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July 20, 1998

ORIGINAL

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JUL 21 1998

**VIA OVERNIGHT DELIVERY**

Blanca S. Bayó, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak, Blvd.  
Tallahassee, Florida 32399-0870

980916-TI

Re: Application of PaeTec Communications, Inc., for Authority to  
Provide Alternative Local Exchange Service and  
→ Interexchange Telecommunications Service in Florida

Dear Ms. Bayó:

Enclosed for filing on behalf of PaeTec Communications, Inc. ("PaeTec") please find an original and six (6) copies of PaeTec's above-referenced applications. Also enclosed is a check in the amount of \$500.00 to cover the application filing fees for both applications.

Please date-stamp the extra copy and return it to the undersigned in the enclosed self-addressed, stamped envelope.

Should you have any questions concerning this filing, please do not hesitate to contact us.

Very truly yours,

Check received with filing and forwarded to Fiscal for deposit. Fiscal to forward a copy of check to RAR with proof of deposit.

Initials of person who forwarded check:

AS

Dana Frix, Esq.  
Grace R. Chiu, Esq.

Counsel for PaeTec Communications, Inc.

Enclosures

cc: Richard E. Ottalagana

244033.1

RECEIVED  
DIVISION OF RECORDS AND REPORTING  
JUL 21 1998

ORIGINAL

**BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION**

**PaeTec Communications, Inc.** )  
 )  
 )  
**Application Form for Authority to Provide** )  
**Interexchange Telecommunications** )  
**Service Within the State of Florida** )

Docket No. \_\_\_\_\_

**APPLICATION FORM  
FOR  
AUTHORITY TO PROVIDE  
INTEREXCHANGE TELECOMMUNICATIONS  
SERVICE WITHIN THE STATE OF FLORIDA**

1. Select what type of business your company will be conducting (check all that apply):

- Facilities Based Carrier** - company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.
- Operator Service Provider** - company provides or plans to provide alternative operator services for IXCs; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.
- Reseller** - company has or plans to have one or more switches, but primarily leases the transmission facilities of other carriers. Bills its own customer base for services used.
- Switchless Rebiller** - company has no switch or transmission facilities, but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carrier. Rebills end users at a rate above its discount, but generally below the rate end users would pay for unaggregated traffic.
- Multi-Location Discount Aggregator** - company contracts with unaffiliated entities to obtain bulk/volume discounts under multi-location discount plans from certain underlying carriers, then offers the resold service by enrolling unaffiliated customers.
- Prepaid Debit Card Provider** - any person or entity that purchases 800 access from an underlying carrier or unaffiliated entity for use with prepaid debit card service and/or encodes the cards with personal identification numbers.

2. This is an application for (check one):

**Original Authority (New company).**

**Approval of Transfer (To another certificated company).**

**Approval of Assignment of Existing Certificate (To a noncertificated company).**

**Approval for Transfer of Control (To another certificated company).**

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

**PaeTec Communications, Inc.**

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

**PaeTec Communications, Inc.**

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

**PaeTec Communications, Inc.**

**290 Woodcliff Drive**

**Fairport, NY 14450**

**(716) 340-2500 (Tel)**

**(716) 385-8994 (Fax)**

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

**PaeTec does not currently have a mailing address in Florida.**

7. Structure of organization; check which applies.

- |                                     |                     |                          |                     |
|-------------------------------------|---------------------|--------------------------|---------------------|
| <input type="checkbox"/>            | Individual          | <input type="checkbox"/> | Corporation         |
| <input checked="" type="checkbox"/> | Foreign Corporation | <input type="checkbox"/> | Foreign Partnership |
| <input type="checkbox"/>            | General Partnership | <input type="checkbox"/> | Limited Partnership |
| <input type="checkbox"/>            | Other, _____        |                          |                     |

8. If applicant is an individual or partnership, please give name, title, and address of sole proprietor or partners.

**Not applicable.**

- (a) Provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable.
- (b) Indicate if the individual or any of the partners have previously been:
- (1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings.
  - (2) officer, director, partner, or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.



9. If incorporated, please give:

- (a) Proof from the Florida Secretary of State that the applicant has authority to operate in Florida.

**A copy of applicants certificate of authority to transact business in the State of Florida as a foreign corporation is attached hereto as Exhibit 1.**

Corporation charter number: F98000003605

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

**HIQ Corporate Services, Inc.  
526 East Park Avenue  
Tallahassee, FL 32301**

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

Fictitious name registration number: **Not Applicable.**

- (d) Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

- (1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings.

**None.**

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

**Arunas A. Chesonis, President and CEO of PaeTec, was formerly the President of ACC Long Distance Corp. Mr. Chesonis left ACC to form PaeTec Communications, Inc.**

**Richard E. Ottalagana, Executive Vice President of PaeTec, was formerly Vice President and General Manager of ACC Corp. Mr. Ottalagana left ACC to form PaeTec Communications, Inc.**

**Jack Baron, Regional President, North, of PaeTec, was formerly Vice President of Sales and Customer Service for ACC TeleCom's U.S. Operations. Mr. Baron left ACC to form PaeTec Communications, Inc.**

**Daniel J. Venuti, Executive Vice President, Secretary, and General Counsel of PaeTec, was Vice President and General Counsel for ACC TeleCom. Mr. Venuti left ACC to form PaeTec Communications, Inc.**

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

(a) The Application:

**Dana Frix, Esq.  
Grace R. Chiu, Esq.  
Swidler & Berlin, Chartered  
3000 K Street, N.W., Suite 300  
Washington, D.C. 20007  
(202) 424-7500 (Tel)  
(202) 424-7645 (Fax)**

With a copy to:

**Richard Ottalagana  
Executive Vice President  
PaeTec Communications, Inc.  
290 Woodcliff Drive  
Fairport, NY 14450  
(716) 340-2500 (Tel)  
(716) 385-8994 (Fax)**

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

**J.T. Ambrosi  
Manager of Regulatory Affairs  
PaeTec Communications, Inc.  
290 Woodcliff Drive  
Fairport, NY 14450  
(716) 340-2500 (Tel)  
(716) 385-8994 (Fax)**

- (c) Tariff:

**J.T. Ambrosi  
Manager of Regulatory Affairs  
PaeTec Communications, Inc.  
290 Woodcliff Drive  
Fairport, NY 14450  
(716) 340-2500 (Tel)  
(716) 385-8994 (Fax)**

- (d) Complaints/Inquiries from customers:

**Molly Korndoerfer  
Director of Customer Services  
PaeTec Communications, Inc.  
290 Woodcliff Drive  
Fairport, NY 14450  
(716) 340-2500 (Tel)  
(716) 385-8994 (Fax)**

11. List the states in which the applicant:

- (a) Has operated as an interexchange carrier.

**PaeTec Communications, Inc., has not yet begun operations in any state as an interexchange carrier.**

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

**Applicant has pending application for certification to resell intrastate interexchange services in Florida, Maryland, Massachusetts, New Jersey, and New York.**



- (c) Is certificated to operate as an interexchange carrier.

**Applicant is not currently authorized to provide resold intrastate interexchange services, by virtue of certification, registration or tariff requirements, or on an unregulated basis, in any states.**

- (d) Has been denied authority to operate as an interexchange carrier and the circumstances involved.

**None.**

- (e) Has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.

**None.**

- (f) Has been involved in civil court proceedings with an interexchange carrier, local exchange company, or other telecommunications entity and the circumstances involved.

**None.**

12. What services will the applicant offer to other certificated telephone companies:

- |                                     |                        |                          |           |
|-------------------------------------|------------------------|--------------------------|-----------|
| <input checked="" type="checkbox"/> | Facilities             | <input type="checkbox"/> | Operators |
| <input checked="" type="checkbox"/> | Billing and Collection | <input type="checkbox"/> | Sales     |
| <input type="checkbox"/>            | Maintenance            |                          |           |
| <input type="checkbox"/>            | Other _____            |                          |           |

13. Do you have a marketing program?

**PaeTec intends to market its services to both residential and commercial customers. These services will be marketed through direct mail campaigns and in-person solicitations.**

14. Will your marketing program:

- |                                     |                                     |
|-------------------------------------|-------------------------------------|
| <input checked="" type="checkbox"/> | Pay commissions?                    |
| <input type="checkbox"/>            | Offer sales franchises?             |
| <input type="checkbox"/>            | Offer multi-level sales incentives? |
| <input checked="" type="checkbox"/> | Offer other sales incentives?       |

15. Explain any of the offers checked in question 14 (to whom, what amount, type of franchise, etc.).

**Sales commissions will be paid to employees or authorized agents as incentives.**

16. Who will receive the bills for your services (check all that apply)?

- |                                     |                       |                                     |                           |
|-------------------------------------|-----------------------|-------------------------------------|---------------------------|
| <input checked="" type="checkbox"/> | Residential Customers | <input checked="" type="checkbox"/> | Business Customers        |
| <input type="checkbox"/>            | PATS Providers        | <input type="checkbox"/>            | PATS Station End-Users    |
| <input type="checkbox"/>            | Hotels and Motels     | <input type="checkbox"/>            | Hotel and Motel Guests    |
| <input type="checkbox"/>            | Universities          | <input type="checkbox"/>            | Univ. Dormitory Residents |
| <input type="checkbox"/>            | Other, _____          |                                     |                           |

17. Please provide the following (if applicable):

- (a) Will the name of your company appear on the bill for your services, and, if not, who will the billed party contact to ask questions about the bill (provide name and phone number) and how is this information provided?

**Yes, PaeTec's name will appear on the bills sent to customers.**

- (b) Name and address of the firm who will bill for your services.

**PaeTec will bill customers directly for its services.**

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

- A. Financial capability.

Regarding the showing of financial capability, the following applies: The application should contain the applicant's financial statements for the most recent 3 years, including:

1. the balance sheet
2. income statement
3. statement of retained earnings.

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

1. Please provide documentation that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.
2. Please provide documentation that the applicant has sufficient financial capability to maintain the requested service.
3. Please provide documentation that the applicant has sufficient financial capability to meet its lease or ownership obligations.

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

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

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

**See Exhibit 2.**

- B. Managerial capability.

**See Exhibit 3.**

- C. Technical capability.

**See Exhibit 3.**

19. Please submit the proposed tariff under which the company plans to begin operation. Use the format required by Commission Rule 25-24.485 (example enclosed).

**PacTec's proposed interexchange tariff is appended hereto as Exhibit 4.**

20. The applicant will provide the following interexchange carrier services (check all that apply):

**Applicant is seeking authority to provide all forms of interexchange services on a resale basis.**

- MTS with distance sensitive per minute rates**
- Method of access is FGA
- Method of access is FGB
- Method of access is FGD
- Method of access is 800
  
- MTS with route specific rates per minute**
- Method of access is FGA
- Method of access is FGB
- Method of access is FGD
- Method of access is 800
  
- MTS with statewide flat rates per minute (i.e., not distance sensitive)**
- Method of access is FGA
- Method of access is FGB
- Method of access is FGD
- Method of access is 800
  
- MTS for pay telephone service providers**
  
- Block-of-time calling plan (Reach Out Florida, Ring America, etc.)**
  
- 800 Service (Toll free)**
  
- WATS-type Service (bulk or volume discount) [PLEASE COMPLETE]**
- Method of access is via dedicated facilities
- Method of access is via switched facilities
  
- Private Line Services (Channel Services)**  
(i.e., 1.544 mbs., DS-3, etc.)

- Travel Service**
- Method of access is 950
- Method of access is 800
  
- 900 Service**
  
- Operator Services**
- Available to presubscribed customers
- Available to non-presubscribed customers (*i.e.*, to patrons of hotels, students in universities, patients in hospitals)
- Available to inmates

**Services included are:**

- Station assistance
- Person-to-Person assistance
- Directory assistance
- Operator verify and interrupt
- Conference calling

21. What does the end-user dial for each of the interexchange carrier services that were checked in services included (above)?

**The end-user will dial either "1" or an 800/888/877 number to access these services.**


22.  Other: Not Applicable



**\*\* APPLICANT ACKNOWLEDGMENT STATEMENT \*\***

- 1 **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of its gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
- 2 **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
- 3 **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
- 4 **APPLICATION FEE:** A non-refundable application fee of \$250.00 must be submitted with the application.
- 5 **RECEIPT AND UNDERSTANDING OF RULES:** I acknowledge receipt and understanding of the Florida Public Service Commission's Rules and Orders relating to my provision of interexchange telephone service in Florida. I also understand that it is my responsibility to comply with all current and future Commission requirements regarding interexchange telephone service.
- 6 **ACCURACY OF APPLICATION:** By my signature below, I, the undersigned owner or officer of the named utility in the application, attest to the accuracy of the information contained in this application and associated attachments. I have read the foregoing and declare that, to the best of my knowledge and belief, the information is a true and correct statement. Further, I am aware that, pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775-083."

**UTILITY OFFICIAL:**

  
Richard Ottalagans  
Executive Vice President  
PaeTec Communications, Inc.

7-15-98  
Date  
(716) 340-2500  
Telephone Number

## **APPENDICES**

<b>APPENDIX A</b>	<b>CERTIFICATE TRANSFER STATEMENT (NOT APPLICABLE)</b>
<b>APPENDIX B</b>	<b>CUSTOMER DEPOSITS AND ADVANCE PAYMENTS</b>
<b>APPENDIX C</b>	<b>INTRASTATE NETWORK</b>
<b>APPENDIX D</b>	<b>FLORIDA TELEPHONE EXCHANGES AND EAS ROUTES</b>

## **EXHIBITS**

<b>EXHIBIT 1</b>	<b>CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS</b>
<b>EXHIBIT 2</b>	<b>FINANCIAL QUALIFICATIONS</b>
<b>EXHIBIT 3</b>	<b>MANAGERIAL AND TECHNICAL QUALIFICATIONS</b>
<b>EXHIBIT 4</b>	<b>PROPOSED INTEREXCHANGE TARIFF</b>

**\*\* APPENDIX A \*\***

**CERTIFICATE TRANSFER STATEMENT**

Not applicable.

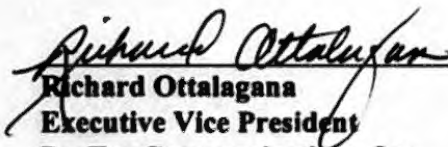
**\*\* APPENDIX B \*\***

**CUSTOMER DEPOSITS AND ADVANCE PAYMENTS**

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

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

**UTILITY OFFICIAL:**

  
**Richard Ottalagana**  
**Executive Vice President**  
**PaeTec Communications, Inc.**

7-15-58  
Date

(716) 340-2500  
Telephone Number

**\*\* APPENDIX C \*\***

**INTRASTATE NETWORK**

**PaeTec has not installed any equipment, plant, or facilities in the State of Florida. However, it does intend to install a switch in Miami, Florida. In addition, as a resale carrier, PaeTec will provide service over facilities leased from other carriers, the selection of which will be based on its analysis of facility cost, suitability, and quality of service.**

**1 POP: Addresses where located, and indicate if owned or leased.**

1) 100 Biscayne Blvd. 2)  
Miami, Florida (owned)

3) 4)

**2 SWITCHES: Addresses where located, by type of switch, and indicate if owned or leased.**

1) 100 Biscayne Blvd. 2)  
Miami, Florida (owned)

3) 4)

**3 TRANSMISSION FACILITIES: POP-to-POP facilities by type of facilities (microwave, fiber, copper, satellite, etc.) and indicate if owned or leased.**

<u>POP-to-POP</u>	<u>TYPE</u>	<u>OWNERSHIP</u>
1)	All	Leased
2)		



**\*\* APPENDIX C \*\***

**INTRASTATE NETWORK (continued)**

- 4 **ORIGINATING SERVICE:** Please provide the list of exchanges where you are proposing to provide originating service within thirty (30) days after the effective date of the certificate (Appendix D).

**PaeTec seeks authority to originate interexchange telecommunications service throughout the State of Florida.**

- 5 **TRAFFIC RESTRICTIONS:** Please explain how the applicant will comply with the EAEA requirements contained in Commission Rule 25-24.471(4)(a) (copy enclosed).

**PaeTec proposes to provide interexchange service on a resale basis. The certificated carriers from which PaeTec will purchase services for resale will be responsible for complying with Commission Rule 25-24.471(4)(a). PaeTec will only provide intraLATA toll services to end users who dial PaeTec's access code (either 950, 800, or 10XXX).**

- 6 **CURRENT FLORIDA INTRASTATE SERVICES:** Applicant has ( ) or has not (X) previously provided intrastate telecommunications in Florida. If the answer is has, fully describe the following:

- a) What services have been provided and when did these services begin?
- b) If the services are not currently offered, when were they discontinued?

**UTILITY OFFICIAL:**

  
**Richard Ottalagana**  
**Executive Vice President**  
**PaeTec Communications, Inc.**

7-15-98  
Date

(716) 340-2500  
Telephone Number

**\*\* APPENDIX D \*\***

**FLORIDA TELEPHONE EXCHANGES AND EAS ROUTES**

Describe the service area in which you hold yourself out to provide service by telephone company exchange. If all services listed in your tariff are not offered at all locations, so indicate.

In an effort to assist you, attached is a list of major exchanges in Florida showing the small exchanges with which each has extended area service (EAS).

**\*\* FLORIDA EAS FOR MAJOR EXCHANGES \*\***

<u>Extended Service Area</u>	<u>with</u>	<u>These Exchanges</u>
PENSACOLA:		Cantonment, Gulf Breeze Pace, Milton Holley-Navarre.
PANAMA CITY:		Lynn Haven, Panama City Beach, Youngstown-Fountain and Tyndall AFB.
TALLAHASSEE:		Crawfordville, Havana, Monticello, Panacea, Sopchoppy and St. Marks.
JACKSONVILLE:		Baldwin, Ft. George, Jacksonville Beach, Callahan, Maxville, Middleburg, Orange Park, Ponte Vedra and Julington.
GAINESVILLE:		Alachua, Archer, Brooker, Hawthorne, High Springs, Melrose, Micanopy, Newberry and Waldo.
OCALA:		Belleview, Citra, Dunnellon, Forest Lady Lake (B21), McIntosh, Oklawaha, Orange Springs, Salt Springs and Silver Springs Shores.
DAYTONA BEACH:		New Smyrna Beach.

**\*\* APPENDIX D \*\***

**FLORIDA TELEPHONE EXCHANGES AND EAS ROUTES (continued)**

<b>TAMPA:</b>	Central None East North South West	Plant City Zephyrhills Palmetto Clearwater
<b>CLEARWATER:</b>	St. Petersburg, Tampa-West and Tarpon Springs.	
<b>ST. PETERSBURG:</b>	Clearwater.	
<b>LAKELAND:</b>	Bartow, Mulberry, Plant City, Polk City and Winter Haven.	
<b>ORLANDO:</b>	Apopka, East Orange, Lake Buena Vista, Oviedo, Windermere, Winter Garden, Winter Park, Montverde, Reedy Creek and Oviedo-Winter Springs.	
<b>WINTER PARK:</b>	Aopoka, East Orange, Lake Buena Vista, Orlando, Oviedo, Sanford, Windermere, Winter Garden, Oviedo-Winter Springs Reedy Creek, Geneva and Montverde.	
<b>TITUSVILLE:</b>	Cocoa and Cocoa Beach.	
<b>COCOA:</b>	Cocoa Beach, Eau Gallie, Melbourne and Titusville.	
<b>MELBOURNE:</b>	Cocoa, Cocoa Beach, Eau Gallie and Sebastian.	
<b>SARASOTA:</b>	Bradenton, Myakka and Venice.	

**\*\* APPENDIX D \*\***

**FLORIDA TELEPHONE EXCHANGES AND EAS ROUTES (continued)**

FT. MYERS:	Cape Coral, Ft. Myers Beach, North Cape Coral, North Ft. Myers, Pine Island, Lehigh Acres and Sanibel-Captiva Islands
NAPLES:	Marco Island and North Naples.
WEST PALM BEACH:	Boynton Beach and Jupiter.
POMPANO BEACH:	Boca Raton, Coral Springs, Deerfield Beach and Ft. Lauderdale
FT. LAUDERDALE:	Coral Springs, Deerfield Beach, Hollywood and Pompano Beach.
HOLLYWOOD:	Ft. Lauderdale and North Dade.
NORTH DADE:	Hollywood, Miami and Perrine.
MIAMI:	Homestead, North Dade and Perrine.

**PaeTec seeks authority to originate interexchange telecommunications services throughout the State of Florida at the rates identified in its proposed tariff attached hereto as Exhibit 4.**

**UTILITY OFFICIAL:**

  
**Richard Ottalagana**  
**Executive Vice President**  
**PaeTec Communications, inc.**

7-15-98  
Date

(716) 340-2500  
Telephone Number

**EXHIBIT 1**

**Certificate of Authority to Transact Business**





**FLORIDA DEPARTMENT OF STATE**  
**Sandra B. Mortham**  
**Secretary of State**

June 24, 1998

Qualification documents for PAETEC COMMUNICATIONS, INC. were filed on June 24, 1998 and assigned document number F98000003605. Please refer to this number whenever corresponding with this office.

Your corporation is now qualified and authorized to transact business in Florida as of the file date.

A corporation annual report will be due this office between January 1 and May 1 of the year following the calendar year of the file date. A Federal Employer Identification (FEI) number will be required before this report can be filed. If you do not already have an FEI number, please apply NOW with the Internal Revenue by calling 1-800-829-3676 and requesting form SS-4.

Please be aware if the corporate address changes, it is the responsibility of the corporation to notify this office.

Should you have any questions regarding this matter, please telephone (850) 487-6091, the Foreign Qualification/Tax Lien Section.

Jennifer Sindt  
Document Examiner  
Division of Corporations

Letter Number: 398A00034786

**APPLICATION BY FOREIGN CORPORATION FOR AUTHORIZATION  
TO TRANSACT BUSINESS IN FLORIDA**

*IN COMPLIANCE WITH SECTION 607.1503, FLORIDA STATUTES, THE FOLLOWING IS SUBMITTED TO REGISTER A FOREIGN CORPORATION TO TRANSACT BUSINESS IN THE STATE OF FLORIDA:*

1. PAETEC COMMUNICATIONS, INC.  
(Name of corporation: must include the word "INCORPORATED", "COMPANY", "CORPORATION" or words or abbreviations of like import in language as will clearly indicate that it is a corporation instead of a natural person or partnership if not so contained in the name at present.)
2. DELAWARE 3. 16-1661008  
(State or country under the law of which it is incorporated) (FEI number, if applicable)
4. 5/28/88 5. PERPETUAL  
(Date of Incorporation) (Duration: Year corp. will cease to exist or "perpetual")
6. UPON ACCEPTANCE  
(Date first transacted business in Florida. (SEE SECTIONS 607.1501, 607.1502, AND 817.155, F.S.))
7. 290 WOODCLIFF DRIVE  
FAIRPORT NY 14450  
(Current mailing address)
8. TO PROVIDE TELECOMMUNICATIONS SERVICES  
(Purpose(s) of corporation authorized in home state or country to be carried out in the state of Florida)
9. Name and street address of Florida registered agent: (P.O. Box or Mail Drop Box NOT acceptable)  
Name: HQ CORPORATE SERVICES, INC.  
Office Address: 526 EAST PARK AVENUE,  
TALLAHASSEE, Florida, 32301  
(Zip Code)

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SECRETARY OF STATE  
DIVISION OF CORPORATIONS  
98 JUN 24 PM 3:27

**10. Registered agent's acceptance:**

*Having been named as registered agent and to accept service of process for the above stated corporation at the place designated in this application, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.*

BY: *Rhyanne D. Menides*, SECRETARY  
(Registered agent's signature)

11. Attached is a certificate of existence duly authenticated, not more than 90 days prior to delivery of this application to the Department of State, by the Secretary of State or other official having custody of corporate records in the jurisdiction under the law of which it is incorporated.

12. Names and addresses of officers and/or directors: (Street address ONLY- P. O. Box NOT acceptable)  
A. DIRECTORS (Street address only- P. O. Box NOT acceptable)

Chairman: SEE ATTACHED

Address: \_\_\_\_\_

Vice Chairman: \_\_\_\_\_

Address: \_\_\_\_\_

Director: \_\_\_\_\_

Address: \_\_\_\_\_

Director: \_\_\_\_\_

Address: \_\_\_\_\_

B. OFFICERS (Street address only- P. O. Box NOT acceptable)

President: SEE ATTACHED

Address: \_\_\_\_\_

Vice President: \_\_\_\_\_

Address: \_\_\_\_\_

Secretary: \_\_\_\_\_

Address: \_\_\_\_\_

Treasurer: \_\_\_\_\_

Address: \_\_\_\_\_

FILED  
SECRETARY OF STATE  
DIVISION OF CORPORATIONS  
98 JUN 24 PM 3:27

NOTE: If necessary, you may attach an addendum to the application listing additional officers and/or directors.

13. 

(Signature of Chairman, Vice Chairman, or any officer listed in number 12 of the application)

14. RICHARD DITALAGANA PRESIDENT

(Typed or printed name and capacity of person signing application)

## **EXHIBIT 2**

### **Financial Qualifications**

PaeTec has access to the financing and capital necessary to conduct the telecommunications operations as specified in this Application. PaeTec will rely upon its existing personnel and technological and financial resources to provide intrastate services; accordingly no additional investment will be needed to offer the proposed services.

As a recently incorporated telecommunications company, PaeTec currently does not have financial statements. Accordingly, in lieu thereof, PaeTec submits its *pro forma* financial statements, which indicate that as of August 31, 1998, PaeTec will have current assets of \$19.1 million, which will exceed current liability of \$160,000, providing working capital of \$18.94 million. With access to these substantial financial resources, PaeTec is financially well-qualified to provide the telecommunications services proposed in this Application. Attached hereto are Applicant's *pro forma* financial statements. This exhibit is offered to demonstrate Applicant's financial ability to provide the proposed service.

**PaeTec Communications, Inc.**

**Pro Forma Balance Sheet as of August 31, 1998**

**Assets**

Cash & Equivalents	\$	17,700,000
Accounts Receivable	\$	100,000
Equipment	\$	<u>1,300,000</u>
Total Assets	\$	<u>19,100,000</u>

**Liabilities and Capital**

Accounts Payable	\$	160,000
Long Term Debt	\$	-
Total Liabilities	\$	<u>160,000</u>
Paid Capital	\$	20,000,000
Retained Earnings	\$	<u>(1,080,000)</u>
Total Capital	\$	<u>18,940,000</u>
Total Liabilities and Capital	\$	<u>19,100,000</u>



**EXHIBIT 3**

**Managerial and Technical Qualifications**

**Managerial and Technical Qualifications of  
Key Personnel for PaeTec Communications, Inc.**

**Arunas A. Chesonis  
President and Chief Executive Officer**

Arunas A. Chesonis, 36, is the President and Chief Executive Officer of PaeTec Communications, Inc.

Formerly with ACC Corp. the parent company for all ACC-owned operations in the United States, Canada, Germany, and the United Kingdom Mr. Chesonis was also President and Chief Operating Officer for ACC Global Corp. which coordinated all purchasing and network optimization for international terminations and fiber capacity for ACC worldwide.

Mr. Chesonis joined ACC in May, 1987 as Vice President of Operations for the U.S. business unit. In January, 1989, he was named President of ACC Long Distance Corp. (U.S.). He has also been President of ACC's Canadian operations and Managing Director of ACC's UK enterprise primarily during the initial startup years. Prior to joining ACC, he held various positions within Rochester Telephone Corporation, now Frontier Corporations.

Mr. Chesonis holds a B.S. in Civil Engineering from MIT and an MBA from the University of Rochester. In 1995, he received the Rochester Business Journal "Forty Under 40" award. In 1997, he received the Rosenthal Award for Innovation in Modern Finance from the Simon School at the University of Rochester. He is an active board member of Compeer, Inc. and the Humane Society of Monroe County.

Mr. Chesonis lives in Victor, New York with his wife, Pamela, and their three children, Adam, Erik and Tessa.

**Joseph D. Ambersley  
Regional President (South)**

Joseph D. Ambersley has been working in the telecommunications industry for the past sixteen years beginning in 1983 with Microtel, Inc. in Boca Raton, FL. He served as vice President of Carrier Sales for ATC/Microtel, and for the past seven years has been Vice President of Carrier Sales at National Tel of Florida.

Mr. Ambersley was elected to the Board of Directors of ACTA, one of the national trade associations representing interexchange carriers, and served from 1995 to 1998. He has been the secretary/treasurer of the Associated Communications Companies of America (ACCA) for the past five years.

Mr. Ambersley received a Bachelor of Science Degree from Florida State University in 1972 and a Masters Degree from Rollins College in 1976. Prior to 1983, Joseph was the Athletic Director at the University of West Florida in Pensacola

**Jack Baron**  
**Regional President (North)**

Jack joins PaeTec Communications, Inc. with over 14 years management experience including 7 years in telecom sales and customer service management. Most recently, Jack served as Vice President of Sales and Customer Service for ACC TeleCom's US operations. In just under 3 years, Jack's commercial sales teams grew annual revenues from \$30 Million to over \$100 Million, and successfully transitioned ACC from plain vanilla long distance sales and service to a comprehensive product offering of long distance, local, internet and data services. During his tenure with ACC, in addition to US sales, Jack managed Account Development, Customer Service, Sales Support, Information Processing, University Sales and Service, and Marketing.

Prior to joining ACC in 1995, Jack served as President of ETI Technical College - a 4 year engineering college in Cleveland, Ohio. While there Jack had full profit and loss responsibility and returned the college to profitability following \$1 Million in annual losses prior to his arrival in 1992.

Jack was Vice President of Corporate Sales and Telephonic Banking at Goldome Bank through the late 80s and early 90s, managing 114 people comprising the bank's largest and most profitable sales and customer service groups. Jack was a regional manager for Allnet Communications for all of Western New York State and Pennsylvania from 1983 to 1987.

Jack has an MBA from Syracuse University with a concentration in marketing where he graduated summa cum laude. He has a BS in Neuroscience from the University of Rochester.

Jack lives in Fairport with his wife Lisa and their two daughters, Jessica and Lauren.

**Richard Ottalagana**  
**Executive Vice President**

Richard Ottalagana, 55, has over 30 years experience in the telecommunications industry. Dick began his career in telecommunications working summers as a central office installer for Stromberg-Carlson while attending Rider University. After his discharge from the Army, Dick worked for approximately 2 years with GTE as an auditor before joining Rochester Telephone Corp (now Frontier) in 1972. While at Rochester Telephone he held managerial positions in virtually all disciplines over a 20 year span, including sales, operations, engineering, labor relations, operator services, regulatory, accounting and finance.

Dick joined ACC Corp in 1993 as Director of Business Development where his primary duty was to develop a business plan for that company to enter the local exchange marketplace as a competitive local exchange carrier ("CLEC"). With approval of that plan by ACC's Board of Directors, Dick

was promoted to Vice President and General Manager where he had overall responsibility to develop and implement the local exchange plan. Primarily under Dick's leadership, the CLEC subsidiary became the first profitable CLEC in the United States with annualized revenues of approximately \$60 million at the end of 1997. Because of his daily involvement, the CLEC became both net income and cash flow positive approximately three years ahead of the expected results in the business plan.

Dick holds a bachelor degree in accounting and has numerous technical telecommunications courses to his credit. He serves as Chairman of the Board to the Summit Federal Credit Union. Dick is active in a variety of community activities in Rochester, New York where he resides with his wife, Jean and daughter Lynne.

**Richard J. Padulo**  
**Executive Vice President of Engineering & Operation**

Dick Padulo is joining PaeTec Communications with over 34 years of experience in the telecommunications industry. Dick started his career in the U.S. Army as a communications specialist. From there, Dick was employed at Rochester Telephone Co., now known as Frontier Communications. His technical experience includes central office switching, operations and teaching switch center operations and management.

In 1992, Dick joined ACC TeleCom as the Director of Operations where he assisted in the management of the long distance operations in the United States and Canada.

In 1994, Dick assisted in the start up of ACC's local telephone subsidiary, ACC National Telecom, where he assisted with the business planning and assumed the position of Director of Operations and Engineering. He was also involved in building six switch sites and networks for the core of the business.

Dick has received several certificates and certifications for various seminars and training facilities.

Dick resides in Rochester, N.Y. with his wife, Mary and they have 2 children.

**Daniel J. Venuti**  
**Executive Vice President, Secretary and General Counsel**

Dan Venuti, 38, comes to PaeTec Communications with over 14 years experience in corporate legal matters, with a concentration in telecommunications law. Prior to joining PaeTec, Dan served as Vice President and General Counsel for ACC TeleCom in Rochester, New York, with responsibility for all of ACC's United States legal and regulatory operations. Dan joined ACC in 1994 and actively supported all aspects of ACC's long distance, CLEC, internet, and data services product offerings. He also successfully guided ACC's publicly traded parent company, ACC Corp., through a number of acquisitions, financing transactions, and secondary stock offerings.

Prior to assuming the General Counsel role at ACC, Dan spent just under 10 years in private practice



with Bond, Schoeneck, & King, the largest law firm in Central New York. Dan built a successful general corporate practice serving the various needs of the business community, while also developing a specialized practice focusing on telecommunications-related matters.

Dan holds a J.D. from the State University of New York at Buffalo School of Law, where he graduated Magna Cum Laude. He also has a B.A., Magna Cum Laude, from Syracuse University. Dan is a member of the American Corporate Counsel Association, the Federal Communications Bar Association, the New York State Bar Association, and the Onondaga County Bar Association.

Dan resides in Solvay, New York with his wife, Paulette, and their three children, Brian, Kimberly, and Gina.

**Tim Bancroft**  
**Vice President of Finance**

Mr. Bancroft joins PaeTec with over 25 years of experience in the communications industry, having held a variety of pertinent positions with Frontier Corporation and most recently, as the Vice President of Finance of a subsidiary of Citizens Communications. His diverse experience includes marketing, strategic business planning, mergers and acquisitions in addition to a traditional corporate finance role and perspective.

Mr. Bancroft's career accomplishments include the completion of a \$40 million debt financing for Frontier's long distance subsidiary, leadership of marketing initiatives and competitive bid proposals that gained and retained key customers, and the successful negotiation of strategic interconnection and partnering agreements with industry players.

Tim holds a Bachelor of Science degree in Business Administration from the Rochester Institute of Technology and participates as a parks and recreation commissioner in the community of Perinton.

Tim resides in Fairport with his wife and family.

**EXHIBIT 4**

**Proposed Interexchange Tariff**



**TITLE SHEET**

**RESALE TELECOMMUNICATIONS SERVICES**

This tariff applies to the resold long distance interexchange telecommunications services furnished by PaeTec Communications, Inc. ("Carrier") between one or more points in the State of Florida. This tariff is on file with the Florida Public Service Commission, and copies may be inspected, during normal business hours, at Carrier's principal place of business, 290 Woodcliff Drive, Fairport, New York 14450.

Check received with filing and  
forwarded to Fiscal for deposit.  
Fiscal to forward a copy of check  
to RAR with proof of deposit.

Initials of person who forwarded check:  
A.S.

RECEIVED  
FLORIDA PUBLIC  
SERVICE COMMISSION  
98 JUL 21 AM 10:23  
MAIL ROOM

Issued: July 21, 1998

Effective:

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PaeTec Communications, Inc.  
290 Woodcliff Drive  
Fairport, New York 14450

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**CHECK SHEET**

The sheets of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

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

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Fairport, New York 14450**

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**SYMBOLS**

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

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

**TARIFF FORMAT**

- A. **Sheet Numbering** - Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. **Sheet Revision Numbers** - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc. the Commission follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff page in effect.

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**TARIFF FORMAT (Cont'd)**

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

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

- D. **Check Sheets** - When a tariff filing is made with the Commission, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (\*). There will be no other symbols used on the check sheet if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the Commission.

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**SECTION 1. TECHNICAL TERMS AND ABBREVIATIONS**

**Access Line** - An arrangement from a local exchange telephone company or other common carrier, using either dedicated or switched access, which connects a Subscriber's location to Carrier's location or switching center.

**Authorization Code** - A numerical code, one or more of which may be assigned to a Subscriber, to enable Carrier to identify the origin of service User so it may rate and bill the call. All authorization codes shall be the sole property of Carrier and no Subscriber shall have any property or other right or interest in the use of any particular authorization code. Automatic numbering identification (ANI) may be used as or in connection with the authorization code.

**Automatic Numbering Identification (ANI)** - A type of signaling provided by a local exchange telephone company which automatically identifies the local exchange line from which a call originates.

**Calling Card** - A postpaid or prepaid calling card issued by Carrier which allows Subscribers and/or Users to make telephone calls and charge the calls to a postpaid or prepaid account. Calls charged to a Carrier-issued postpaid Calling Card will appear on the Subscriber's regular monthly bill. Calls charged to a Carrier-issued prepaid Calling Card will be charged against the debit account.

**Carrier or Company** - Refers to PaeTec Communications, Inc.

**Commission** - Refers to the Florida Public Service Commission.

**Common Carrier** - A company or entity providing telecommunications services to the public.

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**SECTION 1. TECHNICAL TERMS AND ABBREVIATIONS (Cont'd)**

**Local Access and Transport Area (LATA)** - The term "Local Access Transport Area" denotes a geographical area established by the U.S. District Court for the District of Columbia in Civil Action No. 82-0192, within which a local exchange company provides communications services.

**Measured Charge** - A charge assessed on a per minute basis in calculating a portion of the charges due for a completed interexchange call.

**Subscriber/Customer** - The person or legal entity which enters into arrangements for Carrier's telecommunications services and is responsible for payment of Carrier's services.

**Telecommunications** - The transmission of voice communications or, subject to the transmission capabilities of the service, the transmission of data, facsimile, signaling, metering, or other similar communications.

**Term** - The timeframe by which the Subscriber agrees to be served by the Carrier.

**User** - The person(s) utilizing Carrier's services.

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**SECTION 2. RULES AND REGULATIONS****2.1 Application of Tariff**

- 2.1.1 This tariff contains the regulations and rates applicable to intrastate resale telecommunications services provided by Carrier for telecommunications between points within the State of Florida. Carrier's services are furnished subject to the availability of facilities and subject to the terms and conditions of this tariff.
- 2.1.2 The rates and regulations contained in this tariff apply only to the services furnished by Carrier and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carrier for use in accessing the services of Carrier.
- 2.1.3 The Subscriber is entitled to limit the use of Carrier's services by Users at the Subscriber's facilities, and may use other common carriers in addition to or in lieu of Carrier.
- 2.1.4 At the option of the Company, service may be offered on a contract basis to meet specialized requirements of the Customer not contemplated in this tariff as approved by the Florida Public Service Commission. The terms of each contract shall be mutually agreed upon between the Customer and Company and may include discounts off of rates contained herein, waiver of recurring or nonrecurring charges, charges for specially designed and constructed services not contained in the Company's general service offerings, or other customized features. The terms of the contract may be based partially or completely on the term and volume commitment, type of originating or terminating access, mixture of services or other distinguishing features. Service shall be available to all similarly situated Customers for a fixed period of time following the initial offering for the first contract Customer as specific in each individual contract.

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**SECTION 2. RULES AND REGULATIONS (Cont'd)**

**2.2 Use of Services**

- 2.2.1 Carrier's services may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of services.
- 2.2.2 The use of Carrier's services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another or in such a way as to unreasonably interfere with use by others is prohibited.
- 2.2.3 The use of Carrier's services without payment for service or attempting to avoid payment for service by fraudulent means or devices, schemes, false or invalid numbers, or false calling or credit cards is prohibited.
- 2.2.4 Carrier's services are available for use twenty-four (24) hours per day, seven (7) days per week.
- 2.2.5 Carrier does not transmit messages pursuant to this tariff, but its services may be used for that purpose.
- 2.2.6 Carrier's services may be denied for nonpayment of charges or for other violations of this tariff.
- 2.2.7 Carrier's services may be denied for any use by Customer which is illegal, or poses an undue risk or liability to Carrier, or is obtained through fraud or wilful misrepresentation.

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**SECTION 2. RULES AND REGULATIONS (Cont'd)**

**2.3 Liability of Carrier**

- 2.3.1** Except as otherwise stated in this section, the liability of Carrier for damages arising out of either: (1) the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these services, or (2) the failure to furnish its service, whether caused by acts or omission, shall be limited to the extension of allowances to the Customer for interruptions in service as set forth in Section 2.5.
- 2.3.2** Except for the extension of allowances to the Customer for interruptions in service as set forth in Section 2.5, Carrier shall not be liable to a Customer or third party for any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages, including, but not limited to, loss of revenue or profits, for any reason whatsoever, including, but not limited to, any act or omission, failure to perform, delay, interruption, failure to provide any service or any failure in or breakdown of facilities associated with the service.
- 2.3.3** The liability of Carrier for errors in billing that result in overpayment by the Customer shall be limited to a credit equal to the dollar amount erroneously billed or, in the event that payment has been made and service has been discontinued, to a refund of the amount erroneously billed.

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**SECTION 2. RULES AND REGULATIONS (Cont'd)**

**2.3 Liability of Carrier (Cont'd)**

**2.3.4 Carrier shall not be liable for any claims for loss or damages involving:**

- A. Any act or omission of: (1) the Customer, (2) any other entity furnishing service, equipment or facilities for use in conjunction with services or facilities provided by Carrier; or (3) common carriers or warehousemen;**
- B. Any delay or failure of performance or equipment due to causes beyond Carrier's control, including but not limited to, acts of God, fires, floods, earthquakes, hurricanes, or other catastrophes; national emergencies, insurrections, riots, wars or other civil commotions; strikes, lockouts, work stoppages or other labor difficulties; criminal actions taken against Carrier; unavailability, failure or malfunction of equipment or facilities provided by the Customer or third parties; and any law, order, regulation or other action of any governing authority or agency thereof;**
- C. Any unlawful or unauthorized use of Carrier's facilities and services;**

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**SECTION 2. RULES AND REGULATIONS (Cont'd)**

**2.3 Liability of Carrier (Cont'd)**

- 2.3.4 D. Libel, slander, invasion of privacy or infringement of patents, trade secrets, or copyrights arising from or in connection with the transmission of communications by means of Carrier-provided facilities or services; or by means of the combination of Carrier-provided facilities or services with Customer-provided facilities or services;**
- E. Breach in the privacy or security of communications transmitted over Carrier's facilities;**
- F. Changes in any of the facilities, operations or procedures of Carrier that render any equipment, facilities or services provided by the Customer obsolete, or require modification or alteration of such equipment, facilities or services, or otherwise affect their use or performance, except where reasonable notice is required by Carrier and is not provided to the Customer, in which event Carrier's liability is limited as set forth in subsection 2.3.1 of this Section 2.3.**
- G. Defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof;**

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**SECTION 2. RULES AND REGULATIONS (Cont'd)**

**2.3 Liability of Carrier (Cont'd)**

- 2.3.4 H.** Injury to property or injury or death to persons, including claims for payments made under Workers' Compensation law or under any plan for employee disability or death benefits, arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected, or to be connected to Carrier's facilities;
- I.** Any intentional, wrongful act of a Carrier employee when such act is not within the scope of the employee's responsibilities for Carrier and/or is not authorized by Carrier;
- J.** Any representations made by Carrier employees that do not comport, or that are inconsistent, with the provisions of this tariff;
- K.** Any act or omission in connection with the provision of 911, E911, or similar services involving emergencies;
- L.** Any noncompletion of calls due to network busy conditions;
- M.** Any calls not actually attempted to be completed during any period that service is unavailable.

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**SECTION 2. RULES AND REGULATIONS (Cont'd)**

**2.3 Liability of Carrier (Cont'd)**

- 2.3.5 Carrier shall be indemnified, defended and held harmless by the Customer or end user from and against any and all claims, loss, demands, suits, expense, or other action or any liability whatsoever, including attorney fees, whether suffered, made, instituted, or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any Carrier or Customer equipment or facilities or service provided by Carrier.
- 2.3.6 Carrier does not guarantee nor make any warranty with respect to installations Provided by it for use in an explosive atmosphere. Carrier shall be indemnified, defended and held harmless by the Customer from and against any and all claims, loss, demands, suits, or other action, or any liability whatsoever, including attorney fees, whether suffered, made, instituted or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any equipment or facilities or the service.

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**SECTION 2. RULES AND REGULATIONS (Cont'd)**

**2.3 Liability of Carrier (Cont'd)**

- 2.3.7 Carrier assumes no responsibility for the availability or performance of any cable or satellite systems or related facilities under the control of other entities, or for other facilities provided by other entities used for service to the Customer, even if Carrier has acted as the Customer's agent in arranging for such facilities or services. Such facilities are provided subject to such degree of protection or nonpreemptibility as may be provided by the other entities.
- 2.3.8 Any claim of whatever nature against Carrier shall be deemed conclusively to have been waived unless presented in writing to Carrier within thirty (30) days after the date of the occurrence that gave rise to the claim.
- 2.3.9 CARRIER MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

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**SECTION 2. RULES AND REGULATIONS (Cont'd)**

**2.4 Responsibilities of the Subscriber**

- 2.4.1 The Subscriber is responsible for placing any necessary orders; for complying with tariff regulations; for the placement of any stickers or tent cards provided by Carrier or as required by law; and for assuring that Users comply with tariff regulations. The Subscriber shall ensure compliance with any applicable laws, regulations, orders or other requirements (as they exist from time to time) of any governmental entity relating to services provided or made available by the Subscriber to Users. The Subscriber is also responsible for the payment of charges for calls originated at the Subscriber's numbers which are not collect, third party, calling card, or credit card calls.**
- 2.4.2 The Subscriber is responsible for charges incurred for special construction and/or special facilities which the Subscriber requests and which are ordered by Carrier on the Subscriber's behalf.**
- 2.4.3 If required for the provision of Carrier's services, the Subscriber must provide any equipment space, supporting structure, conduit and electrical power without charge to Carrier.**

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**SECTION 2. RULES AND REGULATIONS (Cont'd)**

**2.4 Responsibilities of the Subscriber (Cont'd)**

**2.4.4 The Subscriber is responsible for arranging access to its premises at times mutually agreeable to Carrier and the Subscriber when required by Carrier personnel to install, repair, maintain, program, inspect or remove equipment with the provision of Carrier's services.**

**2.4.5 The Subscriber shall ensure that the equipment and/or system is properly interfaced with Carrier facilities or services, that the signals emitted into Carrier's network are of the proper mode, bandwidth, power, and signal level for the intended use of the Subscriber and in compliance with the criteria set forth in this tariff, and that the signals do not damage equipment, injure personnel, or degrade service to other Subscribers. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, Carrier will permit such equipment to be connected with its channels without use of protective interface devices.**

**If the Subscriber fails to maintain the equipment and/or the system properly, with resulting imminent harm to Carrier equipment, personnel, or the quality of service to other Subscribers, Carrier may, upon written notice, require the use of protective equipment at the Subscriber's expense. If this fails to produce satisfactory quality and safety, Carrier may, upon written notice, terminate the Subscriber's service.**

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**SECTION 2. RULES AND REGULATIONS (Cont'd)**

**2.4 Responsibilities of the Subscriber (Cont'd)**

- 2.4.6 The Subscriber must pay Carrier for replacement or repair of damage to the equipment or facilities of Carrier caused by negligence or willful act of the Subscriber, Users, or others, by improper use of the services, or by use of equipment provided by the Subscriber, Users, or others.
- 2.4.7 The Subscriber must pay for the loss through theft of any Carrier equipment installed at Subscriber's premises.
- 2.4.8 The Subscriber is responsible for payment of the charges set forth in this tariff.
- 2.4.9 The Subscriber is responsible for compliance with the applicable regulations set forth in this tariff.
- 2.4.10 The Subscriber shall indemnify and save Carrier harmless from all liability disclaimed by Carrier as specified in Section 2.3 above, arising in connection with the provision of service by Carrier, and shall protect and defend Carrier from any suits or claims against Carrier and shall pay all expenses and satisfy all judgments rendered against Carrier in connection herewith. Carrier shall notify the Subscriber of any suit or claim against Carrier of which it is aware.

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**SECTION 2. RULES AND REGULATIONS (Cont'd)**

**2.5 Cancellation or Interruption of Services**

**2.5.1 General**

- A. A service is interrupted when it becomes unusable to the Customer, *e.g.*, the Customer is unable to transmit or receive, because of a failure of a component furnished by Carrier under this tariff.**
- B. An interruption period begins when the Customer reports a service, facility or circuit to be inoperative and releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative.**
- C. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, the service, facility or circuit is considered to be impaired but not interrupted. No credit allowances will be made for a service, facility or circuit considered by Carrier to be impaired.**

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**SECTION 2. RULES AND REGULATIONS (Cont'd)**

**2.5 Cancellation or Interruption of Services (Cont'd)**

**2.5.2 Limitations on Allowances**

**No credit allowance will be made for any interruption of service:**

- A. due to the negligence of, or noncompliance with the provisions of this Tariff by, any person or entity other than Carrier, including but not limited to the Customer or other common carriers connected to the service of Carrier;**
- B. due to the failure of power, equipment, systems, or services not provided by Carrier;**
- C. due to circumstances or causes beyond the control of Carrier;**
- D. during any period in which Carrier is not given full and free access to its facilities and equipment for the purposes of investigating and correcting interruptions;**
- E. during any period in which the Customer continues to use the service on an impaired basis;**

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**SECTION 2. RULES AND REGULATIONS (Cont'd)**

**2.5 Cancellation or Interruption of Services (Cont'd)**

**2.5.2 Limitations on Allowances (Cont'd)**

- F. during any period when the Customer has released service to Carrier for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
- G. that occurs or continues due to the Customer's failure to authorize replacement of any element of special construction; and
- H. that was not reported to Carrier within thirty (30) days of the date that service was affected.

**2.5.3 Application of Credits for Interruptions of Service**

Credits for interruptions of service, for which charges are specified on the basis of per minute of use, or on the usage of a fraction of a minute, shall in no event exceed an amount equal to the initial period charge provided for under this tariff.

**2.6 Discontinuance of Service for Cause**

2.6.1 Without incurring liability, the Company may discontinue the provision of service to a Customer or to a particular Customer location, or may withhold the provision of ordered or contracted services:

- A. For nonpayment of any sum due to the Company for more than thirty (30) days after issuance of the bill for the amount due;
- B. For violation of any of the provisions of this tariff;
- C. For violation of any law, rule, regulation or policy of any governing authority having jurisdiction over the Company's services; or

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**SECTION 2. RULES AND REGULATIONS (Cont'd)**

**2.6 Discontinuance of Service for Cause (Cont'd)**

- D. By reason of any order or decision of a court, public service commission or federal regulatory body or other governing authority prohibiting the Company from furnishing its services.

**2.7 Billing Arrangements**

- 2.7.1 The Subscriber will either be billed directly by Carrier or its intermediary, or charges will be included in the Subscriber's regular telephone bill pursuant to billing and collection agreements established by Carrier or its intermediary with the applicable telephone company.
- 2.7.2 Carrier will render bills monthly. Payment is due within thirty (30) days after the Subscriber's receipt of its bill.
- 2.7.3 Carrier may impose a late payment charge not to exceed 1.5% on any bill not paid within thirty (30) days of the receipt, which charge may only be assessed on outstanding balance. The Subscriber shall be responsible for all costs, including attorney's fees, incurred in the collection of unpaid charge or in any other action to enforce payments and/or obligations arising under this tariff. A charge of up to twenty dollars (\$20.00) may be imposed for returned checks.

**2.8 Minimum Use Contracts**

- 2.8.1 The Company may offer services which require a minimum use guarantee ("MUG") wherein the Subscriber agrees, in writing, to pay the minimum amount per period agreed to upon commencement of service. Subscribers falling below their MUG will be billed for the minimum amount due per period pursuant to the MUG agreement.

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**SECTION 2. RULES AND REGULATIONS (Cont'd)****2.8 Minimum Use Contracts (Cont'd)**

2.8.2 Should the Subscriber choose to terminate their contract prior to expiration of the term agreed to in the MUG agreement, the Subscriber will be liable for the minimum usage requirements contained in the contract multiplied by the number of months remaining in the term, unless Subscriber converts to another Company service with equal or greater term and minimum usage commitments. If no minimum usage requirements are specified in the contract, upon any early termination of Subscriber's contract, Subscriber will be liable for their monthly average usage (calculated over the last three full months immediately preceding the date of termination) multiplied by the number of months remaining in the term.

2.8.3 The initial contract period for service under this section is one month. Subsequent contract periods shall be for additional one-month periods unless otherwise specified.

**2.9 Validation of Credit**

Carrier reserves the right to validate the credit worthiness of Subscribers or Users.

**2.10 Contested Charges**

All bills are presumed accurate, and shall be absolutely binding on the Subscriber unless objection is received by Carrier within thirty (30) days after such bills are rendered. In the case of a billing dispute between the Subscriber and Carrier for service furnished to the Subscriber, which cannot be settled with mutual satisfaction, the Subscriber can take the following course of action within thirty (30) days of the billing date:

2.10.1 First, the Subscriber may request, and Carrier will provide, an in-depth review of the disputed amount. (The undisputed portion and subsequent bills must be paid on a timely basis or the service may be subject to disconnect.)

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**SECTION 2. RULES AND REGULATIONS (Cont'd)****2.10 Contested Charges (Cont'd)**

2.10.2 Second, if there is still a disagreement about the disputed amount after the investigation and review by a manager of Carrier, the Subscriber may file an appropriate complaint with the Florida Public Service Commission. The Commission's address is:

Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0866

**2.11 Billing Entity Conditions**

When billing functions on behalf of Carrier are performed by local exchange telephone companies, or others, the payment conditions and regulations of such companies apply, including any applicable interest and/or late payment charge conditions.

**2.12 Deposits**

Carrier will not collect deposits nor will it collect payments for service more than one month in advance.

**2.13 Telephone Surcharges/Taxes/Contributions**

In addition to the rates and charges applicable according to the rules and regulations of this tariff, various surcharges and taxes may apply to charges incurred by and billed to the customer on the monthly billing statement. The Customer is responsible for payment of any fees (including franchise and right-of-way fees), charges, surcharges, contributions and taxes (however designated) (including without limitation universal service contributions, telephone relay service contributions, sales, use, gross receipts, excise, access or other taxes but excluding taxes on the Company's net income) imposed by any local, state, or federal government on or based upon the provision, sale or use of the Company's services. Fees, charges, and taxes imposed by a city, county, or other political subdivision will be collected only from those Customers receiving service within the boundaries of that subdivision.

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2.14 Minimum Call Completion Rate

Carrier will ensure an industry standard blocking rate no greater than P.01.

2.15 Promotions

Carrier may from time to time offer promotional services.

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**SECTION 3 - DESCRIPTION OF SERVICES****3.1 General**

Carrier provides resold interexchange telecommunications services, including direct-dialed message telecommunications services, and 800/888/877 service. Calls are rated based on the duration of the call. Services are available twenty-four (24) hours a day, seven (7) days a week). Carrier does not charge for service on a mileage basis.

**3.2 Charges Based on Duration of Use**

Where charges for a service are specified based on the duration of use, such as the duration of a telephone call, the following rules apply:

- 3.2.1 Calls are measured in durational increments identified for each service. All calls which are fractions of a measurement increment are rounded up to the next whole unit.
- 3.2.2 Timing on completed calls begins when the call is answered by the called party. Answering is determined by hardware answer supervision in all cases where this signaling is provided by the terminating local carrier and any intermediate carrier(s).
- 3.2.3 Timing terminates on all calls when the calling party hangs up or the Company's network receives an on-hook signal from the terminating carrier.
- 3.2.4 Calls originating in one time period and terminating in another will be billed in proportion to the rates in effect during different segments of the call.
- 3.2.5 All times refer to local times.
- 3.2.6 Rates are not distance sensitive. As such, unless otherwise indicated, mileage bands are not applicable to the services offered.
- 3.2.7 Unless otherwise indicated, rates do not vary depending upon day or the time of day (Day, Evening, and Night/Weekend).

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**SECTION 3 - DESCRIPTION OF SERVICES (Cont'd)****3.2 Charges Based on Duration of Use**

3.2.8 Each call is rated and billed in whole cents according to the following conventions:

- A. **Commercial.** For services offered by Carrier, any rated call with a fraction of a cent less than \$0.005, will be rounded down to the nearest whole cent. Any rated call with a fraction of a cent \$0.005 or greater, will be rounded up to the nearest whole cent.
- B. **Residential.** Calls made using any service offered to residential Subscribers will be rounded up to the nearest cent at the termination of a call.
- C. **Exceptions.** Special rounding arrangements may be made through contractual arrangements.

**3.3 Product Descriptions****3.3.1 Commercial Switched Outbound (1+)**

Switched outbound services provide direct dialed ("1+") long distance services to commercial Subscribers. Subscribers may also access Carrier's services by dialing "10XXX." Subscribers access Carrier's services through switched access origination.

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**SECTION 3 - DESCRIPTION OF SERVICES (Cont'd)****3.3 Product Descriptions (Cont'd)****3.3.2 Commercial Switched 800/888/877 Inbound**

Switched 800/888/877 provides an inbound toll-free calling service to commercial Subscribers. The Subscriber is billed for each toll-free call, rather than the call originator. Calls terminate to the Subscriber via switched access lines.

**3.3.3 Commercial Dedicated Outbound (1+)**

Dedicated outbound services provide direct dialed ("1 +") long distance services to commercial Subscribers. Subscribers may also access Carrier's services by dialing "10XXX." Subscribers access Carrier's services through dedicated access origination.

**3.3.4 Commercial Dedicated 800/888/877 Inbound**

Dedicated 800/888/877 provides an inbound toll-free calling service to commercial Subscribers. Subscriber is billed for each toll-free call, rather than the call originator. Calls terminate to Subscriber via dedicated access lines.

**3.3.5 Residential Switched Outbound (1+)**

Switched outbound services provide direct dialed ("1 +") long distance services to residential subscribers. Subscribers may also access Carrier's services by dialing "10XXX." Subscribers access Carrier's services through switched access origination.

**3.3.6 Residential Switched 800/888/877 Inbound**

Switched 800/888/877 provides an inbound toll-free calling service to residential Subscribers. Subscriber is billed for each toll-free call, rather than the call originator. Calls terminate to Subscriber via dedicated access lines.

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**SECTION 3 - DESCRIPTION OF SERVICES (Cont'd)**

**3.3 Product Descriptions (Cont'd)**

**3.3.7 800/888/877 Travel Card**

800/888/877 Travel Card Service provides customers the opportunity to make calls while away from their home or office. Subscribers may access Carrier's services through an 800/888/877 number provided by Carrier.

**3.3.8 Directory Assistance**

Subscribers may request directory assistance from Carrier.

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**SECTION 4 - RATE SCHEDULE**

Unless otherwise specified, the following rates are per minute of use as timed by Carrier in seconds.

**4.1 Commercial Switched Outbound (1+)**

Billing Minimum: Six Seconds

Billing Increments: Six Seconds

Rate: \$ 0.157

**4.2 Commercial Switched Inbound**

Billing Minimum: Thirty Seconds

Billing Increments: Six Seconds

Rate: \$ 0.157

**4.3 Commercial Dedicated Outbound**

Billing Minimum: Six Seconds

Billing Increments: Six Seconds

Rate: \$ 0.087

**4.4 Commercial Dedicated 800/888/877 Inbound**

Billing Minimum: Thirty Seconds

Billing Increments: Six Seconds

Rate: \$ 0.078

**4.5 Residential Switched Outbound (1+)**

Billing Minimum: One Minute

Billing Increments: One Minute

Rate: \$ 0.183

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**SECTION 4 - RATE SCHEDULE (Cont'd)**

**4.6 Residential Switched 800/888/877 Inbound**

**Billing Minimum: One Minute**

**Billing Increments: One Minute**

**Rate: \$ 0.193**

**4.7 800/888/877 Travel Card Service**

**Commercial Billing**

**Billing Minimum: Thirty Seconds**

**Billing Increment: Six Seconds**

**Rate: \$ 0.20**

**Residential Billing**

**Billing Minimum: One Minute**

**Billing Increment: One Minute**

**Rate: \$ 0.20**

**4.8 Directory Assistance**

**Rate: \$ 0.75 per request**

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**SECTION 4 - RATE SCHEDULE (Cont'd)****4.9 Presubscribed Interexchange Carrier Charge ("PICC")**

Presubscribed Interexchange Carrier Charges are neither contributory to nor eligible to receive discounts nor are they eligible to contribute to meeting minimum monthly usage requirements. This charge applies on a monthly basis to all Customer monthly bills. The application of this charge is subject to billing availability. Only one PICC will be applied per line.

**4.9.1 Residential Customers**

- A. **Non-Primary Lines** --A PICC of \$1.50 applies to each non-primary residential line presubscribed to The Company as the primary interexchange carrier where The Company can determine that the Customer has more than one line.
- B. **Primary** --A PICC of \$0.53 applies to each primary residential line presubscribed to the Company as the primary interexchange carrier.

**4.9.2 Business Customers**

- A. **Single Line** --A PICC of \$0.53 applies to each line presubscribed to the Company as the primary interexchange carrier where the Company can determine that the Customer has only one line.
- B. **Centrex Lines** --A PICC of \$0.31 applies to each Centrex line presubscribed to the Company as the primary interexchange carrier where the Company can determine that the Customer accesses the Company via a Local Exchange Carrier-provided Centrex line.
- C. **All Other Lines** --A PICC of \$2.75 applies to each line presubscribed to the Company as the primary interexchange carrier for all other Customers of the Company's business services.

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**SECTION 4 - RATE SCHEDULE (Cont'd)****4.9.3 ISDN Lines**

- A. **BRI-ISDN Lines** --A PICC of \$1.50 applies to each line presubscribed to the Company as the primary interexchange carrier where the Company can determine that the Customer accesses the Company via a local exchange carrier-provided Basic Rate Interface Integrated Services Digital Network line.
- B. **PRI-ISDN Lines** --A PICC of \$13.75 applies to each line presubscribed to the Company as the primary interexchange carrier where the Company can determine that the Customer accesses the Company via a Local Exchange Carrier-provided Primary Rate Interface Integrated Services Digital Network line.

**4.10 Public Pay Telephone Surcharge**

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

Pay telephones include coin-operated and coinless phones owned by local telephone companies, independent companies and other interexchange carriers. The Public Pay Telephone Surcharge applies to the initial completed call and any reoriginated call (i.e., using the # symbol).

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

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&  
BERLIN**

CHARTERED

July 20, 1998

DEPOSIT

D 8 1 4

DATE

JUL 21 1998

**VIA OVERNIGHT DELIVERY**

Blanca S. Bayó, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak, Blvd.  
Tallahassee, Florida 32399-0870

Re: Application of PaeTec Communications, Inc., for Authority to  
Provide Alternative Local Exchange Service and  
Interexchange Telecommunications Service in Florida

Dear Ms. Bayó:

Enclosed for filing on behalf of PaeTec Communications, Inc. ("PaeTec") please find an original and six (6) copies of PaeTec's above-referenced applications. Also enclosed is a check in the amount of \$500.00 to cover the application filing fees for both applications.

Please date-stamp the extra copy and return it to the undersigned in the enclosed self-addressed, stamped envelope.

Should you have any questions concerning this filing, please do not hesitate to contact us.

Very truly yours,

Check received with bill and

**SWIDLER & BERLIN**  
**CHARTERED**  
3000 K STREET, N.W., SUITE 300  
WASHINGTON, D.C. 20007

FIRST UNION NATIONAL BANK  
WASHINGTON, D.C.

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0067172

NO. 067172

\*\*EXACTLY\*\*\*\*\*500\*DOLLARS AND\*00\*CENTS

DATE

AMOUNT

PAY TO THE ORDER OF  
FLORIDA PUBLIC SERVICE COMMISS

07/15/98

GENERAL ACCOUNT  
\$500.00  
TWO SIGNATURES REQUIRED ABOVE \$10,000

*Maestro H. Nova*