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OF COUNSEL
JOHN T. PETERS, JR.
HAROLD E. FISCHER, JR.

VINCENT T. EARLY
(1922 - 2001)
JOSEPH J. BURGIE
(1926 - 1992)
LAWRENCE M. BRENTON
(1950 - 2007)

May 19, 2008

Sharla Dillon
Docket and Record Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

docket no. 08-00084

RE: Peerless Network of Tennessee, LLC

Dear Ms. Dillon:

Enclosed for filing with the Regulatory Authority, please find an original and four (4) copies of the above captioned corporation's APPLICATION FOR CERTIFICATE TO PROVIDE COMPETING LOCAL AND INTEREXCHANGE TELECOMMUNICATION SERVICES, along with a check in the amount of \$25.00 for filing fees relating to same.

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

PDC/tld

cc: sharla.dillon@state.tn.us

BEFORE THE TENNESSEE REGULATORY AUTHORITY

**IN THE MATTER OF THE APPLICATION OF
PEERLESS NETWORK OF 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, Peerless Network of Tennessee, LLC ("Peerless-TN" or "Applicant") respectfully requests that the Tennessee Regulatory Authority ("TRA") grant to Peerless-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, Peerless-TN submits the following:

1. The full name and address of the Applicant:

Peerless Network of Tennessee, LLC
225 W. Washington Street, Suite 1285
Chicago, IL 60606
Telephone: (312) 642-6286
Facsimile: (312) 506-0931
Toll Free: (888) 380-2721

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
E-mail: pcrocker@earlylenno.com

Contact name and address at the Company is:

Daniel Meldazis, Director of Regulatory Affairs
Peerless Network of Tennessee, LLC
225 W. Washington Street, Suite 1285
Chicago, IL 60606
Telephone: (888) 380-2721
Facsimile: (312) 506-0931

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

See **Exhibit A**

3. Corporate information:

Peerless Network of Tennessee, LLC was organized in the State of Tennessee on April 7, 2006. A copy of Applicant's Articles of Organization and Amendments are 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. Peerless-TN possesses the managerial, technical, and financial ability to provide local telecommunications service in the State of Tennessee as demonstrated below:

A. Financial Qualifications:

In support of its financial qualifications, Peerless-TN attaches bank statements of Applicant's parent Peerless Network, LLC as **Exhibit E**. Peerless Network, LLC will provide all funds necessary for Tennessee operations of Peerless-TN.

Attached hereto as **Exhibit F** is a capital expenditures budget, indicating type of equipment to be purchased, cost, and sources for funding of projected capital expenditures, for 2008, 2009, and 2010.

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

\$20,000 Corporate Surety Bond is provided as **Exhibit G**.

B. Managerial Ability:

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

C. **Technical Qualifications:**

Peerless-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, Peerless-TN is certainly technically qualified to provide local exchange service in Tennessee.

5. **Proposed Service Area:**

Peerless-TN is not authorized in any jurisdictions. Peerless-TN's affiliates are currently authorized to provide local services in Florida, Georgia, Illinois, Massachusetts, Minnesota, New York, Oregon, Pennsylvania, and Washington. Additionally, Peerless-TN's affiliates have applications pending in Arizona, California, Missouri, New Jersey, and Texas.

The applicant proposes to offer its services throughout the State of Tennessee as a reseller and/or facilities-based provider in the areas that are currently being served by BellSouth Telecommunications, Inc. d/b/a AT&T Tennessee, Embarq, and any other eligible ILEC which is designated open to competition. Peerless-TN intends to offer this broad range of telecommunications services through the use of its own facilities, resold facilities, and through a combination of these provisioning methods. Applicant will not construct or deploy any telecommunications facilities in the near future. However, Applicant is requesting authority to include such plans in case future market conditions warrant. In that case, Applicant may install simple soft-switch technologies. Applicant would not construct and deploy conduits, ducts, poles, wires, traditional end-office switches, or other facilities.

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

Peerless-TN expects to offer a broad variety of local exchange services, to business customers in Tennessee. Peerless-TN's initial line of local services will be comparable to that currently offered by the incumbent LECS. Initially Peerless-TN plans to offer basic access line service, Optional Calling Features, Directory Assistance, Directory Services, and Operator Services, as well as all services required under Chapter 1220-4-8-.04 (3) (b) and (c).

7. **Repair and Maintenance:**

Peerless-TN understands the importance of effective customer service for local service customers. Peerless-TN has made arrangements for its customers to call the company at its toll-free customer service number 1-888-380-2721. In addition, customers may contact the company in writing at the headquarters address, as well as via email at regulatory@peerlessnetwork.com. The toll free number will be printed on the customer's monthly billing statements. The Tennessee contact person knowledgeable about providers operations is Daniel Meldazis, reference (1.) 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 Peerless-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 Peerless-TN and indirectly, because Peerless-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. **Miscellaneous:**
 - A. Sworn Pre-filed testimony: Exhibit M
 - B. Applicant does not require customer deposits
 - C. Peerless-TN has not yet begun to provide service in any jurisdiction. As such, Applicant has not been subject to any complaints.
 - D. Applicant's tariff: Exhibit N.

CONCLUSION:

Peerless-TN respectfully requests that the TRA enter an order granting it a certificate of convenience and necessity to operate as a competing telecommunications service provider and authority to provide a full range of local exchange service on a resale basis 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, Peerless-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 13 day of May 2008.

Peerless Network of Tennessee, LLC



John Barnicle, CEO

EXHIBIT A

Organizational Chart of Corporate Structure

Applicant is a wholly owned subsidiary of Peerless Network, LLC.

The following Affiliates are authorized in their respective state:

- Peerless Network of Florida, LLC
- Peerless Network of Georgia, LLC
- Peerless Network of Illinois, LLC
- Peerless Network of Massachusetts, LLC
- Peerless Network of Minnesota, LLC
- Peerless Network of New York, LLC
- Peerless Network of Oregon, LLC
- Peerless Network of Pennsylvania, LLC
- Peerless Network of Washington, LLC

Applications are currently pending for the following affiliates:

- Peerless Network of Arizona, LLC
- Peerless Network of California, LLC
- Peerless Network of Missouri, LLC
- Peerless Network of Texas, LLC

Affiliates which intend to file applications:

- Peerless Network of Ohio, LLC

EXHIBIT B

Articles of Organization

RECEIVED
STATE OF TENNESSEE

8056.0114 5000 1557


RECEIVED
STATE OF TENNESSEE

2007 MAY 10 AM 9:21

2007 MAY 22 AM 8:26

For Office Use Only
RILEY DARNELL
SECRETARY OF STATE

RILEY DARNELL
SECRETARY OF STATE

State of Tennessee  Department of State Corporate Filings 312 Eighth Avenue North 6th Floor, William R. Snodgrass Tower Nashville, TN 37243		ARTICLES OF AMENDMENT TO ARTICLES OF ORGANIZATION (LLC)	
LIMITED LIABILITY COMPANY CONTROL NUMBER (IF KNOWN) <u>0517673</u>			
PURSUANT TO THE PROVISIONS OF §48-209-104 OF THE TENNESSEE LIMITED LIABILITY COMPANY ACT OR §48-249-204 OF THE TENNESSEE REVISED LIMITED LIABILITY COMPANY ACT, THE UNDERSIGNED ADOPTS THE FOLLOWING ARTICLES OF AMENDMENT TO ITS ARTICLES OF ORGANIZATION:			
PLEASE MARK THE BLOCK THAT APPLIES: <input checked="" type="checkbox"/> AMENDMENT IS TO BE EFFECTIVE WHEN FILED BY THE SECRETARY OF STATE <input type="checkbox"/> AMENDMENT IS TO BE EFFECTIVE _____ (DATE) _____ (TIME). (NOT TO BE LATER THAN THE 90TH DAY AFTER THE DATE THIS DOCUMENT IS FILED) IF NEITHER BLOCK IS CHECKED, THE AMENDMENT WILL BE EFFECTIVE AT THE TIME OF FILING.			
1 PLEASE INSERT THE NAME OF THE LIMITED LIABILITY COMPANY AS IT APPEARS ON RECORD: <u>Common Pointe Networks of Tennessee, LLC</u> IF CHANGING THE NAME, INSERT THE NEW NAME ON THE LINE BELOW: <u>Peerless Network of Tennessee, LLC</u>			
2 PLEASE INSERT ANY CHANGES THAT APPLY: A PRINCIPAL ADDRESS: _____ STREET ADDRESS CITY _____ STATE/COUNTY _____ ZIP CODE _____ B REGISTERED AGENT: _____ C REGISTERED ADDRESS: _____ STREET _____ CITY _____ STATE _____ ZIP CODE _____ COUNTY _____ D. OTHER CHANGES:			
3 THE AMENDMENT WAS DULY ADOPTED ON <u>May</u> <u>7</u> <u>2007</u> MONTH DAY YEAR (If the amendment is filed pursuant to the provision of §48-209-104 of the TN LLC Act, please also complete the following by checking one of the two boxes:) AND THE AMENDMENT WAS DULY ADOPTED BY THE <input type="checkbox"/> BOARD OF GOVERNORS WITHOUT MEMBER APPROVAL AS SUCH WAS NOT REQUIRED <input checked="" type="checkbox"/> MEMBERS			
Member _____ SIGNER'S CAPACITY		<u>Richard F. Knight</u> SIGNATURE <u>Richard F. Knight</u> NAME OF SIGNER (TYPED OR PRINTED)	
SS-4247 (REV 01/06)		Filing Fee: \$20.00 RDA 2458	

Secretary of State
Division of Business Services
312 Eighth Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, Tennessee 37243

DATE: 04/07/06
REQUEST NUMBER: 5759-0444
TELEPHONE CONTACT: (615) 741-2286
FILE DATE/TIME: 04/05/06 0843
EFFECTIVE DATE/TIME: 04/05/06 0843
CONTROL NUMBER: 0517673

TO:
CORPORATE GUARANTEE AND TRUST CO
S110 2 GREENWOOD SQ
3331 STREET RD
BENSALEM, PA 19020

RE:
COMMON POINTE NETWORKS OF TENNESSEE, LLC
ARTICLES OF ORGANIZATION -
LIMITED LIABILITY COMPANY

CONGRATULATIONS UPON THE FORMATION OF THE LIMITED LIABILITY COMPANY IN THE STATE OF TENNESSEE WHICH IS EFFECTIVE AS INDICATED ABOVE.

A LIMITED LIABILITY COMPANY ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF STATE ON OR BEFORE THE FIRST DAY OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE LIMITED LIABILITY COMPANY'S FISCAL YEAR. ONCE THE FISCAL YEAR HAS BEEN ESTABLISHED, PLEASE PROVIDE THIS OFFICE WITH WRITTEN NOTIFICATION. THIS OFFICE WILL MAIL THE REPORT DURING THE LAST MONTH OF SAID FISCAL YEAR TO THE LIMITED LIABILITY COMPANY AT THE ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING ADDRESS PROVIDED TO THIS OFFICE IN WRITING. FAILURE TO FILE THIS REPORT OR TO MAINTAIN A REGISTERED AGENT AND OFFICE WILL SUBJECT THE LIMITED LIABILITY COMPANY TO ADMINISTRATIVE DISSOLUTION.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR FILING, PLEASE REFER TO THE LIMITED LIABILITY COMPANY CONTROL NUMBER GIVEN ABOVE. PLEASE BE ADVISED THAT THIS DOCUMENT MUST ALSO BE FILED IN THE OFFICE OF THE REGISTER OF DEEDS IN THE COUNTY WHEREIN A LIMITED LIABILITY COMPANY HAS ITS PRINCIPAL OFFICE IF SUCH PRINCIPAL OFFICE IS IN TENNESSEE.

FOR: ARTICLES OF ORGANIZATION -
LIMITED LIABILITY COMPANY

ON DATE: 04/07/06

FROM:
CORPORATION GUARANTEE AND TRUST CO/3331
3331 STREET ROAD
SUITE 110
BENSALEM, PA 19020-0000

RECEIVED: FEES \$300.00 \$0.00
TOTAL PAYMENT RECEIVED: \$300.00

RECEIPT NUMBER: 00003916248
ACCOUNT NUMBER: 00362848



Riley C. Darnell

RILEY C. DARNELL
SECRETARY OF STATE

State of Tennessee



Department of State
Corporate Filings
312 Eighth Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, TN 37243

ARTICLES OF
ORGANIZATION
(LIMITED LIABILITY COMPANY)

(For use on or after 1/1/2006)

For Office Use Only

FILED
RECEIVED
2006 APR 23 AM 8:43
CLERK OF THE SECRETARY OF STATE

The Articles of Organization presented herein are adopted in accordance with the provisions of the Tennessee Revised Limited Liability Company Act.

1. The name of the Limited Liability Company is: COMMON POINTE NETWORKS OF TENNESSEE, LLC

(NOTE: Pursuant to the provisions of TCA § 48-249-106, each limited Liability Company name must contain the words "Limited Liability Company" or the abbreviation "LLC" or "L.L.C.")

2. The name and complete address of the Limited Liability Company's initial registered agent and office located in the state of Tennessee is:
Joseph Martin, Jr., Esq.

(Name)

315 Deaderick Street, Suite 1100, Nashville,

TN 37238

(Street Address)

(City)

(State/Zip Code)

Davidson

(County)

3. The Limited Liability Company will be: (NOTE: PLEASE MARK APPLICABLE BOX)

☒ Member Managed

☐ Manager Managed

☐ Director Managed

4. Number of members at the date of filing, if more than six (6): _____

5. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date and time is:

Date, _____ Time _____ (Not to exceed 90 days.)

6. The complete address of the Limited Liability Company's principal executive office is:

27 North Wacker, Suite 444, Chicago, IL 60606
(Street Address) (City) (State/County/Zip Code)

7. Period of Duration if not perpetual: _____

8. Other Provisions:

March 21, 2006
Signature Date

Common Pointe Networks, LLC
Signer's Capacity (if other than individual capacity)

Richard F. Knight
Signature

By: Richard F. Knight, member
Name (typed or printed)

EXHIBIT C

Principal Officers

Officers, address and phone numbers are the same for the parent Peerless Network, LLC and all affiliates.

John Barnicle, CEO

Peerless Network of Tennessee, LLC
225 W. Washington Street, Suite 1285
Chicago, IL 60606
Telephone: (312) 506-0930
Facsimile: (312) 506-0931

Richard Knight, President

Peerless Network of Tennessee, LLC
225 W. Washington Street, Suite 1285
Chicago, IL 60606
Telephone: (312) 506-0925
Facsimile: (312) 506-0931

Douglass Lee, CFO

Peerless Network of Tennessee, LLC
225 W. Washington Street, Suite 1285
Chicago, IL 60606
Telephone: (312) 506-0939
Facsimile: (312) 506-0931

EXHIBIT D

**Biographies of Principal Officers
and
Technical Qualifications**

John Barnicle
5216 S. Central Ave.
Western Springs, IL 60558
johnbarnicle@yahoo.com
(312) 543-1660

Experience

Oct. 2005 – May 2006 **Lynch Interactive Corp.** Rye, NY

President and Chief Executive Officer

- Completed “going dark” process necessary to take the company private to minimize impact of Sabanes-Oxley requirements of public companies.
- Started initiative to grow non-regulated revenue streams to reduce company's reliance on USF support. Non-regulated revenue was on pace to grow 20% year over year.
- Completed refinancing of all or portions of six operating company loan agreements.

Feb. 2003 – October 2005 **Neutral Tandem, Inc.** Chicago, IL

President and Chief Operating Officer

- Co-founder of Neutral Tandem. The company grew organically from inception to an annualized revenue run rate of over \$40 million in only twenty months. It became EBITDA positive within twelve months of providing service. Customers included every major competitive wireless and wireline carrier in the country.
- Responsibilities included overseeing sales, marketing, engineering, operations and IS departments, with full P&L responsibility.
- Instrumental in raising over \$35 million in equity and debt capital at a challenging time in the telecom industry.

May 1996 – Oct. 2002 **Focal Communications** Chicago, IL

President and Chief Operating Officer

- Co-founder of Focal Communications. The company grew organically to annualized revenue run rate of approximately \$350 million, with nearly 1 million DS-0 equivalents of voice and data services in service across twenty-three markets
- Customers included half of the Fortune 100, wireless and VOIP providers and ISPs
- Services included local phone service (POTS, T-1s, Primary Rate ISDN), long distance, private lines, internet access, managed modem, co-location, and DSL

- Responsibilities included overseeing marketing, engineering, operations and IS departments, and various aspects of sales
- Service-related customer churn averaged about 1% per year, and the company won various awards for customer service and its IS systems implementation from customer groups, Innovation Week and CIO Magazine
- Full P/L responsibility, including responsibility for the capital budget, which peaked at nearly \$300 million per year.
- Participated in private and public fund raising including an IPO, two high yield bond offerings, bank credit facility and a private recapitalization raising over \$800 million

Feb. 1996 – May 1996

MFS Communications

Oak Brook Terrace, IL

April 1992- Sept. 1994

Vice President – Marketing

- Responsible for marketing all MFS services throughout North America. Led the integration the disparate marketing organizations of several MFS subsidiaries (Datanet, Intelenet, Telecom) when MFS underwent a major reorganization
- Developed and managed MFS' ILEC co-location business, responsible for everything from regulatory lobbying, budgeting, construction management, systems modifications, sales compensation plan adjustments, and sales support
- Participated on the team of people that developed MFS' switched services offering, which eventually grew into MFS Intelenet
- Responsible for negotiating MFS' first interconnection agreement with Ameritech
- Became the only employee of an MFS subsidiary (MFS Telephone), which acted as an agent to sell MFS Intelenet services to large businesses and internet services providers
- Provided technical sales support on the full range of services for MFS largest clients

Sept. 1994 – Feb.1996
Chicago, IL

Duff & Phelps Credit Rating Co.

Vice President

- Issued credit ratings and related research reports on public debt instruments of communications companies
- Clients included top IXC, Cable TV, wireless and emerging wireline carriers
- Met with senior management teams of rating clients to understand strategic direction of companies, performed extensive financial analysis on business plans, financial reports and debt issuance documents to assess relative credit risk that helped establish and maintain appropriate interest rates on these debt instruments

June 1986 – April 1992
locations

Centel

Various

Staff Engineer/Sr. Manager, Business Services

- Responsibilities included all marketing efforts and resources associated with providing equipment and services to all business customers, representing approximately nearly \$100 million per year in revenue
- Developed a plan to utilize emerging competitive access providers to transport local telephony services outside of landlocked franchise territory boundaries into the greater metropolitan area served by Ameritech
- Planned and oversaw the initial introduction of Signaling System #7 in various Centel switching centers to support 800 number portability and CLASS services
- Planned all of Centel's 911/E911 implementation across 1.5 million access lines in nine states

Education

- M.B.A. Finance (with Distinction), DePaul University, 1995
- B.S. Electrical Engineering with an emphasis on RF communications systems, University of Illinois at Champaign, 1987

Richard Knight
645 North Kingsbury #1302
Chicago, IL. 60610
312-642-6286
rfk312@gmail.com

Summary 17 years of award winning business-building experience encompasses launching new technologies and products, creating local and national marketing programs, acquiring customers and directly impacting corporate margins by increasing gross revenues. I have developed, sold, supported, engineered and implemented customer solutions that achieved high-margin revenues. Experience includes Fortune 500, affinity and wholesale market segments.

Career History

Origin Communications (10/2002 – Present)
Chicago, IL.
Founder/President

Origin Communications provides customers in the call center and telecommunications markets with the latest cost savings technological solutions. Our programs increased customers' efficiencies and profitability by a minimum of 50%. Areas of expertise include Voice over Internet Protocol and sales and marketing strategies. Origin Communications delivers results to Small to Medium Enterprise (SME) Markets to the Fortune 500 Companies that positively impact profitability. Key accounts included Gateway Computers, TeleGuam Holdings, RWT Telephone, Excel Energy, Bramah Security Systems UK

Focal Communications (08/1997 – 10/2002)
Chicago, IL.
National Vice President Sales and Support

Executive responsible for developing rapid growth segments, driving network efficiencies, maximizing bottom line recurring revenues and minimizing SG&A costs. Effort included building a team that grew from 1 to over 120 sales, customer relations and technical support that was recognized as the industry leader in service quality.

- Drove revenue by creating Focal's first wholesale, strategic and agent business channels where my team sold network solutions to high-tech companies such as Time Warner/AOL, Excel Energy, Comcast, EarthLink, Bell South and Qwest.
- Increased revenues from \$0 to over \$280M or 80% of Focal's revenue.
- Inherited the declining business segment, the Data Services Group, which had lost \$40M or 33% of its revenues. Reversed the trend and began a 10% growth rate within 8 months.
- Maintain the lowest expense to revenue, bad debt to revenue, churn and highest revenue per team member.

MCI Communications (4/1995 – 8/1997)

Atlanta, GA.

Executive Manager

Led efforts on two initiatives to grow the Carrier business segment from \$300M to \$4B. Supervised 14 staff and a \$15.8M budget. The key was to build a marketing team and organizational structure from scratch. Recruited 14 product marketing and development managers internally from MCI divisions and led them to create segment specific products and programs.

- Introduced 6 new products worth \$1.7B in contracted revenue.
- Created MCI's first ever online, e-commerce services for our carrier customers to allow them to view order status and billing for their customer base.
- Provided training to over 300+ Carrier Services personnel.
- Implemented product strategies that minimized end-user confusion and regulatory risk.

MCI Communications (11/1993 – 04/1995)

Atlanta, GA.

Senior Manager

Developed and implemented new product segment strategies. Focused on new market entries that would diversify revenues and differentiate MCI from its key competitors.

- Initiated new programs that generated \$18M in annual revenue in the first 60 days.
- Introduced 3 new products representing over \$5M in monthly revenue.

MCI Communications (04/1991 – 11/1993)

Washington, DC

Marketing Manager

Managed Interexchange Carrier and Independent Telco Segments. Led national program development, implementation, support and strategy.

- Implemented initiatives that increased revenue over 75%, from \$350M to \$550M.
- Signed 8 Independent Telcos within the first 120 days.

MCI Communications (08/1990 – 04/1991)

Washington, DC

Partner Marketing Manager

Responsible for sales strategy to capture affinity marketing business revenues and then create the direct marketing campaigns to support revenue growth once the affinity partners signed-on.

- Established 7 new sales agents and affinity programs, which generated over \$1.5M in monthly revenues.
- Key accounts sold and managed included GE, American Home Builders Association and the American Bar Association

Education

M.B.A.	DePaul University	Chicago, IL.
B.B.A.	University of Iowa	Iowa City, IA.

Douglass B. Lee

Co-Founder/Chief Financial Officer

Douglass B. Lee has over 15 years of telecommunications industry experience, prior to co-founding Peerless Network, Doug served as Co-Founder and Chief Financial Officer of TeleGuam Holdings, LLC (the Incumbent Local Exchange Carrier (ILEC) on Guam, and an integrated provider of communications services in the Western Pacific, offering wireline, wireless, long distance, and broadband communication services to consumers and businesses). As a founding member for TeleGuam, he was responsible for managing all financial and accounting functions for the company, upon the company's leveraged buyout of the government run phone company. Doug also managed corporate development, IT, strategy, investor relations, and risk management, and was part of core team that successfully won the competitive bid over the Carlyle Group in 2004.

Doug has a wealth of financial experience both in and out of telecommunications having worked for Excelline Foods Inc as CFO and as a founding member of management in a private equity leveraged buyout of the company, as Vice President of Finance at Focal Communications and as a Senior Associate at PriceWaterhouse Coopers, Telecom, and Media in San Francisco CA, and at Coopers & Lybrand Consulting in Chicago Illinois.

Mr. Lee earned his M.B.A. from Harvard University Graduate School of Business Administration, and a B.S. from the University of Illinois, Urbana/Champaign, Illinois.

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 State of Tennessee.

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

The Company will establish interconnection points of presence in Nashville, and other cities as operations progress.

3. Method of deployment

Initially, Applicant will lease all its capacity from AT&T, Verizon Business or Level 3.

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

The Company will use fiber optic service from one of its network providers, usually at the OC-12 or OC-48 level. The Company uses Sonus GSX 9000 switches in its network deployment.

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

All services required will be offered, via interconnection or tariff agreement, through the authorized underlying carrier(s).

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

Along with the Company's Chief Operations Officer and Chief Executive Officer, who are both electrical engineers, the Company has several highly experienced telecommunications professionals on staff. They are skilled in network operations and surveillance, translations engineering, network installation and maintenance, information technologies and operational support systems. The incumbent LEC and/or underlying carrier will provide the any further necessary engineering expertise.

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. Peerless 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

**Peerless Network of Tennessee, LLC
225 W. Washington Street, Suite 1285
Chicago, IL 60606**

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

**Daniel Meldazis, Director of Regulatory Affairs
Peerless Network of Tennessee, LLC
225 W. Washington Street, Suite 1285
Chicago, IL 60606
Telephone: (888) 380-2721
Facsimile: (312) 506-0931
E-mail: regulatory@peerlessnetwork.com**

EXHIBIT E

Financial Qualifications

Confidential Treatment Requested

Filed Under Seal

Peerless Network of Tennessee, LLC ("Peerless-TN") is a newly formed limited liability company. Peerless-TN is submitting the bank statements of its parent, Peerless Network, LLC as evidence of financial capability to provide the services requested.

Peerless Network, LLC will provide the funds for Peerless-TN's operations in Tennessee. This financial information is not made publicly available and public disclosure of such information could place the Company at a competitive disadvantage. These bank statements are therefore submitted under seal. Peerless-TN respectfully requests that this confidential information not be provided to any party other than members of the staff who need to review the material for evaluation of applicant's fitness to provide service.

EXHIBIT F

Projected Financial Statements for First Five Years of Operation

Confidential Treatment Requested

Filed Under Seal

This financial information is not made publicly available and public disclosure of such information could place the Company at a competitive disadvantage. These projected financials are therefore submitted under seal. Peerless-TN respectfully requests that this confidential information not be provided to any party other than members of the staff who need to review the material for evaluation of applicant's fitness to provide service.

EXHIBIT G

Surety Bond

TENNESSEE REGULATORY AUTHORITY

TENNESSEE TELECOMMUNICATIONS SERVICE PROVIDER'S SURETY BOND

Bond #: 9056916

WHEREAS, Peerless Network of Tennessee, LLC (the "Principal"), has applied to the Tennessee Regulatory Authority for authority to provide telecommunications services in the State of Tennessee; and

WHEREAS, under the provisions of Title 65, Chapter 4, Section 125(j) of the Tennessee Code Annotated, as amended, the Principal is required to file this bond in order to obtain such authority and to secure the payment of any monetary sanction imposed in any enforcement proceeding brought under Title 65 of the Tennessee Code Annotated or the Consumer Telemarketing Act of 1990 by or on behalf of the Tennessee Regulatory Authority (the "TRA"); and

WHEREAS, Washington International Insurance Company (the "Surety"), a corporation licensed to do business in the State of Tennessee and duly authorized by the Tennessee Commissioner of Insurance to engage in the surety business in this state pursuant to Title 56, Chapter 2 of the Tennessee Code Annotated, has agreed to issue this bond in order to permit the Principal to comply with the provisions of Title 65, Chapter 4, Section 125(j) of the Tennessee Code Annotated;

NOW THEREFORE, BE IT KNOWN, that we the Principal and the Surety are held and firmly bound to the STATE OF TENNESSEE, in accordance with the provisions of Tennessee Code Annotated, Title 65, Chapter 4, Section 125(j), in the full amount of twenty thousand dollars (\$20,000.00) lawful money of the United States of America to be used for the full and prompt payment of any monetary sanction imposed against the Principal, its representatives, successors or assigns, in any enforcement proceeding brought under Title 65 of Tennessee Code Annotated or the Consumer Telemarketing Act of 1990, by or on behalf of the TRA, for which obligation we bind ourselves, our representatives, successors and assigns, each jointly and severally, firmly and unequivocally by these presents.


This bond shall become effective on the 9th day of April, 2008, and shall be continuous; provided, however, that each annual renewal period or portion thereof shall constitute a new bond term. Regardless of the number of years this bond may remain in force, the liability of the Surety shall not be cumulative, and the aggregate liability of the Surety for any and all claims, suits or actions under this bond shall not exceed Twenty Thousand Dollars (\$20,000.00). The Surety may cancel this bond by giving thirty (30) days written notice of such cancellation to the TRA and Principal by certified mail, it being understood that the Surety shall not be relieved of liability that may have accrued under this bond prior to the date of cancellation.

PRINCIPAL

Peerless Network of Tennessee, LLC
Name of Company authorized by the TRA

Company ID # as assigned by TRA

SIGNATURE OF PRINCIPAL


Name: Doug Lee
Title: Cto



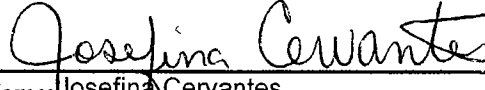
SURETY

Washington International Insurance Company
Name of Surety

1200 Arlington Heights Road, Ste 400 Itasca, IL 60143-2625

Address of Surety

SIGNATURE OF SURETY AGENT


Name: Josefina Cervantes
Title: Attorney-in-Fact

Address of Surety Agent:

1200 Arlington Heights Road, Ste 400
Itasca, IL 60143-2625

THIS BOND IS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 125, CHAPTER 4, TITLE 65 OF THE TENNESSEE CODE ANNOTATED AS AMENDED BY CHAPTER NO. 586, 2000 PUBLIC ACTS. SHOULD THERE BE ANY CONFLICT WITH THE TERMS HEREOF AND THE STATUTE OR REGULATIONS PROMULGATED THEREUNDER, THE STATUTE OR REGULATIONS SHALL PREVAIL. (POWER OF ATTORNEY FROM AN APPROVED INSURANCE COMPANY MUST BE ATTACHED.)

ACKNOWLEDGMENT OF PRINCIPAL

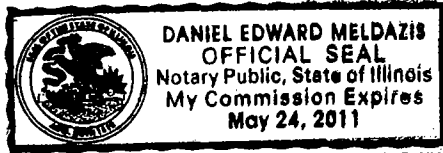
STATE OF Illinois
COUNTY OF Cook

Before me, a Notary Public of the State and County aforesaid, personally appeared Douglass Lee
with whom I am personally acquainted and who, upon oath, acknowledged himself to be the individual who executed the foregoing
bond on behalf of Peerless Network of Tennessee, LLC, and he acknowledged to me that he executed the same.

WITNESS my hand and seal this 10th day of April, 2008.

My Commission Expires:

May 24, 2011



Daniel Edward Meldazis
Notary Public

ACKNOWLEDGMENT OF SURETY

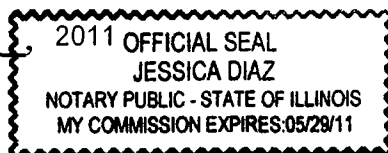
STATE OF Illinois
COUNTY OF Cook

Before me, a Notary Public of the State and County aforesaid, personally appeared Josefina Cervantes
with whom I am personally acquainted and who, upon oath, acknowledged himself to be the individual who executed the
foregoing bond on behalf of Washington International Insurance Company, the within named Surety, a corporation licensed to do business in the
State of Tennessee and duly authorized by the Tennessee Commissioner of Insurance to engage in the surety business in this state
pursuant to Title 56, Chapter 2 of the Tennessee Code Annotated, and that he as such an individual being authorized to do so,
executed the foregoing bond, by signing the name of the corporation by himself and as such individual.

WITNESS my hand and seal this 9th day of April, 2008.

My Commission Expires:

May 29



Jessica Diaz
Notary Public
Jessica Diaz

APPROVAL AND INDORSEMENT

This is to certify that I have examined the foregoing bond and found the same to be sufficient and in conformity to law, that the
sureties on the same are good and worth the penalty thereof, and that the same has been filed with the Tennessee Regulatory
Authority, State of Tennessee, this _____ day of _____.

Name:
Title:

NAS SURETY GROUP

NORTH AMERICAN SPECIALTY INSURANCE COMPANY
WASHINGTON INTERNATIONAL INSURANCE COMPANY

GENERAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, THAT North American Specialty Insurance Company, a corporation duly organized and existing under laws of the State of New Hampshire, and having its principal office in the City of Manchester, New Hampshire, and Washington International Insurance Company, a corporation organized and existing under the laws of the State of Arizona and having its principal office in the City of Itasca, Illinois, each does hereby make, constitute and appoint: Josefina Cervantes

Its true and lawful Attorney-in-Fact, to make, execute, seal and deliver, for and on its behalf and as its act and deed, the following surety bond:

Principal: Peerless Network of Tennessee, LLC

Bond Number: 9056916

Obligee: State of Tennessee

Bond Amount: See Bond Form

Bond Description: Telecommunications Service Provider's Surety Bond

Provided that no bond or undertaking or contract of suretyship executed under this authority shall exceed the amount of:

TWENTY-FIVE MILLION (\$25,000,000) DOLLARS

This Power of Attorney is granted and is signed by facsimile under and by the authority of the following Resolutions adopted by the Boards of Directors of both North American Specialty Insurance Company and Washington International Insurance Company at meetings duly called and held on the 24th of March, 2000:

"RESOLVED, that any two of the President, any Executive Vice President, any Vice President, any Assistant Vice President, the Secretary or any Assistant Secretary be, and each or any of them hereby is authorized to execute a Power of Attorney qualifying the attorney named in the given Power of Attorney to execute on behalf of the Company bonds, undertakings and all contracts of surety, and that each or any of them hereby is authorized to attest to the execution of any such Power of Attorney and to attach therein the seal of the Company; and it is

FURTHER RESOLVED, that the signature of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be binding upon the Company when so affixed and in the future with regard to any bond, undertaking or contract of surety to which it is attached."



By [Signature]
Steven P. Anderson, President & Chief Executive Officer of Washington International Insurance Company &
Vice President of North American Specialty Insurance Company

By [Signature]
David M. Layman, Vice President of Washington International Insurance Company &
Vice President of North American Specialty Insurance Company



IN WITNESS WHEREOF, North American Specialty Insurance Company and Washington International Insurance Company have caused their official seals to be hereunto affixed, and these presents to be signed by their authorized officers this 15th day of March 20 07.

North American Specialty Insurance Company
Washington International Insurance Company

State of Illinois
County of Du Page ss:

On this 15th day of March 20 07, before me, a Notary Public personally appeared Steven P. Anderson, President and CEO of Washington International Insurance Company and Vice President of North American Specialty Insurance Company and David M. Layman, Vice President of Washington International Insurance Company and Vice President of North American Specialty Insurance Company, personally known to me, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as officers of and acknowledged said instrument to be the voluntary act and deed of their respective companies.



[Signature]
Susan Ansel, Notary Public

I, James A. Carpenter, the duly elected Assistant Secretary of North American Specialty Insurance Company and Washington International Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney given by said North American Specialty Insurance Company and Washington International Insurance Company, which is still in full force and effect.

IN WITNESS WHEREOF, I have set my hand and affixed the seals of the Companies this 9th day of April, 2008.

[Signature]
James A. Carpenter, Vice President & Assistant Secretary of Washington International Insurance Company &
Assistant Secretary of North American Specialty Insurance Company

Bond No: 9056917

LICENSE OR PERMIT BOND

KNOW ALL BY THESE PRESENTS, that we, Peerless Network of Connecticut, LLC as Principal, and Washington International Insurance Company, a Arizona, Corporation are held and firmly bound unto State of Connecticut, Department of Public Utility Control as Oblgee, in the penal sum of Twenty Five Thousand and no/100 Dollars (\$ 25,000.00), good and lawful money of the United States, for payment of which well and truly to be made, we bind ourselves, and our heirs, executors, administrators, jointly and severally, firmly by these presents.

WHEREAS, the said Principal has applied to said Oblgee for a license or permit to do business as A competitive Local Exchange Service Provider.

NOW THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that, if Principal shall faithfully observe and honestly comply with the provisions of all Laws or Ordinances of Oblgee regulating the business for which license or permit is issued, then this obligation shall be void; otherwise to be and remain in full force and effect.

PROVIDED HOWEVER:



Until canceled as herein provided:

This bond may be canceled by the Surety by sending notice in writing to the Oblgee, stating when, not less then sixty (60) days thereafter, liability shall terminate as to subsequent acts or omissions of the Principal.

Signed, sealed and dated this 1st day of April, 2008.

Surety: Washington International Insurance Company

By: Josefina Cervantes
Josefina Cervantes, Attorney-in-Fact

Principal: Peerless Network of Connecticut, LLC

By: [Signature]

Washington International Insurance Company, Itasca, IL 60143

NAS SURETY GROUP

NORTH AMERICAN SPECIALTY INSURANCE COMPANY
WASHINGTON INTERNATIONAL INSURANCE COMPANY

GENERAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, THAT North American Specialty Insurance Company, a corporation duly organized and existing under laws of the State of New Hampshire, and having its principal office in the City of Manchester, New Hampshire, and Washington International Insurance Company, a corporation organized and existing under the laws of the State of Arizona and having its principal office in the City of Itasca, Illinois, each does hereby make, constitute and appoint:

JACQUELYN M. NORSTROM, PAUL E. JOHNSON, JUDITH A. McGOOGAN,
JOSEPH J. ZAHN, JOSEFINA CERVANTES, DOROTHY J. FOX and JOHN P. HARNEY
jointly or severally

Its true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver, for and on its behalf and as its act and deed, bonds or other writings obligatory in the nature of a bond on behalf of each of said Companies, as surety, on contracts of suretyship as are or may be required or permitted by law, regulation, contract or otherwise, provided that no bond or undertaking or contract or suretyship executed under this authority shall exceed the amount of:


FIVE MILLION (\$5,000,000.00) DOLLARS

This Power of Attorney is granted and is signed by facsimile under and by the authority of the following Resolutions adopted by the Boards of Directors of both North American Specialty Insurance Company and Washington International Insurance Company at meetings duly called and held on the 24th of March, 2000:

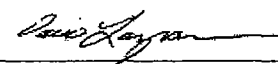
"RESOLVED, that any two of the President, any Executive Vice President, any Vice President, any Assistant Vice President, the Secretary or any Assistant Secretary be, and each or any of them hereby is authorized to execute a Power of Attorney qualifying the attorney named in the given Power of Attorney to execute on behalf of the Company bonds, undertakings and all contracts of surety, and that each or any of them hereby is authorized to attest to the execution of any such Power of Attorney and to attach therein the seal of the Company; and it is

FURTHER RESOLVED, that the signature of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be binding upon the Company when so affixed and in the future with regard to any bond, undertaking or contract of surety to which it is attached."



By 
Steven P. Anderson, President & Chief Executive Officer of Washington International Insurance Company &
Vice President of North American Specialty Insurance Company



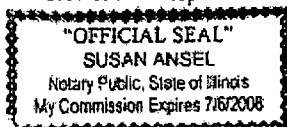
By 
David M. Layman, Vice President of Washington International Insurance Company &
Vice President of North American Specialty Insurance Company


IN WITNESS WHEREOF, North American Specialty Insurance Company and Washington International Insurance Company have caused their official seals to be hereunto affixed, and these presents to be signed by their authorized officers this 19th day of March, 2007.

North American Specialty Insurance Company
Washington International Insurance Company

State of Illinois
County of Du Page ss:

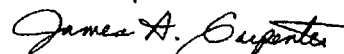
On this 19th day of March, 2007, before me, a Notary Public personally appeared Steven P. Anderson, President and CEO of Washington International Insurance Company and Vice President of North American Specialty Insurance Company and David M. Layman, Vice President of Washington International Insurance Company and Vice President of North American Specialty Insurance Company, personally known to me, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as officers of and acknowledged said instrument to be the voluntary act and deed of their respective companies.




Susan Ansel, Notary Public

I, James A. Carpenter, the duly elected Assistant Secretary of North American Specialty Insurance Company and Washington International Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney given by said North American Specialty Insurance Company and Washington International Insurance Company, which is still in full force and effect.

IN WITNESS WHEREOF, I have set my hand and affixed the seals of the Companies this 1st day of April, 2008.



James A. Carpenter, Vice President & Assistant Secretary of Washington International Insurance Company &
North American Specialty Insurance Company

State of Illinois
County of Cook

On this 1st day of April 2008, before me personally appeared
Josefina Cervantes, known to me to be the Attorney-in-fact of
Washington International Insurance Company, the corporation that executed the
within instrument, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, at my office in the
aforesaid county, the day and year in this certificate first above written.

(Seal)



Jessica Diaz
(Notary Public)

EXHIBIT H

Small and Minority-Owned Telecommunications Business Participation Plan

PEERLESS NETWORK OF TENNESSEE, LLC
SMALL AND MINORITY-OWNED
TELECOMMUNICATIONS BUSINESS PARTICIPATION PLAN

Pursuant to T.C.A. §65-5-212, as amended, Peerless Network of Tennessee, LLC ("Peerless-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. Peerless-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. Peerless-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, Peerless-TN will make efforts to identify and inform minority-owned and small businesses that are qualified and capable of providing goods and services to Peerless-TN of such opportunities. Peerless-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, Peerless-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 least 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

Peerless-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 Peerless-TN's full efforts to provide equal opportunities for small and minority-owned businesses. The Administrator of the Plan will be:

Daniel Meldazis, Director Regulatory Affairs
Peerless Network of Tennessee, LLC
225 W. Washington Street, Suite 1285
Chicago, IL 60606
Telephone: (312) 506-0933
Facsimile: (312) 506-0931

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.
- (8) Providing information and educational activities to persons within Peerless-TN and training 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

Peerless-TN will maintain records of qualified small and minority-owned business and efforts to use the goods and services of such businesses. In addition, Peerless-TN will maintain records of educational and training activities conducted or attended and of the internal procurement procedures adopted to support this plan.

Peerless-TN will submit records and reports required by the Tennessee Regulatory Authority concerning the Plan. Moreover, Peerless-TN will cooperate fully with any surveys and studies required by the Tennessee Regulatory Authority.

Peerless Network of Tennessee, LLC

Dated: May 13, 2008

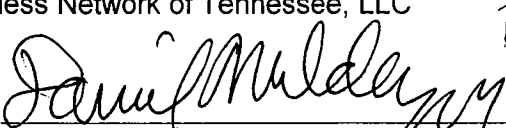
By: 
Daniel Meldazis, Director Regulatory Affairs

EXHIBIT I

Toll Dialing Parity Plan

PEERLESS NETWORK OF 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. Peerless Network of Tennessee, 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

Peerless-TN will be offering dialing parity for all toll calls. Each customer requesting Peerless-TN local exchange service will be given the opportunity to affirmatively select a presubscribed carrier for intraLATA toll and interexchange toll calls. Peerless-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. Peerless-TN will be implementing this plan upon receiving authority from the TRA to provide service. Peerless-TN will initially be establishing service in the LATA served by Bell South.

Business Office Practices

Peerless-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 Peerless-TN service, a Peerless-TN sales representative will inform the customer that Peerless-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. Peerless-TN will maintain a list of available toll carriers and keep it updated. Peerless-TN will process a customer's PIC change to a toll carrier other than Peerless-TN in the same fashion and in the same time frames as a request to presubscribe to itself. Once a Peerless-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. Peerless-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, Peerless-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 Peerless-TN either manually or electronically.

Anti-Slamming

Peerless-TN will comply with the FCC's anti-slamming provisions, 47 CFR § 64-110-150. Peerless-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	Peerless-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 Peerless-TN. Peerless-TN will comply with all rules of the FCC and the TRA.

Conclusion

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

EXHIBIT J

**Notice of Filing
Incumbent Local Exchange Service Providers**

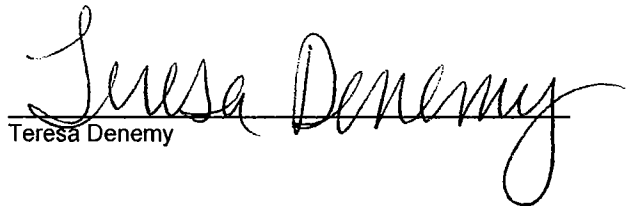
CERTIFICATE OF SERVICE

STATE OF MICHIGAN)
) ss.
COUNTY OF KALAMAZOO)

Teresa Denemy, being duly sworn, deposes and states that on the 19th day of May 2008, served a copy of the NOTICE OF FILING of the APPLICATION OF PEERLESS NETWORK OF TENNESSEE, LLC FOR A CERTIFICATE TO PROVIDE COMPETING LOCAL 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 19TH day of May 2008 at Kalamazoo, Michigan.



Teresa Denemy

BEFORE THE TENNESSEE REGULATORY AUTHORITY

IN THE MATTER OF THE APPLICATION OF)
PEERLESS NETWORK OF 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.

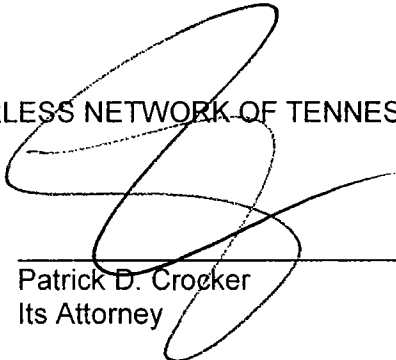
PLEASE TAKE NOTICE, that in accordance with the Tennessee Regulatory Authority Rules for the Provision of Competitive Intrastate Telecommunications Services, you are hereby given notice that on May 19, 2008, PEERLESS NETWORK OF TENNESSEE, LLC filed an Application for a Certificate of Public Convenience and Necessity to Provide Facilities-based AND Resold Local Exchange and Long Distance Telecommunications Services.

This 19th day of May 2008

PEERLESS NETWORK OF TENNESSEE, LLC

BY:

Patrick D. Crocker
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 three (3).

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

Applicant anticipates no more than 15 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 customer demand and will strictly adhere to Tennessee and FCC numbering regulations.

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?

The Company will use the required 75% fill as per the ATIS COCAG guidelines, section 4.3.1 (version 01-18-08).

EXHIBIT L

Tennessee Specific Operational Issues

1. 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.

The Company's billing and mediation system has jurisdictional parameters that can be selected depending on a customer's chosen calling plan. These will insure that a call is correctly billed to an end user.

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.

Daniel Meldazis

888-380-2721

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
PEERLESS NETWORK OF TENNESSEE,
LLC FOR A CERTIFICATE TO PROVIDE
COMPETING LOCAL TELEPHONE
SERVICES**

PRE-FILED TESTIMONY OF JOHN BARNICLE

I, John Barnicle, do hereby testify as follows in support of the application of Peerless Network of Tennessee, LLC ("Peerless-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 John Barnicle. My business address is Peerless Network of Tennessee, LLC, 225 W. Washington Street, Suite 1285; Chicago, IL 60606. My position is CEO of Peerless-TN.

Q: Please briefly describe your duties.

A: My principal duties with Peerless-TN include responsibility for the day to day operations of Peerless-TN. I am charged with all personnel decisions, buy versus build decisions, billing, operations, information technology, customer service, marketing and sales. I am also responsible for ensuring that Peerless-TN complies with all regulatory and legal requirements.

Q: Please describe your business experience and educational background.

A: I am the CEO of Peerless Network, LLC the parent of Peerless Network of Tennessee, LLC. As indicated in my resume in Exhibit C of the Application I have many years of telecommunications experience. I was President and CEO of Lynch Interactive Corp. from October 2005 – May 2006. From February 2003 – October 2005 I was the President and Chief Operating Officer of Neutral Tandem, Inc. where I was a co-founder

of the company. From May 1996 – October 2002 I was a Co-founder, President and Chief Operating Office of Focal Communications. From February 1996 – May 1996 and April 1992 – September 1994 I was the Vice President of Marketing for MFS Communications. From September 1994 – February 1996 I was Vice President of Duff & Phelps Credit Rating Company. From June 1986 – April 1992 I was Staff Engineer/Sr. Manager, Business Services for Centel. In my education I have an M.B.A. Finance (with Distinction), DePaul University, 1995. I have a B.S. Electrical Engineering with an emphasis on RF communications systems, University of Illinois at Champaign, 1987.

Q: *Are all statements in Peerless-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 Peerless-TN's Application are true and correct.

Q: *Please describe the current corporate structure of Peerless-TN Network of Tennessee, LLC*

A: Peerless Network, Inc. is a limited liability company organized under the laws of the State of Delaware and is the parent of 17 LLCs set up as operating companies in 17 different states as outlined in Exhibit A of the Application. Peerless Network, Inc. does not have operating authority in any jurisdiction.

Q: *Does Peerless Network of Tennessee, LLC possess the requisite managerial, financial, and technical abilities to provide the services for which it has applied for authority?*

A: Yes, Peerless-TN possesses the requisite managerial, financial, and technical abilities to provide the services for which it has applied for authority.

Q: *Please describe Peerless Network of Tennessee, LLC's financial qualifications.*

A: As evidence of Peerless-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 Peerless Network of Tennessee, LLC's managerial and technical qualifications.*

A: The senior management of Peerless-TN has great depth in the telecommunications industry and offer extensive technical and managerial expertise to Peerless-TN pertaining to the telecommunications business. In evidence of managerial and technical qualifications we submit Exhibit D, which includes the biographies of Peerless-TN's key officers and personnel.

Q: *What services will Peerless Network of Tennessee, LLC offer?*

A: Peerless-TN's initial line of local services will be comparable to that currently offered by the incumbent LECs. Initially, Peerless-TN plans to offer basic access line service, Optional Calling Features, Directory Assistance, Directory Services, and Operator Services, as well as all services required under Chapter 1220-4-8-.04(3)(6) and (2).

Q: *Will Peerless Network of Tennessee, LLC offer service to all consumers within its service area?*

A: Peerless-TN will offer service to nonresidential consumers within its service area.

Q: *Does Peerless Network of 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.

Q: *Will the granting of a certificate of convenience and necessity to Peerless Network of 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 Peerless-TN and indirectly, because Peerless-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 Peerless-TN will further enhance the service options available to Tennessee citizens.

Q: *Does Peerless Network of 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, Peerless-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 Peerless Network of Tennessee, LLC, or one of its affiliates, authorization to provide intrastate service?*

A: No, neither Peerless-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 Peerless Network of Tennessee, LLC or one of its affiliates?*

A: No, Peerless-TN's certification has never been revoked in any state or jurisdiction.

Q: *Has Peerless Network of Tennessee, LLC or one of its affiliates ever been investigated or sanctioned by any regulatory authority for service or billing irregularities?*

A: Neither Peerless-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 Peerless Network of Tennessee, LLC's operations and will serve as Peerless Network of Tennessee, LLC's regulatory and customer service contact?*

A: Daniel Meldazis, Director of Regulatory Affairs is knowledgeable about Peerless-TN's operations and will serve as regulatory and customer contact.


Q: Please explain in detail Peerless Network of Tennessee, LLC's proposed procedures for responding to information requests from the TRA and its staff.

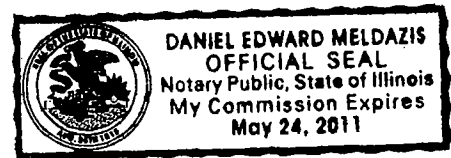
A: Peerless-TN's attorney or company staff will respond to information requests from the TRA and its staff.

Q: Does this conclude your testimony?

A: Yes it does.

I swear that the foregoing testimony is true and correct to the best of my knowledge.


John Barnicle, CEO
Peerless Network of Tennessee, LLC



Subscribed and sworn to me this 13 day of May 2008.

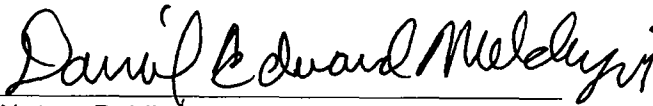

Notary Public

EXHIBIT N

Proposed Tariff

LOCAL EXCHANGE and INTEREXCHANGE SERVICES

PEERLESS NETWORK OF TENNESSEE, LLC

225 W. Washington Street, Suite 1285
Chicago, IL 60606

The Company's toll free telephone Customer Service number is:

1-888-380-2721

Rates, Rules and Regulations for furnishing of Services within Tennessee

Tennessee Regulatory Authority

Tariff No. 1

This tariff contains the descriptions, regulations and rates applicable for the furnishing of local exchange and long distance telecommunications services provided by Peerless Network of Tennessee, LLC ("COMPANY") within the State of Tennessee. This tariff is on file with the Tennessee Regulatory Authority.

Issued:

Issued By:

John Barnicle, CEO
Peerless Network of Tennessee, LLC
225 W. Washington Street, Suite 1285
Chicago, IL 60606

Effective:

LOCAL EXCHANGE and INTEREXCHANGE SERVICES

CHECK SHEET

The following pages are effective as of the date shown. Revised pages as named below contain all changes from the original tariff that are in effect on the date thereof.

<u>Page</u>	<u>Revision No.</u>	<u>Page</u>	<u>Revision No.</u>
1	Original	36	Original
2	Original	37	Original
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29	Original	64	Original
30	Original	65	Original
31	Original	66	Original
32	Original	67	Original
33	Original	68	Original
34	Original	69	Original
35	Original		

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Chicago, IL 60606

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LOCAL EXCHANGE and INTEREXCHANGE SERVICES

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LOCAL EXCHANGE and INTEREXCHANGE SERVICES**SUBJECT INDEX**

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LOCAL EXCHANGE and INTEREXCHANGE SERVICES

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 Chicago, IL 60606

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LOCAL EXCHANGE and INTEREXCHANGE SERVICES

EXPLANATION OF SYMBOLS

When changes are made on any tariff page, a revised page will be issued canceling the tariff page affected; such changes will be identified through the use of the following symbols:

- (C) - To signify a "Change" in existing rate and/or regulation.
- (D) - To signify the "Deletion/Discontinuance" of rates, regulations, and/or text.
- (I) - To signify a rate "Increase."
- (M) - To signify matter "Moved/Relocated" within the tariff with no change to the material.
- (N) - To signify "New" text, regulation, service, and/or rates.
- (R) - To signify a rate "Reduction."
- (T) - To signify a "Text Change" in tariff, but no change in rate or regulation.
- (Z) - To signify a correction.

The above symbols will apply except where additional symbols are identified at the bottom of an individual page.

LOCAL EXCHANGE and INTEREXCHANGE SERVICES

1. APPLICATION OF TARIFF

- 1.1. This tariff applies to the furnishing of the Local Exchange Services defined herein by Peerless Network of Tennessee, LLC, (hereinafter referred to as the "Company"). Local Exchange Services are furnished for the use of end-users in placing and receiving local telephone calls within the local calling areas.
- 1.2. The provision of local exchange telecommunications service is subject to regulations and terms and conditions specified in this tariff and may be revised, added to or supplemented by superseding issues.
- 1.3. The Company reserves the right to offer its Customers a variety of competitive services as deemed appropriate by the Company or similar services as offered by a dominant exchange service provider.
- 1.4. The Company may offer services at a reduced rate, free of charge, or offer incentives including gift certificates and coupons for promotional, market research or rate experimentation purposes. Such offerings will be for a limited duration.

2. SERVICE AREA

Local Exchange Service is provided in the Local Service Areas as defined by the exchange service area maps on file with the Tennessee Regulatory Authority.

3. UNDERTAKING OF THE COMPANY

- 3.1. The Company undertakes to provide the services offered in this tariff on the Terms and Conditions and at the rates and charges specified.
- 3.2. Service will be provided where facilities, billing capabilities and the resale of underlying network elements are technologically and/or economically available and feasible. The furnishing of service under this tariff is subject to the continuing availability of all necessary facilities.
- 3.3. The Company reserves the right to limit use of facilities when necessary due to a shortage of facilities or other cause beyond the company's control.

LOCAL EXCHANGE and INTEREXCHANGE SERVICES

4. DEFINITIONS

Certain terms used generally throughout this tariff for services furnished by the Carrier are defined below.

Access Lines

A telephone facility which permits access to and from both the Customer's premises and the telephone exchange or serving central office.

Additional Listing

Any listing of a name or other authorized information in connection with a Customer's telephone number in addition to that which is entitled in connection with his regular service.

Advance Payment

A payment required before the start of service.

Applicant

A person who applies for telecommunications services. Includes persons seeking reconnection of their service after Company-initiated termination.

Application

A request made orally or in writing for telephone service.

Authorized User

A person, firm, or corporation that is authorized by the Company to be connected to the service of the Customer or joint user.

Prepaid Service

Service on the basis of payment in advance for services provided.

Basic Local Exchange Service

The provision of an access line and usage within a local calling area for the transmission of 2-way interactive switched voice/data communication.

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Peerless Network of Tennessee, LLC
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Chicago, IL 60606

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LOCAL EXCHANGE and INTEREXCHANGE SERVICES

4. DEFINITIONS (continued)**Building**

A structure under one roof and of such a nature that it can in itself fulfill the requirements of a business or residence establishment, or both; or two or more structures that are connected by means of enclosed passageways (overhead bridges, subways, or a ground level) or common basements, permitting access from one building to the other, that are suitable for the routing, placing and proper protection of inside cable and wire type facilities. In no case can conduit be considered an enclosed passageway.

Business Service

Determination as to whether or not Customer's service should be classified as Business will be based on the character or use to be made of the service. The practice of advertising a telephone number in newspapers, business cards or on trucks shall be a contributing, but not an exclusive factor in determining the classification of service. Service will be classified as Business service where the use is primarily or substantially of a business, professional, institutional, or otherwise occupational nature.

Commission

The Tennessee Regulatory Authority

Company

Peerless Network of Tennessee, LLC

Continuous Property

Continuous property is defined as plot of ground, together with any buildings thereon, occupied by the Customer, which is not separated by public thoroughfares or by property occupied by others.

Contract

The agreement between a Customer and the Company under which service and facilities are furnished in accordance with the applicable provisions of the Tariffs.

Customer

The person, firm, or corporation that orders service and is responsible for the payment of charges and compliance with the terms and conditions of this tariff.

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LOCAL EXCHANGE and INTEREXCHANGE SERVICES

4. DEFINITIONS (continued)**Customer Provided Equipment**

All communications systems, devices, apparatus and their associated wiring, provided by Customer.

Demarcation Point

The point where company network services, usually a Network interface Device (NID), or facilities terminate and the Company's responsibility for installing and maintaining such services or facilities ends.

Directory Listing

A publication in dominant LEC's alphabetical directory of information relative to a Customer's name or other identification and telephone number.

Exchange

A geographical area established for the administration of telephone service in a specified area, called the "Exchange Area," which usually embraces the city, town or village, and its environs. It may contain one or more central office together with the associated plant, equipment and facilities used in furnishing communication service within that area.

Exchange Area

The area within which the telephone company furnishes complete telephone service from one specific exchange at the exchange rates applicable within that area.

Increment

Units of measurement defined as minutes, messages or other units charged to a Customer for use of service.

Interface

The term "Interface" denotes that point on the premises of the Customer at which provision is made for connection of other than company-provided facilities to facilities provided by the company.

Interface Equipment

Equipment provided by the company at the interface location to accomplish the direct electrical connection of facilities provided by the company with facilities provided by other than the company.

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LOCAL EXCHANGE and INTEREXCHANGE SERVICES

4. DEFINITIONS (continued)**Joint User**

A person, firm or corporation that is designated by the Customer as a user of Local Exchange Service furnished to the Customer and to whom a portion of the charges for the services will be billed under a joint user arrangement as specified herein.

LATA

A Local Access and Transport Area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192; or any other geographic area designated as a LATA in the National Exchange Carrier Association, Inc. Tariff F.C.C. No. 4.

Local Calling

A communications between two access lines in the same exchange or zone or from an access line in one exchange or zone to another access line within another exchange or zone within its local calling area.

Local Calling Area

The geographic area throughout which a Customer of local exchange services obtains telephone service without payment of a toll charge. It includes the home exchange and may also include other nearby exchanges. A local calling area may consist of one or more central office areas.

Local Exchange Company (LEC)

LEC refers to the dominant local exchange carrier in an area.

Minimum Service Term

The minimum length of time for which a Customer is obligated to pay for service, whether or not retained by the Customer for such minimum length of time.

Non-Recurring Charge ("NRC")

The one-time initial charge for services or facilities, including but not limited to, charges for construction, installation or special fees for which the Customer becomes liable at the time the service order is executed.

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LOCAL EXCHANGE and INTEREXCHANGE SERVICES

4. DEFINITIONS (continued)**Non-Sufficient Funds (NSF) Check**

Any negotiable instrument returned by the bank, savings institution, or other eligible institutions, which is returned by that institution with one of the following instructions: non-sufficient funds, uncollected funds, account closed, account frozen, no account.

Person

A natural person, firm, partnership, corporation, association, municipality, corporation, organization, government agency, real estate trust, or other legal entity.

Point of Demarcation

The point of demarcation is a point in a Customer's circuit to which the telephone company is responsible for service and beyond which the Customer is responsible for service.

Premises

The space occupied by a Customer or authorized user in a building or buildings consisting of all space in the same building occupied by a Customer and all space occupied by the same Customer in different buildings on continuous property.

Premise Visit Charge

A charge applied when the location of reported trouble is found to be in Customer-provided equipment and/or inside wiring.

Recurring Charges ("MRC")

The monthly charges paid by the Customer for services, facilities and equipment, which continue for the agreed-upon duration of the service.

Residence Service

Service will be classified as Residence Service where the business use, if any, is merely incidental and where the major use is a social or domestic nature.

Service Central Office

The term "Service Central Office" denotes the LEC switching system office or serving wire center where Customer station loops are terminated for purposes of interconnection to each other and/or to trunks.

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Peerless Network of Tennessee, LLC
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Chicago, IL 60606

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LOCAL EXCHANGE and INTEREXCHANGE SERVICES

4. DEFINITIONS (continued)Service Connection Charge

The non-recurring charge a Customer is required to pay at the time of the establishment of telephone service or subsequent additions to that service.

Service Order

The request for the company's services executed by the Customer and the company in the format devised by the company. The acceptance by the company and the Customer initiates the respective obligations of the parties as set forth therein and pursuant to this tariff.

Serving Wire Center

A serving wire center denotes the wire center from which the Customer designated premises would normally obtain dial tone from the company.

User

Any person who uses telecommunications services provided by the company under the jurisdiction of the Regulatory Authority of the State of Tennessee.

Issued:

Issued By:

John Barnicle, CEO
Peerless Network of Tennessee, LLC
225 W. Washington Street, Suite 1285
Chicago, IL 60606

Effective:

LOCAL EXCHANGE and INTEREXCHANGE SERVICES

5. TERMS AND CONDITIONS**5.1. Liability of the Company**

- 5.1.1. The liability of the Company for damages arising out of the furnishing of these services, including but not limited to, mistakes, omissions, interruptions, delays, errors, defects, representations, or use of these services or arising out of the failure to furnish the service, whether caused by acts of commission or omission, shall be limited to the extension of allowances for interruption as set forth in Section 5.20. The extension of such allowances for interruption shall be the sole remedy of the Customer, authorized user, or joint user and the sole liability of the Company. The Company will not be liable for any special, consequential, and exemplary or punitive damages a Customer may suffer, whether or not caused by the intentional acts or omissions or negligence of the Company's employees or agents.
- 5.1.2. The Company shall not be liable for any failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fires, fire, flood or other catastrophes; any law, order, regulation, direction, action, or request of the United States Government, or of any other government, including the state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state or local governments, or of any civil or military authority; national emergencies; insurrections; riots; wars; unavailability of rights-of-way or materials; or strikes, lock-outs, work stoppages, or other labor difficulties.
- 5.1.3. The Company shall not be liable for any act or omission of any entity furnishing to the Company or to the Company's Customers facilities or equipment used for or with the services the Company offers.
- 5.1.4. The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of Customer-provided equipment or facilities.
- 5.1.5. The Company shall not be liable for the claims of vendors supplying equipment to Customers of the Company, which may be installed at premises of the Company, nor shall the Company be liable for the performance of said vendor or vendor's equipment.

LOCAL EXCHANGE and INTEREXCHANGE SERVICES

5. TERMS AND CONDITIONS (continued)**5.1 Liability of the Company (continued)**

- 5.1.6. The Company does not guarantee or make any warranty with respect to installations it provides for use in an explosive atmosphere. The Customer indemnifies and holds the Company harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or persons(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location, or use of any installation so provided.
- 5.1.7. The Company shall not be liable for any damages resulting from delays in meeting any service dates resulting from normal construction procedures. Such delays shall include, but not be limited to, delays in obtaining necessary regulatory approvals for construction, delays in obtaining right-of-way approvals and delays in actual construction of work.
- 5.1.8. The Company is not liable for any defacement or damage to the premises of a Customer (or authorized or joint user) resulting from the furnishing of services or equipment on such premises or the installation or removal thereof, when such defacement or damage is not the result of negligence or willful misconduct on the part of the agents or employees of the Company.
- 5.1.9. The Company shall not be liable for damages whatsoever to property resulting from the installation, maintenance, repair or removal of equipment and associated wiring unless the damage is caused by Company's willful misconduct or negligence.
- 5.1.10. The Company shall not be liable for any damages whatsoever associated with service, facilities, or equipment which the Company does not furnish or for any act or omission of Customer or any other entity furnishing services, facilities or equipment used for or in conjunction with the services offered in this tariff.
- 5.1.11. The Company's entire liability for any claim of loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid the Company by the Customer for the specific service in the month in which the event giving rise to the liability occurred. No action or proceeding against the Company shall be commenced more than one year after the event, giving rise to the liability occurred.
- 5.1.12. The Company makes no warranties or representations, express or implied, either in fact or operation of law, statutory or otherwise, including warranties or merchantability and fitness for a particular use, except those expressly set forth herein.

LOCAL EXCHANGE and INTEREXCHANGE SERVICES

5. TERMS AND CONDITIONS (continued)**5.2. Claims**

The Company shall be indemnified and held harmless by Customer against all claims, suits, proceedings, expenses, losses, liabilities, or damages (collectively "claims") arising from the use of the services pursuant to this tariff involving:

5.2.1. Claims of third parties, including patrons of Customers of Customers, arising out of, resulting from, or related to use of the services.

5.2.2. Claims for libel, slander, invasion of privacy, or infringement of copyright arising from any communication using the service.

5.2.3. Claims for patent infringement arising from combining or using facilities and equipment furnished pursuant to this agreement in connection or in combination with facilities or equipment not furnished by the Company.

5.2.4. All other claims arising out of any act or omission of Customer, or Customers or patrons of Customer, in connection with the services made available to Customer pursuant to this agreement. Customer agrees to defend Company against any such claim and to pay, without limitation, all litigation costs, reasonable attorney's fees and court costs, settlement payments, and any damages awarded or resulting from any such claim.

5.3. Installation, Testing and Maintenance

Installation of Company facilities will be charged on a time and materials basis at rates listed in this tariff.

Upon suitable notice, the Company may make such tests, adjustments and inspections as may be necessary to maintain the Company's facilities in satisfactory operating condition at rates listed in this tariff. No interruption allowance will be credited to the Customer for the period during which the Company makes such tests, adjustments or inspections.

The Company shall have no responsibility for the maintenance and repair of any kind with respect to equipment and facilities not provided by Company. Company will charge Customers the rates listed in this tariff for any maintenance visits with respect to service problems, which are determined to arise from equipment or facilities provided by Company.

When a Customer reports a trouble to the Company for clearance and no trouble is found in the Company's facilities, the Customer shall be responsible for payment of labor charges as listed in this tariff for the period of time from when Company personnel are dispatched to the Customer's premises to when the work is completed. Failure of Company personnel to find trouble in Company facilities will result in no charge if the trouble is actually in those facilities, but not discovered at the time.

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LOCAL EXCHANGE and INTEREXCHANGE SERVICES

5. TERMS AND CONDITIONS (continued)**5.3. Installation, Testing and Maintenance (continued)**

If the Customer, after being informed that the trouble is not in Company facilities, wishes to have the maintenance work performed by Company, the labor charges listed in this tariff will apply.

5.4. Provision of Equipment and Facilities

Except as otherwise indicated, Customer-provided station equipment at the Customer's premises for use in conjunction with this service shall be so constructed, maintained and operated as to work satisfactorily with the facilities of the Company.

The Company shall not be responsible for the installation, operation or maintenance of any Customer-provided communications equipment. Where such equipment is connected to service furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of services under this tariff and to the maintenance and operation of such services in the proper manner. Subject to this responsibility, the Company shall not be responsible for:

5.4.1. The through transmission of signals generated by Customer-provided equipment or for the quality of, or defects in, such transmission; or

5.4.2. The reception of signals by Customer-provided equipment; or

5.4.3 Network control signaling where such signaling is performed by Customer-provided network control signaling equipment.

5.5. Non-Routine Installation

At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours or in hazardous locations. In such cases, charges based on not less than the cost of the actual labor, material, or other costs incurred by or charged to the Company will apply. If installation is started during regular business hours but at the Customer's request extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

5.6. Ownership of Facilities

Title to all facilities provided in accordance with this tariff remains in the Company, its agents or contractors. Customer shall not have, nor shall it assert any right, title or interest in all the fiber optic or other facilities and associated equipment provided by Company hereunder.

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5. TERMS AND CONDITIONS (continued)**5.7. Rights-of-Way**

Where economically feasible, Company shall directly or through third parties use reasonable efforts to obtain and maintain rights-of-way necessary for installation of facilities used to provide service. Except as otherwise provided herein, any and all costs associated with acquiring the rights-of-way up to the point of entry at the Customer's location, shall be borne entirely by Company. Any and all costs associated with obtaining and maintaining of the rights-of-way from the point of entry at Customer's location to the termination point where service is finally delivered to Customer, including, but not limited to, the cost of installing conduit or of altering the structure to permit installation of Company-provided facilities, shall be borne entirely by Customer. Customer's use of such rights-of-way shall in all respects be subject to the terms, conditions and restrictions of such rights-of-way and of agreements between Company and such third parties relating thereto, including without limitation, the duration applicable to and the condemnation of such rights-of-way, and shall not be in violation of any applicable governmental ordinance, law, rule, regulation or restriction. Where applicable, Customer agrees that it shall assist Company in the procurement and maintenance of such right-of-way.

5.8. Services Provided by Other Companies

Company shall have no responsibility with respect to billings, charges or disputes related to services used by Customer which are not included in the services herein including, without limitation, any local, regional and long distance services not offered by Company. Customer shall be fully responsible for the payment of any bills for such services and for the resolution of any dispute or discrepancies with the service provider.

5.9. Governmental Authorizations

The provisions of services is subject to and contingent upon the Company obtaining and retaining such approvals, consents, governmental authorizations, licenses and permits, as may be required or be deemed necessary by Company. Company shall use reasonable efforts to obtain and keep in effect all such approvals, consents, authorizations, licenses and permits that may be required to be obtained by it. Company shall be entitled to take, and shall have no liability whatsoever for, any action necessary to bring the services into conformance with any rules, regulations, orders, decisions, or directives imposed by the Federal Communications Commission or other applicable agency, and Customer shall fully cooperate in and take such action as may be requested by Company to comply with any such rules, regulations, orders, decisions or directives.

LOCAL EXCHANGE and INTEREXCHANGE SERVICES

5. TERMS AND CONDITIONS (continued)**5.10. Assignment**

The Company may, without obtaining any further consent from Customer, assign any rights, privileges or obligations under this tariff. Customer shall not, without prior written consent of Company, which consent shall not be unreasonably withheld, assigned, transferred, or in any other manner disposed of, any of its rights, privileges, or obligations under this tariff, any attempt to make such an assignment, transfer, or disposition without consent shall be null and void.

5.11. Prohibited Uses

The services the Company offers shall not be used for any unlawful purpose or for any use as to which Customer has not obtained all governmental approvals, authorizations, licenses, consents and permits required to be obtained by Customer with respect thereto.

The Company may require applicants for service who intend to use the Company's offerings for resale and/or for shared use to demonstrate that their use of the Company's offerings complies with relevant laws, regulations, policies, orders and decisions.

The Company may require a Customer to immediately shut down its transmission of signals if said transmission is causing interference to others.

Customer use of any resold service obtained from other service providers shall also be subject to any applicable restrictions in the underlying providers' publicly available tariffs.

A Customer, joint user, or authorized user shall not represent that its services are provided by the Company, or otherwise indicate to its Customers that its provision of services is jointly with the Company, without the written consent of the Company. The relationship between Company and Customer shall not be that of partners or agents for one or the other, and shall not be deemed to constitute a partnership or agency agreement.

LOCAL EXCHANGE and INTEREXCHANGE SERVICES

5. TERMS AND CONDITIONS (continued)**5.12. Obligations of the Customer****5.12.1 Customer Responsibilities**

The Customer shall pay all applicable charges as set forth in this tariff.

The Customer is responsible for any damage to or loss of the Company's facilities or equipment caused by the acts or omissions of Customer, authorized user, or joint user, or the non-compliance by the Customer, authorized user, or joint user with these regulations, unless caused by the negligence or willful misconduct of the employees or agents of the Company.

Customer shall arrange access to any of the rights-of-way, conduit and equipment space for which it is responsible for obtaining pursuant to Section 5.7 above at any time so that Company's authorized personnel, employees or agents may install, repair, maintain, inspect, replace or remove any and all facilities and associated equipment provided by Company. Access to such sites shall be made available at a time mutually agreeable to Customer and Company. Customer acknowledges that when repair work is required to restore services after interruption, it may be necessary to provide the access on a twenty-four hour, seven-day a week basis. Company shall also have the right to obtain access to the cable installed in Customer-provided conduit at any splice or junction box. No credit allowance under Section 5.20 will be made for the period during which service is interrupted for such purposes.

The Customer shall make available to Company such space, power, environmental conditioning and other resources at Customer's premises as Company shall request for the provision of service hereunder.

Customer shall provide a safe place to work which complies with all laws and regulations regarding the working conditions along the rights-of-way and in the equipment space which it is responsible for obtaining pursuant to Section 5.7 above, and at which Company authorized personnel, employees or agents may be installing, inspecting, maintaining, replacing, repairing or removing fiber optic cable or other cable or other facilities and equipment.

LOCAL EXCHANGE and INTEREXCHANGE SERVICES

5. TERMS AND CONDITIONS (continued)**5.12. Obligations of the Customer (continued)****5.12.1. Customer Responsibilities**

Customer shall provide the necessary equipment space, conduit, electrical power and suitable environmental conditions required to provide the services, as specified by Company, at each Customer termination point, without care of premises equipment and building wiring provided by Company as part of the services. Customer agrees to return such equipment and wiring to Company at the expiration of the applicable term in its original condition, ordinary wear and tear excepted. Customer shall bear the risk of any loss or damage to Company's equipment or wiring located in Customer's premise, except where such loss or damage is caused by Company. Customer shall be responsible for insuring that the equipment, wiring, space and associated facilities, conduit and right-of-way are protected against fire, theft, vandalism or other casualty, and that the use thereof complies with the applicable laws, rules, regulations and all applicable lease or other contractual agreements. Company shall install such wiring and equipment as reasonably directed by Customer to comply with the lease or other contractual obligations to which Customer is a party.

Customer shall be responsible for obtaining and continuing in effect all approvals, consents, authorizations, licenses and permits as may be required to permit Customer to comply with its obligations hereunder.

5.12.2. Customer Equipment and Channels**5.12.2.A. In General**

Customer may transmit or receive information or signals via the services provided by the Company.

5.12.2.B. Station Equipment

Customer-provided terminal equipment on the premises of the Customer, authorized user, or joint user, the operating personnel there, and the electric power consumed by such equipment shall be provided by and maintained at the expense of the Customer, authorized user, or joint user. Conformance of Customer-Provided Station Equipment with Part 68 of the FCC Rules is the responsibility of the Customer.

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LOCAL EXCHANGE and INTEREXCHANGE SERVICES

5. TERMS AND CONDITIONS (continued)**5.12. Obligations of the Customer (continued)****5.12.2. Customer Equipment and Channels (continued)****5.12.2.B. Station Equipment (continued)**

The Customer, authorized user, or joint user is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such Company equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or to other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense.

5.12.2.C. Interconnection of Facilities

Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing service and the channels; facilities or equipment of others shall be provided at the Customer's expense.

Service may be connected to the services or facilities of other communications carriers only when authorized by and in accordance with, the terms and conditions of the tariffs of the other communications carrier, which are applicable to such connections.

5.12.2.D. Inspections

Upon suitable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer, authorized user, or joint user is complying with the requirements set forth in this tariff for installation, operation, and maintenance of Customer-provided facilities, equipment and wiring in the connection of Customer-provided facilities and equipment to Company-owned facilities and equipment.

LOCAL EXCHANGE and INTEREXCHANGE SERVICES

5. TERMS AND CONDITIONS (continued)**5.13. Payment for Service****5.13.1. Payment and Collection of Charges**

The Customer is responsible for prepayment of all charges for facilities and services furnished; including charges for services originated, or charges accepted, at such facilities. The Customer's responsibility also includes charges associated with the fraudulent use of facilities and services by the Customer or any end users of the Customer.

At such time as the Company or its agent(s) completes installation or connection of the necessary facilities and/or equipment to provide service, the Company shall conduct appropriate tests thereon. Upon successful completion of such tests, the Company shall notify the Customer that such services are available for use, and the date of such notice shall be called the "Service Date" and shall be the starting date for service.

Customer shall pay in advance the amount(s) as specified in the tariff for the Services. Non-recurring charges, including construction, are due in advance. Fixed recurring charges shall be paid in advance.

When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished may be calculated on a pro rata basis. For this purpose, every month is considered to have thirty (30) days. This only applies to fixed monthly recurring charges.

5.13.2. Service Date

At such time as Company completes installation or connection of the necessary facilities and/or equipment to provide service, the Company shall conduct appropriate tests thereon. Upon successful completion of such tests, Company shall notify Customer that such services are available for use, and the date of such notice shall be called the "Service Date" and shall be the starting date for service.

5.13.3. Taxes and Other Surcharges

Customer shall pay all sales, use, gross receipts, excise, access, bypass or other local, state and Federal taxes, charges or surcharges, however designated, imposed on or based upon the provision, sale or use of the services (excluding taxes on Company's net income).

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5. TERMS AND CONDITIONS (continued)**5.13. Payment for Service (continued)****5.13.4. Advance Payments**

To safeguard its interests, the Company will require a Customer to make an advance payment of up to two months' service before services are furnished. The advance payment will be credited to the Customer's service. The advance payment is in addition to a deposit.

5.13.5. Minimum Service Term

Service is provided on the basis of a minimum period of at least one (1) month. For the purpose of computing charges in this tariff, a month is considered to have thirty (30) days.

At the expiration of the initial term, service shall continue on a month-to-month basis at the then current rates unless terminated by either party upon thirty (30) days written notice. Any termination shall not relieve the Customer of its obligation to pay any charges incurred under the service order and this tariff prior to termination.

5.13.6. Non-Sufficient Funds Checks

A return check charge will be assessed for checks returned for insufficient funds as set forth in Section 7 of this tariff.

5.14. Deposits and Failure to Make Advance Payment

To safeguard its interests, before a service is provided, the Company may require a Customer to make a deposit to be held as a guarantee for the payment of charges. Deposit does not relieve the Customer of the responsibility of advance payment. If service is discontinued, the amount of a deposit will be applied to the Customer's account and any credit balance remaining will be refunded. Interest on the cash deposit will be paid at the rate established by the TRA. Company may refuse service if advance payment and a deposit are not paid.

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5. TERMS AND CONDITIONS (continued)**5.15. Discontinuance of Service**

Upon non-payment of any amounts owing to the Company, the Company may, by giving ten (10) days prior written notice to the Customer, discontinue or suspend service without incurring any liability.

Upon violation of any of the other material terms or conditions for furnishing service, the Company may, by giving thirty (30) days prior notice in writing to the Customer, discontinue or suspend service without incurring any liability if such violation continues during that period.

Upon condemnation of any material portion of the facilities used by the Company to provide service to the Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend service without incurring any liability.

Upon the Customer's insolvency, assignment for the benefit of creditors, filing for bankruptcy or reorganization, or failing to discharge an involuntary petition within the time permitted by law, the Company may immediately discontinue or suspend service without incurring any liability.

Upon any governmental prohibition or requirement, alteration of the services to be provided or any violation of an applicable law or regulation, the Company may immediately discontinue service without incurring any liability.

In the event the Company incurs fees or expenses, including attorney's fees, in collecting or attempting to collect any charges owed the Company, the Customer will be liable to the Company for the payment of all such fees and expenses reasonably incurred.

5.16. Cancellation of Service

5.16.1. If a Customer cancels a service order or terminates services before the completion of the term for any reason whatsoever other than a service interruption, the Customer agrees to pay to the Company the following sums which shall become due and owing as of the effective date of the cancellation or termination and be payable within the period as set forth in this tariff all costs, fees and expenses reasonably incurred in connection with (1) all non-recurring charges reasonably expended by the Company to establish service to the Customer, (2) any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by the Company on behalf of the Customer, and (3) all recurring charges specified in the applicable service order tariff for the balance of the then current term.

LOCAL EXCHANGE and INTEREXCHANGE SERVICES

5. TERMS AND CONDITIONS (continued)**5.16. Cancellation of Service (continued)**

5.16.2. The Company may discontinue the furnishings of any and/or all service(s) to the Customer without incurring any liability:

Immediately and without notice if the Company deems that such action is necessary to prevent or to protect against fraud or to otherwise protect its personnel, agents, facilities or services. The Company may discontinue service pursuant to the following:

5.16.2.A. The Customer refuses to furnish information to the Company regarding the Customer's credit worthiness, if requested; or its past or current use of common carrier communications services or its planned use of service(s); or

5.16.2.B. The Customer provides false information to the Company regarding the Customer's identity, address, credit worthiness, past or current use of common carrier communications services, or its planned use of the Company's service(s); or

5.16.2.C. The Customer states that it will not comply with a request of the Company for security for the payment of service(s), as specified in this tariff; or

5.16.2.D. The Customer uses service to transmit a message, locate a person or otherwise give or obtain information without payment for the service; or

5.16.2.E. The Customer uses, or attempts to use, service with the intent to avoid the payment, either in whole or in part, of the tariffed charges for the service by:

5.16.2.E.1. Using or attempting to use service by rearranging, tampering with, or making connections to the Company's service not authorized by this tariff; or

5.16.2.E.2. Using tricks, schemes, false or invalid numbers, false credit devices, electronic devices; or

5.16.2.E.3 Any other fraudulent means or devices.

5.16.2.F. Immediately upon written notice to the Customer of any sum twenty-one (21) days past due;

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5. TERMS AND CONDITIONS (continued)**5.16. Cancellation of Service (continued)**

5.16.2.G. Immediately upon written notice to the Customer, after failure of the Customer to comply with a request made by the Company for security for the payment of service, as specified in this tariff; or

5.16.2.H Seven (7) days after sending the Customer written notice of non-compliance with any provision of this tariff if the noncompliance is not corrected within that seven (7) day period.

The discontinuance of service(s) by the Company pursuant to this Section does not relieve the Customer of any obligation to pay the Company for charges due and owing for service(s) furnished up to the time of discontinuance.

5.17. Application for Service

Service is installed and provided upon acceptance by the Company of its standard service contracts completed by the Customer. The Company may require a subscriber to sign an application form furnished by the Company to establish their credit to the satisfaction of the Company as a condition precedent to the initial establishment of such service.

5.18. Cancellation of Application for Service

Applications for service may be canceled at any time prior to notification by the Company that service is available for Customers on or prior to the service date, whichever is later.

Where the Company incurs any expense in connection with applications for service, or where placement of facilities or equipment have begun before the Company receives a cancellation notice, a charge equal to the costs incurred, less net salvage, applies. In such cases the charge will be based on such elements as the cost of the equipment, facilities, and material, the cost of installation, engineering, labor and supervision, general and administrative expense, other disbursement, depreciation, maintenance, taxes, provision for return on investment, and any other costs associated with the application for or provision of service.

The charges described above will be calculated and applied on a case-by-case basis.

LOCAL EXCHANGE and INTEREXCHANGE SERVICES

5. TERMS AND CONDITIONS (continued)**5.19. Moves, Adds and Changes**

Upon receipt of notice from Customer, Company will add, delete or change locations or features of specific lines and equipment. Company shall charge Customer a non-recurring charge for such service. The Company may require a signed authorization from the Customer for additions to or changes in the existing service or application.

5.20. Allowances for Interruption in Service

A credit allowance will be given on a per-line basis for any period during which any line subscribed to by Customer hereunder, except as specified below. Out of service conditions are defined as complete loss of call origination and/or receipt capability. Credit allowances, if any shall be deducted from the charges payable by Customer hereunder and shall be deducted by the Customer on payment of next month's charges.

A credit allowance is applicable only for monthly recurring charges and will be made when an interruption occurs because of a failure of any component furnished under this tariff by Company. An interruption period begins when the Customer reports a service to be interrupted and ceases when services have been restored. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.

For calculating credit allowances, every month is considered to have thirty (30) days. A credit allowance is applied on a pro rata basis against the rates hereunder and is dependent upon the length of the interruption. Only those services on the interrupted portion of the circuit will receive a credit.

Two or more service interruptions of the same type to the same line of two (2) hours or more during any one twenty-four hour period shall be considered as one (1) interruption. In no event shall such interruption credit for any one line/equipment exceed one (1) day's fixed recurring charges for such line in any twenty-four hour period.

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5. TERMS AND CONDITIONS (continued)**5.20. Allowances for Interruption in Service (continued)**

Credit allowances for monthly recurring charges shall be calculated as set forth in the following sections:

5.20.1 Interruptions of 24 Hours or Less

<u>Length of Service Interruption</u>	<u>Credit</u>
Less than 30 minutes	None
30 Minutes - 2 Hours & 59 Minutes	1/10 Day
3 Hours - 5 Hours & 59 Minutes	1/5 Day
6 Hours - 8 Hours & 59 Minutes	2/5 Day
9 Hours - 11 Hours & 59 Minutes	3/5 Day
12 Hours - 14 Hours & 59 Minutes	4/5 Day
15 Hours - 24 Hours & 59 Minutes	One Day

5.20.2 Interruptions Over 24 Hours

Interruptions of more than twenty-four (24) hours will be credited four (4) hours for each four-hour period or fraction thereof. No more than one full day's credit will be allowed in any twenty-four hour period.

5.21. Limitations on Credit Allowances

No credit allowances will be made for:

5.21.1. Interruptions due to the negligence of, or non-compliance with, the provisions of this tariff by the Customer, authorized user, joint user, or other common carrier providing service connected to the service of the Company;

5.21.2. Interruptions of service due to the failure or malfunction of facilities, power or equipment provided by the Customer, authorized user, joint user, or other common carrier providing service connected to the service offered by the Company;

5.21.3. Interruptions of service during any period in which the Company is not given access to the premises at which the Company-provided service is interrupted or terminated.

5.21.4. Interruptions of service that occur or continue due to the Customer's failure to authorize replacement of any element of special construction.

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5. TERMS AND CONDITIONS (continued)**5.21. Limitations on Credit Allowances (continued)**

5.21.5. Interruptions of service during any period when the Customer, authorized user, or joint user has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements.

5.21.6. Interruptions of service due to circumstances or causes beyond the control of Company.

5.22. Joint Use Arrangements

Joint use arrangements will be permitted for all services offered pursuant to this tariff.

From each joint use arrangement, one member will be designated the responsible Customer for the manner in which the joint use of the service will be allocated. The Company will accept orders to start, rearrange, relocate, or discontinue service only from this Customer. Without affecting the Customer's ultimate responsibility for payment of all charges for the service, each joint user shall be responsible for the payment of the charges billed to it.

6. CONNECTION CHARGES6.1 Connection Charge6.1.1 General

The Connection Charge is a nonrecurring charge which applies to the following: (a) the installation of a new service; (b) the transfer of an existing service to a different location; (c) a change from one class of service to another at the same or a different location; or (d) restoral of service after suspension or termination for nonpayment. Connection Charges are listed with each service to which they apply.

6.1.2 Exceptions to the Charge

- A. No charge applies for a change to a service for which a lower monthly rate applies, made within 90 days after any general rate increase, if a lower grade of service is offered in the customer's exchange.
- B. The Company may from time to time waive or reduce the charge as part of a promotion.

6. CONNECTION CHARGES (continued)6.2 Restoral Charge

A restoral charge applies each time a service is reconnected after suspension or termination for nonpayment but before cancellation of the service.

Business

\$100.00

6.3 Moves, Adds, and Changes

The Company alone may make changes in the location of its lines and equipment. When it is found that a move or change of such lines or equipment has been made by others, the Connection Charge for the underlying service will apply as if the work had been done by the Company.

The customer will be assessed a charge for any move, add or change of a Company service and is charged in addition to any other monthly or installation charge which is associated with the service the customer orders. Move, Add and Change are defined as follows:

Move: The disconnection of existing equipment at one location and reconnection of the same equipment at a new location in the same building or in a different building on the same premises.

Add: The addition of a vertical service to existing equipment and/or service at one location.

Change: Change - including rearrangement or reclassification - of existing service at the same location.

	<u>Move</u>	<u>Add</u>	<u>Change</u>
Business Charge per Order	\$50.00	\$50.00	\$50.00
Line Connection (per line)	\$100.00	\$100.00	\$100.00

Record Work Only

(This charge is applicable for changes that do not involve central office or premise work.)

\$50.00

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6. CONNECTION CHARGES (continued)6.4 Charges Associated With Premises Visit

Trouble Isolation Charge

When a visit to the customer's premises is necessary to isolate a problem reported to the Company but identified by the Company's technician as attributable to customer-provided equipment or inside wire, a separate charge applies in addition to all other charges for the visit.

Per Premises Visit, Business: \$100.00

6.5 Primary Interexchange Carrier Change Charge

Customers may be presubscribed to the carrier of their choice for both interLATA and intraLATA service. The customer will incur a charge each time there is a change in the long distance carrier associated with the customer's intraLATA or interLATA service after the initial installation of service.

\$2.50

7. INTRALATA TOLL USAGE AND MILEAGE CHARGES

7.1 General

7.1.1 Description

IntraLATA toll service is furnished for communication between telephones in different local calling areas within a particular LATA in accordance with the regulations and schedules of charges specified in this tariff. The toll service charges specified in this section are in payment for all service furnished between the calling and called telephone, except as otherwise provided in this Tariff.

IntraLATA toll calling includes the following types of calls: direct dialed, calling card, collect, 3rd number billed, special toll billing, requests to notify of time and charges, person to person calling and other station to station calls.

7.1.2 Classes of Calls

Service is offered as two classes: station-to-station calling and person-to-person calling.

- A. Station to Station Service is that service where the person originating the call dials the telephone number desired or gives the Company operator the telephone number of the desired telephone station or system.
- B. Person to Person Service is that service where the person originating the call specifies to the Company operator a particular person to be reached, a particular mobile unit to be reached, or a particular station, department or office to be reached. The call remains a person to person call when, after the telephone, mobile telephone, or PBX system has been reached and while the connection remains established, the person originating the call requests or agrees to talk to any person other than the person specified, or to any other agreed upon alternate.

7. INTRALATA TOLL USAGE AND MILEAGE CHARGES (continued)7.2 Timing of Calls

- 7.2.1 Unless otherwise indicated, all calls are timed in one minute increments and all calls which are fractions of a minute are rounded up to the next whole minute.
- 7.2.2 For station to station calls, call timing begins when a connection is established between the calling telephone and the called telephone station.
- 7.2.3 For person to person calls, call timing begins when connection is established between the calling person and the particular person, station or mobile unit specified or an agreed alternate.
- 7.2.4 Call timing ends when the calling station "hangs up," thereby releasing the network connection. If the called station "hangs up" but the calling station does not, chargeable time ends when the network connection is released either by automatic timing equipment in the telephone network or by the Company operator.
- 7.2.5 Calls originating in one time period and terminating in another will be billed the rates in effect at the beginning of each minute.

7. INTRALATA TOLL USAGE AND MILEAGE CHARGES (continued)7.3 Time Periods Defined

Unless otherwise indicated in this Tariff, the following time periods apply.

7.3.1 Peak: 7:00 a.m. to, but not including, 7:00 p.m. - Monday through Friday

7.3.2 Off-Peak:

7:00 p.m. to, but not including, 7:00 a.m. - Sunday through Friday

All day Saturday and Sunday

All Holidays

7.3.3 Holidays include Christmas, New Year's Day, Thanksgiving, Independence Day, and Labor Day.

7.3.4 All times refer to local time.

7. INTRALATA TOLL USAGE AND MILEAGE CHARGES (continued)7.4 Regulations and Computation of Mileage

Calls for which rates are mileage sensitive are rated on the airline distance between the originating rate center and the terminating rate center.

7.4.1 Originating Rate Center

A customer's primary local exchange number includes an NXX code that is associated with a specific rate center. The originating point of all calls charged to that customer's account shall be the location of the customer's rate center.

7.4.2 Terminating Rate Center

The terminating point for all calls shall be the location of the local rate center associated with the called number.

7. INTRALATA TOLL USAGE AND MILEAGE CHARGES (continued)7.4 Regulations and Computation of Mileage (continued)7.4.3 Calculation of Mileage

Usage charges for all mileage sensitive products are based on the airline distance between serving wire centers associated with the originating and terminating points of the call. The serving wire centers of a call are determined by the area codes and exchanges of the origination and destination points.

The distance between any two rate centers is determined as follows:

Airline mileage, where mileage is the basis for rating calls, is obtained by using the "V" and "H" coordinates assigned to each rate center and contained in NECA FCC Tariff No. 4 or successor tariffs. To determine the airline distance between any two locations, proceed as follows:

- A. Obtain the "V" and "H" coordinates for each location. The "V" coordinate is the first four digits in the "VH" column. The "H" coordinate is the next four digits.
- B. Obtain the difference between the "V" coordinates of each of the locations. Obtain the difference between the "H" coordinates.
- C. Square each difference obtained in step b., above.
- D. Add the square of the "V" difference and the "H" difference obtained in step c., above.
- E. Divide the sum of the square by 10. Round to the next higher whole number if any fraction is obtained.
- F. Obtain the square root of the whole number result obtained above. Round to the next higher whole number if any fraction is obtained. This is the airline mileage.

Formula:

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

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7. INTRALATA TOLL USAGE AND MILEAGE CHARGES (continued)7.5 Call Charges

Rates are based on the duration of the call as measured according to Section 7.2 above, time of day rate period of the call as described in Section 7.3 and the airline mileage between points of the call as described in Section 7.4. In addition, where live or automated operator assistance is required for call completion or billing, a per call service applies.

Charges for all classes of calls may be to the calling station, to the called station when the called party agrees to accept the charges, to an authorized telephone number that is not the called station or the calling station (3rd number billing), or to an authorized calling card.

Rates may be reduced selectively and in varying amounts, down to incremental cost, on one day's notice to customers and the Public Service Commission.

7. INTRALATA TOLL USAGE AND MILEAGE CHARGES (continued)7.5 Call Charges (continued)7.5.1 Switched Services

A. Switched Inbound Usage Charges

The Company's Switched Service is offered to business customers for both inbound and outbound, intraLATA, and interLATA, calling over standard switched lines. Calls are billed in sixty (60) second increments after an initial minimum call duration of sixty (60) seconds. The following rates are not time of day sensitive or distance sensitive, and apply 24 hours a day, 7 days a week.

DAY/EVENING/NIGHT/WEEKEND

Mileage / Time of Day	Initial 60 Seconds	Additional 60 Seconds
ALL	\$0.03	\$0.03

B. Switched Outbound Usage Charges

DAY/EVENING/NIGHT/WEEKEND

Mileage / Time of Day	Initial 60 Seconds	Additional 60 Seconds
ALL	\$0.03	\$0.03

7. INTRALATA TOLL USAGE AND MILEAGE CHARGES (continued)7.5 Call Charges (continued)7.5.2 Dedicated Services

The Company's Dedicated Service is offered to business and residential customers for both inbound and outbound, intraLATA and interLATA, calling over dedicated access lines. Calls are billed in sixty (60) second increments after an initial minimum call duration of sixty (60) seconds. The following rates are not time of day sensitive or distance sensitive, and apply 24 hours a day, 7 days a week.

A. Dedicated Inbound Usage Rates**DAY/EVENING/NIGHT/WEEKEND**

Mileage / Time of Day	Initial 60 Seconds	Additional 60 Seconds
ALL	\$0.03	\$0.03

B. Dedicated Outbound Usage Rates**DAY/EVENING/NIGHT/WEEKEND**

Mileage / Time of Day	Initial 60 Seconds	Additional 60 Seconds
ALL	\$0.03	\$0.03

7. INTRALATA TOLL USAGE AND MILEAGE CHARGES (continued)7.5 Call Charges (continued)7.5.3 Recurring Charges

Customers will incur the following monthly Recurring Charges:

	SWITCHED ACCESS	DEDICATED ACCESS
Per 800 Number	\$1.00	\$1.00
Accounting Codes (non-verified)	\$1.00	\$1.00
Authorization Codes/BTN (verified)	\$1.00	\$1.00
Authorization Code change/add/delete	\$1.00	\$1.00
Monthly Recurring Charge Per T-1	N/A	\$200.00

7.5.4 Non-Recurring Charges

Customers will incur the following Non-recurring Charges:

	SWITCHED ACCESS	DEDICATED ACCESS
Per 800/888 Number	\$5.00	\$5.00
Accounting Codes (non-verified)	\$5.00	\$5.00
Authorization Codes/BTN (verified)	\$5.00	\$5.00
Authorization Code change/add/delete	\$5.00	\$5.00
Set and Installation Charge	\$50.00	\$50.00

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7. INTRALATA TOLL USAGE AND MILEAGE CHARGES (continued)7.5 Call Charges (continued)7.5.5 Directory Assistance

The Company provides Directory Assistance as an ancillary service exclusively to its customers. Directory Assistance is accessible by dialing “1” plus the area code of the desired number, and 555-1212. The customer may request up to two numbers per call to Directory Assistance.

Directory Assistance, per call: \$0.75

7.5.6 Long Distance Operator Assistance Service \$2.50

7.5.7 Pay Telephone (Payphone) Surcharge

A surcharge shall be assessed for each call made from a pay telephone to an 800 number or using a travel card and dialing the carrier prefix in the form 101XXXX. Although collected on the customer’s bill, this charge is reimbursed to pay telephone service provider.

Per Call \$0.50

7.5.8. Non-Sufficient Funds Checks

A return check charge of \$25.00 will be assessed for checks returned for insufficient funds if the face value does not exceed \$50.00, \$30.00 if the face value does exceed \$50.00 but does not exceed \$300.00, \$40.00 if the face value exceeds \$300.00 or 5% of the value of the check, which ever is greater.

7.5.9 Late Payment Charge

Customers will be charged 1.5% of any amounts owed to the Company beyond the due date for such payment.

8. SUPPLEMENTAL SERVICES8.1 Custom Calling Service8.1.1 General

The features in this section are made available on an individual basis or as part of multiple feature packages. All features are provided subject to availability; features may not be available with all classes of service. Transmission levels may not be sufficient in all cases.

8.1.2 Feature Descriptions and Rates

Rates in this section are applied on a monthly basis unless otherwise specified:

CALL WAITING \$1.00

Provides a tone signal when a second call is coming in on a busy line.

CALL FORWARDING-Variable \$1.00

Permits a customer to automatically transfer all incoming calls to another dialable telephone number.

THREE-WAY CALLING \$1.00

Adds a third party to an established connection without operator assistance.

SPEED CALLING - 39 Number List \$1.00

Allows a customer to call other telephone numbers by dialing a code rather than the complete telephone number.

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8. SUPPLEMENTAL SERVICES (continued)8.1 Custom Calling Service (continued)8.1.2 Feature Descriptions and Rates (continued)**CALL TRACE**

Per Activation

\$1.00

This feature will, upon successful customer activation, automatically trace the telephone number of the line used for the last call received by the Customer. Call Trace is provided to customers whose local Telephone Exchange Service includes only Residence lines. The company will not provide the traced number to the customer, but it will be provided to law enforcement officials upon written request of the customer.

DISTINCTIVE RINGING

\$1.00

This feature allows a customer to designate up to ten telephone numbers from which incoming calls will have a distinctive ring. For customers with call waiting, a distinctive call-waiting signal will be received if a call from one of the designated telephone numbers is waiting.

CALL SCREENING

\$1.00

Customer can designate 10 numbers from which incoming calls will be connected to a pre-recorded announcement that calls are not being taken now.

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8. SUPPLEMENTAL SERVICES (continued)8.1 Custom Calling Service (continued)8.1.2 Feature Descriptions and Rates (continued)**CALLER ID****\$3.00**

This Central Office feature provides for the display of the incoming telephone number on a customer provided display device attached to the customer's telephone or answering machine with a built-in display screen. The Caller ID feature will forward the calling number from the appropriately equipped terminating central office to the customer provided display device. The Company will forward all telephone numbers subject to technical limitations.

CALLER ID WITH NAME**\$5.00**

This Central Office feature is only offered to customers being served by appropriately equipped central offices and subscribing to caller ID. This feature provides for the display of the listed name associated with the telephone number from which the call is being made. The name will be delivered to a customer provided display device. The company will forward all calling names subject to technical limitations.

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8. SUPPLEMENTAL SERVICES (continued)8.1 Custom Calling Service (continued)8.1.2 Feature Descriptions and Rates (continued)**BUSY LINE TRANSFER**

\$1.00

In the event that the called telephone number is busy, this feature automatically forwards incoming calls to a predetermined telephone number served by the same central office switch, or provides inter-switch forwarding to a predetermined, dialable telephone number where technically available. If incoming calls are transferred to a number served by the same or a different central office switch, multiple calls will be transferred simultaneously provided that there are sufficient facilities to accept the calls. *This feature is not compatible with Call Waiting or Direct Inward Dialing Service.*

ALTERNATE ANSWERING

\$1.00

In the event that the telephone number is not answered within the Company designated parameters, normally three to four rings, this feature automatically forwards incoming calls to a predetermined, or a different central office switch, multiple calls will be transferred simultaneously provided that there are sufficient facilities to accept the calls.

8. SUPPLEMENTAL SERVICES (continued)8.1 Custom Calling Service (continued)8.1.2 Feature Descriptions and Rates (continued)**MESSAGE WAITING TONE** \$1.00

Allows an audible signal, stutter dial tone, to be present on the line when a message is waiting.

**BUSY LINE TRANSFER,
ALTERNATE ANSWERING,
MESSAGE WAITING TONE** \$1.00

Allows access to all three services.

CUSTOMER CONTROL OPTION

Allows the customer to activate/deactivate the Busy Line Transfer and Alternate Answering features and to change the number to which the calls are forwarded.

Busy Line Transfer \$1.00

Alternate Answering \$1.00

EASY CALL \$1.00

Provides automatic dialing of a number when the customer's line is taken off-hook, at 7-second intervals.

SPECIAL DELIVERY SERVICE \$1.00

When a busy or don't answer condition exists on an outgoing call, this feature automatically forwards the calling party to a pre-determined telephone number.

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8. SUPPLEMENTAL SERVICES (continued)8.1 Custom Calling Service (continued)8.1.2 Feature Descriptions and Rates (continued)**CALL CONTROL**

\$2.00

Available with Residence Basic Exchange Access Service and Residence ISDN service. Customer has the ability to screen outgoing call, then block or allow calls. This feature can be activated and deactivated and provides a PIN number to the subscriber. Customer can block long distance, Operator Assisted, specific telephone numbers, prefix and/or area codes, and/or all outgoing calls.

REMOTE CALL FORWARDING

First

\$5.00

Second

\$5.00

Remote Call Forwarding (CO Based), provides a method to automatically transfer all incoming calls to another dialed number at all times. The dialable number is user defined. The dialed number can be either 7 or 10 digit numbers (POTS) and can be changed via a service order. No physical telephone is required at the subscribed dialed number. Multiple simultaneous call paths can be provided, with each additional path priced at the rates above. (Business Service Ordering and Line Connection Charges apply.)

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8. SUPPLEMENTAL SERVICES (continued)8.1 Custom Calling Service (continued)8.1.2 Feature Descriptions and Rates (continued)**900 SPECIAL ACCESS CODE BLOCKING**

N/C

Blocks access from a company provided Exchange Access Service to customer dialed 900 numbers.

976 PREFIX BLOCKING SERVICE

N/C

Blocks access from a company provided Exchange Access Service to customer dialed 976 numbers.

AUTOMATIC CALL BACK

Per Activation

\$1.00

Allows a customer to return most recent incoming calls whether answered or not. If the line to which the request is made is idle, the call goes through, if the line is busy, the automatic callback continues to attempt until the line is free. The request is deactivated after 30 minutes or six unanswered ring backs if the call is not completed.

REPEAT DIALING

Per Activation

\$1.00

Allows a Customer, by dialing a particular code, to redial a dialed number a specified number of times or until a party answers the call.

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8. SUPPLEMENTAL SERVICES (continued)8.2 Service and Promotional Trials8.2.1 General

The Company may establish temporary promotional programs wherein it may waive or reduce nonrecurring or recurring charges, to introduce a present or potential customer to a service not previously subscribed to by the customer.

8.2.2 Regulations

- A. Appropriate notification of the Trial will be made to all eligible customers and to the Commission. Appropriate notification may include direct mail, bill inserts, broadcast or print media, direct contact or other comparable means of notification.
- B. During a Service Trial, the service(s) is provided automatically to all eligible customers, except those customers who choose not to participate. Customers will be offered the opportunity to decline the trial service both in advance and during the trial. A customer can request that the designated service be removed at any time during the trial and not be billed a recurring charge for the period that the feature was in place. At the end of the trial, customers that do not contact the Company to indicate they wish to retain the service will be disconnected from the service at no charge.
- C. During a Promotional Trial, the service is provided to all eligible customers who ask to participate. Customers will be notified in advance of the opportunity to receive the service in the trial for free. A customer can request that the service be removed at any time during the trial and not be billed a recurring charge for the period that the service was in place. At the end of the trial, customers that do not contact the Company will be disconnected from the service.
- D. Customers can subscribe to any service listed as part of a Promotional Trial and not be billed the normal Connection Charge. The offering of this trial period option is limited in that a service may be tried only once per customer, per premises.
- E. The Company retains the right to limit the size and scope of a Promotional Trial.

8. SUPPLEMENTAL SERVICES (continued)8.3 Operator Assistance Surcharges8.3.1 General

Operator Assistance Surcharges apply when a customer utilizes either an automated or live Company operator for purposes of completing or billing a call. Operator Assistance Surcharges apply in addition to local usage or long distance usage services as identified in this tariff.

8.3.2 Operator Assistance Surcharges -- Rate Schedule**PERSON-TO-PERSON** \$5.00

Operator assists caller by beginning to bill the call only when a specifically identified party answers the phone.

BILLED TO A THIRD NUMBER \$5.00

Operator assists the caller by billing the call to a verified number other than the station number from which the call is being made or by which the call is received.)

COLLECT CALLS \$5.00

Operator assists the caller by verify charges with, and billing the call to, the party receiving the call.

8. SUPPLEMENTAL SERVICES (continued)8.3 Operator Assistance Surcharges (continued)8.3.2 Operator Assistance Surcharges -- Rate Schedule (continued)**CALLING CARD ASSISTANCE**

Operator assists the caller by accepting and/or billing, and/or completing a call based upon information pertaining to a billable calling card.

Automated Assistance (where available)	\$5.00
---	--------

Non-Automated Assistance	\$10.00
--------------------------	---------

SENT - PAID/OPERATOR ASSISTED	\$5.00
--------------------------------------	--------

Operator assistance provided to stations capable of accepting pre-payment by terms of coin or non-calling card credit arrangements.

BUSY LINE VERIFICATION	\$5.00
-------------------------------	--------

Operator assists caller by verifying the busy status of an exchange access line. Charged for each verification.

BUSY LINE VERIFY AND INTERRUPT	\$5.00
---------------------------------------	--------

Operator assists caller by first verifying the busy status of an exchange access line and then by interrupting the communications on the line to alert the communicating parties of the caller's need to reach the busy line.

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8. SUPPLEMENTAL SERVICES (continued)8.4 Directory Services8.4.1 General

Directory services allow customers to customize the manner in which their Company assigned telephone numbers appear in published directory and/or are used by dialable directories and Company operators. This section applies only to services provided by the Company.

8.4.2 Directory Services -- Rate Schedule**ALPHABETICAL DIRECTORY LISTING**

N/C

One listing, without charge, is provided in the alphabetical section of the directory of the local exchange area in which the Customer's premises is located. This listing is termed the primary listing and is provided for each line provided pursuant to the Company's Exchange Access Service. Where two or more lines are arranged to hunt, all of those lines so arranged constitute a separate Customer Service.

EXTRA LISTINGS

An Extra Listing is any listing of a name or information in connection with a Customer's access line number beyond that provided pursuant to the Alphabetical Directory Listing Service provided above.)

Per Month for each listing:

\$1.00

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8. SUPPLEMENTAL SERVICES (continued)8.4 Directory Services (continued)8.4.2 Directory Services -- Rate Schedule (continued)**PRIVATE LISTING**

A telephone number that is not listed in either the directory assistance records or the alphabetical directory or that section of the directory containing the regular alphabetical list of names of Exchange Access Customers.

Per Month for each listing: \$1.00

SEMI-PRIVATE LISTING

A telephone number that is not listed in the alphabetical directory or that section of the directory containing the regular alphabetical list of names of Exchange Access Customers. The telephone number is listed in the directory assistance records and will be furnished upon request of the calling party.

Per Month for each listing: \$1.00

DIRECTORY ASSISTANCE CALL

D.A. Call services furnish the customer with either automated or operator assisted access to the Company's Directory Services database on a dial-up basis. A maximum of two number requests will be accommodated per D.A. Call Service call.

Per Call \$1.00

8. SUPPLEMENTAL SERVICES (continued)8.4 Directory Services (continued)8.4.2 Directory Services -- Rate Schedule (continued)**INFORMATION CALL COMPLETION**

Information Call Completion (ICC) is available as an add-on to the Company's D.A. Call Service. ICC allows the customer to connect directly to a number requested via the Company's D.A. Call service by means of operator dialing.

Per Call Completed

\$1.00

Mobile telephone service customers will only be eligible for ICC service if an alternate billing option is used, i.e., calling card, billed-to-third number, collect and person-to-person special handling. However, should a mobile carrier request the option, the Company will provide ICC to a mobile carrier on a sent-paid basis.

8.5 Direct Inward Dial (DID) Services8.5.1 General

DID is a service which permits incoming dialed calls to be dialed directly by a calling party station associated with a switching system located on the Carrier's Customer Premises. These lines support inbound calling traffic only.

8. SUPPLEMENTAL SERVICES (continued)8.5 Direct Inward Dial (DID) Services (continued)8.5.2 Direct Inward Dial Service -- Rate Schedule

	Monthly Recurring Charge	Non-Recurring Charge
DID Trunk Termination Charges		
Each DID trunk termination in central office, per trunk	\$50.00	\$50.00
Each DID trunk termination in Central Office arranged for Touch-Tone signaling.	\$50.00	\$50.00
Subsequent additions, deletions or rearrangements of DID trunk terminations in addition to above charges, per occasion.	\$50.00	\$50.00
DID Number Charges		
Each group of 10 assigned DID station numbers or fraction thereof, each group	\$2.00	\$2.00
Each group of 10 Reserved DID station numbers or fraction thereof, each group	\$2.00	\$2.00
Business		
DID Service from a Remote Central Office		
Mileage charges apply in addition to the rates specified preceding. Mileage charges are those specified for Foreign District Service as appropriate.		
Each new installation, addition, or rearrangement of trunks that provide DID service from a Remote Central Office, per occasion.	\$50.00	\$50.00

8. SUPPLEMENTAL SERVICES (continued)

8.6 2-Way Direct Inward Dialing (DID) With Call Transfer

8.6.1 General

2-Way Direct Inward Dialing (DID) with Call Transfer is a service that permits incoming calls to reach customer provided equipment, without the assistance of an attendant, and allows the transfer of those calls to another line. Touch-Tone is a standard feature of this service.

8. SUPPLEMENTAL SERVICES (continued)8.7 Miscellaneous ServicesMonthly Rate**TOLL RESTRICTION SERVICE**

Toll Restriction Service will not allow inter-MSA 1+, 0+, 0-, 10XXX, or 700 calls to be completed.

- per line equipped

\$1.00

Toll billing exception that prevents third number billed and collect call is also a customer option.

INTERCEPT REFERRAL EXTENSION SERVICE

Provides notification to calling parties about changes in the status of the called party's telephone line. (An Add / Change Charge applies to add or change the length of months requested)

\$1.00

Non-Recurring Charge**TEMPORARY INTERCEPT**

Enables a Customer to have incoming calls intercepted for 1 month. (Regular Exchange Access Service billing continues and an Add/Change charge applies)

- per Central Office Line

\$5.00

- per Port Intercepted

\$5.00

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8. SUPPLEMENTAL SERVICES (continued)8.8 Customer Requested Service Suspensions

8.8.1 At the request of the customer the Company will suspend incoming and outgoing service on the customer's access line for a period of time not to exceed one year. The equipment is left in place and directory listings are continued during the suspension period without change. At the customer's request the Company will provide the customer with an intercept recording referring callers to another number.

8.8.2 The Company will assess a lower monthly rate for Customer Requested Service Suspension as noted below. However, any mileage charges, monthly cable charges or monthly construction charges are still due, without reduction during the period of suspension.

Period of SuspensionCharge

- First Month or Partial Month

Regular Monthly Rate (no reduction)

- Each Additional Month
(up to the one year limit)

1/2 Regular Monthly Rate

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LOCAL EXCHANGE and INTEREXCHANGE SERVICES

9. BUSINESS NETWORK SWITCHED SERVICES**9.1 General**

Business Network Switched Service provide a business customer with a connection to the Company's switching network which enables the customer to:

- A. receive calls from other stations on the public switched telephone network;
- B. access the Company's local calling service;
- C. access the Company's operators and business office for service related assistance; access toll-free telecommunications service such as 800 NPA; and access 911 service for emergency calling; and
- D. access the service of providers of interexchange service. A customer may presubscribe to such provider's service to originate calls on a direct dialed basis or to receive 800 service from such provider, or may access a provider on an ad hoc basis by dialing the provider's Carrier Identification Code (10XXX).

Business Network Switched Service is provided via one or more channels terminated at the customer's premises. Each Business Network Switched Service channel corresponds to one or more analog, voice-grade telephonic communications channels that can be used to place or receive one call at a time.

LOCAL EXCHANGE and INTEREXCHANGE SERVICES

9. BUSINESS NETWORK SWITCHED SERVICES (continued)**9.2 Service Descriptions and Rates**

The following Business Access Service Options are offered:

Basic Business Line Service
PBX Trunks

All Business Network Switched Service may be connected to customer-provided terminal equipment such as station sets, key systems, PBX systems, or facsimile machines. Service may be arranged for two-way calling, inward calling only or outward calling only. Optional Voice Mail Service is available.

9.2.1 Service Establishment Charge

This charge applies when the Company initially establishes the Customer's account for any service provided by the Company. This charge is applied in addition to any other monthly or installation charge that is associated with the service the Customer orders.

-Per Order		\$50.00
-Per Visit	(1 hour)	\$100.00
-After Hours	(1 hour)	\$200.00
Line Connection		\$100.00
Service Order		\$50.00

Custom Features are also available as described in this tariff.

LOCAL EXCHANGE and INTEREXCHANGE SERVICES

9. BUSINESS NETWORK SWITCHED SERVICES (continued)**9.2 Service Descriptions and Rates (continued)****9.2.2 Basic Business Line Service****A. General**

Basic Business Line Service provides a customer with a one or more analog, voice-grade telephonic communications channel that can be used to place or receive one call at a time. Local calling service is available at a flat rate included in the line price, or on a message usage basis. Basic Business Lines are provided for connection of customer-provided single-line terminal equipment such as station sets or facsimile machines.

Each Basic Business Line has the following characteristics:

Terminal Interface: 2-wire

Signaling Type: Loop Start

Pulse Type: Dual Tone Multi-Frequency (DTMF)

Directionality: Two-way, In-Only, or Out-Only, as specified by the customer.

B. Flat Rate Basic Business Line Service

Service to points within the local calling area is included in the charge for Flat Rate Service.

In addition to the nonrecurring charges listed below, service order charges apply as described in this tariff.

Nonrecurring Connection Charge	\$10.00
--------------------------------	---------

Monthly Recurring Charges:

Business Single Line	(per line)	\$20.00
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Business Multi-Line	(per line)	\$25.00
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LOCAL EXCHANGE and INTEREXCHANGE SERVICES

9. BUSINESS NETWORK SWITCHED SERVICES (continued)**9.2 Service Descriptions and Rates (continued)****9.2.3 PBX Trunk Service****A. General**

Analog and/or digital PBX trunks are provided for connection of customer-provided PBX terminal equipment. Analog trunks are delivered on a DS0 level and digital trunks are delivered at the DS1 level. All trunks are equipped with multiline hunting.

DID service allows callers to reach the called party without going through a PBX attendant. DOD service allows end users to dial outside of a PBX system without going through the PBX attendant to get access to an outside line. Digital trunks cannot be two-way trunks, but must be ordered as with either Direct Inward Dialing (DID) or Direct Outward Dialing (DOD).

For DID configured PBX trunks additional charges apply for Direct Inward Dial Station numbers.

Each Analog Trunk has the following characteristics:

Terminal Interface:	2-wire or 4-wire, as required for the provision of service
Signaling Type:	Loop, Ground, E&M I, II, III
Pulse Type:	Dual Tone Multi-Frequency (DTMF)
Directionality:	In-Coming Only (DID), Out-Going Only (DOD), or Two-Way

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LOCAL EXCHANGE and INTEREXCHANGE SERVICES

9. BUSINESS NETWORK SWITCHED SERVICES (continued)9.2 Service Descriptions and Rates (continued)9.2.3 PBX Trunk Service (continued)

B. Flat Rate Analog PBX Trunks

1. General

Service to points within the local calling area is included in the charge for Flat Rate Analog PBX Trunk Service.

2. Rates

In addition to the nonrecurring charges listed below, service order charges apply as described in this tariff.

Nonrecurring Connection Charge: \$10.00

Monthly Recurring Charges: \$30.00

Terminal Numbers:

1-10 lines in terminal group \$5.00

11-20 lines in terminal group \$10.00

21 + lines in terminal group \$15.00

Issued:

Issued By:

John Barnicle, CEO
Peerless Network of Tennessee, LLC
225 W. Washington Street, Suite 1285
Chicago, IL 60606

Effective:

LOCAL EXCHANGE and INTEREXCHANGE SERVICES

9. BUSINESS NETWORK SWITCHED SERVICES (continued)9.2 Service Descriptions and Rates (continued)9.2.3 PBX Trunk Service (continued)

C. Message Rate Analog PBX Trunks

1. Description

Message Rate Analog PBX Trunks provide the customer with a single, analog, voice grade telephonic communications channel that can be used to place or receive one call at a time. Local calls on two-way trunks and DOD trunks are billed on a message rate basis. DID trunks are arranged for one-way inward calling only.

2. Rates

Charges for each Message Rate PBX Trunk include a monthly recurring Base Service Charge and usage charges for completed calls originated from the customer's lines based on the total number of calls during the billing period.

In addition to the nonrecurring charges listed below, service order charges apply as described in this tariff.

Nonrecurring Connection Charge: \$10.00

Monthly Recurring Charges: \$30.00

Terminal Numbers:

1-10 lines in terminal group \$5.00

11-20 lines in terminal group \$10.00

21 + lines in terminal group \$15.00

3. Message Usage Charges

Per Message Charge \$0.01

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LOCAL EXCHANGE and INTEREXCHANGE SERVICES

9. BUSINESS NETWORK SWITCHED SERVICES (continued)9.2 Service Descriptions and Rates (continued)9.2.3 PBX Trunk Service (continued)

D. Analog DID Trunks

Nonrecurring Connection Charge	\$10.00
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Monthly Recurring Charges (per trunk)	\$5.00
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DID Station Numbers:

- Each Group of 20	\$1.00
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- Each Group of 100	\$12.00
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LOCAL EXCHANGE and INTEREXCHANGE SERVICES

9. BUSINESS NETWORK SWITCHED SERVICES (continued)**9.2 Service Descriptions and Rates (continued)****9.2.3 PBX Trunk Service (continued)****E. Digital PBX Trunk Service****1. Description**

Digital PBX Trunk Service provide a customer with connection to the Company switch via a DS1 digital fiber optic transmission facility operating at 1.544 Mbps and time division multiplexed into 24 analog voice grade telephonic communications channels. Digital PBX Trunks are provided for connection of customer-provided PBX equipment or trunk capable key systems to the Company switch. Each Digital PBX Trunk has the following characteristics:

Terminal Interface: Channel Bank or DSX-1 panel

Signaling Type: Loop, Ground, E&M I, II, III

Start Dial Indicator: Immediate Wink, Delay Dial, Dial Tone

Pulse Type: Dual Tone Multi-Frequency (DTMF)

Directionality: In-Coming or Out-Going Only, as specified by the customer

Service to points within the local calling area is included in the charge for Digital PBX Trunk Service.

LOCAL EXCHANGE and INTEREXCHANGE SERVICES

9. BUSINESS NETWORK SWITCHED SERVICES (continued)**9.2 Service Descriptions and Rates (continued)****9.2.3 PBX Trunk Service (continued)****E. Digital PBX Trunk Service (continued)****2. Recurring and Nonrecurring Charges**

In addition to the nonrecurring charges listed below, service order charges apply as described in this tariff. Charges for each Message Rate Digital PBX Trunk include a monthly recurring Base Service Charge and usage charges for completed calls originated from the customer's lines based on the total number of calls during the billing period.

Where appropriate facilities do not exist, Special Construction charges will also apply.

Nonrecurring Connection Charge: \$250.00

Monthly Recurring Charges:**Flat Rate:**

- Facility	\$100.00
- Per Active Channel (DID)	\$10.00
- Per Active Channel (DOD)	\$10.00

Message Rate:

- Facility	\$100.00
- Per Active Channel (DID)	\$10.00
- Per Active Channel (DOD)	\$10.00

3. Message Usage Charges

Per Message Charge	\$0.01
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