RULES, REGULATIONS AND RATES APPLYING TO THE PROVISION OF INTERSTATE LONG DISTANCE SERVICE FOR SUBSCRIBERS OF

# PRAIRIE GROVE TELEPHONE COMPANY

LOCATED IN

PRAIRIE GROVE, ARKANSAS

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# 1. Application of Interstate Service Agreement

This Service Agreement contains the regulations and rates applicable to the provision of Interstate Long Distance Service of Prairie Grove Telephone Company (hereafter referred to as the "Company") from its Points of Presence in the United States to Interstate points, as specified herein. Service is furnished subject to the availability of facilities and subject to transmission, atmospheric and like conditions.

#### 2. Definitions

Certain terms used generally throughout this Service Agreement, particularly those for specialized common carrier communications channels furnished by the Company over its facilities are defined below.

<u>Business Service</u> – The phrase "Business Service" means telecommunications service provided to the Customer for use primarily or substantially for a business, professional, institutional or other occupational purpose.

<u>Central Office</u> – A Local Exchange Carrier switching system where Local Exchange Carrier customer station loops are terminated for purposes of interconnection to each other and to trunks.

<u>Channel</u> – The term "Channel" denotes a path for electrical transmission between two or more points, the path having a bandwidth designed to carry voice grade transmission.

<u>Common Carrier</u> – A Company or entity providing telecommunications services to the public.

<u>Customer</u> – The term "Customer" denotes the person, partnership, association, joint stock company, trust, corporation, or governmental entity or any other entity, that is responsible for payment of charges and for compliance with this Service Agreement.

<u>Customer Provided Facilities</u> – The term "Customer Provided Facilities" denotes all communications facilities provided by the Customer and/or authorized user other than those provided by the Company.

## **2. Definitions** (Cont'd)

<u>Exchange</u> – The term "Exchange" denotes a unit established by the Local Exchange Carrier for the administration of communications service in a specified area which usually embraces a city, town or village and its environs. It consists of one or more central offices together with the associated facilities used in furnishing communications service within that area. One or more designated exchanges comprise a given Local Access and Transport Area (LATA).

<u>Interstate Long Distance Service</u> – The term "Interstate Long Distance Service" denotes the furnishing of station-to-station direct dial Interstate switched network services to the Customer for the completion of long distance voice and dial up low speed data transmissions over voice grade channel from the Company's Points of Presence to points in other countries as specified herein.

<u>Local Exchange Carrier (LEC)</u> – The term "Local Exchange Carrier" denotes any telephone company that has been granted a certificate of Public Convenience and Necessity by a State Commission and provides local telephone service to

Customers within a defined exchange.

Other Common Carrier – The term "Other Common Carrier" denotes a common carrier, other than the Company, providing domestic interstate communications service to the public.

<u>Points of Presence</u> – The term "Points of Presence" denotes the sites where the Company provides a network interface with facilities provided by Other Common Carriers, Local Exchange Carriers or Customers for access to the local area network.

<u>Premises</u> – The term "Premises" denotes a building or buildings on contiguous property (except railroad rights-of-way, etc.) not separated by a public highway.

## 3. General Regulations

#### 3.1 Service Description

Interstate Long Distance Service is offered to residential and business Customers of the Company to provide direct dialed termination of Interstate station-to-station calls placed from the Company's Points of Presence in the United States, using the Company's network to the countries or areas designated which are not part of the United States or its territories. The Company provides switched long distance network services for voice grade and low speed dial-up data transmission services offered on a usage sensitive basis. All services are provided subject to the terms and conditions set out in this offering.

#### 3.2 Interconnection with Other Common Carriers

The Company reserves the right to interconnect its services with those of any Other Common Carrier, Local Exchange Carrier, or alternate access provider of its election, and to utilize such services concurrently with its own facilities for the provision of services offered herein.

# 3.3 Undertaking of the Company

- A. The Company undertakes to provide switched Interstate Long Distance Service in accordance with the terms and conditions set forth in this Service Agreement.
- B. The Company shall provide Interstate Long Distance Service as an integral part of the Company's interstate service offerings. Services are available twenty-four hours per day, seven days a week.

# 3. General Regulations (Cont'd)

#### 3.4 Use of Service

Customers are prohibited from and by their acceptance of service agree not to use the services furnished by the Company for any unlawful purpose or for any purpose prohibited under the provisions of any regulatory order.

## 3.5 Liability of the Company

- A. In case of the Company's willful misconduct, the Company's liability, if any, is not limited by this Service Agreement. The liability of the Company, if any, for damages resulting in whole or in part from or arising in connection with the furnishing of service under this Service Agreement, including but not limited to mistakes, omissions, interruptions, delays, errors or other defects in transmission occurring after service activation and during the course of furnishing service or arising out of any failure to furnish service shall in no event exceed an amount of money equivalent to the proportionate charge to Customer for the period of service during which such mistakes, omissions, interruptions, delays or errors or defects in transmission occur and continue. However, any such mistakes, omissions, interruptions, delays, errors, or defects in transmission or service which are caused by or contributed to by the negligence or willful act of Customer, or which arise from the use of Customer-Provided Facilities or equipment shall not result in the imposition of any liability whatsoever upon the Company.
- B. The Company is not liable for any act, omission or negligence of any Local Exchange Carrier or other provider whose facilities are used concurrently in furnishing any portion of the services received by Customer, or for the unavailability of or any delays in the furnishing of any services or facilities which are provided by any Local Exchange Carrier. Should the Company employ the service of any Other Common Carrier in furnishing the services provided to Customer, the Company's liability shall be limited according to the provisions of A. above.
- C. Under no circumstances whatsoever shall the Company or its officers, agents, or employees be liable for indirect, incidental, special or consequential damages.

# 3. General Regulations (Cont'd)

## 3.5 Liability of the Company (Cont'd)

- D. The Company shall not be liable for any failure of performance hereunder due to causes beyond its control, including but not limited to fire, flood, or other catastrophes; Acts of God; atmospheric conditions or other phenomena of nature, such as radiation; any law, regulation, directive, order or request of the United States Government, or any other government including state and local governments having any jurisdiction over the Company or the services provided hereunder; national emergencies; civil disorder, insurrections, riots, wars, strikes, lockouts, work stoppages, or other labor problems or regulations established or actions taken by any court or government agency having jurisdiction over the Company.
- E. The Company is not liable for any damage to Customer's premises or equipment arising out of the connection of any of Company equipment associated wiring on such premises, or from the installation or removal thereof except to the extent that such damage results from the Company's negligence or willful misconduct. Customer will indemnify and save and hold the Company harmless from any claims of the owner of Customer's premises or equipment, or other third party claims for such damages.
- F. The Company shall not be liable for any act or omission of any other entity furnishing to the Customer facilities or equipment used with the service furnished hereunder; nor shall the Company be liable for any damages or losses due in whole or in part to the fault or negligence of the Customer or due in whole or in part to the failure of Customer-provided equipment or facilities.

## 3. General Regulations (Cont'd)

#### 3.6 Assignment

- A. Customer shall not assign or transfer the use of the Company's services except that, where there is no interruption or relocation of use, such assignment or transfer may be made to an assignee Customer, whether an individual, partnership, association or corporation, if the Company consents in writing to such assignment and provided that:
  - (1) Customer of record (assignor Customer) requests such assignment or transfer in writing in accordance with C. below; and
  - (2) The new Customer (assignee Customer) notifies the Company in writing that it agrees to assume all outstanding obligations of the former Customer for use of the Company's services. These obligations include all outstanding indebtedness for the use of the Company's service. Consent to such assignment or transfer will not be unreasonably withheld.
- B. Any permitted assignment or transfer of the Company's service shall not relieve or discharge any Customer from remaining jointly and severally liable with the new Customer for any obligations existing at the time of transfer or assignment.
- C. The Customer shall provide written notice to the Company at least forty-five (45) days prior to the effective date of any requested assignment or transfer. The Company agrees to respond to a request to assign or transfer to another Customer within thirty (30) days of receipt of notification. All terms and provisions contained in this Service Agreement shall apply to any assignee or transferee.

# 3. General Regulations (Cont'd)

## 3.7 Allowance for Interruption of Service

If for any reason the service is interrupted, the Customer will only be charged for the service that was actually used.

# 3.8 Contract Service Arrangements

Any service or combination of services, may also be provided under a Customer specific contract agreement.

- A. Rates, charges, terms and conditions for the contract service arrangements will be developed on an individual basis.
- B. Unless otherwise specified, the rates, charges, terms and conditions are in addition to those specified in other sections of this Service Agreement.

## 3.9 Operator Services

Operator Services will not be provided by the Company as part of the Service furnished by the Company.

# 4. Payment and Credit Regulations

## 4.1 Payment of Charges

- A. The Customer shall pay for all charges invoiced for usage of the Company's service hereunder.
- B. Once service is activated, the Customer is liable for the payment of all usage charges for services to be provided by the Company to the Customer.
- C. Charges associated with usage shall be billed in arrears.
- D. Any applicable federal, state and local use, excise, sales or privilege taxes or similar liabilities chargeable to or against the Company as a result of the provision of the Company's services hereunder to Customer, shall be charged to and payable by Customer in addition to the rates indicated in the Service Agreement for Interstate Long Distance Service.
- E. In the event the Company must employ the services of attorneys for collection of charges due under this Service Agreement, the Customer shall be liable for all costs of collection including a reasonable attorney's fee.
- F. It is the intention of the Company to conform strictly to applicable laws.

# 4. Payment and Credit Regulations (Cont'd)

# 4.2 Security for Payment

#### A. Authorization to Obtain Credit Information

The Company reserves the right to require all Customers to establish credit worthiness to the reasonable satisfaction of the Company. Upon application for service, Customer shall be deemed to have authorized the Company to obtain such routine credit information and verification as the Company shall require in accordance with its then existing credit policies.

## B. Deposit

Prior to service activation or any permitted assignment, the Company reserves the right to require any Customer whose credit worthiness has not been established to the reasonable satisfaction of the Company to make a deposit to guarantee payment of charges.

- (1) The total amount of any security deposit, if required by the Company, shall be a cash amount or irrevocable Letter of Credit.
- (2) Deposits shall be adjusted to reflect increased or decreased billings. Such increased deposit amounts shall be included in billing and due pursuant to Section 4.1, or other arrangements must be approved by the Company.
- (3) The fact that a deposit is made does not relieve the Customer from making advance payments or from complying with the Company's regulations for the payment of bills in accordance with the terms herein and does not constitute a waiver or modification of the regulations of the Company providing for the discontinuance of Service for nonpayment of any sums due the Company for Service rendered.

- 4. Payment and Credit Regulations (Cont'd)
  - **4.2 Security for Payment** (Cont'd)
    - B. Deposit (Cont'd)
      - (4) A deposit will be returned by the Company under the following circumstances:
        - (a) When an application for service has been canceled prior to service activation, the deposit will be applied to any existing charges incurred in accordance with the provisions of this Service Agreement.

The Company agrees to refund the excess portion of the deposit, if any, within thirty (30) days following settlement of Customer's account. No interest will be applied to any deposit for any service disconnected before thirty (30) days.

(b) Upon the discontinuance of service, the Company will refund the Customer's deposit to the extent that it exceeds any unpaid charges for installation and service to the Customer. The adjustment of the Customer's deposit in no way relieves the Customer from complying with all terms and provisions contained in the Company's Service Agreement or from tendering payments when due.

# 4. Payment and Credit Regulations (Cont'd)

# 4.3 Denial of Access to Interstate Long Distance Service by the Company

The Company expressly retains the right to immediately deny access to service without incurring any liability for any of the following reasons:

- A. Nonpayment of any sum due for service provided hereunder, where the Customer's charges are not paid in full pursuant to Section 4.1, or
- B. Customer's acts or omissions which constitute a violation of, or a failure to comply with, any regulation stated in this Service Agreement governing the furnishing of service, but which violation or failure to comply does not constitute a material breach or does not pose any actual or threatened interference to the Company's operations or its furnishing of services. The Company agrees to give Customer ten (10) days notice of such violation or failure to comply prior to service; or
- C. The implementation of any order of a court of competent jurisdiction, or federal or state regulatory authority of competent jurisdiction, prohibiting the Company from furnishing such service; or
- D. Where the Customer has failed or neglected to tender any additional or required security deposit within the time frame established or agreed to by the Company.
- E. Without incurring liability, the Company may interrupt the provision of services at any time in order to perform tests and inspections to assure compliance with Service Agreement regulations and the proper installation and operation of the Subscriber and the Company's equipment and facilities, and may continue such interruption until any items of noncompliance or improper equipment operation so identified are rectified.
- F. Service may be discontinued by the Company, without notice to the Subscriber, by blocking traffic to certain countries, cities, or NXX exchanges, or by blocking calls using certain Customer authorization codes, when the Company deems it necessary to take action to prevent unlawful use of its service. The Company may restore service as soon as it can be provided without undo risk.

## 4. Payment and Credit Regulations (Cont'd)

## 4.4 Customer's Liability in the Event of Denial of Access to Service by the Company

In the event the Customer's service is disconnected by the Company for any of the reasons stated in Section 4.3, the Customer shall be liable for all unpaid charges due and owing to the Company associated with the service. The Customer's deposit shall be applied to all cancellation charges applicable to the service offering received by the Customer.

#### 4.5 Reinstitution of Service

If Customer seeks reinstitution of service following denial of service by the Company, the Customer shall pay to the Company prior to the time service is reinstituted (1) all accrued and unpaid charges, and (2) a deposit per Section 4.2 in order to reinstitute service.

#### 4.6 Discontinuation of Service

The Customer's service shall discontinue upon discontinuation of the Customer's subscription to the Company's interstate service.

# 4. Payment and Credit Regulations (Cont'd)

## 4.7 Billing Disputes

- A. If a Customer in good faith disputes any charges or the appropriateness of a charge billed by the Company, Customer shall notify the Company of the disputed charge in writing and provide documentation reasonably requested by the Company to resolve the dispute.
- B. The Customer and the Company shall exercise reasonable, good faith efforts to resolve the disputed charges. Failure to contest a charge within thirty (30) days of the date of the Customer's receipt of an invoice shall create an irrefutable presumption of the correctness of the charge, absent manifest error.
- C. If a Customer and the Company fail to resolve the disputed charge within thirty (30) days from the date of the Customer's receipt of an invoice, the disputed charge shall be settled within the applicable State, and in accordance with the Commercial Arbitration Rules of the American Arbitration Association.
- D. The Customer bears all costs and expenses associated with fraudulent usage. In the event any disputed charge is resolved in favor of the Customer, appropriate refund shall be credited directly to the Customer's account.

#### 4.8 Right to Back Bill for Improper Use of the Company's Services

Any person or entity which uses, appropriates or secures the use of services from the Company, whether directly or indirectly, in any unlawful manner or through the providing of any misleading or false information to the Company and which use, appropriation, or securing of services is inconsistent with the stated uses, intents, and purposes of this Service Agreement or any restrictions, conditions, and limitations stated herein, shall, in addition to being subject to any additional liability and or legal action, be liable for an amount equal to the accrued and unpaid charges that would have been applicable to the use of the Company's services actually made by the Customer.

## 4. Payment and Credit Regulations (Cont'd)

## 4.9 Late Payment Charge

- A. Payment will be due as specified on the Customer bill. Commencing after that due date, a late charge of not more than 10 percent of the first \$30.00 of the customer's bill and 2 percent of the remainder will be added to all amounts past due.
- B. Collection procedures and the requirement for a deposit are unaffected by the application of a late payment charge. The late payment charge does not apply to unpaid balances associated with disputed amounts. Undisputed amounts on the same bill are subject to the late payment charge if unpaid and carried forward to the next bill
- C. Service may be denied or discontinued at the Company's discretion for nonpayment of amounts due the Company past the due date as specified in A. above.

# 4.10 Returned Check Charge

In cases where the Company issues direct bills to Customers, and payment by check is returned for insufficient funds, or is otherwise not processed for payment, a charge of \$12.00 will be assessed to the Customer. Such charge will be applicable on each occasion when a check is returned or not processed.

## 4.11 Promotional Discounts

The Company may from time to time offer promotional discounts. Such discounts will be for a specified period of time, will not exceed published rates, and will be offered to all qualifying Customers on a non-discriminatory basis, under any rules prescribed by the Commission.

#### 4.12 Universal Service Fund Surcharge

A Universal Service Fund Surcharge will apply monthly per billed telephone number account and is equal to the current quarter's USAC contribution factors multiplied by the Customer's total billed interstate and international charges, excluding taxes.

# 5. Direct Dialed Long Distance Calls

# **5.1** Description of Service

Direct Dialed (1+) Service is measured use, full time service and is offered on a monthly basis. When appropriate access arrangements exist these switched services are available on a presubscription (equal access) basis.

# 5.2 Rates and Charges

- A. The unit of measure used for timing of messages is one-minute increments. The following rates apply 24 hours a day, seven days a week.
- B. Usage Rates

# Rate Per Minute

1. Calls within Contiguous United States

\$0.12

2. Calls to Alaska, Hawaii, USVI & PR

\$0.27

# 6. Directory Assistance Service

## **6.1** Description of Service

A charge applies to each call to Directory Assistance for request of a listing. Up to two requests may be made on each call.

# 6.2 Rates and Charges

#### A. Exemptions

Those Customers with a Company approved certification, having a visual or physical disability that prevents use of a telephone directory may be exempt, as a reasonable accommodation associated with their disability, from the charges. This exemption applies to calls billed to one residential telephone line per certified Customer and applies to Directory Assistance calls for personal use only.

#### B. Rates

The Directory Assistance charge applies whether or not the Directory Assistance bureau furnishes the requested telephone number(s).

Charge Per Call

# Directory Assistance ......\$0.80 Directory Assistance to get number then asking the operator to place the call \$2.25 Using Calling Card to reach Directory Assistance.....\$1.25

# 7. Credit Card Calls

# 7.1 Description of Service

- A. Upon application and at the Company's satisfaction as to the credit worthiness of a Customer, the Customer may be issued a Credit Card. The Customer may access this service by dialing a designated toll-free number entering an authorization code issued with the Credit Card.
- B. It is the responsibility of the Customer to guard and protect against any unauthorized use of any Company issued codes to which billing may be charged.
- C. The unit of measure used for timing of messages is one-minute increments.
- D. Calls made using a Credit Card will be assessed a per call surcharge and/or per minute usage rates as described below.

Charge Per Call

# 7.2 Rates and Charges

# A. Usage Rates

		Rate Per Minute
1.	Credit Card Calls within the Contiguous United States	\$0.21
2.	Credit Card Calls to Alaska, Hawaii, USVI & PR	\$0.46

#### B. Per Call Surcharge

	1. Customer Dialed Credit Card Calls	\$0.00
	2. Operator Assisted Credit Card Calls	\$1.25
	3. Directory Assistance	\$1.25
a		Nonrecurring Charge
C.	Customer Requested Change of Authorization Code	\$15.00

# 8. Toll Free Dialing Service

# 8.1 Description of Service

Long Distance Toll Free Dialing Service is a common line inward telecommunications service allowing a station to receive long distance calls without charge to the caller. The unit of measure used for timing of messages is one-minute increments. The service is available to both business and residential Customers.

# 8.2 Rates and Charges

The Company may impose a monthly subscription charge as well as a per-minute usage charge for all calls received. In addition, nonrecurring charges will apply for changes in service, as specified below.

# A. Usage Rates

		Rate per Minute
	Calls originating within the     Contiguous United States	\$0.12
	2. Calls originating in Alaska	\$0.43
	3. Calls originating in Hawaii, Virgin Islands & Puerto Rico	\$0.29
	4. Calls originating in Guam	\$0.45
	5. Call originating in Saipan	\$0.92
		Rates
B.	Monthly Recurring Charge	\$2.50
C.	Customer Requested Change of Billing Number	er \$5.00
D.	Customer Requested Change of Toll Free Num	nber \$5.00
E.	Verbal Directory Assistance Listing, Charge Per Month	\$20.00

## 8. Toll Free Dialing Service (Cont'd)

# 8.3 Optional Features

- A. The Customer may select one or more of the following options for an additional monthly charge.
  - Time-of-Day Routing
  - Percent Call Allocation Routing
  - Area Code Routing
  - Area Code Blocking
  - 6-Digit Routing and Blocking
  - 10-Digit Routing and Blocking

# B. Rates and Charges

	or and changes	Monthly Rate
1.	First Feature Selected	\$2.00
2.	Each Additional Feature	\$1.00

#### 9. Toll Free PIN Service

# 9.1 Description of Service

The Toll Free PIN product offers an alternative to traditional inbound toll free service. With traditional toll free service, each end user is assigned a unique toll free number. With the Toll Free PIN product you have a shared toll free access number and assign personal identification numbers (PINs) to your end users.

# 9. Toll Free PIN Service (Cont'd)

# 9.2 Rates and Charges

The Company will assign, at no charge to the customer, a 4-digit PIN and direct it to terminate to the desired location.

A.	Terminating to Prairie Grove Telephone Company customer	\$0.21
В.	From Domestic US to Offshore	\$0.38
C.	From Offshore to Domestic US or Offshore	\$0.38
D.	Customer requested change of PIN or ring-	\$5.00

# 10. Pay Phone Surcharge

# **10.1** Description of Service

A Public Payphone Surcharge applies to all completed local calls placed from a public/semi-public payphone that are not paid for on a sent paid basis, and applies in addition to any other applicable service charge.

# 10.2 Rates and Charges

		Charge Per Call
A.	Pay Phone Surcharge	\$0.35

# 11. Operator Services

(See AT&T Tariffed Rates)