



221 E. Fourth St.
P.O. Box 2301
Cincinnati, Ohio 45201-2301

July 28, 2009

filed electronically in docket office on 07/29/09

Docket No. 09-00113

Sharla Dillion
Dockets and Records Manager, Utilities Division
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

RE: Cincinnati Bell Any Distance Inc. – Application for Certificate to Provide
Facilities-Based Competing Local Exchange Telecommunications Services

Dear Ms. Dillon:

Enclosed for filing are the original and 4 copies of the Application for Certificate to Provide Facilities-Based Competing Local Exchange Telecommunications Services filed on behalf of Cincinnati Bell Any Distance Inc. An electronic copy of Cincinnati Bell Any Distance Inc.'s filing was emailed on July 28, 2009. Also enclosed is the \$25 filing fee.

Questions regarding this filing may be directed to my attention at (513)397-1296 or via e-mail at Kathy.campbell@cinbell.com.

Thanks you for your assistance.

Sincerely,

A handwritten signature in cursive script that reads "Kathy Campbell".

Kathy Campbell
Regulatory Specialist

Attachments

BEFORE THE TENNESSEE REGULATORY AUTHORITY

**IN THE MATTER OF THE APPLICATION
OF CINCINNATI BELL ANY DISTANCE INC.
FOR A CERTIFICATE TO PROVIDE
COMPETING LOCAL
TELECOMMUNICATION SERVICES**

**APPLICATION FOR CERTIFICATE TO PROVIDE
COMPETING LOCAL 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 ("Act"), Cincinnati Bell Any Distance Inc. ("CBAD") respectfully requests that the Tennessee Regulatory Authority ("TRA") grant to CBAD authority to provide competing local telecommunications services, including exchange access telecommunications services, within the State of Tennessee. CBAD is willing and able to comply with all applicable rules and regulations in Tennessee pertaining to the provision of competing local telecommunications services. TCA 65-4-201

In support of its Application, Cincinnati Bell Any Distance Inc. submits the following:

1. The full name and address of the Applicant is:
Cincinnati Bell Any Distance Inc.
221 East Fourth Street, 103-725
Cincinnati, Ohio 45201
Telephone: (513) 397-6385

Questions regarding this application should be directed to:

Kathy Campbell
Regulatory Specialist
221 East Fourth Street, 103-1280
Cincinnati, Ohio 45201
Telephone: (513) 397-1296
Fax: (513) 421-1367

Contact name and address at the Company is:

Kathy Campbell
Cincinnati Bell Any Distance Inc.
221 East Fourth Street, 103-1280
Cincinnati, Ohio 45201
Telephone: (513) 397-1296
Fax: (513) 397-1367

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

See Exhibit A

3. Corporate information:

Cincinnati Bell Any Distance Inc. was incorporated in the state of Delaware on December 3, 1987. A copy of CBAD's Articles of Incorporation and amendments are provided in Exhibit B. A copy of CBAD's Authority to transact business in the State of Tennessee is provided in Exhibit C. The names and addresses of the principal corporate officers are in Exhibit D. There are no officers located in Tennessee. The biographies of the principal officers and any other key technical staff are in Exhibit E.

4. Cincinnati Bell Any Distance Inc. possesses the managerial, technical, and financial ability to provide local telecommunications service in the State of Tennessee as demonstrated below:

- A. Financial Qualifications:

Cincinnati Bell Any Distance Inc. is full funded through its holding company Cincinnati Bell Inc. therefore in support of its financial qualifications; Cincinnati Bell Any Distance Inc., submits SEC Forms 10-Q for period March 31, 2009 of its holding company, Cincinnati Bell Inc. in Exhibit F.

Exhibit F summarizes the recent financial performance of the holding company. These include statement of operations, balance sheets, and statement of cash flows for the periods covered. Also included in this Exhibit are projections for 2010, 2011 and 2012, specific to Cincinnati Bell Any Distance Inc. Thus, Cincinnati Bell Any Distance Inc. asserts that it has the financial resources necessary to operate as a competitive local service provider in Tennessee.

Exhibit G addresses the capital expenditures budget.

Corporate Surety Bond is provided as Exhibit H (this bond is already on file with the TRA)

- B. Managerial Ability:

As shown in Exhibit E to this Application, Cincinnati Bell Any Distance Inc. has the managerial expertise to successfully operate a telecommunications enterprise in Tennessee. As described in the attached biographical information, Cincinnati Bell Any Distance Inc's management team has extensive management and business experience in telecommunications.

C. Technical Qualifications:

Cincinnati Bell Any Distance Inc. 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. Cincinnati Bell Any Distance, Inc. has designed and maintained long distance networks nationally for over two decades and has been providing facilities based local exchanges service in Illinois and Indiana for several years now. Thus, Cincinnati Bell Any Distance Inc. is certainly technically qualified to provide local exchange service in Tennessee.

5. Proposed Service Area:

Cincinnati Bell Any Distance Inc. is already authorized to provide facilities based local telecommunication services in Indiana, Illinois, Ohio and Kentucky. Cincinnati Bell Any Distance Inc. has a pending application in Georgia. CBAD is certified to provide long distance services in 48 states including Tennessee.

The applicant proposes to offer its services in the State of Tennessee with facilities located in the Nashville, Knoxville, and Memphis areas. These areas are currently being served by AT&T and are designated open to competition. Cincinnati Bell Any Distance Inc. intends to offer a broad range of telecommunications services through the use of its own facilities, resold facilities, and through a combination of these provisioning methods. Cincinnati Bell Any Distance Inc. anticipates collocating equipment in the central offices of the AT&T.

6. Types of Local Exchange Service to be provided:

Cincinnati Bell Any Distance Inc. expects to offer a limited number of local exchange services, primarily to business customers in Tennessee. Cincinnati Bell Any Distance Inc.'s initial line of local services will include business access lines and PRI ISDN services, Directory Assistance, Directory Services, and Operator Services, as well as all services required under Chapter 1220-4-8-.04 (3) (6) and (2).

7. Repair and Maintenance:

Cincinnati Bell Any Distance Inc. understands the importance of effective customer service for local service customers. Cincinnati Bell Any Distance Inc. has made arrangements for its customers to call the company at its toll-free customer service number 1-800-571-6601. In addition, customers may contact the company in writing at the headquarters address, as well as via email at www.cincinnati-bell.com. The toll free number will be printed on the customer's monthly billing statements. The Tennessee contact person knowledgeable about providers operations is Kathy Campbell referenced in (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 Cincinnati Bell Any Distance Inc. 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 Cincinnati Bell Any Distance Inc. and indirectly, because Cincinnati Bell Any Distance Inc.'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: (65-5-112):

Cincinnati Bell Any Distance Inc. has a current Small and Minority-Owned Telecommunications Business Participation Plan on file with the TRA in regards to long distance authority and will continue to abide by this plan.

9. Toll Dialing Parity Plan: **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**

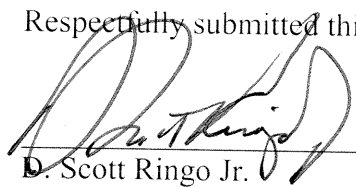
13. Miscellaneous:

- A. Sworn Pre-filed testimony: **Exhibit M**
- B. Applicant does not require customer deposits
- C. As of now, Cincinnati Bell Any Distance Inc. has not been subject to complaints in any of the states in which we are doing business.
- D. A copy of our information tariff is enclosed: **Exhibit N**

CONCLUSION:

Cincinnati Bell Any Distance Inc. 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 local exchange services on a facilities-based and resale basis throughout the State of Tennessee in the service areas of AT&T 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, Cincinnati Bell Any Distance Inc.'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 27 day of July, 2009.



D. Scott Ringo Jr.

Assistant Secretary & National Director, Regulatory Affairs

AFFIDAVIT

State of Ohio
County of Hamilton

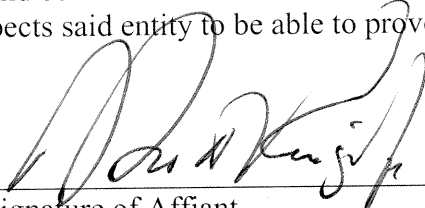
D. Scott Ringo, Jr., Affiant, being duly sworn according to law deposes and says that:

Affiant is the Assistant Secretary & National Director of Regulatory Affairs for Cincinnati Bell Any Distance Inc.

That Affiant is authorized to and does make this affidavit for said corporation;

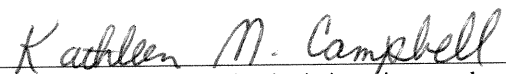
That Affiant acknowledges that Cincinnati Bell Any Distance Inc. will adhere to all applicable State and Federal laws and Tennessee Regulatory Authority rules.

That the facts set forth above are true and correct to the best of Affiant's knowledge, information and belief, and Affiant expects said entity to be able to prove same at any hearing thereof.



Signature of Affiant

Sworn and subscribed before me this 28th day of July, 2009



Signature of official administering oath

My Commission expires _____

KATHLEEN M. CAMPBELL
Notary Public, State of Ohio
My Commission Expires 10-14-2013

EXHIBIT A

ORGANIZATIONAL CHART

CINCINNATI BELL ANY DISTANCE INC.

Cincinnati Bell Inc.
(Ohio)

Cincinnati Bell Inc.

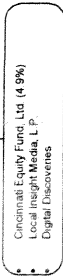


EXHIBIT B

ARTICLES OF INCORPORATION

CINCINNATI BELL ANY DISTANCE INC.

Delaware

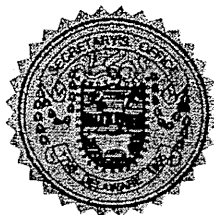
PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF MERGER, WHICH MERGES:

"CINCINNATI BELL ANY DISTANCE INC.", A OHIO CORPORATION,
WITH AND INTO "BTI INC." UNDER THE NAME OF "CINCINNATI BELL ANY DISTANCE INC.", A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, AS RECEIVED AND FILED IN THIS OFFICE THE TWENTY-SEVENTH DAY OF JUNE, A.D. 2003, AT 1:41 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

2145225 8100M

AUTHENTICATION: 2501118

030427080

DATE: 06-27-03

STATE OF DELAWARE

CERTIFICATE OF MERGER OF
CINCINNATI BELL ANY DISTANCE INC.
INTO
BTI INC.

Pursuant to Title 8, Section 252(c) of the Delaware General Corporation Law, the undersigned corporation executed the following Certificate of Merger:

FIRST: The name of the surviving corporation is BTI Inc. ("BTI"), Delaware corporation, and the name of the corporation being merged into this surviving corporation is Cincinnati Bell Any Distance Inc. ("CBAD"), an Ohio corporation.

SECOND: The Plan and Agreement of Merger has been approved, adopted, certified, executed and acknowledged by each of BTI and CBAD.

THIRD: The name of the surviving corporation shall be changed to Cincinnati Bell Any Distance Inc., a Delaware corporation.

FOURTH: The Certificate of Incorporation of BTI shall be the Certificate of Incorporation of the surviving corporation.

FIFTH: The authorized capital stock of CBAD consists of 850 common shares without par value.

SIXTH: The merger of CBAD with and into BTI is to be effective upon filing of this Certificate with the Delaware Secretary of State.

SEVENTH: The executed Plan and Agreement of Merger is on file at 201 East Fourth Street, Cincinnati, Ohio 45202, the place of business of the surviving corporation.

EIGHTH: A copy of the Plan and Agreement of Merger will be furnished by the surviving corporation on request, without cost, to any stockholders of the constituent corporations.

IN WITNESS WHEREOF, BTI Inc. has caused this Certificate to be signed by Kevin W. Mooney, its Chief Executive Officer, this 23rd day of June 2003.

BTI INC.

By: 

Kevin W. Mooney
Chief Executive Officer

Delaware

PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF CORRECTED CERTIFICATE OF AMENDMENT OF "BTI INC.", FILED IN THIS OFFICE ON THE TWENTY-FOURTH DAY OF JUNE, A.D. 2003, AT 12:14 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



Harriet Smith Windsor
Harriet Smith Windsor, Secretary of State

2145225 8101

030415323

AUTHENTICATION: 2493461

DATE: 06-25-03

Secretary of State
Division of Corporations
Delivered 12:14 PM 06/24/2003
FILED 12:14 PM 06/24/2003
SRV 030415323 - 2145225 FILE

**CORRECTED CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
BTI INC.**

BTI INC., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

1. The name of the corporation is BTI INC.
2. A Certificate of Amendment of the Certificate of Incorporation (the "Instrument") was filed with the Secretary of State of the State of Delaware on June 2, 2003 which contains an inaccurate record of the corporate action taken therein, and said Instrument requires correction as permitted by subsection (f) of Section 103 of the General Corporation Law of the State of Delaware.
3. The heading of the Instrument incorrectly identifies the Instrument as the "Certificate of Amendment of Certificate of Incorporation" rather than the "Certificate of Amendment to the Restated Certificate of Incorporation of Broadwing Telecommunications Inc." The Instrument incorrectly states in Article First that the amendment set forth therein was approved by the board of directors of the corporation at a meeting of the board of directors of the corporation, when in fact the amendment was approved by the written consent of the board of directors. The Instrument further incorrectly indicates in Article First that the amendment set forth therein was to Article 1 of the Certificate of Incorporation of the corporation rather than to Article I of the Restated Certificate of Incorporation of the corporation and further inadvertently omits language in Article I. The Instrument further incorrectly states in Article Second that the amendment set forth therein was approved by the stockholders of the corporation at a meeting of the stockholders of the corporation, when in fact the amendment to the name of the corporation was approved by written consent of the stockholders of the corporation pursuant to Section 228 of the General Corporation Law of the State of Delaware.

4. The Certificate of Amendment is therefore amended to read in its corrected form as follows:

**CERTIFICATE OF AMENDMENT
OF
RESTATED CERTIFICATE OF INCORPORATION
OF
BROADWING TELECOMMUNICATIONS INC.**

Broadwing Telecommunications Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify that:

1. The Restated Certificate of Incorporation of the Corporation is hereby amended by deleting Article I thereof in its entirety and inserting the following in lieu thereof:

"ARTICLE I: The name of the corporation is BTI INC. (the "Corporation")."

2. The foregoing amendment was duly adopted in accordance with the provisions of Sections 242 and 228 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this Corrected Certificate of Amendment to be executed by its duly authorized officer on this 24th day of June, 2003.

BTI INC.

By: Amy Collins

Name: Amy Collins

Title: Assistant Secretary

Delaware

PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "BROADWING TELECOMMUNICATIONS INC.", CHANGING ITS NAME FROM "BROADWING TELECOMMUNICATIONS INC." TO "BTI INC.", FILED IN THIS OFFICE ON THE SECOND DAY OF JUNE, A.D. 2003, AT 1:55 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

2145225 8100

AUTHENTICATION: 2452268

030361729

DATE: 06-04-03

STATE of DELAWARE
CERTIFICATE of AMENDMENT of
CERTIFICATE of INCORPORATION

- **First:** That at a meeting of the Board of Directors of _____
BROADWING TELECOMMUNICATIONS INC.

resolutions were duly adopted setting forth a proposed amendment of the Certificate of Incorporation of said corporation, declaring said amendment to be advisable and calling a meeting of the stockholders of said corporation for consideration thereof.

The resolution setting forth the proposed amendment is as follows:

Resolved, that the Certificate of Incorporation of this corporation be amended by changing the Article thereof numbered "1" so that, as amended, said Article shall be and read as follows:

" BTI INC.

- **Second:** That thereafter, pursuant to resolution of its Board of Directors, a special meeting of the stockholders of said corporation was duly called and held, upon notice in accordance with Section 222 of the General Corporation Law of the State of Delaware at which meeting the necessary number of shares as required by statute were voted in favor of the amendment.
- **Third:** That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.
- **Fourth:** That the capital of said corporation shall not be reduced under or by reason of said amendment.

BY: Amy Collins
(Authorized Officer)

NAME: AMY COLLINS, ASST. CORP. SEC.
(Type or Print)

**CERTIFICATE OF AMENDMENT
TO THE
CERTIFICATE OF INCORPORATION
OF
BROADWING TELECOMMUNICATIONS INC.**

Broadwing Telecommunications Inc., a corporation duly organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify that:

1. Jeffrey C. Smith is the duly elected and acting Secretary of the Corporation.
2. Article III.A. of the Certificate of Incorporation of the Corporation is amended to read in full as follows:

Article III

A. Classes of Stock. The Corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Class 1 Preferred Stock." The total number of shares of stock which the Corporation is authorized to issue is 100,100 shares consisting of 100 (one hundred) shares of Common Stock with a par value of \$0.0001 per share, and One Hundred Thousand (100,000) shares of Class 1 Preferred Stock, with a par value of \$0.0001 per share. Upon the effectiveness of this Certificate of Incorporation, each 18,000,000 shares of the Corporation's Common Stock then issued and outstanding shall automatically, without any action on the part of the Corporation or any person, be converted into one hundred shares of Common Stock of the Corporation.


3. This Certificate of Amendment to the Certificate of Incorporation has been duly approved by the Board of Directors of the Corporation.

4. This Certificate of Amendment to the Certificate of Incorporation has been duly approved by the holders of all of the outstanding shares of Common Stock of the Corporation, \$0.0001 per value per share, and Class 1 Preferred Stock of the Corporation, \$0.0001 per value per share, of the Corporation by written consent in lieu of a meeting in accordance with the applicable provisions of Section 228 and Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this Certificate to be executed by its duly authorized officer, on this 28th day of September, 2001.

BROADWING TELECOMMUNICATIONS INC.

By: _____


Jeffrey C. Smith
Senior Vice President,
Chief Administrative Officer,
General Counsel and Secretary

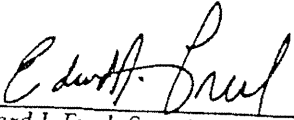
State of Delaware
Office of the Secretary of State

PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "ECLIPSE TELECOMMUNICATIONS, INC.", CHANGING ITS NAME FROM "ECLIPSE TELECOMMUNICATIONS, INC." TO "BROADWING TELECOMMUNICATIONS INC.", FILED IN THIS OFFICE ON THE TWELFTH DAY OF NOVEMBER, A.D. 1999, AT 10 O'CLOCK A.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.




Edward J. Freel, Secretary of State

2145225 8100

991482562

AUTHENTICATION:

0078394

DATE:

11-12-99

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
ECLIPSE TELECOMMUNICATIONS, INC.

Eclipse Telecommunications, Inc., a corporation duly organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify:

1. That Jeffrey C. Smith, is the duly elected and acting Secretary of Eclipse Telecommunications, Inc., a Delaware corporation (the "Corporation").

2. That Article I of the Certificate of Incorporation of the Corporation is amended to read in full as follows:

"ARTICLE I: The name of the corporation shall be "BroadWing Telecommunications Inc." (the "Corporation")."

3. That this Certificate of Amendment of Certificate of Incorporation has been duly approved by the Board of Directors of the Corporation.

4. That this Certificate of Amendment of Certificate of Incorporation has been duly approved by the holder of all of the outstanding shares of common stock, \$0.000001 par value per share, and Class 1 Preferred Stock, \$0.000001 par value per share, of the Corporation by written consent in lieu of a meeting in accordance with the applicable provisions of Section 228 and Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this Certificate to be executed by its duly authorized officer, on this 12th day of November, 1999.

ECLIPSE TELECOMMUNICATIONS, INC.

By: _____

Jeffrey C. Smith, Senior Vice President,
Chief Administrative Officer,
General Counsel and Secretary

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THAT THE SAID "NETWORK LONG DISTANCE, INC.", FILED A CERTIFICATE OF MERGER, CHANGING ITS NAME TO "ECLIPSE TELECOMMUNICATIONS, INC.", THE THIRD DAY OF JUNE, A.D. 1998, AT 4:30 O'CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CORPORATION IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE NOT HAVING BEEN CANCELLED OR DISSOLVED SO FAR AS THE RECORDS OF THIS OFFICE SHOW AND IS DULY AUTHORIZED TO TRANSACT BUSINESS.



A handwritten signature in cursive script, reading "Edward J. Freel".

Edward J. Freel, Secretary of State

2145225 8320

981268327

AUTHENTICATION:

9189279

DATE:

07-10-98

State of Delaware
Office of the Secretary of State

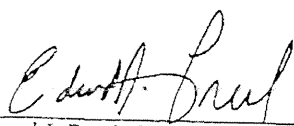
PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF MERGER, WHICH MERGES:

"PISCES ACQUISITION CORP.", A DELAWARE CORPORATION,
WITH AND INTO "NETWORK LONG DISTANCE, INC." UNDER THE NAME OF "ECLIPSE TELECOMMUNICATIONS, INC.", A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, AS RECEIVED AND FILED IN THIS OFFICE THE THIRD DAY OF JUNE, A.D. 1998, AT 4:30 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE KENT COUNTY RECORDER OF DEEDS.





Edward J. Freel, Secretary of State

2145225 8100M

981214027

AUTHENTICATION: 9118019

DATE: 06-03-98

CERTIFICATE OF MERGER
OF
PISCES ACQUISITION CORP.
INTO
NETWORK LONG DISTANCE, INC.

(Under Section 251 of the General Corporation Law of the
State of Delaware)

The undersigned corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware hereby certifies that:

- (1) The name and state of incorporation of each of the constituent corporations are:
 - (a) Network Long Distance, Inc., a Delaware corporation ("Network"); and
 - (b) Pisces Acquisition Corp., a Delaware corporation ("Acquisition").
- (2) An agreement and plan of merger (the "Merger Agreement") has been approved, adopted, certified, executed and acknowledged by Network and Acquisition in accordance with the requirements of Section 251 of the General Corporation Law of the State of Delaware.
- (3) The name of the surviving corporation is Network Long Distance, Inc., which shall be renamed as Eclipse Telecommunications, Inc.
- (4) The Certificate of Incorporation of Network shall be the Certificate of Incorporation of the surviving corporation, except that, as set forth in the Merger Agreement, Article I of the Certificate of Incorporation of the surviving corporation shall be amended to read as follows: "The name of the corporation is Eclipse Telecommunications, Inc."
- (5) The executed Merger Agreement is on file at the principal place of business of Network at 11817 Canon Boulevard, Suite 600, Newport News, Virginia 23606.
- (6) A copy of the Merger Agreement will be furnished by Network on request and without cost to any stockholder of any constituent corporation.
- (7) This Certificate of Merger shall be effective at 5:00 p.m. Eastern Daylight Time on June 3, 1998.

FROM RICHARDS, FINGER & LAYTON #1

(WED) 6. 3'98 17:05/ST. 17:04/NO. 4861004394 P 3

IN WITNESS WHEREOF, Network has caused this certificate to be signed by Timothy A. Barton, its President, on the 29th day of May, 1998.

NETWORK LONG DISTANCE, INC.

By: 

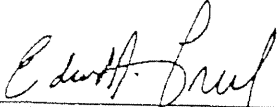
Name: Timothy A. Barton

Title: President

State of Delaware
Office of the Secretary of State PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "HARMONEY STREET CAPITAL, INC.", CHANGING ITS NAME FROM "HARMONEY STREET CAPITAL, INC." TO "NETWORK LONG DISTANCE, INC.", FILED IN THIS OFFICE ON THE TWENTY-FIFTH DAY OF NOVEMBER, A.D. 1991, AT 9 O'CLOCK A.M.





Edward J. Freel, Secretary of State

2145225 8100

981189818

AUTHENTICATION: 9087737

DATE: 05-18-98

State of Delaware

PAGE 1



Office of Secretary of State

I, JEFFREY D. LEWIS, ACTING SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "HARMONEY STREET CAPITAL, INC." FILED IN THIS OFFICE ON THE TWENTY-FIFTH DAY OF NOVEMBER, A.D. 1991, AT 9 O'CLOCK A.M.



913305195

Jeffrey D. Lewis

ACTING SECRETARY OF STATE

AUTHENTICATION: *3304838

DATE: 01/09/1992

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 11/25/1991
913305195 - 2145225

CERTIFICATE OF AMENDMENT TO THE
CERTIFICATE OF INCORPORATION OF
HARMONEY STREET CAPITAL, INC.
CHANGING ITS NAME TO
NETWORK LONG DISTANCE, INC.

HARMONEY STREET CAPITAL, INC., a corporation organized and existing under and by virtue of The General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

FIRST: That the name of the Corporation is Harmoney Street Capital, Inc.

SECOND: The original Certificate of Incorporation was filed in the office of the Secretary of State of the State of Delaware on December 3, 1987.

THIRD: That the Board of Directors and Shareholders of said corporation have adopted a resolution proposing and declaring advisable the following amendment to the Certificate of said corporation in accordance with the provisions of Section 242 of the General Corporation Law of Delaware:

RESOLVED: That Article I of the Certificate of Incorporation of the Corporation be amended in its entirety to read as follows:

"ARTICLE I
NAME

The name of the Corporation shall be: Network Long Distance, Inc."

IN WITNESS WHEREOF, the undersigned officers, for and on behalf of the Corporation, have signed this Certificate of Amendment to the Certificate of Incorporation, as their free and

voluntary act and deed on behalf of the Corporation, and the facts
stated herein are true, this 19th day of November, 1991.

HARMONEY STREET CAPITAL, INC.

ATTEST:

By Marc I. Becker
Marc I. Becker, Secretary

By Michael M. Ross
Michael M. Ross, President

STATE OF Colorado)
COUNTY OF Denver) ss.

I, the undersigned, a Notary Public, hereby certify that on
the 19th day of November, 1991, personally appeared before
me, Michael M. Ross and Marc I. Becker, who being by me first duly
sworn, declared that they are the persons who signed the foregoing
document for and on behalf of this corporation as President and
Secretary thereof, respectively, that it was their free and
voluntary act and deed, and that the statements therein contained
are true.

WITNESS my hand and official seal.

My Commission expires April 20, 1994



Virginia M. Anglin
Notary Public

Address: 511 16th St., #400
Denver, Co 80202

State of Delaware
Office of the Secretary of State PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "HARMONEY STREET CAPITAL, INC.", FILED IN THIS OFFICE ON THE THIRD DAY OF DECEMBER, A.D. 1987, AT 3 O'CLOCK P.M.



A handwritten signature in cursive script, reading "Edward J. Freel", is written over a horizontal line.

Edward J. Freel, Secretary of State

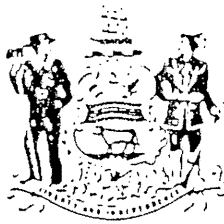
2145225 8100

981189818

AUTHENTICATION: 9087736

DATE: 05-18-98

State of Delaware



26285

Office of Secretary of State

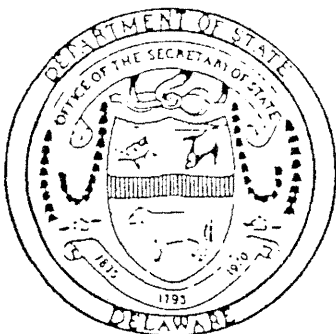
I, MICHAEL HARKINS, SECRETARY OF STATE OF THE STATE OF
DELAWARE DO HEREBY CERTIFY THAT THE ATTACHED IS A TRUE AND CORRECT
COPY OF THE CERTIFICATE OF INCORPORATION OF HARMONY STREET
CAPITAL, INC., FILED IN THIS OFFICE ON THE THIRD DAY OF DECEMBER,
1987 AT 2 O'CLOCK P.M.

RECEIVED FOR RECORD

Dec. 9 A.D. 19 87

Michael T. Sencer
RECORDER

\$3.00 STATE DOCUMENT FEE PAID



Michael Harkins
Michael Harkins, Secretary of State

AUTHENTICATION:

DATE:

707337018

CERTIFICATE OF INCORPORATION

OF

HARMONEY STREET CAPITAL, INC.

FILED

DEC 8 1987

Michael R. Hester
SECRETARY OF STATE

KNOW ALL MEN BY THESE PRESENTS: That the undersigned incorporator being a natural person of the age of eighteen years or more and desiring to form a body corporate under the laws of the State of Delaware does hereby sign, verify and deliver in duplicate to the Secretary of State of the State of Delaware, the Certificate of Incorporation:

ARTICLE I

NAME

The name of the Corporation shall be : Harmoney Street Capital, Inc.

ARTICLE II

PERIOD OF DURATION

The Corporation shall exist in perpetuity, from and after the date of filing the Certificate of Incorporation with the Secretary of State of Delaware unless dissolved according to law.

ARTICLE III

PURPOSES AND POWERS

1. Purposes. Except as restricted by the Certificate of Incorporation, the Corporation is organized for the purpose of transacting all lawful business for which corporations may be incorporated pursuant to the General Corporation Law of Delaware.

2. General Powers. Except as restricted by the Certificate of Incorporation, the Corporation shall have and may exercise all powers and rights which a corporation may exercise legally pursuant to the General Corporation Law of Delaware.

3. Issuance of Shares. The board of directors of the Corporation may divide and issue any class of stock of the Corporation in series pursuant to a resolution properly filed with the Secretary of State of the State of Delaware.

ARTICLE IV

CAPITAL STOCK

The aggregate number of shares which this Corporation shall have authority to issue is One Hundred Million (100,000,000) shares of \$0.0001 par value each, which shares shall be designated "Common Stock"; and Twenty Five Million (25,000,000) shares of \$.01 par value each, which shares shall be designated "Preferred Stock" and which may be issued in one or more series

at the discretion of the Board of Directors. In establishing a series the Board of Directors shall give to it a distinctive designation so as to distinguish it from the shares of all other series and classes, shall fix the number of shares in such series, and the preferences, rights and restrictions thereof. All shares of any one series shall be alike in every particular except as otherwise provided by this Certificate of Incorporation or the General Corporation Law of Delaware.

1. Dividends. Dividends in cash, property or shares shall be paid upon the Preferred Stock for any year on a cumulative or noncumulative basis as determined by a resolution of the Board of Directors prior to the issuance of such Preferred Stock, to the extent earned surplus for each such year is available, in an amount as determined by a resolution of the Board of Directors. Such Preferred Stock dividends shall be paid pro rata to holders of Preferred Stock in any amount not less than nor more than the rate as determined by a resolution of the Board of Directors prior to the issuance of such Preferred Stock. No other dividends shall be paid on the Preferred Stock.

Dividends in cash, property or shares of the Corporation may be paid upon the Common Stock, as and when declared by the Board of Directors, out of funds of the Corporation to the extent and in the manner permitted by law, except that no Common Stock dividend shall be paid for any year unless the holders of Preferred Stock, if any, shall receive the maximum allowable Preferred Stock dividend for such year.

2. Distribution in Liquidation. Upon any liquidation, dissolution or winding up of the Corporation, and after paying or adequately providing for the payment of all its obligations, the remainder of the assets of the Corporation shall be distributed, either in cash or in kind, first pro rata to the holders of the Preferred Stock until an amount to be determined by a resolution of the Board of Directors prior to issuance of such Preferred Stock, has been distributed per share, and, then, the remainder pro rata to the holders of the Common Stock.

3. Redemption. The Preferred Stock may be redeemed in whole or in part as determined by a resolution of the Board of Directors prior to the issuance of such Preferred Stock, upon prior notice to the holders of record of the Preferred Stock, published, mailed and given in such manner and form and on such other terms and conditions as may be prescribed by the Bylaws or by resolution of the Board of Directors, by payment in cash or Common Stock for each share of the Preferred Stock to be redeemed, as determined by a resolution of the Board of Directors prior to the issuance of such Preferred Stock. Common Stock used to redeem Preferred Stock shall be valued as determined by a resolution of the Board of Directors prior to the issuance of such Preferred Stock. Common Stock used to redeem Preferred

Stock shall be valued as determined by a resolution of the Board of Directors prior to the issuance of such Preferred Stock. Any rights to or arising from fractional shares shall be treated as rights to or arising from one share. No such purchase or retirement shall be made if the capital of the Corporation would be impaired thereby.

If less than all the outstanding shares are to be redeemed, such redemption may be made by lot or pro rata as may be prescribed by resolution of the Board of Directors; provided, however, that the Board of Directors may alternatively invite from shareholders offers to the Corporation of Preferred Stock at less than an amount to be determined by a resolution of the Board of Directors prior to issuance of such Preferred Stock, and when such offers are invited, the Board of Directors shall then be required to buy at the lowest price or prices offered, up to the amount to be purchased.

From and after the date fixed in any such notice as the date of redemption (unless default shall be made by the Corporation in a payment of the redemption price), all dividends on the Preferred Stock thereby called for redemption shall cease to accrue and all rights of the holders thereof as stockholders of the Corporation, except the right to receive the redemption price, shall cease and terminate.

Any purchase by the Corporation of the shares of its Preferred Stock shall not be made at prices in excess of said redemption price.

4. Voting Rights; Cumulative Voting. Each outstanding share of Common Stock shall be entitled to one vote and each fractional share of Common Stock shall be entitled to a corresponding fractional vote on each matter submitted to a vote of shareholders. A majority of the shares of Common Stock entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. Except as otherwise provided by this Certificate of Incorporation or the General Corporation Law of Delaware, if a quorum is present, the affirmative vote of a majority of the shares represented at the meeting and entitled to vote on the subject matter shall be the act of the shareholders. When, with respect to any action to be taken by shareholders of this Corporation, the laws of Delaware require the vote of concurrence of the holders of two-thirds of the outstanding shares, of the shares entitled to vote thereon, or of any class or series, such action may be taken by the vote or concurrence of a majority of such shares or class or series thereof. Cumulative voting shall not be allowed in the election of directors of this Corporation.

Shares of Preferred Stock shall only be entitled to such vote as is determined by the Board of Directors prior to the issuance of such stock, except as required by law, in which case each share of Preferred Stock shall be entitled to one vote.

5. Denial of Preemptive Rights. No holder of any shares of the Corporation, whether now or hereafter authorized, shall have any preemptive or preferential right to acquire any shares or securities of the Corporation, including shares or securities held in the treasury of the Corporation.

6. Conversion Rights. Holders of shares of Preferred Stock may be granted the right to convert such Preferred Stock to Common Stock of the Corporation on such terms as may be determined by the Board of Directors prior to issuance of such Preferred Stock.

ARTICLE V TRANSACTIONS WITH INTERESTED DIRECTORS

No contract or other transaction between the Corporation and one or more of its directors or any other corporation, firm, association, or entity in which one or more of its directors are directors or officers or are financially interested shall be either void or voidable solely because of such relationship or interest or solely because such directors are present at the meeting of the board of directors or a committee thereof which authorizes, approves, or ratifies such contract or transaction or solely because their votes are counted for such purpose if:

(a) The fact of such relationship or interest is disclosed or known to the board of directors or committee which authorizes, approves, or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested directors; or

(b) The fact of such relationship or interest is disclosed or known to the shareholders entitled to vote and they authorize, approve, or ratify such contract or transaction by vote or written consent; or

(c) The contract or transaction is fair and reasonable to the corporation.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or a committee thereof which authorizes, approves, or ratifies such contract or transaction.

ARTICLE VI
CORPORATE OPPORTUNITY

The officers, directors and other members of management of this Corporation shall be subject to the doctrine of "corporate opportunities" only insofar as it applies to business opportunities in which this Corporation has expressed an interest as determined from time to time by this Corporation's board of directors as evidenced by resolutions appearing in the Corporation's minutes. Once such areas of interest are delineated, all such business opportunities within such areas of interest which come to the attention of the officers, directors, and other members of management of this Corporation shall be disclosed promptly to this Corporation and made available to it. The board of directors may reject any business opportunity presented to it and thereafter any officer, director or other member of management may avail himself of such opportunity. Until such time as this Corporation, through its board of directors, has designated an area of interest, the officers, directors and other members of management of this Corporation shall be free to engage in such areas of interest on their own and this doctrine shall not limit the rights of any officer, director or other member of management of this Corporation to continue a business existing prior to the time that such area of interest is designated by the Corporation. This provision shall not be construed to release any employee of this Corporation (other than an officer, director or member of management) from any duties which he may have to this Corporation.

<u>Name</u>	<u>Address</u>
Michael J. Bergner	35 West 64th Street New York, New York 10023
Leon L. Nowalsky	2732 Whitney Place Apartment 309 Metairie LA 70002
Miriam E. Meibaum	79 Androus Kenner, LA 70065

ARTICLE VII
NAME AND ADDRESS OF REGISTERED AGENT

Its registered office and place of business in the State of Delaware is to be located at 410 South State Street in the City of Dover, County of Kent. The Registered Agent in charge thereof is: XL CORPORATE SERVICES, INC.

ARTICLE XIII
INCORPORATOR

The name and address of the incorporator is as follows:

Michael J. Bergner

35 West 64th Street
New York, New York 10023

IN WITNESS WHEREOF, the above-named incorporator, for the purpose of forming a corporation under the Laws of the State of Delaware, does make, file and record this Certificate of Incorporation and certify that the facts herein stated are true and have, accordingly, set his hand and seal at New York, New York this 14 day of November, 1987.

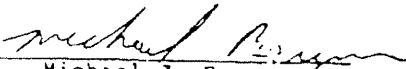

Michael J. Bergner

EXHIBIT C

**CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS IN
TENNESSEE**

CINCINNATI BELL ANY DISTANCE INC.

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

DATE: 09/04/03
REQUEST NUMBER: 4901-1249
TELEPHONE CONTACT: (615) 741-2286
FILE DATE/TIME: 09/03/03 0911
EFFECTIVE DATE/TIME: 09/03/03 1630
CONTROL NUMBER: 0257600

TO:
CSC
700 SOUTH SECOND ST
SPRINGFIELD, IL 62704

RE:
CINCINNATI BELL ANY DISTANCE INC.
APPLICATION FOR AMENDED CERTIFICATE OF
AUTHORITY - FOR PROFIT

THIS WILL ACKNOWLEDGE THE FILING OF THE ATTACHED DOCUMENT WITH AN
EFFECTIVE DATE AS INDICATED ABOVE.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR
FILING, PLEASE REFER TO THE CORPORATION CONTROL NUMBER GIVEN ABOVE.

FOR: APPLICATION FOR AMENDED CERTIFICATE OF
AUTHORITY - FOR PROFIT

ON DATE: 09/04/03

FROM:
CSC/USC (700 S SECOND)
700 S SECOND

RECEIVED: FEES \$20.00 \$0.00
TOTAL PAYMENT RECEIVED: \$20.00

SPRINGFIELD, IL 62704-0000

RECEIPT NUMBER: 00003352978
ACCOUNT NUMBER: 00257285



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

APPLICATION FOR AMENDED
CERTIFICATE OF AUTHORITY
(FOR PROFIT)

For Office Use Only

RECEIVED
OFFICE OF THE SECRETARY OF STATE
OF TENNESSEE

2003 SEP -3 AM 9:11

Pursuant to the provisions of Section 48-25-104 of the Tennessee Business Corporation Act, the undersigned corporation hereby applies for an amended certificate of authority to transact business in the State of Tennessee, and for that purpose sets forth:

1. The name of the corporation is BROADWING TELECOMMUNICATIONS INC.
If different, the name under which the certificate of authority is to be obtained is CINCINNATI BELL ANY DISTANCE INC.

2. The state or country under whose law it is incorporated is DELAWARE

3. The date of its incorporation is 12/03/1987 (must be month, day, and year), and the period of duration, if other than perpetual, is _____

4. The complete street address (including zip code) of its principal office is _____
201 EAST FOURTH STREET, CINCINNATI, OH 45202
Street City State/Country Zip Code

5. The complete street address (including the county and the zip code) of its registered office in Tennessee is _____
2908 POSTON AVENUE, NASHVILLE, TN 37203
Street City State/Country Zip Code
Registered agent CORPORATION SERVICE COMPANY

6. The names and complete business addresses (including zip code) of its current officers are: (Attach separate sheet if necessary.)
SEE ATTACHED

7. The names and complete business addresses (including zip code) of its current board of directors are: (Attach separate sheet if necessary.)
SEE ATTACHED

8. The corporation is a corporation for profit.

9. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date/time is _____, _____ (date) _____ (time).

[NOTE: A delayed effective date shall not be later than the 90th day after the date this document is filed by the Secretary of State.]

[NOTE: This application must be accompanied by a certificate of existence (or a document of similar import) duly authenticated by the Secretary of State or other official having custody of corporate records in the state or country under whose law it is incorporated. The certificate shall not bear a date of more than two (2) months prior to the date the application is successfully filed in Tennessee.]

8-26-03
Signature Date
Corporate Secretary
Signer's Capacity

Cincinnati Bell Any Distance Inc.
Name of Corporation
Amy Collins
Signature
Amy Collins
Name (typed or printed)

4-10-11 11:12:13

Cincinnati Bell Any Distance Inc. (Delaware)
(f/k/a BTI Inc. and Broadwing Telecommunications Inc.
and Eclipse Telecommunications, Inc.)

Director

Thomas L. Schilling

Officers

John F. Cassidy
Thomas L. Schilling
Mary E. McCann
Mark W. Peterson
Christopher J. Wilson
Amy K. Collins
Thomas W. Bosse

Kimberly H. Sheehy

President and Chief Executive Officer
Chief Financial Officer
Senior Vice President – Internal Controls
Vice President - Treasurer
Vice President and General Counsel
Corporate Secretary
Associate General Counsel and Assistant Corporate
Secretary
Director – Corporate Tax

Delaware

PAGE 1

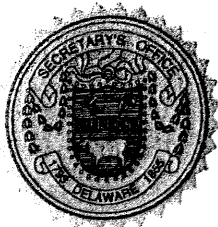
The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "CINCINNATI BELL ANY DISTANCE INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-EIGHTH DAY OF AUGUST, A.D. 2003.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "CINCINNATI BELL ANY DISTANCE INC." WAS INCORPORATED ON THE THIRD DAY OF DECEMBER, A.D. 1987.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE BEEN PAID TO DATE.



Harriet Smith Windsor
Harriet Smith Windsor, Secretary of State

2145225 8300

AUTHENTICATION: 2606107

030559686

DATE: 08-28-03

EXHIBIT D

**NAMES AND ADDRESSES OF PRINCIPAL CORPORATE
OFFICERS**

CINCINNATI BELL ANY DISTANCE INC.

Cincinnati Bell Any Distance Inc. Officers

Scott P. Thomas	Director
John F. Cassidy	President and Chief Executive Officer
Brian A. Ross	Chief Operating Officer
Gary Wojtaszek	Chief Financial Officer
Kurt A. Freyberger	Vice President, Controller
Christopher J. Wilson	Vice President, General Counsel & Secretary
David L. Heimbach	Vice President – eVolve Business Solutions
Christopher C. Elma	Director, Tax and Internal Audit
Scott P. Thomas	Director - Tax
D. Scott Ringo	Assistant Secretary and Director of Regulatory Affairs
Susan D. McClarnon	Assistant Corporate Secretary

All of the officers are located at 221 East Fourth Street, Cincinnati, Ohio 45201

EXHIBIT E

BIOGRAPHIES OF PRINCIPAL OFFICERS

CINCINNATI BELL ANY DISTANCE INC.

Biographies of Corporate Officers

John F. Cassidy
President and Chief Executive Officer
Cincinnati Bell Inc.

John F. Cassidy is President and Chief Executive Officer of Cincinnati Bell Inc. He reports directly to the Board of Directors.

Mr. Cassidy is responsible for developing, establishing and executing the company's strategic and operational plans for all Cincinnati Bell companies including Cincinnati Bell Wireless, Cincinnati Bell Telephone, Cincinnati Bell Entertainment, Cincinnati Bell Any Distance, and Cincinnati Bell Technology Solutions.

Previously, Cassidy served as President and COO of the local Cincinnati Bell operations. As President of Cincinnati Bell Wireless, he led the launch of CBW and I-wireless.

Prior to launching Cincinnati Bell Wireless, Cassidy served as Vice President of Sales for Cantel, Canada's largest cellular provider. He joined Cantel after holding the position of Vice President of Sales and Marketing for Ericsson Communication's mobile handset business, where he was responsible for the brand's introduction in North America. Cassidy was formerly Vice President of Sales and Marketing for the General Electric cellular phone business.

After attending Cleveland State University's Management and Labor Relations program, Cassidy also served in executive-level positions in Labor Relations and Human Resources for TransOhio Savings Bank and the Cleveland Press. He was awarded an Honorary PhD from Cleveland state in 2005.

Beyond his work in the telecommunications industry, Cassidy is also an active member of the community. He serves on the board of the Cincinnati USA Regional Chamber, and was recently named the Chamber's Minority Business Accelerator Leadership Council Chair for 2006-2007. Cassidy also serves on the boards of the Children's Home of Cincinnati, Cincinnati Museum Center, University Hospital, the Boomer Esiason Foundation and is the past chair of the Cincinnati Chamber of Commerce's Regional Technology Initiative.

He is an Advisory Board Member for the Marvin Lewis Community Fund, the Anthony Munoz Foundation and the Boys & Girls Clubs of Cincinnati. Cassidy is a member of the Steering Committee of KnowledgeWorks Foundation (CAP) College Access/Success Partnership, in conjunction with the Cincinnati Public Schools. Cassidy has been honored as the Personal Communications Industry Association's (PCIA) Distinguished Corporate Citizen, the Boomer Esiason Foundation's Man of the Year and the Cincinnati Friars Club's Man of the Year. He also has been awarded the NAACP's Wright Overstreet Award for Education, the Cincinnati School Board's "Making A Difference" award, and Clay Pigeon Magazine's Shooting Sportsman of the Year award for 2003.

Brian Ross
Chief Financial Officer
Cincinnati Bell

Brian A. Ross is Chief Financial Officer for Cincinnati Bell. Mr. Ross reports directly to John F. Cassidy, Chief Executive Officer of Cincinnati Bell.

Mr. Ross has held a variety of positions during his tenure with Cincinnati Bell. Prior to his current position, Mr. Ross served as Senior Vice President of Finance and Accounting for Cincinnati Bell. Starting as Assistant Treasurer in 1995, he also has served as Vice President of Finance and Accounting for Cincinnati Bell Wireless from 1999 to 2001 upon returning to the company after a two-year stint as SVP & CFO for Student Loan Funding Resources.

Prior to joining Cincinnati Bell, Mr. Ross served in various financial management capacities for the Mead Corporation and U.S. Shoe. These include Assistant Treasurer of U.S. Shoe and Controller, Mead Coated Board Europe in Vienna, Austria. Mr. Ross began his career as an Instructor of Economics at Miami University.

Mr. Ross is a native of Cincinnati, Ohio and earned a bachelor of arts degree in economics and mathematics & statistics from Miami University and a master of arts degree in statistics from the University of California.

Mr. Ross is a member of the boards of The Cincinnati Equity Fund, LLC; KnowledgeFunding Ohio; Student Lending Works, Inc.; and Diamond Fiber Composites, Inc.

Mr. Ross resides in Montgomery with his wife, Julie, and four children.

Kurt A. Freyberger
Vice President and Controller

Kurt Freyberger is Vice President and Controller for Cincinnati Bell Inc. As the chief accounting officer of the company, he is responsible for all internal and external financial reporting and reports directly to Brian Ross, Cincinnati Bell's Chief Financial Officer.

Prior to joining Cincinnati Bell, Mr. Freyberger was employed by Chiquita Brands International, serving in various capacities including assistant corporate controller and director of financial reporting. Prior to working at Chiquita, Mr. Freyberger was an audit manager with PricewaterhouseCoopers.

Mr. Freyberger is a member of the Ft. Thomas Lions Club and audit committee of Gloria Dei Lutheran Church.

He holds a bachelor's degree in accounting from Western Kentucky University.

D. Scott Ringo Jr.
Assistant Corporate Secretary and Director Regulatory Affairs

D. Scott Ringo Jr. is Director of Regulatory Affairs for Cincinnati Bell and also serves as Assistant Corporate Secretary. Mr. Ringo is responsible for overall regulatory coordination, compliance and tariffs in Ohio, Kentucky and Indiana for Cincinnati Bell CBT and in the 48 contiguous states for Cincinnati Bell Any Distance (CBAD).

Mr. Ringo joined CBT in 1979 as a member of its Customer Services Department and moved within the company to the Information Services Organization in 1980. In 1983, he transferred to the Rates and Revenues Department and was tasked with transitioning regulatory support from AT&T as part of the divestiture. He also oversaw regulatory activities with the Federal Communications Commission. Starting in 1989, Mr. Ringo began a number of assignments by serving as an account executive to AT&T Communications and the cellular carrier industry, and negotiating interconnection agreements. In January 1995, Mr. Ringo was promoted to his current position within Cincinnati Bell assuming responsibility for state regulatory matters.

Prior to joining Cincinnati Bell, Mr. Ringo worked for five years in the office products industry where he held a number of positions in retail management, purchasing and inventory management.

Mr. Ringo earned his Bachelor of Science degree in Business Administration and Marketing from Northern Kentucky University in Highland Heights, Kentucky in 1977. He also serves as councilman for the City of Villa Hills, Kentucky.

Christopher C. Elma
Managing Director – Tax and Internal Control

Christopher C. Elma is Managing Director - Tax and Internal Control and is responsible for all Corporate Tax and Internal Audit matters of Cincinnati Bell Inc. and its subsidiaries.

Mr. Elma joined Cincinnati Bell Inc. in January 1999 as a manager in the Tax Department. He held various positions within the department until becoming Managing Director of Corporate Tax in January 2006. In May 2009, he assumed the additional responsibility for Internal Controls in his position as Managing Director – Tax & Internal Control.

Prior to joining Cincinnati Bell Inc. Mr. Elma spent five years with Milacron Inc. serving in various tax staff and supervisory positions.

Mr. Elma earned his Bachelor of Science degree in Accounting from the University of Cincinnati in Cincinnati, Ohio.

Scott Thomas
Tax Director

Scott Thomas is a Tax Director for Cincinnati Bell, Inc. He is responsible for the management of the corporate tax function. He reports directly to Chris Elma, Cincinnati Bell's Managing Director – Tax and Internal Controls.

Mr. Thomas joined the company in 2000 as a Senior Tax Accountant and most recently served as a Senior Manager – Corporate Tax. His previous experience includes a tax position at Arthur Andersen.

He is a certified public accountant in the state of Kentucky and a member of the Kentucky Society of CPAs and the American Institute of Certified Public Accountants (AICPA).

Mr. Thomas is a graduate of the University of Kentucky receiving his bachelor's degree in accounting.

Christopher J. Wilson
Vice President and General Counsel
Cincinnati Bell Inc.

Christopher J. Wilson is the Vice President and General Counsel for Cincinnati Bell Inc. He was elected to his current position August 6, 2003. Mr. Wilson reports directly to John F. Cassidy, President and CEO of Cincinnati Bell Inc.

Prior to his current position Mr. Wilson served as Associate General Counsel for the company's Cincinnati-based operating subsidiaries from November 1998 to August 2003. Before joining the in-house legal team at Cincinnati Bell Inc., Mr. Wilson was a partner at Frost Brown Todd LLP.

Mr. Wilson Graduated from Thomas Moore College in 1988 with a B.A. in Economics, and subsequently earned his law degree from the University of Notre Dame in 1991.

David L. Heimbach
Vice President, eVolve Business Solutions

Dave Heimbach is Vice President of eVolve Business Solutions for Cincinnati Bell responsible for a regional CLEC expansion strategy targeting small- and medium-sized businesses. Dave also has general management responsibilities for the long distance and wide area network businesses based in Cincinnati.

Prior to his current position, Dave held various strategy, general management and product development roles at Cincinnati Bell. His past career experience includes various roles in product development, sales and general management at companies in Cincinnati, Ohio and Denver, CO.

Dave graduated from Ohio University with a BSC in Communication Systems Management in 1999.

EXHIBIT F

FINANCIAL QUALIFICATIONS

CINCINNATI BELL ANY DISTANCE INC.

Cincinnati Bell Any Distance
Project Financial Statements (three years)

Income Statement

	Year 1	Year 2	Year 3
Projected Revenue	\$ 757,425	\$ 1,579,347	\$ 2,572,890
Projected COPS	\$ 506,236	\$ 854,981	\$ 1,245,990
Projected S&M Expense	\$ 345,837	\$ 608,777	\$ 793,367
Projected G&A Expense	\$ -	\$ -	\$ -
Total Projected Expenses	\$ 852,073	\$ 1,463,758	\$ 2,039,357
Projected Net Income	\$ (94,648)	\$ 115,589	\$ 533,533

Balance Sheet

	Year 1	Year 2	Year 3
Current assets	\$ 246,181	\$ 308,579	\$ 766,826
Non-Current Assets	\$ 780,538	\$ 1,079,427	\$ 1,434,132
Total Assets	\$ 1,026,718	\$ 1,388,007	\$ 2,200,958
Current liabilities	\$ 340,829	\$ 1,068,176	\$ 1,291,780
Non-current liabilities	\$ 780,538	\$ 298,890	\$ 354,705
Shareholders Equity	\$ (94,648)	\$ 20,941	\$ 554,473
Total Liabilities and Shareholders Equity	\$ 1,026,718	\$ 1,388,007	\$ 2,200,958

Cash Flow

	Year 1	Year 2	Year 3
Cash flows provided by (used in) operating activities	\$ 170,438	\$ 760,744	\$ 657,782
Cash flows from investing activities	\$ (780,538)	\$ (298,890)	\$ (354,705)
Cash flows from financing activities	\$ 780,538	\$ (481,648)	\$ 55,815
Cash beginning of year	0	\$ 170,438	\$ 150,645
Net Changed in Cash	\$ 170,438	\$ (19,794)	\$ 358,892
Cash end of year	\$ 170,438	\$ 150,645	\$ 509,537

Capital	\$ 780,538	\$ 298,890	\$ 354,705
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FORM 10-Q

CINCINNATI BELL INC - CBB

Filed: May 07, 2009 (period: March 31, 2009)

Quarterly report which provides a continuing view of a company's financial position

Table of Contents

10-Q - QUARTERLY REPORT

PART I.

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Quarterly Period Ended March 31, 2009

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____

Commission File Number 1-8519

CINCINNATI BELL INC.

Ohio
(State of Incorporation)

31-1056105
(I.R.S. Employer Identification No.)

221 East Fourth Street, Cincinnati, Ohio 45202
(Address of principal executive offices) (Zip Code)

(513) 397-9900
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

At May 1, 2009, there were 214,842,033 common shares outstanding and 155,250 shares of 6 ³/₄% Cumulative Convertible Preferred Stock outstanding.

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Cincinnati Bell Inc.

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Cincinnati Bell Inc.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in millions, except per share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2009	2008
Revenue		
Services	\$ 293.1	\$ 297.2
Products	32.4	51.3
Total revenue	<u>325.5</u>	<u>348.5</u>
Costs and expenses		
Cost of services, excluding items below	101.1	106.5
Cost of products sold, excluding items below	37.9	52.3
Selling, general and administrative	73.9	70.1
Depreciation	38.2	36.1
Amortization	1.1	1.2
Restructuring charges (gains)	(7.0)	24.0
Asset impairment	—	1.2
Total operating costs and expenses	<u>245.2</u>	<u>291.4</u>
Operating income	80.3	57.1
Interest expense	31.8	36.3
Other income, net	—	(1.2)
Income before income taxes	48.5	22.0
Income tax expense	19.7	9.1
Net income	<u>28.8</u>	<u>12.9</u>
Preferred stock dividends	2.6	2.6
Net income applicable to common shareowners	<u>\$ 26.2</u>	<u>\$ 10.3</u>
Basic and diluted earnings per common share	<u>\$ 0.12</u>	<u>\$ 0.04</u>
Weighted average common shares outstanding (in millions)		
Basic	224.3	246.7
Diluted	225.2	252.8

The accompanying notes are an integral part of the condensed consolidated financial statements.

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Cincinnati Bell Inc.

CONDENSED CONSOLIDATED BALANCE SHEETS (Dollars in millions, except share amounts) (Unaudited)

	March 31, 2009	December 31, 2008
Assets		
Current assets		
Cash and cash equivalents	\$ 12.8	\$ 6.7
Receivables, less allowances of \$17.4 and \$18.0	157.4	164.9
Inventory, materials and supplies	30.3	28.9
Deferred income taxes, net	91.3	96.8
Prepaid expenses and other current assets	15.2	23.8
Total current assets	307.0	321.1
Property, plant and equipment, net	1,058.5	1,044.3
Goodwill	71.9	71.8
Intangible assets, net	124.8	126.0
Deferred income taxes, net	414.4	466.2
Other noncurrent assets	53.1	57.3
Total assets	\$ 2,029.7	\$ 2,086.7
Liabilities and Shareowners' Deficit		
Current liabilities		
Current portion of long-term debt	\$ 182.2	\$ 10.2
Accounts payable	93.0	110.8
Unearned revenue and customer deposits	45.6	44.5
Accrued taxes	18.2	17.7
Accrued interest	26.1	45.9
Accrued payroll and benefits	44.9	49.7
Other current liabilities	44.2	45.0
Total current liabilities	454.2	323.8
Long-term debt, less current portion	1,802.8	1,950.5
Pension and postretirement benefit obligations	325.5	434.6
Other noncurrent liabilities	85.6	87.1
Total liabilities	2,668.1	2,796.0
Shareowners' deficit		
Preferred stock, 2,357,299 shares authorized, 155,250 shares (3,105,000 depositary shares) of 6 ³ / ₄ % Cumulative Convertible Preferred Stock issued and outstanding at March 31, 2009 and December 31, 2008; liquidation preference \$1,000 per share (\$50 per depositary share)	129.4	129.4
Common shares, \$.01 par value; 480,000,000 shares authorized; 217,030,097 and 228,496,896 shares issued; 216,357,898 and 227,881,835 outstanding at March 31, 2009 and December 31, 2008	2.2	2.3
Additional paid-in capital	2,670.4	2,695.3
Accumulated deficit	(3,327.7)	(3,356.5)
Accumulated other comprehensive loss	(110.0)	(177.1)
Common shares in treasury, at cost: 672,199 and 615,061 shares at March 31, 2009 and December 31, 2008	(2.7)	(2.7)
Total shareowners' deficit	(638.4)	(709.3)
Total liabilities and shareowners' deficit	\$ 2,029.7	\$ 2,086.7

The accompanying notes are an integral part of the condensed consolidated financial statements.

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Cincinnati Bell Inc.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in millions)
(Unaudited)

	Three Months Ended March 31,	
	2009	2008
Cash flows from operating activities		
Net income	\$ 28.8	\$ 12.9
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	38.2	36.1
Amortization	1.1	1.2
Provision for loss on receivables	6.2	4.3
Noncash interest expense	1.9	1.2
Deferred income tax expense, including valuation allowance change	17.6	8.8
Pension and other postretirement expense in excess of (less than) payments	(3.1)	42.8
Other, net	0.4	1.4
Changes in operating assets and liabilities, net of effects of acquisitions		
Decrease in receivables	1.6	2.6
Decrease (increase) in inventory, materials, supplies, prepaids and other current assets	6.7	(0.3)
Decrease in accounts payable	(17.5)	(7.3)
Decrease in accrued and other current liabilities	(26.9)	(25.6)
Decrease in other long-term assets	1.8	3.0
Increase in other long-term liabilities	1.7	6.9
Net cash provided by operating activities	<u>58.5</u>	<u>88.0</u>
Cash flows from investing activities		
Capital expenditures	(45.7)	(60.7)
Acquisitions of businesses	(3.4)	(18.7)
Other, net	0.6	(0.7)
Net cash used in investing activities	<u>(48.5)</u>	<u>(80.1)</u>
Cash flows from financing activities		
Increase in corporate credit and receivables facilities, net	23.0	45.0
Repayment of debt	(2.3)	(40.0)
Preferred stock dividends	(2.6)	(2.6)
Common stock repurchase	(21.4)	(16.7)
Other, net	(0.6)	(0.4)
Net cash used in financing activities	<u>(3.9)</u>	<u>(14.7)</u>
Net increase (decrease) in cash and cash equivalents	6.1	(6.8)
Cash and cash equivalents at beginning of year	6.7	26.1
Cash and cash equivalents at end of period	<u>\$ 12.8</u>	<u>\$ 19.3</u>

The accompanying notes are an integral part of the condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**1. Description of Business and Accounting Policies**

The following represents a summary of the business and accounting policies of Cincinnati Bell Inc. and its consolidated subsidiaries (the "Company"). A more detailed presentation can be found in the Company's 2008 Annual Report on Form 10-K.

Description of Business — The Company provides diversified telecommunications services through businesses in three segments: Wireline, Wireless and Technology Solutions. Refer to Note 8 for further discussion concerning the Company's segments.

Basis of Presentation — The Condensed Consolidated Financial Statements of the Company have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") and, in the opinion of management, include all adjustments necessary for a fair presentation of the results of operations, financial position, and cash flows for each period presented.

The adjustments referred to above are of a normal and recurring nature. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to SEC rules and regulations.

The Condensed Consolidated Balance Sheet as of December 31, 2008 was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America. These Condensed Consolidated Financial Statements should be read in conjunction with the Company's 2008 Annual Report on Form 10-K. Operating results for the three month period ended March 31, 2009 are not necessarily indicative of the results expected in the subsequent quarter or for the year ending December 31, 2009.

Recently Issued Accounting Standards — FASB Staff Position ("FSP") No. 132(R)-1, "Employers' Disclosures about Postretirement Benefit Plan Assets," was issued in December 2008. It expands the disclosures required by Statement of Financial Accounting Standards ("SFAS") No. 132(R), "Employers' Disclosures about Pensions and Other Postretirement Benefits," to discuss the assumptions and risks used to compute the fair value of each category of plan assets. FSP No. 132(R)-1 becomes effective for fiscal years ending after December 15, 2009. Early adoption is permitted. As this statement relates to disclosure, it will not have a financial impact on the Company.

SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles ("GAAP")," was issued in May 2008. SFAS No. 162 reorganizes the GAAP hierarchy to provide a consistent framework for determining the accounting principles that should be used when preparing U.S. GAAP financial statements. SFAS No. 162 is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, "The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles." The adoption of SFAS No. 162 is not expected to have any impact on the Company's consolidated results of operations and financial position.

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2. Earnings Per Common Share

Basic earnings per common share ("EPS") is based upon the weighted average number of common shares outstanding during the period. Diluted EPS reflects the potential dilution that would occur if common stock equivalents were exercised or converted to common stock but only to the extent that they are considered dilutive to the Company's earnings. The impact from adopting FSP No. EITF 03-6-1, "Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities" in 2009 on the calculation of basic and diluted EPS was immaterial. The following table is a reconciliation of the numerators and denominators of the basic and diluted EPS computations for the following periods:

(in millions, except per share amounts)	Three Months Ended March 31,	
	2009	2008
Numerator:		
Net income	\$ 28.8	\$ 12.9
Preferred stock dividends	2.6	2.6
Numerator for basic and diluted EPS	\$ 26.2	\$ 10.3
Denominator:		
Denominator for basic EPS—weighted average common shares outstanding	224.3	246.7
Warrants	—	4.6
Stock-based compensation arrangements	0.9	1.5
Denominator for diluted EPS	225.2	252.8
Basic and diluted earnings per common share	\$ 0.12	\$ 0.04
Potentially issuable common shares excluded from denominator for diluted EPS due to anti-dilutive effect	43.9	39.7

3. Comprehensive Income

(dollars in millions)	Three Months Ended March 31,	
	2009	2008
Net income	\$ 28.8	\$ 12.9
Amortization and remeasurement of pension and postretirement liabilities, net of taxes	67.1	12.7
Comprehensive income	\$ 95.9	\$ 25.6

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Cincinnati Bell Inc.

4. Debt

The Company's debt consists of the following:

(dollars in millions)	March 31, 2009	December 31, 2008
Current portion of long-term debt:		
Credit facility, revolver	\$ 75.0	\$ —
Receivables Facility	96.0	—
Credit facility, Tranche B Term Loan	2.1	2.1
Capital lease obligations and other debt	9.1	8.1
Current portion of long-term debt	182.2	10.2
Long-term debt, less current portion:		
Credit facility, revolver	—	73.0
Credit facility, Tranche B Term Loan	204.4	204.9
7 ¹ / ₄ % Senior Notes due 2013	439.9	439.9
8 ⁷ / ₈ % Senior Subordinated Notes due 2014*	572.3	572.7
7% Senior Notes due 2015*	256.7	257.2
7 ¹ / ₄ % Senior Notes due 2023	50.0	50.0
Receivables Facility	—	75.0
Various Cincinnati Bell Telephone notes	230.0	230.0
Capital lease obligations and other debt	49.2	47.5
	1,802.5	1,950.2
Net unamortized premiums	0.3	0.3
Long-term debt, less current portion	1,802.8	1,950.5
Total debt	\$ 1,985.0	\$ 1,960.7

* The face amount of these notes has been adjusted for the fair value of interest rate swaps classified as fair value derivatives and the unamortized called amounts received on terminated interest rate swaps at March 31, 2009 and December 31, 2008.

In March 2007, the Company and certain subsidiaries entered into an accounts receivable securitization facility ("Receivables Facility"), which permitted borrowings of up to \$80 million. Under the Receivables Facility, certain subsidiaries sell their respective trade receivables on a continuous basis to CB Funding LLC ("CBF"). Although CBF is a wholly-owned consolidated subsidiary of the Company, CBF is legally separate from the Company and each of the Company's other subsidiaries. Upon and after the sale or contribution of the accounts receivable to CBF, such accounts receivable are legally assets of CBF, and as such are not available to creditors of other subsidiaries or the parent company. In March 2009, the Company expanded the Receivables Facility to include an additional subsidiary, Cincinnati Bell Technology Solutions Inc. ("CBTS"), and increased the maximum potential borrowing amount to \$115 million, depending on the level of eligible receivables and other factors. At March 31, 2009, the Company had \$96.0 million outstanding under this facility, which was the maximum borrowing permitted at that date. The Receivables Facility is subject to annual bank renewals in February, and in any event expires in March 2012.

As of March 31, 2009, the Company had \$75.0 million outstanding borrowings under its revolving credit facility, and had outstanding letters of credit totaling \$25.6 million, leaving \$149.4 million in additional borrowing availability under its Corporate credit facility. This facility expires in February 2010.

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5. Financial Instruments

SFAS No. 157 established a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value of financial instruments as follows:

Level 1 - Observable inputs such as quoted prices in active markets;

Level 2 - Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (i.e., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs); and

Level 3 - Unobservable inputs that reflect the Company's determination of assumptions that market participants would use in pricing the asset or liability. These inputs are developed based on the best information available, including the Company's own data.

At March 31, 2009 and December 31, 2008, the fair value of the Company's financial instruments that are required to be measured at fair value on a recurring basis are as follows:

(dollars in millions)	March 31, 2009	Level 1	Level 2	Level 3
Interest rate swap assets	\$ 11.5	\$ —	\$ 11.5	\$ —
Interest rate swap liabilities	3.9	—	3.9	—

(dollars in millions)	December 31, 2008	Level 1	Level 2	Level 3
Interest rate swap assets	\$ 22.6	\$ —	\$ 22.6	\$ —
Interest rate swap liabilities	3.8	—	3.8	—
Money market funds	3.1	3.1	—	—

The Company is exposed to the impact of interest rate fluctuations on its indebtedness. The Company attempts to maintain an optimal balance of fixed rate and variable rate indebtedness in order to attain low overall borrowing costs over time while mitigating exposure to interest rate fluctuations. The Company uses derivative financial instruments to manage its balance of fixed rate and variable rate indebtedness. The Company does not hold or issue derivative financial instruments for trading or speculative purposes.

In 2004 and 2005, the Company entered into long-term interest rate swaps with notional amounts totaling \$450 million to change the fixed rate nature of a portion of the 7% Senior Notes due 2015 ("7% Senior Notes") and the 8³/₈% Senior Subordinated Notes due 2014 ("8³/₈% Subordinated Notes") to floating rate debt ("long-term interest rate swaps"). These long-term interest rate swaps qualify for fair value hedge accounting. In December 2008 and early 2009, certain counterparties exercised their right to call \$250 million of the notional amount of long-term interest rate swaps for the 8³/₈% Subordinated Notes, for which the Company received \$10.5 million in the first quarter of 2009 upon termination of the swaps. This amount is being amortized as a reduction to interest expense over the term of the 8³/₈% Subordinated Notes.

In both May and July 2008, the Company entered into six-month interest rate swap contracts with notional amounts totaling \$450 million each, which effectively fixed the floating interest rates for the second half of 2008 and the first half of 2009 on the long-term interest rate swaps. The Company did not designate these swaps as hedging instruments under SFAS No. 133, which results in the change in the fair value of these instruments being recognized in earnings during each period.

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The table below provides the fair values of the Company's derivative instruments:

<u>(dollars in millions)</u>	<u>March 31, 2009</u>
Derivatives designated as fair value hedges	
Interest rate swap assets	\$ 11.5
Derivatives not designated as fair value hedges	
Interest rate swap liabilities	(3.9)

At March 31, 2009, the interest rate swap asset was included in "Other noncurrent assets" in the Condensed Consolidated Balance Sheet. The liability recognized for the derivatives not designated as fair value hedges was included in "Other current liabilities" in the Condensed Consolidated Balance Sheet as of March 31, 2009.

The table below provides the amount of gains recognized in income for the Company's derivative instruments:

<u>(dollars in millions)</u>	<u>Three months ended March 31, 2009</u>
Derivatives designated as fair value hedges	
Interest rate swaps	\$ 1.7
Derivatives not designated as fair value hedges	
Interest rate swaps	—

Realized gains and losses from the long-term interest rate swaps are recognized as an adjustment to "Interest expense" in the Condensed Consolidated Statement of Operations. The realized gains and losses for the interest rate swaps not designated as hedging instruments are included in "Other income, net" in the Condensed Consolidated Statement of Operations.

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6. Restructuring Charges

2009 Restructuring

In the first quarter of 2009, the Company announced significant changes to its pension and postretirement plans. This resulted in a curtailment gain of \$7.6 million, which is included in "Restructuring charges (gains)" in the Condensed Consolidated Statement of Operations. See Note 7 for further information.

Prior Years' Restructurings

Restructuring reserve (dollars in millions):	Balance December 31, 2008	Expense	Utilizations	Balance March 31, 2009
2007-2008 plan	\$ 8.0	\$ —	\$ (0.5)	\$ 7.5
2001 plan	5.1	0.1	(0.3)	4.9

2007-2008 Restructuring

In the fourth quarter of 2007, the Company announced a restructuring plan to reduce costs and increase operational efficiencies. As a result, the Company incurred restructuring charges totaling \$37.5 million for the three months ended December 31, 2007, which consisted of \$22.9 million of employee separation benefits, \$8.2 million of special termination pension and postretirement benefits and a curtailment charge of \$6.4 million. For the three months ended March 31, 2008, the Company recorded an additional charge of \$23.9 million, which consisted of \$22.8 million of special termination benefits and a \$15.5 million curtailment charge, offset by a \$14.4 million reduction in the employee separation benefits. A further discussion of the charges follows:

Employee separation benefits — In 2007, the Company determined a need to reduce its headcount over the next five years to conform its Wireline operations to the decreased access lines being served by the Company and, as a result, recorded severance liabilities of \$22.9 million. In the first quarter of 2008, 284 union employees accepted an early retirement offer, which included special termination pension benefits discussed below. These early retirements reduced the need for the severance liability by \$14.4 million.

Special termination benefits — The Company offered and, by December 31, 2007, 105 management employees accepted early retirements, with special termination pension benefits totaling \$12 million, of which \$8.2 million had been earned and accrued at December 31, 2007. The Company offered and, by March 31, 2008, 284 union employees accepted early retirements, with special termination pension benefits totaling \$25 million, of which \$22.1 million had been earned and was accrued at March 31, 2008. Remaining special termination benefits for both union and management employees are subject to future service requirements as determined by the Company and are amortized to expense over the future service period. The Company recognized \$0.7 million of these amortized costs in the first quarter of 2008 and \$0.5 million in the first quarter of 2009.

Pension and postretirement curtailment charges — Union terminations contemplated above represented approximately 11% of the plan future service years for both the pension and postretirement plans, resulting in a curtailment charge of \$15.5 million for the pension and postretirement plans in the first quarter of 2008.

At March 31, 2009 and December 31, 2008, \$3.8 million and \$1.5 million of the restructuring reserve was included in "Other current liabilities" and \$3.7 million and \$6.5 million was included in "Other noncurrent liabilities" respectively, in the Condensed Consolidated Balance Sheets. The special termination benefits and curtailment charges are included in "Pension and postretirement benefit obligations" in the Condensed Consolidated Balance Sheet at March 31, 2009. For further information related to the special termination benefits and curtailments discussed above, see Note 7 to the Condensed Consolidated Financial Statements.

2001 Restructuring

In 2001, the Company adopted a restructuring plan which included initiatives to consolidate data centers, reduce the Company's expense structure, exit the network construction business, eliminate other non-strategic operations, and merge the digital subscriber line and certain dial-up internet operations into the Company's other operations. The Company completed the plan as of December 31, 2002, except for certain lease obligations, which are expected to continue through 2015.

At March 31, 2009 and December 31, 2008, \$1.0 million of the reserve balance was included in "Other current liabilities" in the Condensed Consolidated Balance Sheets. The reserve included in "Other noncurrent liabilities" in the Condensed Consolidated Balance Sheets was \$3.9 million and \$4.1 million at March 31, 2009 and December 31, 2008, respectively.

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7. Pension and Postretirement Plans

In February 2009, the Company announced significant changes to its management pension plan and its postretirement plans. The Company announced that it will freeze pension benefits for certain management employees below 50 years of age and provide a 10-year transition period for those employees over the age of 50 after which the pension benefit will be frozen. Additionally, the Company announced it will phase out the retiree healthcare plans for all management employees and certain retirees in 10 years.

The significant changes announced caused a 90% decrease in the expected future service years for active participants in the management pension plan, which triggered a plan curtailment in the first quarter of 2009. The curtailment gain of \$7.6 million consisted of the acceleration of unrecognized prior service benefits. In addition, the Company determined that the significant changes to the postretirement plan benefits required remeasurement of these plans in the first quarter of 2009. The Company remeasured its management pension plan and its postretirement plans, using revised assumptions, including modified retiree benefit payment assumptions, revised discount rates and updated plan asset information. Discount rates used for the remeasurements were 6.5% for the management pension plan and 6.3% for the postretirement plans. Additionally, the Company determined that these benefit changes result in substantially all of the remaining participants in the management postretirement plan to be either fully eligible for benefits or retired. As such, the unrecognized prior service gain and unrecognized actuarial gains are amortized over the average life expectancy of the participants rather than the shorter service periods previously used. As a result of the remeasurement, the Company's pension and postretirement obligations were reduced by approximately \$112 million, deferred tax assets were reduced for the related tax effect by \$41 million, and equity was increased by \$71 million.

In 2008, as a result of the acceptance of special termination benefits by certain retirement eligible union employees (see Note 6), the Company determined that a curtailment charge associated with its union pension and postretirement plans was required due to the significant decrease in the expected future service years. The curtailment charge for the union pension plan and the union postretirement plan for the three months ended March 31, 2008, consisted of both an increase in the benefit obligation of \$2.2 million and \$12.5 million and the acceleration of unrecognized prior service cost of \$0.9 million and a benefit of \$0.1 million, respectively.

As a result of the new union labor agreement and curtailment in 2008, the Company remeasured its union pension and postretirement obligations using revised assumptions, including modified retiree benefit payment assumptions, a revised discount rate of 6.4%, and updated plan asset information. As a result of the remeasurement, the Company's pension and postretirement obligations were reduced by approximately \$17 million, deferred tax assets were reduced for the related tax effect by \$6 million, and equity was increased by \$11 million.

Pension and postretirement benefit costs are as follows:

	Pension Benefits		Postretirement and Other Benefits	
	Three Months Ended March 31,			
(dollars in millions)	2009	2008	2009	2008
Service cost	\$ 1.6	\$ 2.3	\$ 0.2	\$ 0.6
Interest cost on projected benefit obligation	7.2	6.9	3.2	4.8
Expected return on plan assets	(6.5)	(8.8)	(0.2)	(0.5)
Amortization of:				
Transition obligation	—	—	0.1	0.9
Prior service cost	0.1	0.1	(2.0)	0.5
Actuarial loss	2.2	0.7	1.0	1.0
Special termination benefit	0.4	22.6	0.1	0.2
Curtailment (gain) charge	(7.6)	3.1	—	12.4
	\$ (2.6)	\$ 26.9	\$ 2.4	\$ 19.9

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Form 10-Q Part I

Cincinnati Bell Inc.

8. Business Segment Information

The Company operates in the following three segments: Wireline, Wireless and Technology Solutions. The Wireline segment provides local voice, data, long-distance and other services to customers primarily in southwestern Ohio, northern Kentucky, and southeastern Indiana. The Wireless segment provides advanced, digital voice and data communications services and sales of related communications equipment to customers in the Greater Cincinnati and Dayton, Ohio operating areas. The Technology Solutions segment provides a range of fully managed and outsourced IT and telecommunications services and offers solutions that combine data center collocation services along with the sale, installation, and maintenance of major branded IT and telephony equipment.

Certain corporate administrative expenses have been allocated to segments based upon the nature of the expense and the relative size of the segment.

The Company's business segment information is as follows:

(dollars in millions)		Three Months Ended	
		March 31,	
		2009	2008
Revenue			
Wireline			
Wireless		\$ 195.6	\$ 202.6
Technology Solutions		76.3	78.5
Intersegment		63.1	74.7
		(9.5)	(7.3)
Total revenue		\$ 325.5	\$ 348.5
Intersegment revenue			
Wireline			
Wireless		\$ 6.2	\$ 5.9
Technology Solutions		0.8	0.8
		2.5	0.6
Total intersegment revenue		\$ 9.5	\$ 7.3
Operating income			
Wireline			
Wireless		\$ 74.9	\$ 46.7
Technology Solutions		8.5	12.3
Corporate		3.3	3.2
		(6.4)	(5.1)
Total operating income		\$ 80.3	\$ 57.1
Assets			
		March 31, 2009	December 31, 2008
Wireline			
Wireless		\$ 699.2	\$ 694.3
Technology Solutions		367.2	377.2
Corporate and eliminations		289.2	328.8
		674.1	686.4
Total assets		\$ 2,029.7	\$ 2,086.7

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Form 10-Q Part I

Cincinnati Bell Inc.

9. Supplemental Guarantor Information

Cincinnati Bell Telephone Notes

Cincinnati Bell Telephone Company LLC ("CBT"), a wholly-owned subsidiary of Cincinnati Bell Inc. (the "Parent Company" or "CBI"), has \$230 million in notes outstanding that are guaranteed by the Parent Company and no other subsidiaries of the Parent Company. The guarantee is full and unconditional. The Parent Company's subsidiaries generate substantially all of its income and cash flow and generally distribute or advance the funds necessary to meet the Parent Company's debt service obligations.

The following information sets forth the Condensed Consolidating Statements of Operations and Cash Flows for the three months ended March 31, 2009 and 2008 and Condensed Consolidating Balance Sheets as of March 31, 2009 and December 31, 2008 of (1) the Parent Company, as the guarantor (2) Cincinnati Bell Telephone Company LLC, as the issuer, and (3) the non-guarantor subsidiaries on a combined basis:

Condensed Consolidating Statements of Operations

(dollars in millions)	Three Months Ended March 31, 2009				
	Parent (Guarantor)	CBT	Other (Non-guarantors)	Eliminations	Total
Revenue	\$ —	\$ 174.8	\$ 165.1	\$ (14.4)	\$ 325.5
Operating costs and expenses	6.1	104.0	149.5	(14.4)	245.2
Operating income (loss)	(6.1)	70.8	15.6	—	80.3
Interest expense	26.6	3.7	4.9	(3.4)	31.8
Other expense (income), net	(3.5)	1.0	(0.9)	3.4	—
Income (loss) before income taxes	(29.2)	66.1	11.6	—	48.5
Income tax expense (benefit)	(8.7)	21.6	6.8	—	19.7
Equity in earnings of subsidiaries, net of tax	49.3	—	—	(49.3)	—
Net income	28.8	44.5	4.8	(49.3)	28.8
Preferred stock dividends	2.6	—	—	—	2.6
Net income applicable to common shareowners	\$ 26.2	\$ 44.5	\$ 4.8	\$ (49.3)	\$ 26.2

(dollars in millions)	Three Months Ended March 31, 2008				
	Parent (Guarantor)	CBT	Other (Non-guarantors)	Eliminations	Total
Revenue	\$ —	\$ 181.3	\$ 179.2	\$ (12.0)	\$ 348.5
Operating costs and expenses	4.9	141.1	157.4	(12.0)	291.4
Operating income (loss)	(4.9)	40.2	21.8	—	57.1
Interest expense	31.9	3.6	6.0	(5.2)	36.3
Other expense (income), net	(6.8)	2.1	(1.7)	5.2	(1.2)
Income (loss) before income taxes	(30.0)	34.5	17.5	—	22.0
Income tax expense (benefit)	(9.0)	12.8	5.3	—	9.1
Equity in earnings of subsidiaries, net of tax	33.9	—	—	(33.9)	—
Net income	12.9	21.7	12.2	(33.9)	12.9
Preferred stock dividends	2.6	—	—	—	2.6
Net income applicable to common shareowners	\$ 10.3	\$ 21.7	\$ 12.2	\$ (33.9)	\$ 10.3

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Form 10-Q Part I

Cincinnati Bell Inc.

Condensed Consolidating Balance Sheets

(dollars in millions)	As of March 31, 2009				
	Parent (Guarantor)	CBT	Other (Non-guarantors)	Eliminations	Total
Cash and cash equivalents	\$ 11.7	\$ 0.8	\$ 0.3	\$ —	\$ 12.8
Receivables, net	1.3	—	156.1	—	157.4
Other current assets	23.5	28.4	85.6	(0.7)	136.8
Total current assets	36.5	29.2	242.0	(0.7)	307.0
Property, plant and equipment, net	0.7	600.0	457.8	—	1,058.5
Goodwill and intangibles, net	—	3.0	193.7	—	196.7
Investments in and advances to subsidiaries	1,022.7	—	—	(1,022.7)	—
Other noncurrent assets	313.7	13.7	208.8	(68.7)	467.5
Total assets	\$ 1,373.6	\$ 645.9	\$ 1,102.3	\$ (1,092.1)	\$ 2,029.7
Current portion of long-term debt	\$ 77.1	\$ 0.7	\$ 104.4	\$ —	\$ 182.2
Accounts payable	1.3	46.4	45.3	—	93.0
Other current liabilities	71.8	58.1	49.1	—	179.0
Total current liabilities	150.2	105.2	198.8	—	454.2
Long-term debt, less current portion	1,524.0	234.8	44.0	—	1,802.8
Other noncurrent liabilities	337.8	46.7	96.0	(69.4)	411.1
Intercompany payables	—	4.7	433.9	(438.6)	—
Total liabilities	2,012.0	391.4	772.7	(508.0)	2,668.1
Shareowners' equity (deficit)	(638.4)	254.5	329.6	(584.1)	(638.4)
Total liabilities and shareowners' equity (deficit)	\$ 1,373.6	\$ 645.9	\$ 1,102.3	\$ (1,092.1)	\$ 2,029.7

	As of December 31, 2008				
	Parent (Guarantor)	CBT	Other (Non-guarantors)	Eliminations	Total
Cash and cash equivalents	\$ 4.5	\$ 1.8	\$ 0.4	\$ —	\$ 6.7
Receivables, net	3.2	—	161.7	—	164.9
Other current assets	27.7	25.3	97.1	(0.6)	149.5
Total current assets	35.4	27.1	259.2	(0.6)	321.1
Property, plant and equipment, net	0.6	594.7	449.0	—	1,044.3
Goodwill and intangibles, net	—	3.0	194.8	—	197.8
Investments in and advances to subsidiaries	1,041.8	—	—	(1,041.8)	—
Other noncurrent assets	358.4	13.9	214.2	(63.0)	523.5
Total assets	\$ 1,436.2	\$ 638.7	\$ 1,117.2	\$ (1,105.4)	\$ 2,086.7
Current portion of long-term debt	\$ 2.1	\$ 0.7	\$ 7.4	\$ —	\$ 10.2
Accounts payable	0.1	37.8	72.9	—	110.8
Other current liabilities	99.6	54.9	48.3	—	202.8
Total current liabilities	101.8	93.4	128.6	—	323.8
Long-term debt, less current portion	1,598.4	235.0	117.1	—	1,950.5
Other noncurrent liabilities	445.3	46.5	93.5	(63.6)	521.7
Intercompany payables	—	22.5	447.9	(470.4)	—
Total liabilities	2,145.5	397.4	787.1	(534.0)	2,796.0
Shareowners' equity (deficit)	(709.3)	241.3	330.1	(571.4)	(709.3)
Total liabilities and shareowners' equity (deficit)	\$ 1,436.2	\$ 638.7	\$ 1,117.2	\$ (1,105.4)	\$ 2,086.7

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Form 10-Q Part I

Cincinnati Bell Inc.

Condensed Consolidating Statements of Cash Flows

(dollars in millions)	Three Months Ended March 31, 2009				
	Parent (Guarantor)	CBT	Other (Non-guarantors)	Eliminations	Total
Cash flows provided by (used in) operating activities	\$ (38.7)	\$ 76.4	\$ 20.8	\$ —	\$ 58.5
Capital expenditures	(0.2)	(27.5)	(18.0)	—	(45.7)
Acquisition of businesses	—	(0.5)	(2.9)	—	(3.4)
Other investing activities	0.2	0.2	0.2	—	0.6
Cash flows used in investing activities	—	(27.8)	(20.7)	—	(48.5)
Funding between Parent and subsidiaries, net	69.0	(49.4)	(19.6)	—	—
Increase in corporate credit and receivables facilities, net	2.0	—	21.0	—	23.0
Repayment of debt	(0.5)	(0.2)	(1.6)	—	(2.3)
Common stock repurchase	(21.4)	—	—	—	(21.4)
Other financing activities	(3.2)	—	—	—	(3.2)
Cash flows provided by (used in) financing activities	45.9	(49.6)	(0.2)	—	(3.9)
Increase (decrease) in cash and cash equivalents	7.2	(1.0)	(0.1)	—	6.1
Beginning cash and cash equivalents	4.5	1.8	0.4	—	6.7
Ending cash and cash equivalents	\$ 11.7	\$ 0.8	\$ 0.3	\$ —	\$ 12.8

(dollars in millions)	Three Months Ended March 31, 2008				
	Parent (Guarantor)	CBT	Other (Non-guarantors)	Eliminations	Total
Cash flows provided by (used in) operating activities	\$ (10.3)	\$ 21.1	\$ 77.2	\$ —	\$ 88.0
Capital expenditures	(0.2)	(20.3)	(40.2)	—	(60.7)
Acquisition of businesses	—	(0.8)	(17.9)	—	(18.7)
Other investing activities	(0.3)	0.1	(0.5)	—	(0.7)
Cash flows used in investing activities	(0.5)	(21.0)	(58.6)	—	(80.1)
Funding between Parent and subsidiaries, net	16.7	0.6	(17.3)	—	—
Increase in corporate credit facility, net	45.0	—	—	—	45.0
Repayment of debt	(39.0)	(0.1)	(0.9)	—	(40.0)
Common stock repurchase	(16.7)	—	—	—	(16.7)
Other financing activities	(3.0)	—	—	—	(3.0)
Cash flows provided by (used in) financing activities	3.0	0.5	(18.2)	—	(14.7)
Increase (decrease) in cash and cash equivalents	(7.8)	0.6	0.4	—	(6.8)
Beginning cash and cash equivalents	23.6	1.9	0.6	—	26.1
Ending cash and cash equivalents	\$ 15.8	\$ 2.5	\$ 1.0	\$ —	\$ 19.3

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Form 10-Q Part I

Cincinnati Bell Inc.

7¹/₄% Senior Notes Due 2013, 7% Senior Notes Due 2015, and 8³/₈% Senior Subordinated Notes Due 2014

The Parent Company's 7¹/₄% Senior Notes due 2013, 7% Senior Notes due 2015, and 8³/₈% Senior Subordinated Notes due 2014 are guaranteed by the following subsidiaries: Cincinnati Bell Entertainment Inc. (f/k/a ZoomTown.com Inc.), Cincinnati Bell Complete Protection Inc., Cincinnati Bell Any Distance Inc., Cincinnati Bell Telecommunication Services LLC, Cincinnati Bell Wireless Company, Cincinnati Bell Wireless LLC, GramTel Inc. (f/k/a BCSIVA Inc.), BRCOM Inc., CBTS, Cincinnati Bell Shared Services LLC, CBTS Software LLC and IXC Internet Services Inc. The Parent Company owns directly or indirectly 100% of each guarantor and each guarantee is full and unconditional and joint and several. The Parent Company's subsidiaries generate substantially all of its income and cash flow and generally distribute or advance the funds necessary to meet the Parent Company's debt service obligations.

The following information sets forth the Condensed Consolidating Statements of Operations and Cash Flows for the three months ended March 31, 2009 and 2008 and the Condensed Consolidating Balance Sheets as of March 31, 2009 and December 31, 2008 of (1) the Parent Company, as the issuer (2) the guarantor subsidiaries on a combined basis, and (3) the non-guarantor subsidiaries on a combined basis:

Condensed Consolidating Statements of Operations

(dollars in millions)	Three Months Ended March 31, 2009				
	Parent (Issuer)	Guarantors	Non-guarantors	Eliminations	Total
Revenue	\$ —	\$ 177.9	\$ 162.0	\$ (14.4)	\$ 325.5
Operating costs and expenses	6.1	163.1	90.4	(14.4)	245.2
Operating income (loss)	(6.1)	14.8	71.6	—	80.3
Interest expense	26.6	3.3	5.3	(3.4)	31.8
Other expense (income), net	(3.5)	(1.1)	1.2	3.4	—
Income (loss) before income taxes	(29.2)	12.6	65.1	—	48.5
Income tax expense (benefit)	(8.7)	6.8	21.6	—	19.7
Equity in earnings of subsidiaries, net of tax	49.3	—	—	(49.3)	—
Net income	28.8	5.8	43.5	(49.3)	28.8
Preferred stock dividends	2.6	—	—	—	2.6
Net income applicable to common shareowners	\$ 26.2	\$ 5.8	\$ 43.5	\$ (49.3)	\$ 26.2

(dollars in millions)	Three Months Ended March 31, 2008				
	Parent (Issuer)	Guarantors	Non-guarantors	Eliminations	Total
Revenue	\$ —	\$ 191.0	\$ 169.5	\$ (12.0)	\$ 348.5
Operating costs and expenses	4.9	178.3	120.2	(12.0)	291.4
Operating income (loss)	(4.9)	12.7	49.3	—	57.1
Interest expense	31.9	4.6	5.0	(5.2)	36.3
Other expense (income), net	(6.8)	0.4	—	5.2	(1.2)
Income (loss) before income taxes	(30.0)	7.7	44.3	—	22.0
Income tax expense (benefit)	(9.0)	1.7	16.4	—	9.1
Equity in earnings of subsidiaries, net of tax	33.9	—	—	(33.9)	—
Net income	12.9	6.0	27.9	(33.9)	12.9
Preferred stock dividends	2.6	—	—	—	2.6
Net income applicable to common shareowners	\$ 10.3	\$ 6.0	\$ 27.9	\$ (33.9)	\$ 10.3

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Form 10-Q Part I

Cincinnati Bell Inc.

Condensed Consolidating Balance Sheets

(dollars in millions)	As of March 31, 2009				
	Parent (Issuer)	Guarantors	Non-guarantors	Eliminations	Total
Cash and cash equivalents	\$ 11.7	\$ 0.3	\$ 0.8	\$ —	\$ 12.8
Receivables, net	1.3	1.7	154.4	—	157.4
Other current assets	23.5	81.1	32.9	(0.7)	136.8
Total current assets	36.5	83.1	188.1	(0.7)	307.0
Property, plant and equipment, net	0.7	457.8	600.0	—	1,058.5
Goodwill and intangibles, net	—	193.7	3.0	—	196.7
Investments in and advances to subsidiaries	1,022.7	—	—	(1,022.7)	—
Other noncurrent assets	313.7	210.5	12.0	(68.7)	467.5
Total assets	\$ 1,373.6	\$ 945.1	\$ 803.1	\$ (1,092.1)	\$ 2,029.7
Current portion of long-term debt	\$ 77.1	\$ 8.4	\$ 96.7	\$ —	\$ 182.2
Accounts payable	1.3	56.1	35.6	—	93.0
Other current liabilities	71.8	51.6	55.6	—	179.0
Total current liabilities	150.2	116.1	187.9	—	454.2
Long-term debt, less current portion	1,524.0	44.0	234.8	—	1,802.8
Other noncurrent liabilities	337.8	96.6	46.1	(69.4)	411.1
Intercompany payables	—	386.9	51.7	(438.6)	—
Total liabilities	2,012.0	643.6	520.5	(508.0)	2,668.1
Shareowners' equity (deficit)	(638.4)	301.5	282.6	(584.1)	(638.4)
Total liabilities and shareowners' equity (deficit)	\$ 1,373.6	\$ 945.1	\$ 803.1	\$ (1,092.1)	\$ 2,029.7

(dollars in millions)	As of December 31, 2008				
	Parent (Issuer)	Guarantors	Non-guarantors	Eliminations	Total
Cash and cash equivalents	\$ 4.5	\$ 0.4	\$ 1.8	\$ —	\$ 6.7
Receivables, net	3.2	55.2	106.5	—	164.9
Other current assets	27.7	92.2	30.2	(0.6)	149.5
Total current assets	35.4	147.8	138.5	(0.6)	321.1
Property, plant and equipment, net	0.6	449.0	594.7	—	1,044.3
Goodwill and intangibles, net	—	194.8	3.0	—	197.8
Investments in and advances to subsidiaries	1,041.8	—	—	(1,041.8)	—
Other noncurrent assets	358.4	215.5	12.6	(63.0)	523.5
Total assets	\$ 1,436.2	\$ 1,007.1	\$ 748.8	\$ (1,105.4)	\$ 2,086.7
Current portion of long-term debt	\$ 2.1	\$ 7.4	\$ 0.7	\$ —	\$ 10.2
Accounts payable	0.1	81.9	28.8	—	110.8
Other current liabilities	99.6	50.4	52.8	—	202.8
Total current liabilities	101.8	139.7	82.3	—	323.8
Long-term debt, less current portion	1,598.4	42.1	310.0	—	1,950.5
Other noncurrent liabilities	445.3	94.1	45.9	(63.6)	521.7
Intercompany payables	—	429.1	41.3	(470.4)	—
Total liabilities	2,145.5	705.0	479.5	(534.0)	2,796.0
Shareowners' equity (deficit)	(709.3)	302.1	269.3	(571.4)	(709.3)
Total liabilities and shareowners' equity (deficit)	\$ 1,436.2	\$ 1,007.1	\$ 748.8	\$ (1,105.4)	\$ 2,086.7

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Form 10-Q Part I

Cincinnati Bell Inc.

Condensed Consolidating Statements of Cash Flows

(dollars in millions)	Three Months Ended March 31, 2009				
	Parent (Issuer)	Guarantors	Non-guarantors	Eliminations	Total
Cash flows provided by (used in) operating activities	\$ (38.7)	\$ 69.8	\$ 27.4	\$ —	\$ 58.5
Capital expenditures	(0.2)	(18.0)	(27.5)	—	(45.7)
Acquisition of businesses	—	(2.9)	(0.5)	—	(3.4)
Other investing activities	0.2	0.2	0.2	—	0.6
Cash flows used in investing activities	—	(20.7)	(27.8)	—	(48.5)
Funding between Parent and subsidiaries, net	69.0	(47.6)	(21.4)	—	—
Increase in corporate credit and receivables facilities, net	2.0	—	21.0	—	23.0
Repayment of debt	(0.5)	(1.6)	(0.2)	—	(2.3)
Common stock repurchase	(21.4)	—	—	—	(21.4)
Other financing activities	(3.2)	—	—	—	(3.2)
Cash flows provided by (used in) financing activities	45.9	(49.2)	(0.6)	—	(3.9)
Increase (decrease) in cash and cash equivalents	7.2	(0.1)	(1.0)	—	6.1
Beginning cash and cash equivalents	4.5	0.4	1.8	—	6.7
Ending cash and cash equivalents	\$ 11.7	\$ 0.3	\$ 0.8	\$ —	\$ 12.8

	Three Months Ended March 31, 2008				
	Parent (Issuer)	Guarantors	Non-guarantors	Eliminations	Total
Cash flows provided by (used in) operating activities	\$ (10.3)	\$ 60.1	\$ 38.2	\$ —	\$ 88.0
Capital expenditures	(0.2)	(40.5)	(20.0)	—	(60.7)
Acquisition of businesses	—	(17.9)	(0.8)	—	(18.7)
Other investing activities	(0.3)	(0.5)	0.1	—	(0.7)
Cash flows used in investing activities	(0.5)	(58.9)	(20.7)	—	(80.1)
Funding between Parent and subsidiaries, net	16.7	0.1	(16.8)	—	—
Increase in corporate credit facility, net	45.0	—	—	—	45.0
Repayment of debt	(39.0)	(0.9)	(0.1)	—	(40.0)
Common stock repurchase	(16.7)	—	—	—	(16.7)
Other financing activities	(3.0)	—	—	—	(3.0)
Cash flows provided by (used in) financing activities	3.0	(0.8)	(16.9)	—	(14.7)
Increase (decrease) in cash and cash equivalents	(7.8)	0.4	0.6	—	(6.8)
Beginning cash and cash equivalents	23.6	0.8	1.7	—	26.1
Ending cash and cash equivalents	\$ 15.8	\$ 1.2	\$ 2.3	\$ —	\$ 19.3

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Form 10-Q Part I

Cincinnati Bell Inc.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Information included in this Quarterly Report on Form 10-Q contains certain forward-looking statements that involve potential risks and uncertainties. The Company's future results could differ materially from those discussed herein. Factors that could cause or contribute to such differences include, but are not limited to, those discussed herein and those discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2008. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date thereof.

The Company was initially incorporated under the laws of Ohio in 1983 and remains incorporated under the laws of Ohio. It has its principal executive offices at 221 East Fourth Street, Cincinnati, Ohio 45202 (telephone number (513) 397-9900 and website address <http://www.cincinnati-bell.com>). The Company makes available its reports on Form 10-K, 10-Q, and 8-K (as well as all amendments to these reports) on its website, free of charge, at the Investor Relations section as soon as practicable after they have been electronically filed.

The Company files annual, quarterly and current reports, proxy statements and other information with the SEC under the Exchange Act. These reports and other information filed by the Company may be read and copied at the Public Reference Room of the SEC, 100 F Street N.E., Washington, D.C. 20549. Information may be obtained about the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an internet site that contains reports, proxy statements, and other information about issuers, like the Company, which file electronically with the SEC. The address of that site is <http://www.sec.gov>.

Critical Accounting Policies and Estimates

The preparation of Condensed Consolidated Financial Statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, and expenses. In the Company's Annual Report on Form 10-K for the year ended December 31, 2008, the Company identified critical accounting policies that affect its more significant estimates and assumptions used in preparing its Condensed Consolidated Financial Statements. These critical accounting policies include revenue recognition, accounting for allowances for uncollectible accounts receivable, reviewing the carrying values of goodwill and indefinite-lived intangible assets, reviewing the carrying values of property, plant and equipment, accounting for business combinations, accounting for taxes, accounting for pension and postretirement expenses, and accounting for termination benefits.

Results of Operations

The financial results for the three months ended March 31, 2009 and 2008 referred to in this discussion should be read in conjunction with the Condensed Consolidated Statements of Operations in this Quarterly Report on Form 10-Q. Results for interim periods may not be indicative of the results for subsequent periods or the full year.

CONSOLIDATED OVERVIEW

Consolidated revenue totaled \$325.5 million for the first quarter of 2009, a decrease of \$23.0 million compared to the first quarter of 2008. The decrease was primarily due to the following:

- \$11.6 million lower revenues in the Technology Solutions segment primarily due to lower telecom and IT equipment distribution revenue offset by increased data center and managed services revenue;
- \$7.0 million lower revenues in the Wireline segment primarily due to lower voice revenue; and
- \$2.2 million lower revenues in the Wireless segment primarily due to lower equipment and prepaid service revenue.

Operating income for the first quarter of 2009 was \$80.3 million, an increase of \$23.2 million compared to the same period in 2008. The increase was primarily due to the following:

- \$28.2 million increase in Wireline segment operating income primarily due to lower restructuring costs; and
- \$3.8 million decrease in Wireless segment operating income due primarily to increased handset subsidy costs, lower prepaid service revenue and higher bad debt expense.

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Form 10-Q Part I

Cincinnati Bell Inc.

Interest expense was \$31.8 million for the first quarter of 2009 as compared to \$36.3 million for the first quarter of 2008. The decrease compared to last year is primarily attributable to lower debt balances due to the purchase and extinguishment of a portion of the Company's corporate bonds in 2008 and lower short-term interest rates.

Income tax expense for the first quarter of 2009 was \$19.7 million compared to \$9.1 million for the first quarter of 2008 primarily due to higher pretax income.

The Company expects its effective tax rate to exceed statutory rates primarily due to the non-deductible expenses, including interest on securities originally issued to acquire its broadband business (the "Broadband Securities") or securities that the Company has subsequently issued to refinance the Broadband Securities. The Company estimates that its effective income tax rate will be approximately 41% for the full year 2009. However, the Company expects to use federal and state net operating loss carryforwards to substantially defray payment of federal and state tax liabilities in 2009. The Company expects income tax payments for 2009 to be approximately \$7 million.

In order to partially mitigate the impact of the challenging economic environment, the Company announced in May 2009, it will reduce headcount by approximately 7%, suspend Company contributions to the 401K plan for salaried and non-represented employees for the remainder of the year and reduce other discretionary expenses as part of the Company's overall cost management efforts. The Company intends to have these cost reduction initiatives implemented by the end of the second quarter 2009.

Discussion of Operating Segment Results

WIRELINE

(dollars in millions)	Three Months Ended March 31,			
	2009	2008	\$ Change	% Change
Revenue:				
Voice - local service	\$ 90.2	\$ 101.0	\$ (10.8)	(11)%
Data	70.2	67.6	2.6	4%
Long distance and VoIP	24.0	24.3	(0.3)	(1)%
Other	11.2	9.7	1.5	15%
Total revenue	195.6	202.6	(7.0)	(3)%
Operating costs and expenses:				
Cost of services and products	63.1	67.5	(4.4)	(7)%
Selling, general and administrative	39.3	38.9	0.4	1%
Depreciation	25.1	24.9	0.2	1%
Amortization	0.3	0.2	0.1	50%
Restructuring charges (gains)	(7.1)	23.2	(30.3)	n/m
Asset impairment	—	1.2	(1.2)	n/m
Total operating costs and expenses	120.7	155.9	(35.2)	(23)%
Operating income	\$ 74.9	\$ 46.7	\$ 28.2	60%
Operating margin	38.3%	23.1%		15.2 pts
Metric information:				
Local access lines (in thousands)	765.3	820.6	(55.3)	(7)%
DSL subscribers (in thousands)	235.0	227.9	7.1	3%
Long distance lines (in thousands)	526.0	541.2	(15.2)	(3)%
Capital expenditures	\$ 29.2	\$ 20.9	\$ 8.3	40%

The Wireline segment consists of the operations of Cincinnati Bell Telephone Company LLC, which operates as an incumbent local exchange carrier ("ILEC") within the Company's traditional territory, Cincinnati Bell Extended Territories LLC, which operates as a competitive local exchange carrier ("CLEC") in Dayton, Ohio and communities adjacent to the ILEC's northern borders, Cincinnati Bell Any Distance Inc. ("CBAD"), which provides long distance, audio conferencing, voice over internet protocol ("VoIP") and broadband services including private line and multi protocol labeling switching, Cincinnati Bell Complete Protection Inc., which provides security monitoring services and related surveillance hardware, the Company's payphone business, and its entertainment operations, which currently offers television over coaxial cable and fiber optical cable in limited areas and DirecTV on a commission basis to the remainder of its operating territory.

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Cincinnati Bell Inc.

Revenue

Voice local service revenue includes local service, value added services, switched access and information services. Voice revenue decreased in the three months ended March 31, 2009 versus the same period in 2008 primarily as a result of a 7% decrease in access lines. Access lines within the segment's ILEC territory decreased by 63,900 or 8%, from 756,200 at March 31, 2008 to 692,300 at March 31, 2009. The access line loss resulted from several factors including customers electing to use wireless communication in lieu of the traditional local service, Company-initiated disconnections of customers with credit problems, and customers electing to use service from other providers. The Company has partially offset its access line loss in its ILEC territory by continuing to target voice services to residential and business customers in its CLEC territory. The Company had approximately 73,000 CLEC access lines at March 31, 2009, which is a 13% increase from March 31, 2008.

Data revenue consists of data transport, high-speed internet access ("DSL"), dial-up internet access, digital trunking, and local area network interconnection services. Data revenue increased \$2.6 million for the three months ended March 31, 2009 compared to the same period a year ago, primarily due to increased data transport usage by third party users.

Long distance and VoIP revenue decreased slightly for the three months ended March 31, 2009 as compared to the same period in 2008. The decrease was due to lower minutes of use for long-distance and audio conferencing which caused a \$2.6 million decrease in revenue. The decrease in long distance lines was due to a 5% decline in residential lines partially offset by a 1% increase in business subscribers. The decrease was partially offset by an increase in revenue from VoIP and broadband services and from the acquisition of eGIX Inc. in February 2008.

Costs and Expenses

Cost of services and products decreased by \$4.4 million for the three months ended March 31, 2009 as compared to the corresponding period in 2008. The decrease in the first quarter was due to decreased wages of \$1.9 million related to the new union agreement signed in February 2008 and the restructuring plan announced in the fourth quarter of 2007, \$2.0 million in lower benefit costs, primarily from lower pension and postretirement costs as a result of plan changes announced in February 2009, lower operating taxes of \$1.1 million, and other lower costs from operations including a \$0.6 million claim settlement. These decreases were offset by an increase of \$2.4 million in network charges to support growth in VoIP and broadband services and increased CLEC revenues.

Selling, general and administrative expenses increased by \$0.4 million for the three months ended March 31, 2009 versus the prior year primarily due to increased bad debt expense.

The restructuring gain for the three months ended March 31, 2009 resulted from a curtailment due to changes in the pension and postretirement plans announced in February 2009. Restructuring charges for the three months ended March 31, 2008 resulted from an early retirement option offered by the Company and accepted by certain eligible union employees during the first quarter of 2008. See Note 6 to the Condensed Consolidated Financial Statements for further information.

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Cincinnati Bell Inc.

WIRELESS

(dollars in millions, except for operating metrics)	Three Months Ended March 31,			
	2009	2008	\$ Change	% Change
Revenue:				
Service	\$ 71.2	\$ 72.0	\$ (0.8)	(1)%
Equipment	5.1	6.5	(1.4)	(22)%
Total revenue	76.3	78.5	(2.2)	(3)%
Operating costs and expenses:				
Cost of services and products	40.7	40.0	0.7	2%
Selling, general and administrative	17.8	16.8	1.0	6%
Depreciation	8.9	8.4	0.5	6%
Amortization	0.4	0.6	(0.2)	(33)%
Restructuring charge	—	0.4	(0.4)	n/m
Total operating costs and expenses	67.8	66.2	1.6	2%
Operating income	\$ 8.5	\$ 12.3	\$ (3.8)	(31)%
Operating margin	11.1%	15.7%		(4.6) pts
Metric information:				
Postpaid ARPU*	\$ 48.01	\$ 47.47	\$ 0.54	1%
Prepaid ARPU*	\$ 27.67	\$ 26.17	\$ 1.50	6%
Postpaid subscribers (in thousands)	397.0	404.7	(7.7)	(2)%
Prepaid subscribers (in thousands)	152.3	174.7	(22.4)	(13)%
Average postpaid churn	2.3%	1.6%		0.7 pts
Capital expenditures	\$ 5.6	\$ 17.4	\$ (11.8)	(68)%

* The Company has presented certain information regarding monthly average revenue per user ("ARPU") because the Company believes ARPU provides a useful measure of the operational performance of its Wireless segment. ARPU is calculated by dividing service revenue by the average subscriber base for the period.

Revenue

Service revenue decreased by \$0.8 million in the first quarter of 2009 as compared to last year primarily due to the following:

- Postpaid service revenue increased \$0.3 million due to an increase in ARPU partially offset by a decrease in subscribers. The increase in average churn is due to increased competition and Company-initiated disconnections of customers with credit problems. ARPU increased from \$47.47 for the three months ending March 31, 2008 to \$48.01 for the same period in 2009. The ARPU increase includes a 26% increase in data ARPU; and
- Prepaid service revenue decreased \$1.1 million compared to the same period last year primarily due to a decrease in subscribers partially offset by an increase in ARPU of \$1.50. The decrease in the number of subscribers is due to increased competition and the Company focusing its marketing on higher usage rate plans. The change in marketing strategy resulted in fewer subscribers, but a higher ARPU.

Equipment revenue for the three months ended March 31, 2009 decreased \$1.4 million compared to last year primarily due to lower handset revenue per unit to attract new customers and retain existing customers.

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Cincinnati Bell Inc.

Costs and Expenses

Cost of services and products consists largely of network operation costs, interconnection expenses with other telecommunications providers, roaming expense (which is incurred for subscribers to use their handsets in the territories of other wireless service providers), and cost of handsets and accessories sold. These expenses increased \$0.7 million during the first quarter of 2009 versus the prior year period. The increase for the three month period was primarily attributable to a \$2.7 million increase in handset subsidy costs due to Company initiatives to attract new customers and to retain existing customers. This increase was partially offset by lower handset equipment costs of \$1.3 million and lower operating taxes.

Selling, general and administrative expenses increased \$1.0 million for the three months ended March 31, 2009 compared to the same period in 2008 primarily due to an increase in bad debt expense.

TECHNOLOGY SOLUTIONS

(dollars in millions)	Three Months Ended March 31,			
	2009	2008	\$ Change	% Change
Revenue:				
Telecom and IT equipment distribution	\$ 31.1	\$ 49.7	\$ (18.6)	(37)%
Data center and managed services	26.9	21.7	5.2	24%
Professional services	5.1	3.3	1.8	55%
Total revenue	63.1	74.7	(11.6)	(16)%
Operating costs and expenses:				
Cost of services and products	44.0	57.9	(13.9)	(24)%
Selling, general and administrative	11.3	10.1	1.2	12%
Depreciation	4.1	2.8	1.3	46%
Amortization	0.4	0.4	—	0%
Restructuring charge	—	0.3	(0.3)	n/m
Total operating costs and expenses	59.8	71.5	(11.7)	(16)%
Operating income	\$ 3.3	\$ 3.2	\$ 0.1	3%
Operating margin	5.2%	4.3%		0.9 pts
Metric information:				
Raised floor (in square feet)	271,000	181,500	89,500	49%
Utilization rate	77%	85%		(8) pts
Capital expenditures	\$ 10.7	\$ 22.2	\$ (11.5)	(52)%

The Technology Solutions segment consists of CBTS, CBTS Canada Inc., CBTS Software LLC, and GramTel Inc.

Revenue

Revenue from telecom and IT equipment distribution represents the sale, installation and maintenance of major, branded IT and telephony equipment. Revenue decreased by \$18.6 million in the first quarter of 2009, as compared to the same period a year ago, primarily due to lower telephony and IT equipment sales related to the decline in the economy.

Data center and managed services revenue consists of recurring collocation rents from customers residing in the Company's data centers, managed VoIP solutions, and IT services that include network management, electronic data storage, disaster recovery, and data security management. Revenue increased \$5.2 million for the first quarter of 2009, as compared to the same period a year ago, primarily due to increased product penetration within managed services and increased billable data center space.

Professional services revenue consists of long-term and short-term IT outsourcing and consulting engagements. Revenue for the three months ended March 31, 2009 increased by \$1.8 million compared to the same period in 2008. The Company has expanded its team of recruiting and hiring personnel in order to focus on selling these outsourcing and consulting engagements.

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Cincinnati Bell Inc.

Costs and Expenses

Cost of services and products decreased by \$13.9 million in the first quarter of 2009 as compared to the same period in 2008. The decrease in the first quarter primarily resulted from a \$16.3 million decrease in cost of goods sold related to lower telecom and equipment distribution revenue. This decrease was partially offset by a \$1.8 million increase for higher payroll related costs due to growth in the data center and managed services and professional services revenue and increased data center facilities costs.

Selling, general and administrative expenses increased by \$1.2 million for the first quarter of 2009. The increase in the first quarter primarily resulted from an increase in payroll related costs to support the growing operations of CBTS.

The increase in depreciation expense for the three months ended March 31, 2009 compared to the three months ended March 31, 2008 was primarily due to capital expenditures associated with expanding data center capacity.

Financial Condition, Liquidity, and Capital Resources

As of March 31, 2009, the Company held \$12.8 million in cash and cash equivalents. The Company's primary sources of cash over the next year will be cash generated by operations and borrowings from the Corporate credit facility under which the Company had \$149.4 million of availability at March 31, 2009. The Company's cash flows from operating activities totaled \$403.9 million in 2008.

Uses of cash over the next year will include repayments and repurchases of debt and related interest, repurchases of common shares, dividends on preferred stock, capital expenditures, and working capital. In February 2008, the Company's Board of Directors authorized the repurchase of the Company's outstanding common stock in an amount up to \$150 million during the next two years. As of March 31, 2009, the Company has repurchased \$98.2 million of common stock, which leaves \$51.8 million available to repurchase common stock under the stock buyback program.

The Company believes the cash generated by its operations, borrowings from its Corporate credit facility and Receivables Facility, and the refinancing of the Corporate credit facility and Receivables Facility or execution of other financing alternatives that may be available to the Company will be sufficient to fund its primary uses of cash through the end of the first quarter of 2010.

The Corporate credit facility financial covenants require that the Company maintain certain leverage ratios, interest coverage, and fixed charge ratios. The facility also contains certain covenants which, among other things, limit the Company's ability to incur additional debt or liens, pay dividends, repurchase Company common stock, sell, transfer, lease, or dispose of assets, and make investments or merge with another company. If the Company were to violate any of its covenants and were unable to obtain a waiver, it would be considered a default. If the Company were in default under its credit facility, no additional borrowings under the credit facility would be available until the default was waived or cured. The Company believes it is in compliance and will remain in compliance with its Corporate credit facility covenants, and plans to refinance the revolving credit facility before it expires in February 2010.

Various issuances of the Company's public debt, which include the 7 ¹/₄% Senior Notes due 2013, 8 ³/₈% Subordinated Notes, and the 7% Senior Notes, contain covenants that, among other things, limit the Company's ability to incur additional debt or liens, pay dividends or make other restricted payments, sell, transfer, lease, or dispose of assets and make investments or merge with another company. Restricted payments include common stock dividends, repurchase of common stock, and certain other public debt repayments. The Company believes it has sufficient ability under its public debt indentures to make its intended restricted payments in 2009. The Company believes it is in compliance and will remain in compliance with its public debt indentures.

Cash Flows

For the three months ended March 31, 2009, cash provided by operating activities totaled \$58.5 million, a decrease of \$29.5 million compared to the \$88.0 million provided by operating activities during the same period in 2008. The decrease was primarily due to a customer prepayment of \$21.5 million for data center services received in 2008 and timing of payments to vendors. These decreases were partially offset by \$10.5 million received in the first quarter of 2009 related to the termination of certain interest rate swaps.

Cash flow utilized for investing activities decreased \$31.6 million to \$48.5 million during the three months ended March 31, 2009 as compared to \$80.1 million for the three months of 2008. In 2008, the Company paid \$18.7 million related to the acquisition of businesses, \$17.9 million of which related to the purchase of eGIX Inc. Capital expenditures were \$15.0 million lower for the three months ended March 31, 2009 versus last year.

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Cash flow used in financing activities for the three months ended March 31, 2009 was \$3.9 million compared to \$14.7 million during the same period in 2008. For the three months ended March 31, 2009, the Company repurchased \$21.4 million of the Company's common stock as part of its two-year \$150 million common stock repurchase plan. Borrowings under the accounts receivables securitization facility increased \$21 million in the first quarter of 2009 as a result of amending the facility to include the receivables of CBTS. During the three months ended March 31, 2008, the Company used the cash flow from operations to purchase and extinguish \$39.6 million of 8³/₈% Subordinated Notes and to repurchase \$16.7 million of the Company's common stock as part of its two-year \$150 million common stock repurchase plan. In addition, borrowings under the Corporate credit facility increased by \$45 million. For the three months ended March 31, 2009 and 2008, the Company paid preferred stock dividends of \$2.6 million.

Contingencies

In the normal course of business, the Company is subject to various regulatory and tax proceedings, lawsuits, claims and other matters. The Company believes adequate provision has been made for all such asserted and unasserted claims in accordance with accounting principles generally accepted in the United States of America. Such matters are subject to many uncertainties and outcomes that are not predictable with assurance.

Anthem Demutualization Claim

In November 2007, a class action complaint was filed against the Company and Wellpoint Inc., formerly known as Anthem, Inc. The complaint alleges that the Company improperly received stock as a result of the demutualization of Anthem and that a class of insured persons should have received the stock instead. In February 2008, the Company filed a response in which it denied all liability and raised a number of defenses. In February 2009, the Company filed a motion for summary judgment on all claims asserted against it. In March 2009, the case was dismissed.

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Cincinnati Bell Inc.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Company is exposed to the impact of interest rate fluctuations on its indebtedness. The Company attempts to maintain an optimal balance of fixed rate and variable rate indebtedness in order to attain low overall borrowing costs over time while mitigating exposure to interest rate fluctuations. The Company uses derivative financial instruments to manage its balance of fixed rate and variable rate indebtedness. In 2004 and 2005, the Company entered into long-term interest rate swaps with notional amounts totaling \$450 million to change the fixed rate nature of a portion of the 7% Senior Notes and the 8³/₈% Subordinated Notes to floating rate debt. These long-term interest rate swaps qualify for fair value hedge accounting. In December 2008 and early 2009, certain counterparties exercised their right to call \$250 million of the notional amount of long-term interest rate swaps for the 8³/₈% Subordinated Notes. As of March 31, 2009 and December 31, 2008, the fair value of these interest rate swap contracts was an asset of \$11.5 million and \$22.4 million, respectively, for which the Company's underlying hedged debt is adjusted by the same corresponding value in accordance with SFAS No. 133.

In both May 2008 and July 2008, the Company entered into six-month interest rate swap contracts with notional amounts totaling \$450 million each, which effectively fixed the floating interest rates for the second half of 2008 and first half of 2009 on the long-term interest rate swaps. The Company did not designate these swaps as hedging instruments under SFAS No. 133, which results in the change in the fair value of these instruments being recognized in "Other income, net" in the Condensed Consolidated Statements of Operations during each period. At March 31, 2009 and December 31, 2008, the fair value of these interest rate swap contracts was a liability of \$3.9 million and \$3.6 million, respectively.

Refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2008 for further information on the Company's hedging activities.

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Cincinnati Bell Inc.

Item 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

The term "disclosure controls and procedures" (defined in SEC Rule 13a-15(e)) refers to the controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files under the Securities Exchange Act of 1934 (the "Exchange Act") is recorded, processed, summarized and reported within required time periods. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files under the Exchange Act is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Cincinnati Bell Inc.'s management, with the participation of the Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by the report. Based on that evaluation, Cincinnati Bell Inc.'s Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by the report, such controls and procedures were effective.

(b) Changes in internal controls over financial reporting.

The term "internal control over financial reporting" (defined in SEC Rule 13a-15(f)) refers to the process of a company that is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. Cincinnati Bell Inc.'s management, with the participation of the Chief Executive Officer and Chief Financial Officer, have evaluated any changes in the Company's internal control over financial reporting that occurred during the first quarter of 2009, and they have concluded that there was no change to Cincinnati Bell Inc.'s internal control over financial reporting in the first quarter of 2009 that has materially affected, or is reasonably likely to materially affect, Cincinnati Bell Inc.'s internal control over financial reporting.

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Cincinnati Bell Inc.

PART II. OTHER INFORMATION**Item 1. Legal Proceedings**

The information required by this Item is incorporated herein by reference to the "Contingencies" section under Item 2 of Part I of this Quarterly Report.

Item 1A. Risk Factors

There have been no material changes to the Company's risk factors as listed in the Company's 2008 Annual Report on Form 10-K. Refer to the Company's 2008 Annual Report on Form 10-K for further information.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the three month period ended March 31, 2009, the Company had no unregistered sales of equity securities.

The following table provides information regarding the Company's purchases of its common stock for the quarter ended March 31, 2009:

	Total Number of Shares (or Units) Purchased*	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs **	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions) **
1/1/2009-1/31/2009	2,750	\$ 1.80	—	\$ 73.2
2/1/2009-2/28/2009	4,174,650	1.83	4,174,650	65.5
3/1/2009-3/31/2009	7,366,687	1.88	7,312,300	51.8
	<u>11,544,087</u>	<u>\$ 1.86</u>	<u>11,486,950</u>	

* The periods 1/1/2009 – 1/31/2009 and 3/1/2009 – 3/31/2009 include 2,750 shares and 54,387 shares, respectively, purchased at market value for certain deferred compensation plans.

** In February 2008, the Company's Board of Directors approved the repurchase of the Company's outstanding common stock in an amount up to \$150 million during 2008 and 2009.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

The Company's annual meeting of shareholders was conducted on May 1, 2009. At that meeting, shareholders voted on the following:

- i. To elect five directors to serve a one-year term ending in 2010;
- ii. To approve a proposal to amend the Cincinnati Bell Inc. 2007 Long Term Incentive Plan to increase the number of shares available for issuance under the 2007 Long Term Incentive Plan by 10,000,000 common shares and to modify the limits on certain award types, including full value share awards, that may be granted under the 2007 Long Term Incentive Plan; and
- iii. To ratify the appointment of Deloitte & Touche LLP as the independent registered public accounting firm to audit the financial statements of the Company for the year 2009.

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Cincinnati Bell Inc.

The results of such votes were as follows:

- i. Bruce L. Byrnes was elected as a director with 135,321,418 shares voting for election, and 64,030,830 voting abstained. Jakki L. Haussler was elected as a director with 189,352,491 shares voting for election and 9,999,758 voting abstained. Mark Lazarus was elected as a director with 194,620,756 shares voting for election and 4,731,493 voting abstained. Craig F. Maier was elected as a director with 188,779,735 shares voting for election and 10,572,514 voting abstained. Alex Shumate was elected as a director with 188,769,977 shares voting for election and 10,582,272 voting abstained.
- ii. The proposal to amend the Cincinnati Bell Inc. 2007 Long Term Incentive Plan to increase the number of shares available for issuance under the 2007 Long Term Incentive Plan by 10,000,000 common shares and to modify the limits on certain award types, including full value share awards, that may be granted under the 2007 Long Term Incentive Plan was approved with 109,736,337 shares voting for approval, 74,690,801 against, 327,608 abstained and 14,597,502 broker non-votes.
- iii. Deloitte & Touche LLP was ratified as independent registered public accounting firm to audit the financial statements of the Company for the year 2009 with 197,998,272 shares voting for, 1,148,184 shares voting against and 205,792 voting abstained.

Item 5. Other Information

None.

Item 6. Exhibits

(a) Exhibits.

Exhibits identified in parentheses below, on file with the SEC, are incorporated herein by reference as exhibits hereto.

Exhibit Number	DESCRIPTION
(10.1)	Third Amendment to Receivables Purchase Agreement, dated as of March 19, 2009, to the Receivables Purchase Agreement, dated as of March 23, 2007, as amended, among Cincinnati Bell Funding LLC, as Seller, Cincinnati Bell Inc., as Servicer, the Purchasers and Purchaser Agents identified therein and PNC Bank, National Association, as Administrator for each Purchaser Group and Joinder and First Amendment to Purchase and Sale Agreement dated as of March 19, 2009, to the Purchase and Sale Agreement, dated as of March 23, 2007, among Cincinnati Bell Technology Solutions Inc. as a New Originator, the Originators identified therein, Cincinnati Bell Funding LLC, and Cincinnati Bell Inc., as Servicer. (Exhibit 99.1 and 99.2 to Current Report on Form 8-K, date of Report March 19, 2009, File No. 1-8519).
(31.1)+	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
(31.2)+	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
(32.1)+	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(32.2)+	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

+ Filed herewith.

The Company's reports on Form 10-K, 10-Q, and 8-K are available free of charge in the Investor Relations section of the Company's website: <http://www.cincinnati-bell.com>. The Company will furnish any other exhibit at cost.

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Cincinnati Bell Inc.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Cincinnati Bell Inc.

Date: May 7, 2009

/s/ Gary Wojtaszek
Gary Wojtaszek
Chief Financial Officer

Date: May 7, 2009

/s/ Kurt Freyberger
Kurt Freyberger
Vice President and Controller

Certifications

I, John F. Cassidy, President and Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cincinnati Bell Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure control and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2009

/s/ John F. Cassidy

John F. Cassidy
President and Chief Executive Officer

Certifications

I, Gary J. Wojtaszek, Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cincinnati Bell Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure control and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2009

/s/ Gary J. Wojtaszek

Gary J. Wojtaszek
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Cincinnati Bell Inc. (the "Company") on Form 10-Q for the period ending March 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John F. Cassidy, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ John F. Cassidy

John F. Cassidy
President and Chief Executive Officer
May 7, 2009

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Cincinnati Bell Inc. (the "Company") on Form 10-Q for the period ending March 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gary J. Wojtaszek, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Gary J. Wojtaszek
Gary J. Wojtaszek
Chief Financial Officer
May 7, 2009

Created by 10KWizard www.10KWizard.com

EXHIBIT G

CAPITAL EXPENDITURES BUDGET

CINCINNATI BELL ANY DISTANCE INC.

Capital Expenditures Budget

CBAD intends to be a facilities-based provider, at least for the first five years, only to the extent that it will purchase UNEs from the ILEC. No capital expenditures for facilities are expected and therefore no budget has been prepared. Funding for the purchase of UNEs will be paid for from internal cashflow or through support from the holding company.

EXHIBIT H

CORPORATE SURETY BOND

CINCINNATI BELL ANY DISTANCE INC.

128479

TENNESSEE REGULATORY AUTHORITY

TENNESSEE TELECOMMUNICATIONS SERVICE PROVIDER'S SURETY BOND

Bond #: 014022593

CINCINNATI BELL ANY DISTANCE INC.
WHEREAS, 201 E. Fourth Street, Cincinnati, OH 45202 (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

LIBERTY MUTUAL INSURANCE COMPANY
WHEREAS, 600 W. Germantown Pike, Plymouth Meeting, PA 19462 (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 18th day of December, 2003, 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

CINCINNATI BELL ANY DISTANCE INC.
Name of Company authorized by the TRA

Company ID # as assigned by TRA

SIGNATURE OF PRINCIPAL



Name:

Title:

SURETY


LIBERTY MUTUAL INSURANCE COMPANY

Name of Surety

600 W. Germantown Pike
Plymouth Meeting, PA 19462

Address of Surety

SIGNATURE OF SURETY AGENT



Name: Sandra Martinez

Title: Attorney-in-Fact

Address of Surety Agent:

Aon Commercial Surety Services

200 E. Randolph

Chicago, IL 60601

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 _____
COUNTY OF _____

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

WITNESS my hand and seal this _____ day of _____, _____.

My Commission Expires:

Notary Public

ACKNOWLEDGMENT OF SURETY

STATE OF IL _____
COUNTY OF Cook _____

Before me, a Notary Public of the State and County aforesaid, personally appeared Sandra Martinez
_____ with whom I am personally acquainted and who, upon oath, acknowledged himself to be the individual who executed the
foregoing bond on behalf of LIBERTY MUTUAL 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 18th day of December, 2003.

My Commission Expires:

August 8, 2005



Chris P. Troha
Notary Public Chris P. Troha

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 _____, 20____.

Name:

Title:

1386323

THIS POWER OF ATTORNEY IS NOT VALID UNLESS IT IS PRINTED ON RED BACKGROUND.

This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

**LIBERTY MUTUAL INSURANCE COMPANY
BOSTON, MASSACHUSETTS
POWER OF ATTORNEY**

KNOW ALL PERSONS BY THESE PRESENTS: That Liberty Mutual Insurance Company (the "Company"), a Massachusetts stock insurance company, pursuant to and by authority of the By-law and Authorization hereinafter set forth, does hereby name, constitute and appoint **THOMAS J. JOSLIN, SANDRA MARTINEZ, SUSAN J. PREIKSA, ROBERT E. DUNCAN, LINDA ISER, KAREN DANIEL, KATHLEEN J. MAILES, JAMES A. CUTHBERTSON, SUSAN A. WELSH, GREGORY K. KESSLER, MARCIA K. CESAFSKY, DANIEL R. SMITH, JOELLEN M. MENDOZA, ALL OF THE CITY OF CHICAGO, STATE OF ILLINOIS**....., each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations in the penal sum not exceeding **SEVENTY-FIVE MILLION AND 00/100******* DOLLARS (\$ **75,000,000.00*******) each, and the execution of such undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents, shall be as binding upon the Company as if they had been duly signed by the president and attested by the secretary of the Company in their own proper persons.

That this power is made and executed pursuant to and by authority of the following By-law and Authorization:

ARTICLE XIII - Execution of Contracts: Section 5. Surety Bonds and Undertakings.

Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

By the following instrument the chairman or the president has authorized the officer or other official named therein to appoint attorneys-in-fact:

Pursuant to Article XIII, Section 5 of the By-Laws, Garnet W. Elliott, Assistant Secretary of Liberty Mutual Insurance Company, is hereby authorized to appoint such attorneys-in-fact as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

That the By-law and the Authorization set forth above are true copies thereof and are now in full force and effect.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Company and the corporate seal of Liberty Mutual Insurance Company has been affixed thereto in Plymouth Meeting, Pennsylvania this 26th day of September, 2003.

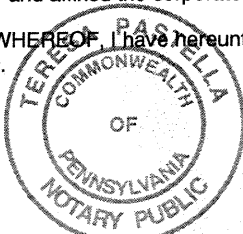
LIBERTY MUTUAL INSURANCE COMPANY

By Garnet W. Elliott
Garnet W. Elliott, Assistant Secretary

COMMONWEALTH OF PENNSYLVANIA ss
COUNTY OF MONTGOMERY

On this 26th day of September, 2003, before me, a Notary Public, personally came Garnet W. Elliott, to me known, and acknowledged that he is an Assistant Secretary of Liberty Mutual Insurance Company; that he knows the seal of said corporation; and that he executed the above Power of Attorney and affixed the corporate seal of Liberty Mutual Insurance Company thereto with the authority and at the direction of said corporation.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.



Notarial Seal
Teresa Pastella, Notary Public
Plymouth Twp., Montgomery County
My Commission Expires Mar. 28, 2005
Member, Pennsylvania Association of Notaries

By Teresa Pastella
Teresa Pastella, Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of Liberty Mutual Insurance Company, do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy, is in full force and effect on the date of this certificate; and I do further certify that the officer or official who executed the said power of attorney is an Assistant Secretary specially authorized by the chairman or the president to appoint attorneys-in-fact as provided in Article XIII, Section 5 of the By-laws of Liberty Mutual Insurance Company.

This certificate and the above power of attorney may be signed by facsimile or mechanically reproduced signatures under and by authority of the following vote of the board of directors of Liberty Mutual Insurance Company at a meeting duly called and held on the 12th day of March, 1980.

VOTED that the facsimile or mechanically reproduced signature of any assistant secretary of the company, wherever appearing upon a certified copy of any power of attorney issued by the company in connection with surety bonds, shall be valid and binding upon the company with the same force and effect as though manually affixed.

N TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the said company, this 18th day of December, 2003.



By David M. Carey
David M. Carey, Assistant Secretary

Not valid for mortgage, note, loan, letter of credit, bank deposit, currency rate, interest rate or res. value guarantees.

To confirm the validity of this Power of Attorney call 1-610-832-8240 between 9:00 am and 4:30 pm EST on any business day.

EXHIBIT I

TOLL DIALING PARITY PLAN

CINCINNATI BELL ANY DISTANCE INC.

TOLL DIALING PARITY PLAN

Introduction:

Section 251 (b)(3) of the Telecommunications Act of 1996 (Act”) requires each local exchange carrier (“LEC”) to provide dialing parity to competing providers for telephone exchange service and telephone toll services. In order to ensure that each LEC is providing toll dialing parity, the Federal Communication Commission (“FCC”) regulations implementing the Act, 48 CFR 52213 requires each LEC to file a plan for providing toll dialing parity with this Authority or the FCC. CBAD hereby files, for review by the Tennessee Regulatory Authority (“TRA”), its proposed plan for providing toll dialing parity.

Technical Implementation:

Applicant will be offering dialing parity for all toll calls. Each customer requesting local exchange service will be given the opportunity to affirmatively select a presubscribed carrier for intraLATA toll and interexchange toll calls. Applicant will utilize 2-PIC capability so the customer can subscribe to one carrier for intraLATA calling and the same or another carrier for interLATA toll calls. Services will primarily be provided in the Knoxville, Nashville and Memphis LATAs and parity will be provided in any LATA served by the Applicant.

Business Office Practices:

CBAD’s staff will ensure that all customers are aware they have a choice of intraLATA, as well as interLATA, toll carriers. CBAD’s Letter of Agency clearly indicates that the customer has a choice of carriers for each service and contains blank spaces to be filled in with the carrier name(s). Processes are in place for a customer to later change their selection, and provisioning will be handled in a non-discriminatory manner regardless of what carrier is selected. All customers will have non-discriminatory access to phone numbers, directory assistance, operator services, and directory listings.

In responding to a communication from another intraLATA or interLATA carrier, CBAD’s customer care representatives will use an industry standard CARE format to accept the required change. Such changes will be implemented only through this format to ensure that changes are not made without appropriate authorization. Any changes to a customer’s account are documented and delivered to the address-of-record for that customer as an additional safeguard against posturing.

Anti-Slamming

Applicant will comply with FCC and TRA anti-slamming rules and make a PIC freeze option available upon request to protect against unauthorized carrier changes. In addition, customers are notified after the fact of an account change under CPNI Rules.

Dialing Plan

The following matrix outlines the proposed routing of exchange calls:

If customer dials:	Call is routed as follows:
---------------------------	-----------------------------------

911	PSAP associated with line number
411	Directory Assistance
0	CBAD, Inc. provided local operator service
1+10 digits	Dial to presubscribed intraLATA toll provider or interLATA, depending on the number
101XXXX +	XXXX Carrier

Applicability

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

EXHIBIT J

**NOTICE SERVED ON 18 INCUMBENT LOCAL EXCHANGE
TELEPHONE COMPANIES**

CINCINNATI BELL ANY DISTANCE INC.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached notification that Cincinnati Bell Any Distance Inc. has filed for a certificate of public convenience and necessity with the State of Tennessee was serviced upon the following parties of record by depositing a copy of same in the United States Mail, First Class, Postage Prepaid, to their last known addresses as listed on the attachment.


Kathy Campbell

This 28th day of July 2009.

BEFORE THE TENNESSEE REGULATORY AUTHORITY

IN THE MATTER OF THE APPLICATION)
OF CINCINNATI BELL ANY DISTANCE INC.)
FOR A CERTIFICATE TO PROVIDE)
COMPETING LOCAL TELECOMMUNICATIONS)
SERVICES)

NOTICE OF FILING

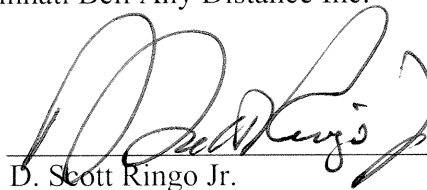
TO: ALL INCUMBENT LOCAL EXCHANGE CARRIERS (ILECS)

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 July 28, 2009 Cincinnati Bell Any Distance Inc. filed an Application for a Certificate of Public Convenience and Necessity to Provide Competing Local Telecommunications Services.

This 28th day of July, 2009

Cincinnati Bell Any Distance Inc.

BY:



D. Scott Ringo Jr.

Assistant Secretary & National Director -
Regulatory Affairs

List - ILEC Providers in Tennessee

1. Ardmore Telephone Company P. O. Box 549 Ardmore TN 38449-0000
2. BellSouth Telecommunications, Inc. 333 Commerce Street Nashville TN 37201-3300
3. CenturyTel of Adamsville P. O. Box 4065 Monroe LA 71211-0000
4. CenturyTel of Claiborne P. O. Box 4065 Monroe LA 71211-0000
5. CenturyTel of Ooltewah-Collegedale PO Box 4065 Monroe LA 71211-0000
6. Concord Telephone Exchange, Inc. PO Box 22995 Knoxville TN 37933-0995
7. Crockett Telephone Company C/O TSI Payment Processing Center Jackson MS 39225-000
8. Frontier Communications of Tennessee 300 Bland Street Bluefield WV 24701-3020
9. Frontier Communications Of The Volunteer State 300 Bland Street Bluefield Wv 24701-0770
10. Humphreys County Telephone Company P. O. Box 22995 Knoxville TN 37933-0995
11. Loretto Telephone Company P. O. Box 130 Loretto TN 38469-0000
12. Millington Telephone Company, Inc. 4880 Navy Road Millington TN 38053-0000
13. Peoples Telephone Company C/O TSI Payment Processing Center Jackson MS 39225-0000
14. Tellico Telephone Company PO Box 22995 Knoxville TN 37933-0995
15. Tennessee Telephone Company PO Box 22995 Knoxville TN 37933-0995
16. United Telephone Company, Inc. P. O. Box 38 Chapel Hill TN 37034-0000
17. United Telephone Southeast, LLC 400 W. 15th Street Austin TX 78701-0000
18. West Tennessee Telephone Co. C/O TSI Payment Processing Center Jackson MS 39225-0000

EXHIBIT K

NUMBERING ISSUES

CINCINNATI BELL ANY DISTANCE INC.

Numbering Issues

Please provide answers to the following questions concerning numbering within your proposed service areas.

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

A. CBAD believes the first year's operations will only require the use of 10,000 numbers or less. CBAD will secure numbers in one thousand number blocks per NPA.

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

A. One in each of the three targeted service areas the first year and additional based on service demand.

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

A. 2010 in the 865 NPA and 2011 in the 901 and 615 NPAs.

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

A. Yes, as required under FCC rules.

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

A. CBAD will follow all FCC number conservation rules.

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?

A. Seventy-five percent but CBAD will secure numbers in 1000 blocks.

EXHIBIT L

OPERATIONAL ISSUES

CINCINNATI BELL ANY DISTANCE INC.

Tennessee Specific Operational Issues

Please provide answers to the following questions concerning 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.

A. CBAD intends to establish service areas and local calling areas so that customers will have local calling areas including all portions of the respective county

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

A. CBAD will confirm the procedures for the Tennessee County Wide Calling database as part of the interconnection implementation process with AT&T.

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

A. CBAD is aware.

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.

A. CBAD will charge a local flat rate for all calls originating and terminating within the metro calling areas.

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.

A. Kathy Campbell at 513 397-1296. Email at kathy.campbell@cinbell.com

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?

A. No. CBAD uses only direct marketing.

EXHIBIT M

SWORN PRE-FILED TESTIMONY

CINCINNATI BELL ANY DISTANCE INC.

**SWORN PRE-FILED TESTIMONY
BEFORE THE
TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

**APPLICATION OF CINCINNATI BELL
ANY DISTANCE INC. (CBAD) FOR A
CERTIFICATE TO PROVIDE COMPETING
LOCAL TELEPHONE SERVICES**

PRE-FILED TESTIMONY OF D. SCOTT RINGO JR.

I, D. Scott Ringo Jr., do hereby testify as follows in support of the application of Cincinnati Bell Any Distance, Inc. (CBAD) for a Certificate of convenience and necessity as a competing telecommunications services provider to provide telecommunication services in the State of Tennessee.

Q: Please state your full name and business address.

A. D. Scott Ringo Jr., 221 East 4th Street, Room 1280, Cincinnati, Ohio 45201.

Q: Please briefly describe your position and duties.

A. I am National Director of Regulatory Affairs and Assistant Corporate Secretary for CBAD, responsible for all day to day regulatory strategy, decisions and compliance.

Q: Please describe your business experience and educational background.

A. My background and experience, as well as the other members of the CBAD management team, is set forth in Exhibit E to our application.

Q: Are all statements in CBAD's application true and correct to the best of your knowledge, information and belief?

A. Yes they are.

Q: Please describe the current corporate structure of CBAD, Inc.

A. CBAD is a wholly owned subsidiary of Cincinnati Bell Inc. The organization structure is provided as Exhibit A.

Q: Does CBAD possess the requisite managerial, financial, and technical abilities to provide the services for which it has applied for authority?

A. Yes. CBAD possesses the requisite managerial, financial, and technical abilities to provide the services for which it has applied for authority. CBAD's senior management group as well as

its entire management team, are part of an overall management team that has decades of experience in various aspects of the telecommunications industry. This expertise provides CBAD with the necessary technical, financial and managerial expertise to execute the company's business plan, provide the proposed telecommunications services, and to operate and maintain CBAD's network and facilities.

Q: Please describe CBAD's financial qualifications.

A. CBAD has access to the financing and capital necessary to conduct its telecommunications operations as described in its application. CBAD, Inc. is profitable and maintains access to working capital necessary to fund its nationwide operations. CBAD receives its funding from internally generated cashflow and funding from the holding company when necessary.

Q: What services will CBAD offer?

A. CBAD will offer switched local transport services and IP services to business customers.

Q: Will CBAD offer service to all consumers within its service area?

A. CBAD's business plan is to offer service to business customers only.

Q: Does CBAD plan to offer local exchange telecommunications services in areas served by any incumbent local exchange telephone company with fewer than 100,000 total access lines?

A. CBAD does not intend to offer services in areas with less than 100,000 access lines initially, but will constantly be evaluating the opportunities available to it in Tennessee.

Q: Will the granting of a certificate of convenience and necessity to CBAD serve the public interest?

A. The TRA's grant of a certificate is in the public's interest since business customers of telecommunications services in CBAD's proposed service areas will have increased choice of providers, high quality service, and state of the art technology available to them. CBAD's entry into the Tennessee markets is consistent with the TRA's intent to aid in the development of a competitive telecommunications environment. The granting of a certificate of authority to CBAD will offer increased efficiency to the state's telecommunications infrastructure and an increase in competitive choices.

Q. Does CBAD have authorization to provide telecommunications services in any other state?

A. Yes. CBAD is a certified long distance provider in the 48 continental United States. CBAD is also a local services provider in Illinois, Indiana and Ohio, and is authorized to operate in Kentucky but has yet to turn up operations. CBAD just recently filed an application for certification in Georgia, with a number of states soon to follow.

Q: Does CBAD 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 CBAD does.

Q: Has any state ever denied CBAD or one of its affiliates authorization to provide intrastate service?

A. No they have not.

Q: Has any state ever revoked the certification of CBAD or one of its affiliates?

A. No they have not.

Q: Has CBAD or one of its affiliates ever been investigated or sanctioned by any regulatory authority for service or billing irregularities?

A. No they have not.

Q: Who is knowledgeable about CBAD operations and will serve as CBAD regulatory and customer service contact?

A. Kathy Campbell will serve as CBAD regulatory and customer service contact. She can be reached by phone at 513 397-1296 or by email at kathy.campbell@cinbell.com.

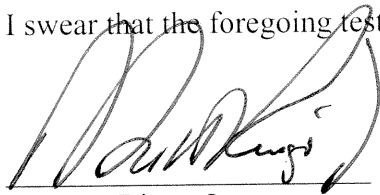
Q: Please explain in detail CBAD proposed procedures for responding to information requests from the TRA and its staff.

A. CBAD's regulatory organization is staffed and capable of responding to any requests for information from the TRA. The point of contact for information requests is Kathy Campbell at the telephone number and email address identified above or at the company's mailing address.

Q: Does this conclude your testimony?

A. Yes it does. Thank you.

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

A handwritten signature in black ink, appearing to read 'D. Scott Ringo Jr.', is written over a horizontal line.

D. Scott Ringo Jr.
National Director - Regulatory Affairs and
Assistant Corporate Secretary

Cincinnati Bell Any Distance Inc.

Respectfully submitted this 28th day of July, 2009.

Notary Public Kathleen M. Campbell

State of Ohio

County of Hamilton

My commission expires _____

KATHLEEN M. CAMPBELL
Notary Public, State of Ohio
My Commission Expires 10-14-2013

EXHIBIT N

COPY OF INFORMATIONAL TARIFF

CINCINNATI BELL ANY DISTANCE INC.

REGULATIONS AND SCHEDULE OF INTRASTATE CHARGES
APPLYING TO LOCAL EXCHANGE SERVICES
WITHIN
THE STATE OF TENNESSEE

ISSUED:

EFFECTIVE:

ISSUED BY:

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LOCAL SERVICES TARIFF

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LOCAL SERVICES TARIFF

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LOCAL SERVICES TARIFF

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LOCAL SERVICES TARIFF

EXPLANATION OF SYMBOLS USED IN THIS TARIFF

The following symbols are used in this tariff for the purpose indicated below:

- C - To signify changed regulation.
- D - To signify discontinued rate or regulation.
- I - To signify increased rate.
- M - To signify a move in the location of text.
- N - To signify new rate or regulation.
- R - To signify reduced rate.
- T - To signify a change in text but no change in rate or regulation.

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LOCAL SERVICES TARIFF

SECTION 1 - APPLICATION OF TARIFF AND DEFINITIONS

A. APPLICATION OF TARIFF

This tariff sets forth the service offerings, rates, terms and conditions applicable to the furnishing of intrastate communications service by Cincinnati Bell Any Distance Inc. to customers within the State of Tennessee. Local exchange business services will be provided in the State in service areas of any local exchange carriers with whom the Company has either a resale agreement or an interconnection agreement in effect. The services in this tariff will be provided where technically feasible.

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LOCAL SERVICES TARIFF

SECTION 1 - APPLICATION OF TARIFF AND DEFINITIONS

B. DEFINITIONS

Certain terms used generally throughout this tariff are defined as follows.

1. Central Office

A switching unit in a telecommunications system providing service to the general public, that has the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.

2. Central Office Line

A circuit used within a central office to connect to an individual line or any type of trunk.

3. Company

Cincinnati Bell Any Distance Inc. (CBAD) which is the issuer of this tariff. Also refers to the underlying provider whose facilities CBAD uses to furnish service.

4. Communication-Impaired Person

For purposes of this tariff, the definition of impaired refers to persons with communication impairments, including hearing impaired, deaf, deaf/blind, or speech impaired persons whose impairment prevents them from communicating over the telephone without the aid of a telecommunications device for the deaf or text telephone (TDD/TTY).

5. Commission

The Tennessee Regulatory Authority (TRA).

6. Contract

The service agreement between a customer and the Company under which facilities for the customer's use are furnished, in accordance with the provisions of this tariff.

7. Customer

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

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LOCAL SERVICES TARIFF

SECTION 1 - APPLICATION OF TARIFF AND DEFINITIONS

B. DEFINITIONS (Continued)

8. Demarcation Point (Network Interface)

The point of demarcation and/or interconnection between Company communications facilities and terminal equipment, protective apparatus or wiring at a customer's premises. Company-installed facilities at or constituting the demarcation point will consist of wire or a jack conforming to Subpart F of Part 68 of the FCC's rules. "Premises" as used in this section generally means a dwelling unit, other building or a legal unit of real property such as a lot on which a dwelling unit is located, as determined by the Company's reasonable and nondiscriminatory standard operating practices. The "minimum point of entry" as used in this section will be either (1) the closest practicable point to where the wiring crosses a property line or (2) the closest practicable point to where the wiring enters a multiunit building or buildings.

The Company's reasonable and nondiscriminatory standard operating practices will determine which of (1) or (2) will apply. The Company is not precluded from establishing reasonable classifications of multiunit premises for purposes of determining which of (1) or (2) above will apply. Multiunit premises include, but are not limited to, commercial, shopping center and campus situations.

a. Single Unit Installations

For single unit installations existing as of December 27, 1991, and installations installed after that date, the demarcation point will be a point within twelve inches of the protector or, where there is no protector, within twelve inches of where the telephone wire enters the customer's premises.

b. Multiunit Installations

1. In multiunit premises existing as of December 27, 1991, the demarcation point will be determined in accordance with the Company's reasonable and nondiscriminatory standard operating practices; provided, however, that where there are multiple demarcation points within the multiunit premises, a demarcation point for a customer will not be further inside the customer's premises than a point twelve inches from where the wiring enters the customer's premises.
2. In multiunit premises in which wiring is installed after December 27, 1991, including additions, modifications and rearrangements of wiring existing prior to that date, the multiunit premises owner will determine the location of the demarcation point or points. The multiunit premises owner will determine whether there will be a single demarcation point location for all customers or separate locations for each customer; provided, however, that where there are multiple demarcation points within the multiunit premises, a demarcation point for a customer will not be further inside the customer's premises than a point twelve inches from where the wiring enters the customer's premises.

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LOCAL SERVICES TARIFF

SECTION 1 - APPLICATION OF TARIFF AND DEFINITIONS

B. DEFINITIONS (Continued)

9. Direct Inward Dialing (DID)

A service attribute that routes incoming calls directly to stations, bypassing a central answering point.

10. Directory Listing

The publication in the alphabetical directory of information pertaining to a customer's telephone number.

11. Exchange

A unit established for the administration of telecommunications service in a specified area, which usually embraces a city, town, or village and its environs. It consists of one or more central offices together with the associated plant used in furnishing telecommunications service within that area.

12. Individual Case Basis (ICB)

A service arrangement in which the regulations, rates and charges are developed based on the specific circumstances of the customer's situation

13. Initial Service Period

The minimum length of time a customer is obligated to pay for service whether or not the customer retains the service for the minimum length of time. Unless stated otherwise in this tariff, the minimum period is 30 days.

14. Local Calling

A completed call or telephonic communication between a calling station and any other station within the local service area of the calling station.

15. Local Exchange Service

Telephone service furnished between points located within an area where there is no toll charge. Unless otherwise specified, local calling areas in this tariff shall be the same as the local calling areas of Verizon.

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LOCAL SERVICES TARIFF

SECTION 1 - APPLICATION OF TARIFF AND DEFINITIONS

B. DEFINITIONS (Continued)

16. Network Interface Device (NID)

A jack conforming to Sub-part F of Part 68 of the FCC's rules provided by the Company as part of the LEC network. It will be located on the customer's premises and is considered to be the termination of the LEC network if installed by the Company. (See Demarcation Point)

17. Non-Recurring Charges

The one-time initial charges for service or facilities, including but not limited to charges for construction, installation, or special fees.

18. Private Branch Exchange (PBX)

An arrangement of equipment consisting of switchboards, dial switching equipment, wiring, telephone station apparatus, or a combination thereof. It provides for the interconnection of service lines associated with switching equipment located on a premises or extended to another premises relating to the same customer.

19. Recurring Charges

The monthly charges to the customer for services, facilities and equipment, which continue on the agreed upon duration of the service.

20. Resale of Services

Resale of services is available only to carriers which are certified by the GPSC to provide intrastate local exchange services.

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LOCAL SERVICES TARIFF

SECTION 1 - APPLICATION OF TARIFF AND DEFINITIONS

B. DEFINITIONS (Continued)

22. Service Commencement Date

The first day following the date on which the Company notifies the customer that the requested service or facility is available for use. This will be no later than five days following the request, unless extended by the customer's refusal to accept service which does not conform to standards set forth in the service order or this tariff, in which case the Service Commencement Date is the date of the customer's acceptance of service. The parties may mutually agree on a substitute Service Commencement Date.

23. Termination Charge

A charge applied to a customer when service is terminated before the expiration of the initial service period, or a charge applied where a basic termination charge is specified.

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LOCAL SERVICES TARIFF

SECTION 1 - APPLICATION OF TARIFF AND DEFINITIONS

C. AVAILABILITY

The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's facilities to furnish service from time to time as required at the sole discretion of the Company.

The Company shall not be liable for any act or omission of any other company or companies furnishing a portion of the service, or for damages associated with service, channels, or equipment which it does not furnish, or for damages which result from the operation of Customer-provided systems, equipment, facilities or services which are interconnected with Company services.

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LOCAL SERVICES TARIFF

SECTION 2 - REGULATIONS

A. GENERAL

1. The regulations in Section 2 apply to all services contained within this tariff unless otherwise noted.
2. Revisions to this tariff which affect neither the service to subscribers (customers) nor the rate, classification, or charge to subscribers (customers) are authorized without further Order of the Commission. These revisions will be made in accordance with the Order granting such authority.

Such revisions include:

- a. Additions, deletions, corrections or rearrangements of items listed under Table of Contents, Index, Explanation of Symbols, and Explanation of Abbreviations;
- b. Rearrangements or corrections in paragraph references, headings, or numerical designations; and
- c. Changes to reflect revisions in names of other companies and in the names of exchanges of other companies approved by this Commission in connection with applications filed by other telephone companies.

Each revision will be effective on the date to be shown on the revised tariff sheets covering the changes, the effective date to be one day after the date of filing copies of the revised sheets with the Commission.

3. A move to a different continuous property is charged for as new installation of service. A new initial period applies at the new location and a termination charge applies at the old location, except as provided for elsewhere in this tariff, if the move occurs prior to the expiration of the initial service period.

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LOCAL SERVICES TARIFF

SECTION 2 - REGULATIONS

B. OBLIGATION AND LIABILITY OF COMPANY

1. Liability Limitations

Approval of language contained in this tariff by the TRS does not constitute a determination by the Commission that the limitation of liability imposed by the Company should be upheld in a court of law. Approval by the Commission merely recognizes that since it is a court's responsibility to adjudicate negligence and consequent damage claims, it is also the court's responsibility to determine the validity of any exculpatory clauses.

2. Availability of Facilities

The Company's obligation to furnish service or to continue to furnish service is dependent on its ability to obtain, retain, and maintain without unreasonable expense suitable rights and facilities, and to provide for the installation of those facilities required incident to the furnishing and maintenance of that service.

3. Service Irregularities and Interruptions

In the event of an interruption to service which is not due to the negligence or willful act of the customer, there will be allowed a prorata adjustment of the monthly charges involved, for the service and facilities rendered useless and inoperative by reason of the interruption, during the time said interruption continues in excess of twenty-four hours from the time it is reported to the Telephone Company or detected by the Company. For the purpose of administering this regulation, every month is considered to have thirty days.

For the purpose of applying this provisions, the word "interruption" shall mean the inability to complete calls; incoming, outgoing, or both. "Interruption" does not include and no credit allowance shall be given for service difficulties such as slow dial tone, busy circuits, or other network and/or switching capacity shortages. Nor shall the credit allowance apply where service is interrupted by the negligence or willful act of the customer or the failure of facilities provided by the customer, or unlawful or improper use of the facilities or service.

No credit allowance will be made for interruptions due to electric power failure, where by the provisions of this tariff, the customer is responsible for providing electric power.

The liability of the Company for damages arising out of mistakes, omissions, interruptions, delays or errors, or defects in transmission occurring in the course of furnishing service or facilities, and not caused by the negligence of the customer, or of the Company in failing to maintain proper standards of maintenance and operation and to exercise reasonable supervision, will in no event exceed an amount equivalent to the proportionate charge to the customer for the period of service during which the mistake, omission, interruption, delay or error, or defect in transmission occurs.

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LOCAL SERVICES TARIFF

SECTION 2 - REGULATIONS

B. OBLIGATION AND LIABILITY OF COMPANY (Continued)

3. Service Irregularities and Interruptions (Continued)

The customer indemnifies and saves the Company harmless against claims for libel, slander, or infringement of copyright arising from the material transmitted over its facilities; against claims for infringement of patents arising from combining with, or using in connection with, facilities of the Company, apparatus and systems of the customer; and against all other claims arising out of any act or omission of the customer in connection with the facilities provided by the Company; and against any and all losses from damage to the customer's facilities or equipment attached or connected to facilities furnished by the Company.

4. Transmitting Messages

The Company does not undertake to transmit messages but offers the use of its facilities for communications between its customers.

5. Use of Connecting Company Lines

When the lines of other companies are used in establishing connections to points not reached by the Company's lines, the Company is not liable for any act or omission of the other company or companies.

6. Defacement of Premises

The Company is not liable for any defacement or damage to the customer's premises resulting from the existence of the Company's equipment and associated wiring on such premises, or from the installation or removal thereof, when such defacement or damage is not the result of the Company's negligence.

When the customer is a tenant and requests an installation that could, in the opinion of the Company, result in damage to the property of the owner, the customer must obtain, prior to installation, a written release from the owner or his authorized agent absolving the Company of liability.

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LOCAL SERVICES TARIFF

SECTION 2 - REGULATIONS

C. USE OF SERVICE AND FACILITIES

1. Ownership and Use of Service and Equipment

a. General

Equipment and lines furnished by the Company on the premises of a customer are the property of the Company, whose agents and employees have the right to enter the premises at any reasonable hour for the purpose of installing, inspecting, maintaining, or repairing the equipment and lines, or upon termination of the service, for the purpose of removing the equipment or lines.

Equipment furnished by the Company must, upon termination of service for any cause whatsoever, be returned to it in good condition, except for reasonable wear and tear.

Customer-provided equipment or protective circuitry may be connected to the telecommunications network in accordance with provisions of the Federal Communications Commission's registration program, as are now in effect or may become effective.

b. Resale

All services in this tariff are available for resale by TRS certified Competitive Local Exchange Carriers (CLECs) on a non-discriminatory basis at the rates and charges shown in this tariff, unless otherwise noted in this tariff.

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LOCAL SERVICES TARIFF

SECTION 2 - REGULATIONS

C. USE OF SERVICE AND FACILITIES (Continued)

2. Connections of Customer-Provided Terminal Equipment and Communications Systems

a. General Provisions

1. General

Customer-provided terminal equipment and communications systems may be connected at the customer's premises to telecommunications services furnished by the Company, where the connections are made in accordance with the provisions of Part 68 of the Federal Communications Commission's (FCC's) Rules and Regulations, and any Company tariffs.

2. Responsibility of the Customer

The customer is responsible for the installation, operation and maintenance of any customer-provided terminal equipment or communications system. No customer-provided terminal equipment or communications systems or combinations thereof may require change in or alteration of the equipment or services of the Company, cause electrical hazards to Company personnel, damage to Company equipment, malfunction of Company billing equipment, or degradation of service to persons other than the user of the subject terminal equipment or communications system, the calling or called party. Upon notice from the Company that customer-provided terminal equipment or communications system is causing such a hazard, damage, malfunction or degradation of service, the customer must make whatever changes are necessary to remove or prevent the hazard, damage, malfunction or degradation of service.

The customer is responsible for the payment of a Maintenance of Service Charge as provided in Section 2, Paragraph 6 of this tariff for visits by a Company employee to the customer's premises when a service difficulty or trouble report results from the use of customer-provided terminal equipment or communications system.

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LOCAL SERVICES TARIFF

SECTION 2 - REGULATIONS

C. USE OF SERVICE AND FACILITIES (Continued)

2. Connections of Customer-Provided Terminal Equipment and Communications Systems (Continued)

a. General Provisions (Continued)

3. Responsibility of The Company

Telecommunications services are not represented as adapted to the use of customer-provided terminal equipment or communications systems. Where customer-provided terminal equipment or communications systems are used with telecommunications services, the responsibility of the Company is limited to furnishing service components suitable for telecommunications services and to the maintenance and operation of service components in a proper manner for those services. Subject to this responsibility, the Company is not responsible for (1) the through-transmission of signals generated by the customer-provided terminal equipment or communications systems, or for the quality of, or defects in this transmission; or (2) the reception of signals by customer-provided terminal equipment or communications systems; or (3) address signaling, where this signaling is performed by customer-provided signaling equipment.

At the customer's request, the Company will provide the interface parameters needed to permit customer-provided terminal equipment to operate properly with the Company's telecommunications services.

The Company may make changes in its telecommunications services, equipment, operations or procedures, where these changes are consistent with Part 68 of the FCC's Rules and Regulations. If changes made by the Company can be reasonably expected to render any customer's communications system or terminal equipment incompatible with telecommunications services, or require modification or alteration of the customer-provided communications systems or terminal equipment, or otherwise materially affect its use or performance, the customer will be given adequate notice of the changes in writing, to allow the customer an opportunity to maintain uninterrupted service.

4. Recording of Two-Way Telephone Conversations

The recording of two-way telephone conversations is governed by state and federal laws and regulations.

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LOCAL SERVICES TARIFF

SECTION 2 - REGULATIONS

C. USE OF SERVICE AND FACILITIES (Continued)

2. Connections of Customer-Provided Terminal Equipment and Communications Systems (Continued)

a. General Provisions (Continued)

5. Violation of Regulations

When any customer-provided terminal equipment or communications system is used with telecommunications services in violation of any of the provisions in this Section 2, part C.2, the Company will take whatever immediate action is necessary for the protection of the telecommunications network and Company employees, and will promptly notify the customer of the violation.

The customer must discontinue use of the terminal equipment or communications system or correct the violation and must confirm in writing to the Company within 10 days, following the receipt of written notice from the Company, that such use has ceased or that the violation has been corrected. Failure of the customer to discontinue such use or to correct the violation and to give the required written confirmation to the Company within the time stated above will result in suspension of the customer's service until the customer complies with the provisions of this tariff.

b. Connections of Registered Equipment

The term "Registered Equipment" denotes equipment which complies with and has been approved within the registration provisions of FCC Part 68.

Customer-provided registered terminal equipment, registered protective circuitry, and registered communications systems may be directly connected to the telecommunications network at the customer premises, subject to FCC Part 68.

c. Premises Wiring Associated With Registered Communications Systems

Premises wiring is wiring which connects separately-housed equipment entities or system components to one another, or wiring which connects an equipment entity or system component with the telephone network interface or demarcation point not within an equipment housing. All premises wiring, whether fully protected or unprotected, must be installed in compliance with FCC Part 68.

Customers who intend to connect premises wiring other than fully protected to the telephone network must give advance notice to the Company in accordance with the procedures specified in FCC Part 68 or as otherwise authorized by the FCC.

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LOCAL SERVICES TARIFF

SECTION 2 - REGULATIONS

D. ESTABLISHMENT AND FURNISHING OF SERVICE

1. Application for Service

The Company may refuse an application for service if objection is made by or on behalf of any governmental authority to furnishing the service.

An application for service becomes a contract upon the establishment of service. Neither the contract nor any rights acquired under it may be assigned or transferred in any manner except as specifically provided for in this tariff. Requests for additional service, when established, become a part of the original contract, except that each item of additional service is furnished subject to payment of applicable charges.

If an applicant has an outstanding account with the Company, the Company reserves the right to reject application for service until the amount due for local services included in this tariff has been paid in full.

A contract for service may be transferred to another individual, partnership, association, or corporation. No billing adjustment for local exchange service previously furnished will be made and the new customer must assume all outstanding indebtedness of the original customer. No charge applies to service transferred in accordance with these provisions.

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LOCAL SERVICES TARIFF

SECTION 2 - REGULATIONS

D. ESTABLISHMENT AND FURNISHING OF SERVICE (Continued)

2. Deposits

Applicants or customers whose financial condition is not acceptable to the Company or is not a matter of general knowledge, may be required to make, at any time, a cash deposit up to an amount equaling two times (2x) one (1) month's actual or estimated charges for the purpose of guaranteeing final payment for service, in accordance with the rules of the Commission. Interest on cash deposits will be payable per the deposit rules and regulations prescribed by the Commission for the period during which the deposit is held. Such deposit will be refunded or credited to the customer upon termination or after one year of prompt payment for service.

3. Telephone Numbers

The customer has no property right in the telephone number which is assigned by the Company, or any right to continuance of service through any particular central office, and the Company reserves the right to change the telephone number or the central office designation, or both, of a customer whenever it deems it necessary to do so in the conduct of its business.

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LOCAL SERVICES TARIFF

SECTION 2 - REGULATIONS

D. ESTABLISHMENT AND FURNISHING OF SERVICE (Continued)

4. Payment for Service

- a. The customer is responsible for payment; monthly, or on demand, of all charges for facilities and services furnished the customer, including charges for services originated, or charges accepted, at such facilities. Charges are payable at the Telephone Company's Business offices or at any agency authorized to receive such payments.
- b. Bills are rendered monthly and include charges for local service for the current service month.
- c. Prior written notice will be given if service is to be temporarily denied or the contract terminated for the non-payment of any sum due in accordance with Paragraph D.5. following. Service will not be denied prior to five days from the date contained on said notice.
- d. All service, provided to the same customer as one business service, regardless of the tariff under which the service is provided, is considered one service for payment purposes. All service may be disconnected for non-payment even though payment is current for service provided under one or more tariffs.
- e. Where the Company provides billing inquiry service, customer inquiries relative to toll charges will be responded to promptly by the Company.
- f. Where the inquiry service is provided by an IXC or its designated agent, the IXC or agent will be responsible for notifying the Company immediately regarding any bona fide dispute over outstanding toll charges, so that service will not be terminated during the investigation of the dispute.

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LOCAL SERVICES TARIFF

SECTION 2 - REGULATIONS

D. ESTABLISHMENT AND FURNISHING OF SERVICE (Continued)

4. Payment for Service (Continued)

- h. A subscriber who orders service or equipment installations, moves, or changes prior to the date of any increase in the one time charge applicable to such work will be subject to the one time charge in effect at the time the subscriber's order was received by the Company, provided the work is completed within the Company's normal installation interval in effect at the time the order was placed. However, if subsequent to the effective date of the increase in the one time charge, the completion of such work is delayed beyond the Company's normal installation interval and the delay is not caused by the Company, the subscriber will then be subject to the one-time charge in effect at the time the work is completed by the Company.

- i. Insufficient Fund Checks

Customers will be charged \$30.00 on all checks issued to the Company which are returned due to insufficient funds. At the discretion of the Company, the insufficient funds check charge may be waived under appropriate circumstances (e.g. a bank error).

- j. Late Payment Charge

Customers will be charged a late payment penalty in the amount of 1.5% per month on all delinquent amounts owed to the Company.

5. Denials or Disconnection and Restoral of Service

- a. Upon five (5) days written notice, the Company may discontinue service or cancel an application for service without incurring any liability for any of the following reasons:
 - 1. Non-payment of any sum due to the Company for service for more than thirty days beyond the date of rendition of the bill for such service;
 - 2. Violation of any regulation governing the service under this tariff;
 - 3. Violation of any law, rule, or regulation of an government authority having jurisdiction over the service; or
 - 4. The Company is prohibited from furnishing services by order of a court or other government authority having jurisdiction.
 - 5. Customer uses equipment in such a manner as to adversely affect the Company's equipment or service to others.

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LOCAL SERVICES TARIFF

SECTION 2 - REGULATIONS

D. ESTABLISHMENT AND FURNISHING OF SERVICE (Continued)

5. Denial or Disconnection and Restoral of Service (Continued)

- b. The Company reserves the right to discontinue or refuse service because of abuse or fraudulent use of service. Abuse or fraudulent use of service includes the use of service or facilities of the Company to transmit a message or to locate a person or otherwise to give or obtain information without payment of appropriate charges, or violation of any law or regulation pertaining to telecommunications service.
- c. Service may not be refused, denied or disconnected for any of the following reasons:
 - 1. Delinquency in payment for service by a previous occupant at the premises to be served;
 - 2. Failure to pay any amount which, according to established payment dispute and resolution procedures, is in bona fide dispute;
 - 3. Failure to pay directory advertising charges or any other non-regulated service charges including 900/700 or any "dial-it"-like service charges.

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EFFECTIVE:

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LOCAL SERVICES TARIFF

SECTION 2 - REGULATIONS

D. ESTABLISHMENT AND FURNISHING OF SERVICE (Continued)

6. Maintenance and Repairs

The Company undertakes to maintain and repair the equipment and facilities which it furnishes to customers pursuant to its tariffs. The customer is responsible for damages to equipment or facilities of the Company caused by the negligence or willful act of the customer.

The customer may not rearrange, disconnect, remove, or attempt to repair, or permit others to rearrange, disconnect, remove, or attempt to repair any equipment or facilities which the Company maintains or repairs pursuant to its tariffs, without the express consent of the Company.

If trouble develops and the customer has any equipment or facilities which the Company does not maintain or repair, the customer will make appropriate tests to determine whether that equipment or facility is the cause of the trouble before reporting an out-of-service or other trouble condition to the Company.

Customers will be required to pay the maintenance of service charges, for visits made by the Company to the customer's premises, when a service difficulty or trouble report results from equipment or facilities not maintained or repaired by the Company. The customer will be advised, before a visit to his premises, of the possibility of a maintenance of service charge.

Maintenance of Service Charge:

- | | |
|-------------------------------------|--------------------|
| (1) During Normal Working Hours | \$265.00 per visit |
| (2) Outside of Normal Working Hours | \$400.00 per visit |

Normal Working Hours are defined as Monday to Friday, 7am to 7pm in the time zone of the customer's location of the dispatch. If a visit begins and/or ends outside this period, it is considered Outside of Normal Working Hours.

Any dispatch that begins or ends from 12:01 am to 12:00 am the following day the time zone of the customer's location of the dispatch. If a visit begins and/or ends outside this period, it is considered Outside of Normal Working Hours. Any dispatch that begins or ends from 12:01 am to 12:00 am the following day the time zone of the Customer's Premises on these holiday's will also be considered "Outside of Normal Working Hours":

New Year's Day	Memorial Day	Martin Luther King Jr. Day
Independence Day	Labor Day	Thanksgiving Day
Day after Thanksgiving	Presidents' Day	Christmas Day

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LOCAL SERVICES TARIFF

SECTION 2 - REGULATIONS

D. ESTABLISHMENT AND FURNISHING OF SERVICE (Continued)

7. Special Equipment and Arrangements

Special equipment and arrangements requested by customers and not otherwise provided for in this tariff may be furnished where possible, if not detrimental to any of the services furnished by the Company, at charges that are in addition to other applicable charges.

8. Overtime

For work performed outside the normal working hours of the Company at the request of the customer, the additional expense incurred by the Company is charged to the customer in addition to other charges which are applicable. In such cases, charges based on the cost of labor, materials, and other costs incurred by or charged to the Company will apply. The customer will be notified in advance if such charges may apply.

9. Individual Case Basis (CB) Arrangements

Rates for ICB arrangements will be developed on a case-by-case basis in response to a bona fide request from a customer or prospective customer for service which varies from tariffed arrangements. Rates quoted in response to such requests may be different from the tariffed rates specified for such services. ICB rates will be made available to similarly situated customers.

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LOCAL SERVICES TARIFF

SECTION 2 - REGULATIONS

D. ESTABLISHMENT AND FURNISHING OF SERVICE (Continued)

10. Identity of Customer-Announcement Facilities

Use of Company facilities for public announcement service or non-public announcement service is subject to the following conditions:

- a. For purposes of identification, exchange service customers who transmit recorded announcements over facilities provided by the Company must include in the recorded message the name of the organization or individual responsible for the service and the address at which the service is provided.
- b. Customers transmitting factual announcements such as time, weather, stock market quotations, airline schedules, and similar information are excluded from the preceding conditions.
- c. Failure to comply with the provisions of this tariff will be cause for termination of the service.
- d. The Company will reveal on request, to the extent the information is available from its records, the identity of the individual responsible for service with which announcement facilities have been associated.

11. Wire Tap Investigation

When a wire tap investigation is made by the Company at the request of a customer, and no wire tap trouble condition in Company equipment or facilities can be found, the cost incurred for inspection of the facilities and equipment serving the customer may be charged to the customer.

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LOCAL SERVICES TARIFF

SECTION 2 - REGULATIONS

D. ESTABLISHMENT AND FURNISHING OF SERVICE (Continued)

12. Telecommunications Relay Service (TRS)

Telecommunications Relay Service enables deaf, hard-of-hearing or speech-impaired persons who use a Text Telephone (TT) or similar devices to communicate freely with the hearing population not using TT and visa versa. A Customer will be able to access the state provider(s) to complete such calls.

13. Provisions for Certain State and Local Taxes and Fees

There shall be added to the customer's bill, as a separate item, an amount equal to the customer's proportionate part of any license, occupation, franchise, or other similar tax or fee, now or hereafter agreed to or imposed upon the Company by state or local taxing authorities, whether imposed by ordinance, franchise agreement or otherwise, and whether imposed upon or measured by the gross receipts, net receipts or revenues of the Company. Such amount will be added to the bill of each customer who receives service within the territorial limits of the taxing authority. Where more than one such tax or fee is imposed, each of the amounts applicable to the customer shall be added to the customer's bill as a separately identified item.

14. Promotional Offerings

The Company, from time to time, may make promotional offerings of its services which may include waiving or reducing the applicable charges for the promoted service. The promotional offerings may be limited as to the duration, the date and times of the offerings and the locations where the offerings are made. The Company shall notify the Commission prior to the effective date of promotions.

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LOCAL SERVICES TARIFF

SECTION 2 - REGULATIONS

E. DIRECTORIES

1. Ownership and Use

The Company reserves the right to charge for directories issued in replacement of directories defaced or mutilated while in possession of customers.

2. Distribution

The Telephone Company will furnish to its customers without charge, only such directories as it deems necessary for the efficient use of service.

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LOCAL SERVICES TARIFF

SECTION 2 - REGULATIONS

F. VARIABLE TERM PAYMENT PLAN

1. General

- a. The Variable Term Payment Plan (VTPP) is a payment plan which allows customers to pay a fixed rate for services over one of any currently available payment periods. A different monthly rate applies for the duration of each period. The monthly rate varies inversely with the length of the payment period, e.g., the monthly rate for a short period is greater than that for a long period.
- b. The minimum period is 12 months, unless otherwise specified in product tariffs.
- c. During the effective term of a customer's initial payment period, the monthly rate is not subject to Company-initiated changes.
- d. Unless specifically exempted, services furnished under the Variable Term Payment Plan are subject to all general regulations applicable to the provision of service by the Company as stated elsewhere in this and other tariffs.

2. Regulations

- a. Application of Rates and Charges (unless stated otherwise in the product tariffs)
 1. The monthly rate applicable at the time a customer subscribes to a product or service under the Variable Term Payment Plan is not subject to Company-initiated change during the initial payment period, providing there are no customer-initiated delays in the establishment of the subscribed-for product or service.
 2. After the expiration of either the initial payment period or the subsequent 12-month payment periods the monthly rate will continue to be the same rate that the customer paid under their initial term agreement. The rate will be subject to Company-initiated changes with a 60-day written notice to the customer during which time the customer shall have the right to terminate the agreement, without incurring termination charges. The rate adjustment would not exceed the tariffed rate.
 3. Nonrecurring charges are to be paid in full at the time of installation.
 4. In the event that all or any part of the service is disconnected at customer request before expiration of any selected payment period of greater than one month's duration, the customer will be required to pay termination charges as stated in this tariff.
 5. Rates and charges apply according to the appropriate schedules for products and services offered under the Variable Term Payment Plan.

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LOCAL SERVICES TARIFF

SECTION 2 - REGULATIONS

F. VARIABLE TERM PAYMENT PLAN (Continued)

2. Regulations (Continued)

b. Renewal Options

The customer has the following renewal options:

1. Prior to completion of the present VTPP payment period and upon notification to the Company, a customer may renew for any payment period currently available under VTPP. The rates will be those currently in effect for new customers at the time of renewal. The new payment period starts the day following completion of the prior payment period.
2. If upon completion of the current payment period the customer has not chosen a new payment period and has not requested discontinuance of service, the customer's agreement will automatically renew for a 12-month period at the rate the customer is paying under their current agreement unless either party notifies the other in writing or verbally of its intention not to renew, at least 30 days before the end of the then-current term.

c. Early Contract Termination

Unless otherwise noted in individual product tariffs, if the customer terminates their service prior to the expiration date of the term agreement, the customer will be required to pay early termination charges that equate to the monthly charges for the remainder of either the initial payment period or the subsequent 12-month payment periods. If nonrecurring charges associated with the installation of the business services were waived, the customer will become liable for payment of the waived charges.

Inclusion of early termination liability by the company in its tariff or a contract does not constitute a determination by the Commission that the termination liability imposed by the company is approved or sanctioned by the Commission. Customers shall be free to pursue whatever legal remedies they may have should a dispute arise.

d. Additions

If the customer wishes to make additions, the customer may also select, from those currently available in the tariff, a different payment period of equal or shorter length than the time remaining in the period selected for the existing service at the current filed rates for the selected period. The additions may then have a different expiration date than the existing service.

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LOCAL SERVICES TARIFF

SECTION 2 - REGULATIONS

F. VARIABLE TERM PAYMENT PLAN (Continued)

2. Regulations (Continued)

e. Upgrades

1. Allowable upgrades to products offered by the Company are specified in the individual tariffs currently in effect for offerings under the Variable Term Payment Plan.
2. A customer who elects to upgrade an installed product may choose one of two options, unless otherwise specified in the product tariffs:
 - a. The existing payment period may be extended by a period of time specified in the product tariff, and the new and the previously installed service will expire on the same date. The rate level applicable for the new service is the one currently in effect for the payment period which the customer had selected prior to the upgrade, while the rates for services previously installed and continuing in service are unaffected. (If the payment period selected by the customer prior to the upgrade has been discontinued in the tariff, the new service will be billed at rates applicable for the next shorter payment period in the current tariff.)
 - b. The new service may be billed over a currently available payment period of equal or shorter length than the time remaining in the existing payment period. Current rates apply for the selected payment period for the new service. Rates for service previously installed and continuing in service are unaffected. The expiration date of the new service is then either the same as or earlier than that of the previously installed system.

When the expiration date of the new service is earlier, the customer must select another payment period for the service according to the terms and conditions stated in the preceding paragraph at the time of expiration.

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LOCAL SERVICES TARIFF

SECTION 2 - REGULATIONS

F. VARIABLE TERM PAYMENT PLAN (Continued)

2. Regulations (Continued)

f. Downgrades

1. Allowable downgrades for installed services are specified in product tariffs.
2. A customer has the option to place any new service on a coterminous payment unless otherwise specified in the product tariff. Rates for the new service are those currently in effect for the original payment period (or, if the period is no longer available, for the next shorter one). The rates for services remaining after the downgrade will not be affected.
3. When a coterminous payment period is not chosen for new service, the customer must select a payment period of equal or shorter length than the time remaining in the current payment period. Current rates apply for the equal or shorter payment period. Service remaining on the customer's premises will continue to be billed at the rates in effect before the downgrade. The new service may then have a different expiration date from the service which remained after downgrading.
4. When the expiration dates differ, the customer must select a new payment period for the service (at the time of expiration) added at the time the service was downgraded, according to the terms and conditions in this section.

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LOCAL SERVICES TARIFF

SECTION 2 - REGULATIONS

F. VARIABLE TERM PAYMENT PLAN (Continued)

2. Regulations (Continued)

g. Requests for Changes in Length of Initial Payment Period

Following the establishment of service for a service furnished under a Variable Term Payment Plan period and before the completion of that period, the existing payment period may be replaced by a currently offered payment period at the current rates, subject to the following conditions:

- a. No credit will be given for payments made during the formerly selected period. However, nonrecurring charges will not be reapplied.
- b. The new payment period begins with the date requested.
- c. No termination charge applies provided the customer selects a new payment period equal to or longer than the time remaining under the former payment period. Otherwise, a termination charge applies for the former payment period.
- d. The new payment period selected for a component of a service must be equal to or shorter than the time remaining in that service's existing payment period.

h. Supersedure

Service may be transferred to a new customer at the same location, upon prior written concurrence by the Company. The new customer will be subject to all provisions currently reflected in the service agreement.

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LOCAL SERVICES TARIFF

SECTION 2 - REGULATIONS

G. EMERGENCY NUMBER 911 SERVICE

This service is offered solely as an aid in handling assistance calls in connection with fire, police or other emergencies. The Company is not responsible for any losses, claims, demands, suits or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or person for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused by : (1) mistakes, omissions, interruptions, delays, errors or other defects in the provision of this service, or (2) installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of any equipment and facilities furnishing this service.

The Company is not responsible for any infringement or invasions of the right of privacy of any person or persons, caused or claimed to have been caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, occasion or use of emergency 911 service features and the equipment associated therewith, or by any services furnished by the Company including, but not limited to, the identification of the telephone number, address or name associated with the telephone used by the party or parties accessing emergency 911 service, and which arise out of the negligence or other wrongful act of the Company, the Customer, its Customers, agencies or municipalities, or the employees or agents of any one of them.

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LOCAL SERVICES TARIFF

SECTION 3 - DIRECTORY LISTINGS

A. TERMS AND CONDITIONS

Listings are regularly provided in connection with local exchange service. At the request of the customer, the listing may be omitted from the directory and directory assistance records (Non-Published Service).

The rates and regulations specified in this section apply only to the alphabetical directory. The alphabetical directory is a list of telephone numbers of customers and others arranged alphabetically by surname, business, association, institution, or other nonresidence name.

The alphabetical directory is designed for the purpose of informing calling parties of the telephone number of customers and others listed in it. Accordingly, listings are intended solely for purposes of identification and are limited to information which is essential to such identification.

The Company does not publish a directory of subscriber listings. The Company, however, does arrange for the Subscriber's main billing number to be placed in the directory of the dominant local exchange carrier.

All Directory Listings, regardless of type, must conform to the specifications for the directories. The Company reserves the right to modify the listings to accommodate the space limitations in the directory. Not all listing types are available in all directories.

The Company may refuse a listing which does not constitute a legally authorized or adopted name, or any listing which in its opinion is likely to mislead or to deceive calling parties as to the identity of the listed party, or is intended for advertising purposes or is more elaborate than is reasonably necessary to identify the listed party. The listing of a service, commodity or trade name is not permitted except when such service, commodity or trade name is a part of the name under which the listed party conducts his or her business. The Company may, upon notifying the Customer, discontinue any listing found to be in violation of the foregoing regulations.

A descriptive term characterizing the listed party's business or purpose in a general way may be furnished (in abbreviated form) as a part of the listing, when desired and available. When the character of the listed party's business or purpose is apparent from the name under which it is conducted, a further designation is unnecessary and is not furnished.

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LOCAL SERVICES TARIFF

SECTION 3 - DIRECTORY LISTINGS

A. TERMS AND CONDITIONS (Continued)

Abbreviations may be used to limit the length of any listing when in the opinion of the Company, the clearness of the listing and the identification of the listed party is not impaired by use of abbreviations.

Special arrangement of names is not permitted.

Non-Published Service customers forfeit non-address, non-list, or non-published service privacy when calling the Universal Emergency Number Service (911). The telephone number and address of the station from which the emergency call originates are passed to the Public Safety Answering Point along with the call in order for emergency units to respond to the call.

Incoming calls to Non-Published Service customers will be completed by the Company only when the calling party places the call by number. The Company will adhere to this practice regardless of any claim of emergency the calling party may present.

The acceptance by the Company of the customer's request for Non-Published Service does not create any relationship or obligation, direct or indirect, to any person other than the Customer.

The Company makes every effort to safeguard the address and numbers of Non-Published Service customers. However, in the absence of gross negligence or willful misconduct, no liability will attach to the Company for damages arising from inadvertently publishing the address or telephone number of a Non-Published Service customer in the directory; or disclosing the number or address to any person. The customer indemnifies and saves the Company harmless against any and all claims for damages caused or claimed to have been caused, directly or indirectly, by the publication of the number of a Non-Published Service customer in the directory or otherwise disclosed, the Company's liability is limited to and satisfied by a refund of any monthly charges made by the Company.

Providing the name, address and/or telephone number of a Non-Published Service customer to the customer's primary interexchange carrier for billing purposes only, does not constitute publication or disclosure of the customer's name, number and/or address under this tariff.

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LOCAL SERVICES TARIFF

SECTION 3 - DIRECTORY LISTINGS

A. TERMS AND CONDITIONS (Continued)

Interexchange carriers may not release the name, address, and/or telephone number of any Non-Published Service customer, except as follows:

- a. Use of name and address for the rendering the interexchange carrier's bill to the customer.
- b. Release of the telephone number only for purposes of detail billing.

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LOCAL SERVICES TARIFF

SECTION 3 - DIRECTORY LISTINGS

A. TERMS AND CONDITIONS (Continued)

1. Definitions

a. Primary Listing

A primary listing is the listing furnished as a part of the local exchange service. It includes the name of the customer; a business, purpose, or other nonresidence designation when required; the address; and the telephone number.

b. Additional Listings

To be eligible for any type of additional listing, a customer must pay the appropriate monthly rate, if any, for a primary listing or its equivalent. Additional listings are listings which are similar to primary listings and furnished in addition to primary listings at the request of the customer.

c. Alternate Listings

Alternate listings are supplementary listings which usually follow a primary or regular additional listing and refer a calling party to other telephone numbers under certain conditions. The alternate telephone numbers may be those of other customers, subject to their consent.

d. Non-Published Service

Non-published listings are not printed in directories nor available from directory assistance. A nonpublished telephone service will be furnished, at the Customer's request providing for the omission or deletion of the Customer's telephone listing from the telephone directory and, in addition, the Customer's telephone listing will be omitted or deleted from the directory assistance records. Per Line Number Privacy will be provided when requested by the customer, to all non-published service customers at no monthly charge.

e. Foreign Listings

Where available, a listing in a phone directory which is not in the Customer's immediate calling area. The Customer will be charged the rates specified in the tariff published by the specific exchange carrier providing the Foreign Listing.

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LOCAL SERVICES TARIFF

SECTION 3 - DIRECTORY LISTINGS

B. RATES AND CHARGES

Non-Recurring Charges:

	<u>Per Listing or</u> <u>Per number charges</u>
Additional Listing	\$20.00
Alternate Listings	20.00
Non-Published Number	20.00
Foreign Listings	20.00

Non-Recurring charges will be applied when service is established and when there are subsequent changes to the listing.

Recurring Charges:

Additional Listing	\$4.50
Alternate Listings	4.50
Non-Published Number	2.00
Foreign Listings	4.50

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LOCAL SERVICES TARIFF

SECTION 4 - DIRECTORY ASSISTANCE SERVICE

A. TERMS AND CONDITIONS

A Customer may obtain directory assistance in determining telephone numbers within its local calling area by calling the directory assistance operator. The directory assistance charges applies to each call regardless of whether or not the directory assistance operator is able to furnish the requested information.

B. RATES AND CHARGES

Each call to directory assistance will be charged as follows:

\$1.99

The Customer may make one request on each directory assistance call.

A credit will be given for calls to directory assistance as follows:

- The customer experiences poor transmission or is cut-off during the call; or
- The customer is given an incorrect telephone number.

To obtain such a credit, the customer must notify the Company.

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LOCAL SERVICES TARIFF

SECTION 5 - OPERATOR ASSISTANCE

A. SERVICE DESCRIPTIONS

1. General Assistance: The Customer has the option to request general information from the operator, such as dialing instructions, county or city codes, area code information and Customer Service 800 telephone numbers, but does not request the operator to complete the call.
2. Busy Line Verification and Interrupt Service, provides the Customer with the following options:
 - a. Busy Line Verification: Upon request of the calling party, the Company will determine if the line is clear or in use and report to the calling party.
 - b. Busy Line Verification with interrupt: The operator will interrupt the call on the called line only if the calling party indicates an emergency and requests interruption.

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LOCAL SERVICES TARIFF

SECTION 5 - OPERATOR ASSISTANCE

B. RATES AND CHARGES

1. The following charges will be applied on a per call basis:

General Assistance	\$ 1.00
--------------------	---------

2. Rates for busy line verification and interrupt services, as specified below, will apply under the following circumstances, per request:

- a. The operator verifies that the line is busy with a call in progress.
- b. The operator verifies that the line is available for incoming calls.
- c. The operator verifies that the called number is busy with a call in progress and the customer requests interruption. The operator will then interrupt the call, advising the called party the name of the calling party. One charge will apply for both verification and interruption.

Busy Line Verification	\$3.00
Busy Line Interrupt	\$5.00

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LOCAL SERVICES TARIFF

SECTION 6 – BUSINESS ACCESS LINES

A. BUSINESS ACCESS LINES

1. General

Business Access Lines may be purchased individually.

2. Terms and Conditions

Business Access Lines include the serving central office line equipment and all outside plant facilities including the network interface necessary to connect the serving central office to the customer's premises.

Touch Tone capability is provided at no extra charge on all Business Access Lines.

Business Access Lines provide access to and usage of 911 services where available, access to operator services and directory assistance, and access to telecommunications relays service.

Business Access Lines allow for presubscription to toll services and access to interexchange toll providers.

The local calling area for each exchange is shown in the Exchange Area section of this tariff.

Local exchange services are only available where facilities permit and may be subject to special construction charges.

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LOCAL SERVICES TARIFF

SECTION 6 – BUSINESS ACCESS LINES

3. Rates and Charges

Monthly Rate

First Lines	\$ 49.75
Additional Lines, All Accounts	49.75

Nonrecurring Rate

a. To establish or move an Business Access Line, per line	50.00
b. To change telephone number associated with an Business Access Line, per telephone number	12.25
c. To change billing arrangements associated with Business Access Lines, per line	12.25

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LOCAL SERVICES TARIFF

SECTION 7 – PRI SERVICE

A. TERMS AND CONDITIONS

1. Service Description

PRI Service is an ISDN local exchange service that provides a Customer with the ability to transmit and receive multiple voice and data circuit switched calls simultaneously over a single Primary Rate Facility. PRI Service is available from suitably equipped central offices and where suitable loop facilities exist.

PRI Service consists of a Primary Rate Facility and B-Channel Bearer Trunks and D-Channel Bearer Services. The Primary Rate Facility and the ISDN Bearer Trunks are not offered separately. Up to twenty-three B-Channels Bearer Trunks and one D-Channel Bearer Service may be provisioned on each access line. In addition, optional features may be purchased as specified in B.5 of this section.

PRI Service will provide transport of customer information over the 23 available B channels in the form of circuit-switched voice or data at speeds up to 64 Kbps. The basic service will include the 1.544 Mbps switched facility and the D-Channel Bearer Service. B-Channels will be ordered in addition to the Primary Rate Facility.

Dedicated B-Channel configuration: Dedicated trunk groups are the standard feature for PRI Service. Dedicated trunk groups must be assigned to handle one specific call type (examples: DID, DOD).

Three types of B-Channel Bearer Trunk Channels are available as follows.

- a. Standard channels provide the same features as analog trunk lines found in the Local Exchange Services section of this Nonresidence Service Agreement.
- b. DID channels provide direct inward dialing service.
- c. Two Way DID channels provide capability for two way standard service and direct inward dialing service.

D-Channel configuration: Each Basic PRI service will include a dedicated D-Channel for signaling.

All Bearer Trunk Channels use MF or DTMF signaling.

Only flat rate trunk channels are available.

ISSUED:

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LOCAL SERVICES TARIFF

SECTION 7 – PRI SERVICE

A. TERMS AND CONDITIONS

2. Definitions

a. Primary Rate Facility

A Primary Rate Facility is a digital pipe from the Customer's location to the Company central office which transports one or more ISDN Bearer Trunks (b. and c. following). A Primary Rate Facility can carry up to twenty-three 64 Kbps B-Channel Bearer Trunks and one 64 Kbps D-Channel Bearer Service. All selected Bearer Trunks and Services can operate on the Primary Rate Facility simultaneously.

b. B-Channel Bearer Trunks

B-Channel Bearer Trunks define the types of traffic that the Primary Rate Facility will carry. A B-Channel Bearer Trunk is a 64 Kbps information channel used in conjunction with circuit-switched service. These trunks can be configured as 1-Way In, 1-Way Out, or 2-Way.

c. D-Channel Bearer Services

The D-Channel Bearer Service is a 64 Kbps signaling channel used to control associated B Channels. One D-Channel is required for each Primary Rate Facility, and is included in the Primary Rate Facility's monthly rate.

ISSUED:

EFFECTIVE:

ISSUED BY:

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LOCAL SERVICES TARIFF

SECTION 7 – PRI SERVICE

3. Regulations

PRI Service is furnished subject to the availability of suitable facilities and is only served from specially-equipped digital central offices.

Service from some central offices may not provide all of the features and functionality described in this section.

PRI Service is offered under the Variable Term Payment Plan as outlined in this tariff Agreement.

Early contract termination charges as outlined in the Variable Term Payment Plan section of this tariff apply to this service.

The minimum service period for PRI Service is twelve months.

The Customer must provide customer premises equipment that meets the technical requirements of the serving central office.

The Customer is responsible for providing power to all customer premises equipment (CPE) attached to the Primary Rate Facility.

The Customer must notify the Company when call type maximums and minimums are to be changed for the call-by-call feature. This is in order to maintain the proper provision of directory numbers and call control on the line.

Customers wishing to upgrade existing analog trunk service to PRI Service will be charged the listed initial charges for the appropriate number of Primary Rate Facilities and will have to convert to the PRI Service DID rate structure. Initial charges on B-Channel Bearer Trunk Channels are waived for the existing analog trunks that are moved to PRI Service. Any new channels added at the time of conversion to PRI Service will incur initial charges.

When a customer transfers a call, the customer is responsible for any toll charges associated with the customer originated leg(s) of the call.

One 911 charge is applied to each outgoing and 2-way B-Channel Bearer Trunk (per channel).

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SECTION 7 – PRI SERVICE

4. PRI Service Optional Features

The following features are available to PRI Service customers at additional cost.

a. Call-By-Call Service Selection

This feature provides the option for B-Channels to be assigned into a flexible trunk group which can support different call types based on real-time traffic needs. Call-By-Call service selection also allows primary as well as secondary long-distance carriers to be established for the entire trunk group (e.g., Alternate Routing Arrangement).

b. Individual Calling Line Identification (ICLID)

This feature provides customer access to the calling party's number. Feature operation is dependent on customer premise equipment and technology in use at the calling party's serving office. (Similar to the Caller ID feature available on access lines.)

c. Direct Inward Dialing (DID)

This feature provides Direct Inward Dialing to a station. DID Termination rates will apply per B-Channel configured with this option. ISDN Primary Rate Interface Service DID Number Blocks are ordered with DID Terminations on the B-Channels

d. Back-up D-Channel

This feature provides a minimum of three or more Primary Rate Interface Service facilities terminating at the same customer premises to share one primary and one secondary (or Back-up) D-Channel. The number of Primary Rate Interface Service facilities that can be shared by this feature will be based upon the availability of central office and other network facilities, and will be subject to change on a central office by central office basis.

e. Channel Transfer Service

This feature allows the customer to transfer an incoming call to another line and then hang up leaving the other two parties on a two-way call and freeing up the customer's line for another call. The customer will be responsible for toll charges associated with the transferred call. This feature is for digital channels only and is not intended for Integrated Prime Advantage channels used to transport analog, local exchange service.

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SECTION 7 – PRI SERVICE

B. RATES AND CHARGES

1. Base Service

	<u>Initial Charge</u>	<u>MTM</u>	<u>12 Mo.</u>	<u>24 Mo.</u>	<u>36 Mo.</u>	<u>60 Mo.</u>
Primary Rate Facility	\$640.00	\$561.21	\$547.21	\$533.20	\$505.15	\$477.00
B-Channel Bearer Trunks with Flat Rate Service:						
Each Two-Way/ DID Channel	21.00	57.25	49.38	41.50	25.75	24.30
DID Number Blocks:						
Each group of 20 DID Numbers (Note 2)	207.40	4.15	4.15	4.15	4.15	4.15

2. Optional Features

Call-By-Call	150.00	115.00	115.00	115.00	115.00	115.00
ICLID	100.00	115.00	115.00	115.00	115.00	115.00
Call-By-Call and ICLID Combination	200.00	200.00	200.00	200.00	200.00	200.00
Back-Up D-Channel	100.00	50.00	50.00	50.00	50.00	50.00
Channel Transfer Service	100.00	115.00	115.00	115.00	115.00	115.00

Note 2: If multiple DID number blocks are purchased at the same time, Initial Charge applies to the first group of DID numbers only.

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LOCAL SERVICES TARIFF

SECTION 8 – EXCHANGE AREAS

A. SERVICE AREA

Service will be provided in the Commonwealth in the service areas of any local exchange carriers with whom the Company has a resale agreement or interconnection agreement in effect. Services are provided subject to technical availability and compatibility with Customer facilities.

The Company hereby mirrors the Map and Legal Description tariffs of the exchanges, where they have a resale agreement or interconnection agreement, of the Incumbent Local Exchange Carrier to identify its service territory. Any future modifications to these exchange boundaries or legal descriptions of these boundaries will be automatically mirrored by the Company on a going forward basis. If not mirrored, new detailed maps and legal descriptions on an individual exchange basis will be filed with the Commission for approval.

B. CALLING AREAS

Local Calling areas of the Company are the same as the Local Calling Areas specified by the local exchange carrier with whom the Company has a resale agreement or interconnection agreement in effect.

C. EXCHANGES

<u>Exchange</u>	<u>Incumbent Local Exchange Carrier</u>
Nashville	AT&T
Knoxville	AT&T
Memphis	AT&T

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