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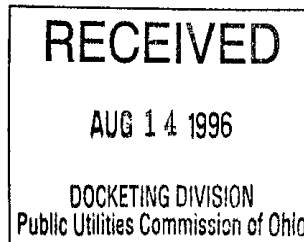
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August 12, 1996

Public Utilities Commission of Ohio
Attention: Docketing Division
180 East Broad Street
Columbus, OH 43215-3793



RE: Application of SmarTalk TeleServices, Inc. for IXC Authority

Dear Sir or Madam:

96-823-CT-ACE

Enclosed please find an original and ten (10) copies of an Application by SmarTalk TeleServices, Inc. ("SmarTalk") for IXC Authority. SmarTalk currently has RRJ Relief from Jurisdiction which was approved on October 5, 1995.

It is my understanding that this application should be approved within thirty (30) days and SmarTalk's tariff will become effective at that time. Further, SmarTalk's RRJ Relief from Authority will not be revoked until its IXC Application is approved.

Should you have any questions regarding the enclosed, please feel free to contact me directly. Thank you in advance for your assistance in processing these materials.

Very truly yours,

Nancy Crawford

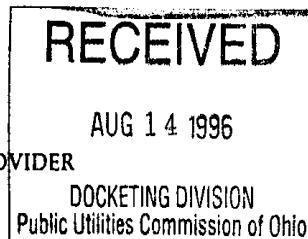
Nancy L. Crawford
FOR THE FIRM

C: Robert H. Lorsch

#39836

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician *Russ M. [Signature]* Date Processed *Aug 15, 1996*

PUBLIC UTILITIES COMMISSION OF OHIO
PUBLIC COMPETITIVE TELECOMMUNICATIONS SERVICE PROVIDER
563 REGISTRATION FORM
ISSUED: December 21, 1995



In the Matter of the Application of)
SmarTalk TeleServices, Inc.) Case No. 96-823-CT-ACE
to provide IXC services)

Name of Registrant SmarTalk TeleServices, Inc.
Registrant's Address 1640 South Sepulveda, Suite 500, Los Angeles, CA 90025
Contact Person Andrew Folck (Phone - 310-444-8800)
Date _____ TRF Docket No. _____ -CT-TRF

I. Indicate the reason for submitting this form (check only one) (NOTES: 1. If a waiver is filed in conjunction with an automatic case, see I.D.2.b. of the 563 guidelines for the applicable automatic time frame; and 2. The number of copies noted below must be accompanied by an original filing. Facsimiles are not acceptable.):

- ☐ 1. (ABN) Withdrawal or Abandonment of all Services (14-day notice, 13 copies)
- ☒ 2. (ACE) New Operating Authority (30-day approval, 10 copies)
 - ☒ IXC ☐ AOS ☐ CAP ☐ Cellular ☐ Paging
 - ☐ Other _____
- ☐ 3. (AMT) Merger (14-day notice, 13 copies)
- ☐ 4. (ATR) Transfer or Transaction Affecting Operating Authority (14-day notice, 7 copies)
- ☐ 5. (ARJ) All Other Requests for Relief from Jurisdiction (NOT automatic, 10 copies)
- ☐ 6. (MTW) "Me Too" Waiver (30-day approval, 10 copies)
- ☐ 7. (RRJ) Interexchange Switchless Rebiller Request for Relief from Jurisdiction (30-day approval, 10 copies)
- ☐ 8. (WVR) Request for Waiver from Portion(s) of 563 pursuant to I.D.3. of the 563 guidelines. (NOT automatic, 10 copies)
- ☐ 9. (ZAC) Contract (0-day notice, 10 copies)
- ☐ 10. (ZCN) Change of Name (0-day notice, 10 copies)
- ☐ 11. (ZCO) Change in Ownership (0-day notice, 10 copies)
- ☐ 12. (ZTA) Introduction of new tariffed service(s), textual revision, correction of error, addition of service area(s), etc. (0-day notice, 10 copies)
- ☐ 13. (UNC) Unclassified (explain) _____ (NOT automatic, 10 copies)
- ☐ 14. Other (explain) _____ (NOT automatic, 10 copies)

THE FOLLOWING ARE TRF FILINGS ONLY, NOT NEW CASES (0-day notice, 3 copies)

- ☐ 15. Introduction or Extension of Promotional Offering
- ☐ 16. New Price List Rate for Existing Service.
- ☐ 17. Designation of Registrant's Process Agent(s)

II. Indicate which of the following exhibits have been filed. The numbers (corresponding to the list above) indicate, at a minimum, the types of cases in which the exhibit is required:

- ☒ A copy of registrant's proposed informational tariff. (2)
- ☒ Statement affirming that the registrant has notified the Ohio Department of Taxation of its intent to conduct operations as a telephone utility in the State of Ohio. (2)
- ☐ List of names, addresses, and phone numbers of officers and directors, or partners. (2-4)
- ☒ Brief description of service(s) proposed, as well as the targeted market(s). (2)
- ☐ Copy of tariff sheet(s) & price list(s) superseded, marked as Exhibit A. (1,3-4,6, 8,10,12-16)

- ☐ Copy of revised tariff sheets & price lists, marked as Exhibit B. (1,3-4,6,8,10,12-16)
- ☐ If increase to residential MTS, DA, or traditional operator surcharges, specify which notice procedure will be utilized: _____ real time; or _____ annual. (12, 16)
- ☐ Copy of real time notice which has been provided to customers. (1,3,10-12,16)
- ☐ Copy of annual notice which will be sent to customers is: _____ included with this filing; or will be filed with the Commission _____ (month) _____ (year). (16)
- ☐ Description of and rationale for proposed tariff changes, including a complete description of the service(s) proposed or affected. Specify for each service affected whether it is business _____, residence _____, or both _____ as well as whether it is a switched _____ or dedicated _____ service. Include this information in either the cover letter or label as "Exhibit C". (3,6,8,12-15)
- ☐ Delineation of any deaveraged message toll service, if applicable. (6, 12-16)
- ☐ Statement explaining rationale for proposal. (1,3-5,10-11)
- ☒ List of Ohio counties specifically involved or affected (1-6,8,10,16)
- ☒ Certification from Ohio Secretary of State as to party's proper standing (domestic or foreign corporation, authorized use of fictitious name, etc.). (2-4,7,10) (In transfer of certificate cases, the transferee's good standing must be established).
- ☐ Justification for waiver of specific element(s) of 563. (6,8)
- ☐ Responses to questions contained in Appendix A, Attachment 4 to the 563 guidelines (7)
- ☐ For radio common carriers, a statement affirming that registrant has obtained all necessary federal authority to conduct operations being proposed, and that copies have been furnished by cellular, paging, and mobile companies to this Commission of any Form 401, 463, and/or 489 which the applicant has filed with the Federal Communications Commission. (2-4)
- ☐ Other information requested by the Commission staff.

III. Registrant hereby attests to its compliance with the following requirements in the Service Requirements Form, as well as all pertinent entries and orders issued by the Commission with respect to these issues. Further, registrant hereby affirms that it will maintain with its TRF docket an up-to-date, properly marked, copy of the Service Requirements Form available for public inspection.

Mandatory requirements for all CTS providers:

- ☒ Sales tax
- ☒ Deposits

Service requirements for CTS providers of certain services (check all applicable):

- ☒ Discounts for Persons with Communication Disabilities and the Telecommunication Relay Service
- ☒ Emergency Services Calling Plan
- ☐ Alternative Operator Service (AOS) requirements
- ☒ Limitation of Liability
- ☒ Termination Liability Language

IV. List names, titles, and addresses of those persons authorized to make and/or verify filings at the Commission on behalf of the registrant:

Robert H. Lorsch; Andy Folck; Nancy L. Crawford

NOTE: An annual report is required to be filed with the Commission by each company on an annual basis. The annual report form will be sent for completion to the address and individual(s) identified in this Section unless another address or individual is so indicated.

VERIFICATION

I, G. Andrew Folck verify that I have utilized, verbatim, the Commission's 563 Registration Form issued December 21, 1995 and that all of the information submitted here, and all additional information submitted in connection with Case No. ____-____-CT-____ is true and correct to the best of my knowledge.

A. Folck 8-1-96
(Signature)* (Date)

- * A verification is required for every filing. It may be signed by counsel or a process agent designated by the Registrant, except that initial certification cases (ACE) must be signed by an officer of the registering entity.

Send your completed Registration Form, including all required attachments as well as the required number of copies, to:

Public Utilities Commission of Ohio
Attention: Docketing Division
180 East Broad Street
Columbus, OH 43215-3793

PUBLIC UTILITIES COMMISSION OF OHIO

563 REGISTRATION FORM ADDENDUM

SMARTALK TELESERVICES, INC.

1. A list of the names, addresses, and phone numbers of officers and directors of SmarTalk TeleServices, Inc. are set forth below:

Robert H. Lorsch
Chairman, CEO, President
SmarTalk TeleServices, Inc.
1640 S. Sepulveda Blvd., Ste. 500
Los Angeles, CA 90025

Ahmed Alfi
Director
SmarTalk TeleServices, Inc.
3 Civic Plaza, Ste. 17D
Newport Beach, CA 92660

Lloyd Zeiderman
Director
187 AA Avery Road
Garrison, NY 10524

Dr. Bruce Bielinski
Secretary
421 E. Angeleno Ave, Ste. 104
Burbank, CA 91501

Rich Teich
Executive Vice President
1640 S. Sepulveda, Ste. 500
Los Angeles, CA 90025

Andy Folck
Vice President of Finance/CFO
1640 S. Sepulveda, Ste. 500
Los Angeles, CA 90025

2. A brief description of the services proposed as well as the target markets are set forth below:

SmarTalk TeleServices Debit Card Service is a prepaid long distance service offered to all customers. Service is available twenty-four (24) hours per day, seven (7) days a week. Users may purchase SmarTalk TeleServices Debit Cards at a variety of retail outlets or through other distribution channels such as direct sales through print and television advertisements. Retailers may purchase direct from SmarTalk or through Wholesale Distributors of SmarTalk products. SmarTalk Cards are available at a face value ranging from \$.40 to \$.60 per minute. A call is placed by dialing an 800 number to obtain access to SmarTalk's network. The caller is prompted by an automated voice response system to enter his/her account number, and then to enter the terminating telephone number.

SmarTalk's processor tracks the call duration and destination for rating purposes on a real time basis. The total price of each call, including applicable taxes, is deducted from the prepaid amount on the caller's SmarTalk TeleServices Debit Card. Callers wishing to recharge their cards may do so by entering a valid commercial credit card number. As the balance on the card approaches zero, the callers are so advised and may elect to recharge and continue the call.

Corporate Advantage is a long distance service by which corporate accounts may assign unique personal identification numbers to authorized personnel for use under a master account number, along with subaccounts. The master account and subaccounts can be either prepaid or invoiced with preset usage limits.

SmarTalk Advantage is a long distance service by which subscribers are directly billed for minutes used on a monthly basis. Service is available twenty-four (24) hours per day, seven (7) days per week. SmarTalk Advantage services are available from rates as low as \$0.12 to \$0.18 per minute, depending upon the subscriber's length of service and/or volume commitment.

SmarTalk Retail Advantage is a long distance service by which subscribers are directly billed for minutes used on a monthly basis, which is only available from retail outlets which feature SmarTalk products and participate in the marketing and promotion of SmarTalk products. SmarTalk Retail Advantage services are available from rates as low as \$0.12 to \$0.18 per minute. Accounts are invoiced by SmarTalk or the Retailer.

Usage Advantage is a prepaid long distance service offered exclusively from SmarTalk or SmarTalk's Wholesale Distributor's retail outlets. Service is available twenty-four (24) hours a day, seven (7) days per week. Calls are placed by dialing an 800 access number to obtain access to SmarTalk's network where the Caller enters his or her pin identification number.

Callers wishing to recharge their cards may do so by entering a valid commercial credit card number. As the balance on the cards approaches zero, the callers are so advised and may elect to recharge and continue the call.

3. A list of the Ohio counties specifically involved or affected:

SmarTalk proposes to offer its services to all Ohio counties.

4. A copy of SmarTalk's certification from the Ohio Secretary demonstrating SmarTalk's proper standing is attached as Exhibit "A".
5. A copy of Applicant's proposed tariff is attached as Exhibit "B".
6. A Verification Statement affirming that SmarTalk has notified the Ohio Department of Taxation of its intent to conduct operations as a telephone utility is attached as Exhibit "C".
7. A copy of the Service Requirements Form is attached as Exhibit "D".

/ Exhibit A

UNITED STATES OF AMERICA,
STATE OF OHIO,
OFFICE OF THE SECRETARY OF STATE.

}

*I, Bob Taft, do hereby certify that I am the duly elected, qualified and present acting Secretary of State for the State of Ohio, and as such have custody of the records of Ohio and Foreign corporations and Miscellaneous filings; that said records show SMARTALK TELESERVICES, INC., a California corporation, having qualified to do business within the State of Ohio on March 27, 1995, under License No. 899822, is currently in **GOOD STANDING** upon the records of this office.*



WITNESS my hand and official
seal at Columbus, Ohio this
30th day of July, A.D. 1996

Bob Taft

Bob Taft
Secretary of State

Exhibit B

Telecommunications Service

TITLE SHEET

LONG DISTANCE
TELECOMMUNICATIONS SERVICES

This tariff applies to the Long Distance Telecommunications Services furnished by SmarTalk TeleServices, Inc., with principal offices at 1640 South Sepulveda Boulevard, Suite 500, Los Angeles, CA 90025, between one or more points in the State of Ohio. This tariff is on file with the Public Utilities Commission of Ohio, and copies may be inspected, during normal business hours, at the Company's principal place of business.

Issued: August 13, 1996

Effective: September 13, 1996

Issued by:

Robert Lorsch, President/CEO
SMARTALK TELESERVICES, INC.
1640 South Sepulveda Boulevard, Suite 500
Los Angeles, CA 90025
(310) 444-8800
FAX: (310) 444-8822

Telecommunications Service

CHECK SHEET

The following sheets of this tariff are effective as of the date shown at the bottom of the respective sheets(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>PAGE</u>	<u>REVISION</u>
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original
17	Original
18	Original
19	Original
20	Original
21	Original
22	Original
23	Original
24	Original
25	Original

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Telecommunications Service

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Telecommunications Service

EXPLANATION OF SYMBOLS

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

- D - to signify discontinued rate of regulation
- I - to signify rate increase
- M - to signify matter relocated without change
- N - to signify a new rate or regulation
- R - to signify a rate reduction
- T - to signify a change in text but no change in rate or regulation

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 Public Utilities Commission of Ohio (OPUC). For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc. the OPUC follows in its 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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Telecommunications Service

Tariff Format, continued

- 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 OPUC, 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 OPUC.

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Telecommunications Service

SECTION 1 TECHNICAL TERMS AND ABBREVIATIONS

Access Line: An arrangement which connects the calling customer's location to an interexchange switching center.

Authorization Code: A numerical code, one or more of which is available to a customer to enable him/her to access the carrier, and which is used by the carrier both to prevent unauthorized access to its services and to identify the customer for billing purposes.

Called Station: The terminating point of a call (i.e., the called number).

Calling Station: The originating point of a call (i.e., the calling number).

Company or Carrier: SmarTalk TeleServices, Inc. ("SmarTalk"), a California corporation.

Customer: Any person, firm, partnership, corporation, or other entity furnished telecommunications services under the provisions and regulations of this tariff and that is responsible for payment of the charges and for compliance with the Company's tariff regulations.

Day: From 8:00 a.m. up to, but not including, 5:01 p.m. local time Monday through Friday.

Evening: From 5:00 p.m. up to, but not including, 11:01 p.m. local time Monday through Friday.

Holidays: Recognized holidays are New Year's Day, Memorial Day, Independence Day, Labor Day, and Christmas Day.

Incomplete Call: Any calls where voice transmission between the calling and the called station is not established (i.e., busy, no answer, etc.)

LATA: Local Access and Transport Area. A geographic area established as required by the modification of Final Judgment entered in *United States v. Western Electric Co., Inc.*, 552 F. Supp. 131 (D.D.C. 1982), within which a local exchange company provides communication service.

Local Exchange Company: A telephone company utility which provides local telecommunications services to a specific geographical area for business and residential customers.

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Telecommunications Service

Technical Terms and Abbreviations, continued

Night/Weekend: From 11:00 p.m. up to, but not including, 8:00 a.m. local time Sunday through Friday, and 8:00 a.m. Saturday up to, but not including, 5:00 p.m. local time Sunday.

Pay Telephone: A telephone instrument equipped with devices that permit the instrument to access the Company's services and that is authorized to provide such services and conforms with state and federal regulations governing such equipment.

SmarTalk TeleServices Debit Card Calls: Calls for which charges are billed to a SmarTalk TeleServices Debit Card, CheapTalk Phone Card, or other product offering set forth herein and not to the originating telephone number.

Unit: A measurement of telecommunications service equal to one minute.

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Telecommunications Service

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 SmarTalk TeleServices, Inc. ("SmarTalk") for telecommunications between points within the State of Ohio. SmarTalk's services are furnished subject to the availability of facilities and subject to the terms and conditions of this tariff.

2.1.1.A. SmarTalk may, from time to time, offer various enhanced services and information within the State of Ohio. Such services will be provided pursuant to contract and will not be governed by this tariff.

2.1.1.B. The services of SmarTalk are not part of a joint undertaking with any other entity providing telecommunications channels, facilities or services, but do involve the resale of Message Toll Services (MTS) and Wide Area Telecommunications Services (WATS) of underlying common carriers who may be subject to the jurisdiction of this Commission.

2.1.1.C. The rates and regulations contained in this tariff apply only to the services furnished by SmarTalk 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 SmarTalk.

2.1.1.D. The services of SmarTalk are furnished to purchasers of SmarTalk TeleServices and Usage Advantage Debit Cards, 1+ long distance services, and authorized subscribers to master commercial accounts. The purchase of a card or subscription to a service makes available to the purchasing subscriber SmarTalk's nationwide services, including the intrastate services offered under the terms and conditions of this tariff.

2.2. Use of Services

2.2.1. SmarTalk'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.

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Telecommunications Service

Rules and Regulations, continued

- 2.2.2. The use of SmarTalk'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 SmarTalk's services without payment for service or attempting to avoid payment for service by fraudulent means or devices, schemes, false or invalid numbers, false credit cards or false SmarTalk TeleServices or Usage Advantage Debit Cards or false numbers of such cards, is prohibited.
- 2.2.4. SmarTalk's services area is available for use twenty-four hours per day, seven days per week.
- 2.2.5. SmarTalk does not transmit messages pursuant to this tariff, but its services may be used for that purpose.
- 2.2.6. SmarTalk's services may be denied for nonpayment of charges or for other violations of this tariff.

2.3. Liabilities of the Company

- 2.3.1. SmarTalk shall not be liable for loss or damage sustained by reason of any failure in or breakdown of facilities associated with SmarTalk's services or for any interruption or delay of services, whatever shall be the cause of such failure, breakdown, or interruption, and whether negligent or otherwise, and however long it shall last. In no event shall SmarTalk's liability for any service exceed the charges applicable under this tariff to such service.
- 2.3.2. SmarTalk shall be indemnified and saved harmless by any subscriber, user or by any other entity against claims for libel, slander or the infringement of copyright arising from the material transmitted over its services and against all other claims arising out of any act or omission of a subscriber or of any other entity in connection with the services provided by SmarTalk.
- 2.3.3. SmarTalk is not liable for any act or omission of any entity furnishing facilities or services connected with or provided in conjunction with the services of SmarTalk.

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Telecommunications Service

Rules and Regulations, continued

- 2.3.4. SmarTalk shall not be liable for any personal injury or death of any person or persons, nor for any loss or damage sustained by reason of acts, mistakes, omissions, errors or defects in providing its services, whatever shall be the cause, and whether negligent or otherwise.
- 2.3.5. SmarTalk shall not be liable for and shall be indemnified and saved harmless by any subscriber, user or other entity from any and all loss, claims, demands, suits, or other action or any liability whatever, whether suffered, made, instituted, or asserted by any subscriber, user or any other entity or any personal injury to, or death of, any person or persons, and for any loss, damage, defacement or destruction of the premises of any subscriber, user or others, caused or claimed to have been caused, directly or indirectly, by any act or omission of the subscriber, user or others or by any installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of services, facilities or equipment provided by SmarTalk which is not the direct result of SmarTalk's negligence. No agents or employees of any other entity shall be deemed to be the agents or employees of SmarTalk.
- 2.3.6. SmarTalk shall not be liable for any failure of performance due to causes beyond its control, including, without being limited to, acts of God, fires, floods or other catastrophes, national emergencies, insurrections, riots or wars, strikes, lockouts, work stoppage or other labor difficulties, acts or omissions of other carriers, and any law, order, regulation or other action of any governing authority or agency thereof.

2.4. Responsibilities of the End Users and Subscribers

- 2.4.1. The end users and/or subscribers are responsible for payment for the use of SmarTalk long distance services, SmarTalk TeleServices and Usage Advantage Debit Cards, and for complying with tariff regulations. The subscriber is also responsible for the payment of charges for calls which the subscriber elects to continue following notification that the prepaid amount on the SmarTalk calling card then in use has been fully used.
- 2.4.2. The subscriber must pay SmarTalk for replacement or repair of damage to the equipment or facilities of SmarTalk caused by negligence or willful act of the subscriber or others, by improper use of the services, or by the use of equipment provided by the subscriber or others.

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Telecommunications Service

Rules and Regulations, continued

- 2.4.3. The subscriber is responsible for compliance with the applicable regulations set forth in this tariff.
- 2.4.4. The subscriber is responsible for establishing its identity as often as necessary during the course of the call.

2.5. Cancellation or Interruption of Service

- 2.5.1. Without incurring liability, SmarTalk may immediately discontinue services to an end user or subscriber or may withhold services to an end user or subscriber or may withhold the provision of ordered or contracted services:
 - 2.5.1.A. For nonpayment of any sum due SmarTalk for the use of SmarTalk TeleServices and Usage Advantage Debit Cards or the provision of any other communications services to the end user or subscriber. Suspension or termination of service shall not be made without five (5) working days' written notice to the Customer, except in extreme cases;
 - 2.5.1.B. For violation of any of the provisions of this tariff;
 - 2.5.1.C. For noncompliance with and/or violation of the Commission's regulations or the Company's rules and regulations on file with the Commission, provided five (5) working days' written notice is given before termination; or
 - 2.5.1.D. By reason of any order or decision of a court, public service commission or federal regulatory body or other governing authority prohibiting SmarTalk from furnishing its services.
- 2.5.2. Without incurring liability, SmarTalk may interrupt the provision of services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of SmarTalk's equipment and facilities and may continue such interruption until any items of noncompliance or improper equipment operation so identified are rectified.

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Effective: September 13, 1996

Issued by:

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Telecommunications Service

Rules and Regulations, continued

2.5.3. Service may be discontinued by SmarTalk, without notice to the subscriber, by blocking traffic to certain countries, cities, or exchanges, or by blocking calls using certain subscriber account numbers, when SmarTalk deems it necessary to take such action to prevent unlawful use of its service. SmarTalk will restore service as soon as it can be provided without undue risk, and will, upon request by the subscriber affected, assign a new account number to replace the one that has been deactivated. SmarTalk reserves the right to limit the number of times an end user may utilize a commercial charge card to add value to SmarTalk TeleServices and Usage Advantage Debit Cards; further, SmarTalk reserves the right to block certain destinations for terminating calls for any reason.

2.5.4. SmarTalk prepaid calling card services expire at a predefined period of time after the first call or, if the card has not been used, on the expiration date printed on the card.

2.6. Billing of Calls

All charges due by the subscriber are payable at any agency duly authorized to receive such payments. Any objection to billed charges should be promptly reported to the Company. Adjustments to customers' bills shall be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise be appropriate.

2.7. Billing Arrangements

2.7.1. SmarTalk TeleServices and Usage Advantage Debit Card Charges

Charges for calls of this type will be prepaid upon purchase by the subscriber of SmarTalk TeleServices and Usage Advantage Debit Cards.

2.7.2. Corporate Advantage, SmarTalk Advantage and SmarTalk Retail Advantage Customers

2.7.2.A. Late Payment Charges. Charges for these accounts will be invoiced on a monthly basis. Invoices will be due upon receipt, and delinquent 30 days thereafter. Delinquent accounts will accrue interest at the rate of 1.5% per month, or the highest rate authorized under Ohio law.

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Telecommunications Service

Rules and Regulations, continued

- 2.7.2.B. Return Check Charges. A return check charge of \$20.00 or 5% of the amount of the check (whichever is greater) will be assessed for checks returned for insufficient funds. In the event of suit for payment, SmarTalk may recover all its costs expended therein, including reasonable attorneys' fees.

2.8. Restoration of Service

A reconnection fee of \$25.00 per occurrence is charged when service is reestablished for customers who had been disconnected for nonpayment.

2.9. Validation of Credit

SmarTalk reserves the right to validate the creditworthiness of users through available verification procedures. Where a requested billing method cannot be validated, the user may be required to provide an acceptable alternative billing method or SmarTalk may refuse to place the call.

2.10. Termination, Denial or Suspension of Service by Carrier

2.10.1. Reasons for Termination

The carrier may deny, terminate, or suspend service to any customer in the event that any of the following circumstances occur:

- 2.10.1.A. without notice, if customer or an authorized user uses the service in such a manner as to adversely affect the Carrier's network or the Carrier's service of others;
- 2.10.1.B. without notice, if customer or an authorized user tampers with equipment owned and furnished by Carrier;

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Telecommunications Service

Rules and Regulations, continued

- 2.10.1.C. with notice, if customer or an authorized user violates any statute, law, municipal ordinance, or any rule or regulation of any state or federal regulatory agency relating to communications, or otherwise fails to comply with this tariff;
- 2.10.1.D. with notice, if customer fails to permit Carrier reasonable access to such locations as may be necessary for maintenance or repair of facilities used by Carrier to provide service to customer; or
- 2.10.1.E. with notice, if customer fails to pay Carrier's bill when due, subject to the provisions of 2.10.2.B., below.

2.10.2. Termination for Nonpayment

SmarTalk reserves the right to terminate service to end users in the event that the retailer responsible for payment for end user network costs to SmarTalk does not make proper and timely payment under the terms of the agreement with the retailer. In such event, the end user will be notified and directed, via prerecorded message, to seek a refund from the retail establishment. The customer's service may, at Carrier's sole discretion, be reinstituted upon receipt of full payment of the undisputed portion of the balance due by the Carrier. Service shall not be terminated for nonpayment of a bill rendered unless:

- 2.10.2.A. The Carrier shall have verified that payment has not been received at any office of the Carrier, or at any office of an authorized collection agent, through the end of the period indicated in the notice; and
- 2.10.2.B. The Carrier shall have checked the customer's payment record on the day termination occurs.

Service shall not be terminated on account of nonpayment of any amount that is subject to bona fide dispute pursuant to the provisions of this tariff, but any such dispute shall not relieve the customer of the obligation of paying all undisputed amounts in a timely manner.

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Telecommunications Service

Rules and Regulations, continued

2.10.3. Termination for Cause Other Than Nonpayment

In the event the Carrier terminates service for any reason other than nonpayment of bills, it may be done so with notice to the customers, except in the circumstances listed in 2.10.1.A. and 2.10.1.B. on page 13, in which case the Carrier may terminate service immediately.

2.11. Termination by Customer

Except as otherwise agreed between the Customer and Carrier, service may be terminated by the Customer at any time, subject to payment in full of all charges that are due and are undisputed for the period service is rendered.

2.12. Payment and Billing

Paragraphs 2.12.1. through 2.12.6., below, apply only to services for which Carrier bills directly.

2.12.1. Service is provided and billed on a monthly basis, beginning on the date that service becomes effective. Payment is due thirty (30) days after the postmarked date of the Customer's bill.

2.12.2. Accounts shall be delinquent when payment is not received by thirty (30) days after the postmarked date of the Customer's invoice. Discounts for prompt payment are not offered by the Carrier.

2.12.3. The Customer is responsible for payment of all charges for services furnished to the Customer or the Customer's authorized users. Nonrecurring charges will appear on the first monthly bill rendered after service is initiated. Recurring charges are billed monthly in advance. Charges based on actual usage during a month and any accrued interest will be billed monthly in arrears.

2.12.4. Carrier will provide a toll free telephone number (800) 450-8580, for inquiries regarding bills or service. Carrier may change the toll free number by a notice appearing on Customer's bill.

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Telecommunications Service

Rules and Regulations, continued

2.12.5. Billing disputes: All bills are presumed accurate. In the case of a billing dispute between the Customer and the Carrier for service furnished to the Customer, which cannot be settled with mutual satisfaction by a telephonic inquiry, the Customer may request in writing, and the Carrier will provide, an in-depth review of the disputed amount. If the Customer is dissatisfied with this review, the Customer may file a complaint with the Federal Communications Commission.

2.12.6. Re-establishment of credit: A customer whose service has been discontinued for nonpayment of bills will be required to pay the unpaid balance due the Company for the premises for which service is to be restored. Restoration of service will be subject to all applicable installation charges.

2.13. Deposits

The Company does not require a deposit from the Customer.

2.14. Advance Payments

For customers whom the Company feels an advance payment is necessary, the Company reserves the right to collect an amount not to exceed one (1) month's estimated charges as an advance payment for service. This will be applied against the next month's charges and, if necessary, a new advance payment will be collected for the next month.

2.15. Contested Charges

For consideration of any disputed charge, a user may discuss the dispute with a subscriber service agent, who may adjust the SmarTalk TeleServices Debit Card, Usage Advantage Debit Card, or billed long distance service balance as necessary. Alternatively, a user may submit in writing to SmarTalk, within thirty (30) days of the date the call is placed, detailed information on the basis for any requested adjustment. SmarTalk will promptly investigate and advise the user as to its findings and disposition.

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Telecommunications Service

Rules and Regulations, continued

If a user is not satisfied with SmarTalk's resolution of a disputed charge, the user may contact the Public Utilities Commission of Ohio Public Service Commission at the following address:

Public Utilities Commission of Ohio

2.16. Refunds

SmarTalk agrees to refund any amounts remaining on SmarTalk TeleServices and Usage Advantage Debit Cards upon physical return of the card. Refunds will only be issued upon a showing that the service provided by SmarTalk has failed to meet either the service requirements set forth in this tariff, the requirements set forth in the Commission's Rules and Regulations, or the general standards of quality applicable to the industry. To qualify for a refund, a user must return the card to SmarTalk within three (3) months of the original purchase and submit in writing detailed information on the basis for any requested refund. SmarTalk will promptly investigate and advise the user as to its findings and disposition.

If a user is not satisfied with SmarTalk's resolution of a claim for refund, the user may contact the Public Utilities Commission of Ohio at the following address:

Public Utilities Commission of Ohio

SmarTalk will not be held responsible to the original purchaser for any lost, stolen, or expired SmarTalk TeleServices and Usage Advantage Debit Cards. SmarTalk will not be responsible for ensuring that any individual applying for a refund gained possession of SmarTalk TeleServices and Usage Advantage Debit Cards through legitimate means.

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Telecommunications Service

Rules and Regulations, continued2.17. Taxes

All federal, state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax, etc.) are calculated at the time of the call and included in the amount deducted for each call.

2.18. Commission Setoff

SmarTalk reserves the right to apply any commissions or residuals earned by a retailer to such retailer's accounts past due by 60 days or more.

SECTION THREE DESCRIPTION OF SERVICE3.1. Timing of Calls

Billing for calls placed over the SmarTalk network is based in part on the duration of the call. Billing is in one-minute increments. Timing of each call begins as specified below, and ends when the called party hangs up.

3.1.1. Timing begins when the called station is answered, as determined by standard industry methods generally in use for ascertaining answer, including hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. SmarTalk will not charge for uncompleted calls.

3.2. Calculation of Distance

Usage charges for all mileage sensitive products are based on the airline distance between rate centers associated with the originating and terminating points of the call as calculated by using Cartesian V and H coordinates. The airline mileage between rate centers is determined by applying the formula below to the V and H coordinates involved.

$$\text{Formula} = \sqrt{\frac{(V1-V2)^2 + (H1-H2)^2}{10}}$$

3.3. Minimum Call Completion Rate

A subscriber can expect a call completion rate of not less than 90% during peak use periods for all FGD services ("1+" dialing).

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Telecommunications Service

Description of Service, continued3.4. Service Offerings

- 3.4.1. SmarTalk TeleServices Debit Card Service is a prepaid long distance service offered to all customers. Service is available twenty-four (24) hours per day, seven (7) days a week. Users may purchase SmarTalk TeleServices Debit Cards at a variety of retail outlets or through other distribution channels such as direct sales through print and television advertisements. Retailers may purchase direct from SmarTalk or through Wholesale Distributors of SmarTalk products. SmarTalk TeleServices Debit Cards are available at a face value ranging from \$.40 to \$.60 per minute. A call is placed by dialing an 800 number to obtain access to SmarTalk's network. The caller is prompted by an automated voice response system to enter his/her account number, and then to enter the terminating telephone number.

SmarTalk's processor tracks the call duration and destination for rating purposes on a real time basis. The total price of each call, including applicable taxes, is deducted from the prepaid amount on the caller's SmarTalk TeleServices Debit Card. Callers wishing to recharge their cards may do so by entering a valid commercial credit card number. As the balance on the cards approaches zero, the callers are so advised and may elect to recharge and continue the call.

- 3.4.2. Corporate Advantage is a long distance service by which corporate accounts may assign unique personal identification numbers to authorized personnel for use under a master account number, along with subaccounts. The master account and subaccounts can be either prepaid or invoiced with preset usage limits.
- 3.4.3. SmarTalk Advantage is a long distance service by which subscribers are directly billed for minutes used on a monthly basis. Service is available twenty-four (24) hours per day, seven (7) days per week. SmarTalk Advantage services are available from rates as low as \$0.12 to \$0.18 per minute, depending upon the subscriber's length of service and/or volume commitment.
- 3.4.4. SmarTalk Retail Advantage is a long distance service by which subscribers are directly billed for minutes used on a monthly basis, which is only available from retail outlets which feature SmarTalk products and participate in the marketing and promotion of SmarTalk products. SmarTalk Retail Advantage services are available from rates as low as \$0.12 to \$0.18 per minute. Accounts are invoiced by SmarTalk or the Retailer.

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Telecommunications Service

Description of Service, continued

3.4.5. Usage Advantage is a prepaid long distance service offered exclusively from SmarTalk or SmarTalk's Wholesale Distributor's retail outlets. Service is available twenty-four (24) hours a day, seven (7) days per week. Calls are placed by dialing an 800 access number to obtain access to SmarTalk's network where the Caller enters his or her pin identification number.

Callers wishing to recharge their cards may do so by entering a valid commercial credit card number. As the balance on the cards approaches zero, the callers are so advised and may elect to recharge and continue the call.

3.5. Enhanced Services

SmarTalk will make available enhanced services, including, but not limited to speed dialing, message delivery, voice and fax mailboxes, fax broadcast and capabilities of recovery, storage and forwarding, E-mail in both audio and video form, and multiple station conferencing.

SECTION 4 RATES AND CHARGES

4.1. SmarTalk TeleServices Debit Card

Interstate, Intrastate prepaid debit card service
Billing in 60-second Increments

SmarTalk will enter into agreements with retailers or other distributors of the SmarTalk TeleServices Debit Cards and CheapTalk Cards to discount the price of cards purchased by a particular retailer or other distributor in order to induce the retailer or other distributor to offer the cards to end users.

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Telecommunications Service

Rates and Charges, continued

These distribution arrangements will not affect the rates charged to end users of the cards. SmarTalk may also enter special arrangements with certain customers who purchase cards in volume directly from SmarTalk. Discounts on direct purchases will apply to intrastate rates.

4.1.1. Maximum SmarTalk TeleServices Debit Card and CheapTalk Card Rates

<u>Rate Mileage</u>	<u>Each Minute</u>
All Miles	\$0.60

4.1.2. Current SmarTalk TeleServices Debit Card and CheapTalk Card Rates (Suggested Retail)

<u>Rate Mileage</u>	<u>Each Minute</u>
All Miles	
30 minute card	\$0.40
60 minute card	\$0.40
120 minute card	\$0.40

4.2. Corporate Advantage

A long distance service whereby corporate accounts may assign unique personal identification numbers to authorized personnel for use under a master account number, along with subaccounts. The master account and subaccounts can be either prepaid or invoiced, with present usage limits.

SmarTalk will enter into agreements with retailers or other distributors of Corporate Advantage Services to discount the price of services purchased by a particular retailer or other distributor in order to induce the retailer or other distributor to offer the services to end users. These distribution arrangements will not affect the rates charged to end users.

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Rates and Charges, continued4.2.1. Corporate Advantage Rates

<u>Monthly Billing</u>	<u>Interstate Rate</u>
\$0 - \$1,000	.30
\$1,000 - \$2,000	.275
\$2,000 +	.25

Customer credits may be issued for term commitments, special incentives and promotions, etc.

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Telecommunications Service

Rates and Charges, continued4.3. SmarTalk Advantage

Interstate, Intrastate 1+ long distance services
Sixty (60) second billing increments

Product	Discount	Term (Months)	Dollar Commitment	Effective Intrastate Rate
Advantage I	0	3	\$100	.1800
Advantage II	11.1%	6	\$200	.1600
Advantage III	16.6%	9	\$300	.1500
Advantage IV	22.2%	12	\$500	.1400
Advantage V	27.7%	15	\$750	.1300
Advantage VI	33.3%	18	\$1000	.1200

SmarTalk reserves the right to bill back incremental minutes if a customer prematurely terminates the Advantage Plan the customer selected.

4.4. SmarTalk Retail Advantage

Interstate, Intrastate 1+ long distance services available through long distance retail locations which meet SmarTalk's advertising and promotional criteria
Sixty (60) second billing increments.

Product	Discount	Term (Months)	Dollar Commitment	Effective Intrastate Rate
Retail Advantage I	0	1-3	\$100	.1800
Retail Advantage II	11.1%	3-10	\$200	.1600
Retail Advantage III	16.6%	10-18	\$300	.1500
Retail Advantage IV	22.2%	18-24	\$500	.1400
Retail Advantage V	27.7%	24-48	\$750	.1300
Retail Advantage VI	33.3%	48 or more	\$1000	.1200

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Telecommunications Service

Rates and Charges, continued

Retailers which sell SmarTalk cards may participate in the SmarTalk Corporate Advantage program at the Retailer's then current wholesale rate exclusive of any promotional discounts. Alternatively, the price of the product sold to the retailer may include credit for promotional programs or advertising discounts.

4.5. Usage Advantage

Interstate, Intrastate prepaid debit card service
Billing in 60-second Increments
Deductions for use on a per unit basis

4.5.1. Rates

Usage Advantage rates are applicable to 10, 20, 30, 60, 120, and 240 unit cards and Usage Advantage Cards may be recharged at the caller's discretion (i) at a retail location at the applicable rate set forth in this section 4.5.1 or (ii) anywhere other than at a retail location at the applicable rate set forth in section 4.6.1.

<u>Product</u>	<u>Each Unit (Suggested Retail)</u>	<u>Recharge at Retail (Suggested Retail)</u>
Usage Advantage I	\$0.28	\$0.35
Usage Advantage II	\$0.28	\$0.30
Usage Advantage III	\$0.30	\$0.35
Usage Advantage IV	\$0.30	\$0.35
Usage Advantage V	\$0.333	\$0.2775
Usage Advantage VI	\$0.35	\$0.35
Usage Advantage VII	\$0.40	\$0.35

4.6. SmarTalk Recharge

SmarTalk TeleServices Debit Cards, CheapTalk Cards, and Usage Advantage Cards (other than retail recharge as specified in 4.5.1) may be recharged at the Caller's discretion. Callers are notified which SmarTalk Recharge product has been ascribed to their card before recharge purchase verification. SmarTalk Recharge provides interstate and intrastate prepaid debit card service with billing in 60-second or one unit increments.

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Telecommunications Service

Rates and Charges, continued4.6.1. Rates

<u>Product</u>	<u>Recharge Rate</u>
SmarTalk Recharge I	\$0.20
SmarTalk Recharge II	\$0.25
SmarTalk Recharge III	\$0.30
SmarTalk Recharge IV	\$0.333
SmarTalk Recharge V	\$0.35

4.7. Promotional Offerings

SmarTalk may from time to time offer special promotional discounts to promote use of its 1+ long distance and Debit Card products. These offerings may be limited to certain dates, times, and locations and may take the form of manufacturer's rebates, cash refunds, free calling cards or other premium incentive merchandise. Certain promotional debit cards may be rechargeable for rates disclosed pursuant to 4.6.1.

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VERIFICATION

I Andy Folck, hereby affirm that SmarTalk TeleServices, Inc., a California corporation, has notified the Ohio Department of Taxation of its intent to conduct operations as a telephone utility in the State of Ohio.



Andy Folck, Chief Executive Officer
SmarTalk TeleServices, Inc.

Exhibit D

SERVICE REQUIREMENTS FORM

The provider affirms that it is in compliance with Commission directives concerning the following checked items, and that this represents an up-to-date listing of applicable "generic" service requirements. The provider understands that this in no way supersedes the context of the applicable Commission orders described below.

A. MANDATORY REQUIREMENTS FOR ALL CTS PROVIDERS:

☒ 1. SALES TAX

Applicable to all competitive telecommunication service providers (See also Case No. 87-1010-TP-UNC)

Certain telecommunication services, as defined in the Ohio Revised Code, are subject to state sales tax at the prevailing tax rates, if the services originate, or terminate in Ohio, or both, and are charged to a subscriber's telephone number or account in Ohio.

☒ 2. DEPOSITS

If a deposit is requested, it may not exceed the estimated charges for two months tariffed services plus 30 percent of the monthly estimated charge for a specified customer. Deposits held for less than 180 days shall not accrue interest. Interest on intrastate deposits held for 180 days or longer will be handled in accordance with Rule 4901:1-17-05 of the Ohio Administrative Code.

B. REQUIREMENTS FOR PROVIDERS OF CERTAIN CTSs, OR WHERE CERTAIN CONDITIONS OF SERVICE ARE UTILIZED (check all applicable):

☒ 1. DISCOUNTS FOR PERSONS WITH COMMUNICATION DISABILITIES AND THE TELECOMMUNICATION RELAY SERVICE

Applicable to all competitive telecommunication service providers offering message toll service (MTS) (See also Case No. 87-206-TP-COI and 91-113-TP-COI):

- a. For purposes of these requirements, the definition of disabled refers to those persons with communication disabilities,

Provider's Name:

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including those hearing disabled, deaf, deaf/blind, and speech disabled persons who have a disability that prevents them from communicating over the telephone without the aid of a telecommunications device for the communicatively disabled.

- b. Residential disabled customers or disabled members of a customer's household, upon written application and upon certification of their disabled status, which is evidenced by either a certificate from a physician, health care official, state agency, or a diploma from an accredited educational institution for the disabled, are eligible to receive a discount off their MTS rates, and, if they utilize telebraille devices, they are eligible to receive free access to local and intrastate long distance directory assistance. Additionally, TDD lines maintained by non-profit organizations and governmental agencies, upon written application and verification that such lines are maintained for the benefit of the disabled are eligible to receive a discount off their MTS rates.
- c. Upon receipt of the appropriate application, and certification or verification by a person with a communication disability, one of the following discounts shall be made available for the benefit of the disabled person:
 - i. Off the basic MTS, current, price list day rates: a 40 percent discount off the intrastate, interexchange, customer-dialed, station-to-station calls occurring between 8:00 a.m. and 4:59 p.m. Monday through Friday; a 60 percent discount off the intrastate, interexchange, customer-dialed, station-to-station calls occurring between 5:00 p.m. and 10:59 p.m. Sunday through Friday, and New Year's Day, Independence Day, Labor Day, Thanksgiving, and Christmas; and a 70 percent discount off the intrastate, interexchange, customer-dialed, station-to-station calls occurring between 11:00 p.m. and 7:59 a.m. any day, 8:00 a.m. and 4:59 p.m. Sunday, and all day Saturday; or
 - ii. Off the basic MTS, current, price list day rates: no less than a straight 70 percent discount shall be made available on a 24-hour a day basis; or
 - iii. For MTS offered pursuant to the mileage-banded rate structure established in the Commission's April 9, 1985 Opinion and Order in Case No. 84-944-TP-COI, with the traditional day, evening, and night/weekend discounts: the

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"evening" discount off the intrastate, interexchange, customer-dialed, station-to-station calls placed during the "day" period Monday through Friday; and the "night/weekend" discount off the intrastate, interexchange, customer-dialed, station-to-station calls placed during the "evening" period Sunday through Friday, and on New Year's Day, Independence Day, Labor Day, Thanksgiving, and Christmas. Furthermore, the "night/weekend" discount plus an additional discount equivalent to no less than ten percent of the company's current, price list, "day" rates for basic MTS shall be made available for intrastate, interexchange, customer-dialed, station-to-station calls placed during the "night/weekend" period any day, the "day" period Sunday, and all day Saturday.

- d. All MTS calls placed through the telecommunication relay service (TRS) are eligible to receive a discount off the MTS rates. The rate discounts are the same as those set forth in paragraph 1.c. preceding. The discount shall not apply to sponsor charges associated with calls placed to pay-per-call services, such as 900, 976, or 900-like calls.

2. EMERGENCY SERVICES CALLING PLAN

Applicable to all competitive telecommunication service providers offering MTS (See also Case Nos. 85-1466-TP-COI and 89-54-TP-COI):

Message toll telephone calls, to governmental emergency service agencies as set forth in (a) following, having primary or principal responsibility with respect to the provision of emergency services to persons and property in the area from which the call is made, meeting the definition and criteria of an emergency call as set forth in (b) following, are offered at no charge to customers:

- a. Governmental fire fighting, Ohio State Highway Patrol, police, and emergency squad service (as designated by the appropriate governmental agency) qualify as governmental emergency service agencies provided they answer emergency service calls on a personally attended (live) 24-hour basis, 365 days a year, including holidays.
- b. An emergency is an occurrence or set of circumstances in which conditions pose immediate threat to human life, property, or both, and necessitate that prompt action be taken. An emergency call is

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an originated call of short duration to a governmental emergency service agency in order to seek assistance for such an emergency.

☐ 3. ALTERNATIVE OPERATOR SERVICES

The following applies to the provision of alternative operator services (AOS) (see also Case No. 88-560-TP-COD):

Preceding the maximum operator-assisted surcharges set forth in the text of the proposed tariff, as well as preceding the operator-assisted surcharges set forth in the price list attached to the proposed tariff, the CTS provider must insert a statement which specifies whether the rates as set forth apply to the provider's provision of traditional operator services, AOS, or both.

a. Definitions

- i. AOS are those services provided by the provider in which the customer and the end user are totally separate entities. The provider contracts with the customer to provide the AOS; however, the provider does not directly contract with the end user to provide the services even though it is the end user who actually pays for the processing of the operator-assisted calls.
- ii. Traditional operator services are those services provided by the provider in which the end user has a customer relationship with the provider, the provider contracts with the customer/end user to provide the services, and the customer/end user pays for the actual processing of the operator-assisted calls.

b. AOS Service Parameters

- i. For local operator-assisted calls, the AOS provider shall not charge the billed party more than the local exchange company (LEC) price list rates for a local operator-assisted call in the same exchange. This requirement includes both the rates for MTS and operator surcharges.
- ii. For intraLATA, intrastate calls, the AOS providers serving secured facilities shall not charge the billed party more than the LEC price list rates for an intraLATA, intrastate call. This requirement includes both the rates for MTS and operator

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surcharges. This requirement is only applicable in those situations where the billed party does not have access to other operator service providers (OSPs) for the call from the secured facility.

- iii. For intraLATA and interLATA, intrastate calls, each AOS provider must apply one of the following MTS price ceilings to the MTS provided in conjunction with AOS (see also Case No. 89-563-TP-COD):

<u>Mileage Band</u>	<u>Initial Minute</u>	<u>Each Additional Minute</u>
1 - 10	.32	.16
11 - 22	.40	.22
23 - 55	.48	.28
56 - 124	.57	.37
125 - end	.58	.39

or;

\$.36 per minute of use

This rule does not apply to the provision of intraLATA, intrastate calls from secured inmate facilities where there is no access to other OSPs; the rates for those types of calls are addressed in 3.B.i. and ii., above.

- iv. For intraLATA and interLATA, intrastate calls, each AOS provider's maximum interexchange operator-assisted rates shall be no more than:
- i. \$1.70 for customer-dialed calling card calls;
 - ii. \$2.50 for operator-handled calls; and
 - iii. \$4.80 for person-to-person calls.

This rule does not apply to the provision of intraLATA, intrastate calls from secured inmate facilities where there is no access to other OSPs; the rates for those types of calls are addressed in 3.B.1, above.

- v. Notice of any change in the rates stated in 3.B. i. through iv., whether it be upward or downward, must be filed by the OSP with the Commission in the form of a new price list, on or

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before the effective date in accordance with Commission-established filing rules.

■ 4. LIMITATION OF LIABILITY

The following is applicable to all competitive telecommunication providers that choose to include in their tariffs language which may limit their liability (See also Case No. 85-1406-AU-COI):

Approval of limitation of liability language by the PUCO 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 the exculpatory clause.

■ 5. TERMINATION LIABILITY

The following is applicable to all competitive telecommunication providers that choose to include in their tariffs language which may limit their liability for early termination of a contract or term payment plan:

Commission authorization of the termination liability language pursuant to the 0-day notice procedure is not intended to indicate that the Commission has approved or sanctioned any terms or provisions contained therein. Signatories to such contracts shall be free to pursue whatever legal remedies they may have should a dispute arise.

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