$504.00
384	\$302.00	\$604.00
448	\$352.00	\$704.00
512	\$403.00	\$806.00
576	\$453.00	\$906.00
640	\$504.00	\$1,008.00
704	\$554.00	\$1,108.00
768	\$604.00	\$1,208.00
832	\$655.00	\$1,310.00
896	\$705.00	\$1,410.00
960	\$755.00	\$1,510.00
1024	\$806.00	\$1,612.00
1088	\$856.00	\$1,712.00
1152	\$906.00	\$1,812.00
1216	\$957.00	\$1,914.00
1280	\$1,007.00	\$2,014.00
1344	\$1,057.00	\$2,114.00
1408	\$1,108.00	\$2,216.00
1472	\$1,158.00	\$2,316.00
1536	\$1,208.00	\$2,416.00

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## **6.3** Frame Relay Service (continued)

### 6.3.10 Rates (continued)

C. Local Access

Local access facilities shall be provided under the local exchange company's tariff.

D. Expedite Charges

Expedite charges apply when the customer requests an installation interval shorter than the standard and the Company is able to comply with that request.

Port Connection	\$50.00
PVC (install, moves, changes, disconnect)	\$75.00
Local Access	\$50.00*

<sup>\*</sup> In addition to any local exchange company expedite charges which will be directly passed on to the customer.

# E. Engineering Charges

Re-mapping of facilities	\$100

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### 6.4 Private Line Services

### 6.4.1 General

The Company provides interstate Private Line Service to Customers with transmission speeds ranging from 64 Kbps to 1.544 Mbps. Private Line Services are offered on a point-to-point basis. Each Private Line Service is dedicated to the Customer and the entire usable bandwidth for each service is available to the Customer for their exclusive use.

### 6.4.2 Two Point Service

Two Point Service allows two Customer designated locations to be connected by one Private Line Service. The service terminated at both locations must be the same speed and the same capacity.

### 6.4.3 Application of Rates

# A. Recurring Charges

Recurring charges for Private Line Services vary based on the capacity of service, the distance of service, the term plan selected and the monthly revenue commitment made by the Customer. Unless otherwise stated in the description associated with the rate element in this tariff, Private Line Service recurring charges are applied on a circuit basis, per DS0 equivalent. A minimum circuit charge applies which varies by circuit bandwidth.

### B. Nonrecurring Charges

Nonrecurring Charges (NRC) are one-time only charges. NRC's may be waived for certain promotions and under the specific terms of individually negotiated contract services.

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### **6.4** Private Line Services (continued)

## **6.4.3** Application of Rates (continued)

C. Pass-Through Charges

All charges incurred by the Company on the Customer's behalf from any Local Exchange Carrier, Competitive Access Provider or Competitive Local Exchange Provider will be directly passed on the Customer. Cross-Connect Charges apply to Company facilities that are connected by the Company to other carriers or Customer interconnect/collocation facility within the same Point of Presence.

#### Notes

- 1. All charges incurred by Supplier on Customer's behalf from any Local Exchange Carrier, Competitive Access Provider or Competitive Local Exchange Carrier will be directly passed on to the Customer.
- 2. Service not described above will be considered special handling and charges will be assessed on an Individual Case Basis (ICB).
- 3. All of the above changes are subject to changes with a 30 day notice.
- 4. All Private Line ancillary service charges to cities not listed will be priced on an individual case basis and will be subject to the terms and charges of the underlying carrier.

## D. Interconnect Charges

Interconnect Charges apply to connections between the Company's POPs in the same city or between the Company's suite to another suite in the same building. Since costs vary widely by location, the interconnect charges specified in this tariff are the minimum amount that will be charged monthly. All interconnect construction charges and individual case basis charges incurred by the Company will be passed through to the Customer. Interconnect arrangements are subject to the continuing economic availability of the necessary facilities and equipment.

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## 6.4 Private Line Services (continued)

## 6.4.4 Order Cancellation Policy

The Company will provide an order confirmation after the Customer places an order for service. If the Customer changes the order, a change order charge will apply based on the scope of the change. If the Customer cancels the order, the Customer must reimburse the Company for all costs incurred to that point. The Customer must notify the Company of service date changes 45 days prior to the due date. Service date changes may be extended by the Customer a maximum of thirty days from the due date.

### 6.4.5 Service Descriptions

Private Line Service allows the Customer to connect two locations with private dedicated service at one of a number of transmission speeds.

#### A. DS0 Service

DS0 Service is a dedicated digital channel with line speeds of 2.4, 4.8, 9.6, 56 or 64 Kbps.

### B. DS1 Service

DS1 Service is a dedicated, high capacity channel with a line speed of 1.544 Mbps. DS1 Service has the equivalent capacity of 24 Voice Grade services or 24 DS0 services.

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### 6.4 Private Line Services (continued)

### 6.4.8 Rate Schedules

The following rates and charges apply to Private Line Services. The Company reserves the right to offer the Customer arrangements developed on a case-by-case basis in response to a bona fide special request from a Customer or prospective Customer to develop a competitive bid for a service not generally available under this Tariff. ICB rates will be offered to the Customer in writing and on a nondiscriminatory basis. Contracts resulting from a special request will be filed with the Tennessee Regulatory Authority if required by the TRA.

### A. On-Net DS-O

	Fixed	Per Mile	Local Loop	Installation
0 - 100 Miles	\$75.00	\$0.35	Cost	\$150.00
100 + Miles	\$75.00	\$0.35	Cost	\$150.00

### B. On-Net DS-1

	Minimum	Per DSO Mile	Local Loop	Installation
0 - 200 Miles	\$250.00	\$0.11	Cost	\$400.00
200 - 500 Miles		\$0.11	Cost	\$400.00
500 + Miles		\$0.11	Cost	\$400.00

#### C. On Net Private Line Term Discounts

1 Year	5%
2 Years	10%
3 Years	15%

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## **SECTION 7 - PROMOTIONS**

### 7.1 General

From time to the time, the Company will introduce promotional offers to stimulate usage or encourage new subscription. The TRA will be notified by letter of the nature of any new promotion, the effective date, term, duration and other details.

ISSUED: EFFECTIVE:

**ISSUED BY:**