TITLE PAGE

INTRASTATE INTEREXCHANGE TELECOMMUNICATIONS SERVICES

This tariff applies to the resold and facilities-based intrastate interexchange telecommunications services furnished by Sage Telecom, Inc. ("Sage" or "Company") between one or more points in the State of Arkansas. This tariff applies to residential and business customers. This tariff is on file with the Arkansas Public Service Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business, 805 Central Expressway South, Suite 100, Allen, TX, 75013. This tariff complies with Arkansas Public Service Commission rules and Arkansas statutes applicable to the Company.

Issued By:
James E. Kennedy
Vice President, Business Development
Sage Telecom, Inc.
805 Central Expressway South, Suite 100
Allen, Texas 75013-2789

CHECK SHEET

Pages 1 through 23, inclusive of this Tariff are effective as of the date shown. Revised sheets as named below contain all changes from the original tariff that are in effect on the date thereof.

Page	Number of Revisions Except as Indicated
1	Original
2	Tenth*
3	First
4	First
5	Original
6	Original
7	Original
8	First
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	First*
16	Original
17	Original
18	Original
19	Third
19.1	Original
20	Second
21	Eighth*
22	Original
23	Original

Issued By:
Robert W. McCausland
Vice President and Secretary
Sage Telecom, Inc.
805 Central Expressway South, Suite 100
Allen, Texas 75013-2789

TABLE OF CONTENTS

		Page No.	
TITLE PAGE		1	
CHECK SHEET		2	
TABLE OF CONTENTS		3	
TARIFF FORMAT SHEET		4	
SECTION 1 - DEFINITIONS		5	
SECTION 2 - RULES AND REGULATIONS		8	
2.1	Undertaking of Sage	8	
2.2	Use of Service	8	
2.3	Limitations	8	
2.4	Liabilities of Sage	9	
2.5	Responsibilities of the Customer	11	
2.6	Application for Service	12	
2.7	Charges Related to Customer Activity	13	
2.8	Payment of Charges	14	
2.9	Interruption of Service	16	
2.10	Restoration of Service	16	
2.11	Disconnection of Service by Customer	17	
2.12	Cancellation for Cause	17	
2.13	Notice and Communication	17	
2.14	Taxes, Surcharges and Utility Fees	18	
2.15	Customer Billing Inquiries	18	
SECTION 3 - DESCRIPTION OF SERVICES		19	
3.1	General	19	
3.2	Charges Based on Duration of Use	19	
3.3	Product Descriptions	19	
3.3.1	Switched Outbound (1+)	19	
3.3.2	Toll Free Service (8xx)	20	
3.3.3	[Reserved for Future Use]	20	**(RT)**
3.3.4	Directory Assistance	20	
3.3.5	Operator Services	20	
SECTION 4 - RATES AND CHARGES		21	
4.1	Switched Outbound (1+)	21	
4.2	Toll Free Service (8xx)	21	
4.3	[Reserved for Future Use]	21	**(RT)**
4.4	Directory Assistance	21	
4.5	Operator Services	22	
SECTION 5 - PROMOTIONS AND DISCOUNTS		23	
5.0	General	23	

Issued By:
Robert W. McCausland
Vice President, Regulatory Affairs
Sage Telecom, Inc.
805 Central Expressway South, Suite 100
Allen, Texas 75013-2789

TARIFF FORMAT SHEET

1. Page Numbering. Page numbers appear in the upper-right corner of the page. Pages are numbered sequentially. New pages may occasionally be added to the tariff. When a new page is added, the page appears as a decimal. For example, a new page added between pages 34 and 35 would be 34.1.

2. Page Revisions Numbers. Page Revision Numbers also appear in the upper-right corner of the page. These numbers are used to determine the most current page revision on file with the Public Utility Commission of Arkansas. For example, the fourth revised Page 34 cancels the third revised Page 34. Because of deferrals, notice periods, *etc.*, the most current page number on file with the Commission is not always the tariff page in effect. Business Customers should consult with check sheet for the page currently in effect.

3. Paragraph Numbering Sequence. There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level of coding.

   1.
   1.1.
   1.1.1.
   1.1.1.A.
   1.1.1.A.1.
   1.1.A.1.(a)
   1.1.1.A.1.(a)(I)
   1.1.1.A.1.(a)(I)(i)
   1.1.1.A.1.(a)(I)(i)(1)

4. Check List of Effective Pages. When a tariff filing is made with the Commission, an updated Check List of Effective Pages ("Check List") accompanies the tariff filing. The Check List lists the pages contained in the tariff, with a cross-reference to the current revision number. When new pages are added, the Check List 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 List if these are the only changes made to it (i.e., the format, *etc*.). Customers should refer to the latest Check List to find out if a particular page is the most current page on file with the Commission.

5. Symbols Used in This Tariff.

   (AT) To signify addition to text.
   (C) To signify a correction.
   (CP) To signify a change in practice.
   (CR) To signify a change in rate.
   (CT) To signify a change in Text.
   (DR) To signify a discontinued rate.
   (FC) To signify a change in format lettering or numbering.
   (MT) To signify moved text.
   (RT) To signify removed text. **(AT)**

Issued By:
Robert W. McCausland
Vice President, Regulatory Affairs
Sage Telecom, Inc.
805 Central Expressway South, Suite 100
Allen, Texas 75013-2789

SECTION 1 - DEFINITIONS

Account - Either a Customer's physical location or individual Service represented by a unique account number within the Billing Hierarchy. Multiple Services each with a unique account number may be part of one physical location.

Alternative Local Exchange Carrier ("ALEC") or Competitive Local Exchange Carrier ("CLEC") - means any entity or person providing local exchange services in competition with an ILEC or LEC.

Application for Service - The Sage order process that includes technical, billing and other descriptive information provided by the Customer that allows Sage to provide requested communications Services for the Customer and Customer's Authorized Users. Upon acceptance by Sage, the Application for Service becomes a binding contract between the Customer and Sage for the provision and acceptance of Services.

Authorization Code - A multi-digit code that enables a Customer to access Sage's network and enables Sage to identify the Customer's use for proper billing. Also called a Personal Identification Code or PIN.

Authorized User - A person, firm, or corporation, who is authorized by the Customer to be connected to the Service of the Customer.

Billing Hierarchy - Allows Customers to combine multiple accounts and Services into a single billing structure. Business Customers can choose whether to have all Services invoiced together, invoiced separately, or in any combination thereof. In addition, the Business Customer may specify where the invoices are to be sent and who is to receive them.

Business Hours - The phrase "business hours" means the time after 8:15 A.M. and before 5:00 P.M., Monday through Friday excluding holidays.

Business Office - The phrase "business office" means the primary location where the business operations of Sage are performed and where a copy of Sage's tariff is made available for public inspection. The address of the business office is 805 Central Expressway South, Suite 100, Allen, Texas 75013-2789.

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).

Calling Area - A specific geographic area so designated for the purpose of applying a specified rate structure.

Carrier - The term "Carrier" means Sage Telecom.

Central Office - A Local Exchange Carrier's office where a Customer's lines are terminated for the purpose of offering local telephone service and to connect with interexchange carriers.

Competitive Local Exchange Carrier ("CLEC") or Alternative Local Exchange Carrier ("ALEC") - means any entity or person providing local exchange services in competition with an ILEC or LEC.

Commission – Arkansas Public Services Commission ("MPSC").

SECTION 1 - DEFINITIONS

Company - The term "Company" means Sage Telecom.

Customer - The person, firm, company, corporation, or other entity, having a communications requirement of its own that is responsible for the payment of charges and for compliance with this Tariff. See "End User".

Customer-Provided Equipment - Telecommunications equipment provided by a Customer used to originate calls using Sage's service located at the originating location.

Day - The term "day" means 8:00 A.M. to, but not including, 5:00 P.M. local time at the originating city, Monday through Friday, excluding Company specific holidays.

Delinquent or Delinquency - An account for which payment has not been made in full on or before the last day for timely payment.

Digital Transmission - Information transmitted in the form of digitally encoded signals.

End User - The ultimate user of the telecommunications services and who orders service and is responsible for payment of charges due in compliance with the Company's price list regulations. See "Customer".

Exchange Area - A geographically defined area wherein the telephone industry through the use of maps or legal descriptions sets down specified area where individual telephone exchange companies hold themselves out to provide communications services.

Facility (or Facilities) - Any item or items of communications plant or equipment used to provide or connect to Sage Services.

FCC - Federal Communications Commission.

Holiday - The term "holiday" means 8:00 A.M. to, but not including, 11:00 P.M. local time at the originating city on all Company-specific holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. When holidays fall on Saturdays or Sundays, the holiday rate applies unless a larger discount would normally apply.

Incumbent Local Exchange Carrier ("ILEC") or Local Exchange Carrier ("LEC") - is any local exchange carrier that was as of February 8, 1996 deemed to be a member of the Exchange Carrier Association as set forth in 47 C.F.R. 69.601(b) of the FCC's regulations.

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

Interexchange Carrier (IXC) - A common carrier that provides long distance domestic and international communication services to the public.

Local Access Transport Area ("LATA") - The phrase "Local Access Transport Area" means a geographical area established by the U.S. District Court for the District of Columbia in United States v. Western Electric Co., Inc., 552 F. Supp. 131 (D.D.C. 1982), within which a local exchange company provides communication services.

Issued By:
James E. Kennedy
Vice President, Business Development
Sage Telecom, Inc.
805 Central Expressway South, Suite 100
Allen, Texas 75013-2789

SECTION 1 - DEFINITIONS

Local Exchange Company (LEC) - A company that furnishes local exchange telephone services.

Local Exchange Service - is an arrangement which connects the residential End User's location to the LEC's network switching center, thereby allowing End User to transmit and receive local calls within the End User's local calling area, or mandatory expanded area service (EAS) area, as defined by State commissions or, if not defined by State commission, then defined in the LEC's State Tariffs.

Location - A physical premise to or from which Sage provides Service.

NXX - The designation for the first three digits of a local telephone number where N represents 2-9 and X represents 0-9.

Night/Weekend - The words "night/weekend" mean 11:00 P.M. to, but not including, 8:00 A.M. local time in the originating city, all day on Saturday, and all day Sunday, except from 5:00 P.M. to, but not including, 11:00 P.M.

Non-Business Hours - The phrase "non-business hours" means the time period after 5:00 P.M. and before 8:15 A.M., Monday through Friday, all day Saturday, Sunday, and on holidays.

NPA - An area code, otherwise called numbering plan area.

Other Common Carrier - The term "other common carrier" denotes a specialized or other type of common carrier authorized by the Federal Communications Commission to provide domestic or international communications services.

Premises - A building or buildings on contiguous property (except railroad rights-of-way, etc.).

Primary Interexchange Carrier (PIC) - The interexchange carrier to which a switched access line is presubscribed.

Regular Billing - A standard bill sent in the normal monthly Sage billing cycle. This billing consists of one bill for each account assigned to the Customer with explanatory detail showing the derivation of the charges.

Residential Service - The phrase "residential service" means telecommunication services used primarily as nonbusiness service.

Services - Sage's regulated common carrier communications services provided under this Tariff.

Subscriber - The term "Customer" is synonymous with the term "subscriber".

Switch - The term "switch" denotes an electronic device that is used to provide circuit sharing, routing, and control.

Timely Payment - A payment on a Customer's account made on or before the due date.

Underlying Carrier - A provider of interstate and intraLATA telecommunications services from whom Sage acquires services that it resells to Customers

Issued By:
James E. Kennedy
Vice President, Business Development
Sage Telecom, Inc.
805 Central Expressway South, Suite 100
Allen, Texas 75013-2789

SECTION 2 - RULES AND REGULATIONS

2.1. **Undertaking of Sage**

2.1.1. Sage undertakes to provide intrastate interexchange telecommunications services within the State of Arkansas on the terms and conditions and at the rates and charges specified herein. The Company's intrastate interexchange services are only provided to customer's subscribed to the Company's local exchange services. **(AT) | (AT)**

2.1.2. Sage installs, operates and maintains the communication Services provided hereunder in accordance with the terms and conditions set forth under this Tariff. It may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the Customer to allow connection of a Customer's location to the Sage network. The Customer shall be responsible for all charges due for such service arrangements.

2.1.3. Sage's Services and facilities are available twenty-four (24) hours per day, seven (7) days per week.

2.2. **Use of Service**

2.2.1. Services provided under this Tariff may be used only for the transmission of communications in a manner consistent with the terms of this Tariff and regulations of the Federal Communications Commission.

2.2.2. Services provided under this Tariff shall not be used for unlawful purposes. Service will not be furnished if any law enforcement agency, acting within its jurisdiction, advises that such services are being used in violation of the law.

2.3. **Limitations**

2.3.1. Service is offered subject to the availability of the necessary facilities or equipment, or both facilities and equipment, and subject to the provisions of this Tariff. The obligation of Sage to provide Service is dependent upon its ability to procure, construct, and maintain facilities that are required to meet the Customer's order for Service. Sage will make all reasonable efforts to secure the necessary facilities.

2.3.2. Sage reserve the right to limit or to allocate the use of existing facilities, or to additional facilities offered by Sage, when necessary because of lack of facilities, relevant resources, or due to causes beyond Sage's control. In addition, Sage reserves the right to discontinue Service when the Customer is using the Service in violation of law or the provisions of this Tariff.

2.3.3. Sage does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission nor for failure to establish connections.

2.3.4. Sage reserves the right to refuse service to Customers due to insufficient or invalid charging information.

2.3.5. Sage may block calls that are made to certain cities or central office exchanges, or use certain Authorization Codes as Sage, in its sole discretion, deems reasonably necessary to prevent unlawful or fraudulent use of Service.

SECTION 2 - RULES AND REGULATIONS

2.3. **Limitations** (cont'd)

2.3.6. Sage will use reasonable efforts to maintain only the facilities and equipment that it furnishes to the Customer. Sage may substitute, change, or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided the Customer. Sage shall have the right to make necessary repairs or changes in its facilities at any time and will have the right to suspend or interrupt service temporarily for the purpose of making the necessary repairs or changes in its system. When such suspension or interruption of service for any appreciable period is necessary, Sage will give the Customers who may be affected reasonable notice thereof as circumstances will permit, and will prosecute the work with reasonable diligence, and if practicable at time that will cause the least inconvenience. When Sage is repairing or changing its facilities, it shall take appropriate precautions to avoid unnecessary interruptions of Customer's service.

2.4 **Liabilities of Sage**

2.4.1. Sage's liability for damages arising out of mistakes, omissions, interruptions, delays, errors, or defects in the installation, provision, termination, maintenance, repair, or restoration occurring in the course of furnishing service, channels, or other facilities, and not caused by the negligence of the subscribers, commences upon activation of service. In no event does Sage's liability exceed an amount equivalent to the proportionate charge to the Customer for the period of service during which such mistakes, omissions, interruptions, delays, errors or defects occur. For the purposes of computing such amount, a month is considered to have thirty (30) days. Credit will be calculated pursuant to Section 2.9 of this Tariff.

2.4.2. When the facilities of other carriers are used in establishing connections to points not reached by Sage's facilities, Sage is not liable for any act or omission of the other carrier(s). The Customer will indemnify and save harmless Sage from any third-party claims for such damages referred to in Section 2.4.1.

2.4.3. In no event will Sage be responsible for consequential damages or lost profits suffered by a Customer as a result of interrupted or unsatisfactory service. Sage will not be liable for claims or damages resulting from or caused by: (i) Customer's fault, negligence or failure to perform Customer's responsibilities; (ii) claims against Customer by another party; (iii) any act or omission of any other party; or (iv) equipment or service furnished by a third party.

2.4.4. Sage does not guarantee or make any warranty with respect to any equipment provided by it or leased on the Customer's behalf where such equipment is used in locations containing an atmosphere which is explosive, prone to fire, dangerous or otherwise unsuitable for such equipment. The Customer shall indemnify and hold Sage harmless from any and all loss, claims, demands, suits or other actions, or any liabilities whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or persons, for any personal injury or death of any person or persons, and for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of such equipment so used.

Issued By:
James E. Kennedy
Vice President, Business Development
Sage Telecom, Inc.
805 Central Expressway South, Suite 100
Allen, Texas 75013-2789

SECTION 2 - RULES AND REGULATIONS

2.4. **Liabilities of Sage** (cont'd)

2.4.5. Sage is not liable for any defacement of, or damage to, the premises of a Customer resulting from the furnishing of services or the attachment of equipment, instruments, apparatus, and associated wiring furnished by Sage on such Customer's premises or by the installation or removal thereof, when such defacement or damage is not the result of Sage negligence. No agents or employees of other participating carriers shall be deemed to be agents or employees of Sage without written authorization. The Customer will indemnify and save harmless Sage from any claims of the owner of the Customer's premises or other third party claims for such damages.

2.4.6. Sage and Customer shall be excused from performance under this Tariff and under the application for service for any period, and to the extent that the party is prevented from performing any service pursuant hereto, in whole or in part, as a result of delays caused by the other party or an Act of God, governmental agency, war, civil disturbance, court order, lockouts or work stoppages or other labor difficulties, third party nonperformance (including the failure of performance for reasons beyond the control of common carriers, interexchange carriers, local exchange carriers, suppliers and subcontractors), or other cause beyond its reasonable control, including failures or fluctuations in electrical equipment, and such nonperformance shall not be deemed a violation of this Tariff or of the application for service or grounds for termination of service. Both parties retain all rights of recourse against any third parties for any failures which may create a force majeure condition for the other party.

2.4.7. Sage is not liable for any damages, including toll usage charges, the Customer may incur as a result of the unauthorized use of its telephone facilities. This unauthorized use of the Customer's facilities includes, but is not limited to, the placement of calls from the Customer's premises, and the placement of calls through Customer-provided equipment that are transmitted or carried on the Sage network.

2.4.8. Where there is a connection via Customer-provided terminal equipment or Customer-provided communications systems, the point of demarcation shall be defined as the Sage facility that provides interconnection. Sage shall not be held liable for Customer-provided access media or equipment. Any maintenance service or equipment arrangements shall be addressed on an individual case basis.

2.4.9. Sage will not be responsible if any changes in its service cause hardware or software not provided by Sage to become obsolete, require modification or alternation, or otherwise affect the performance of such hardware or software.

2.4.10. The Company shall use reasonable efforts to make services available by the estimated service date. The Company shall not be liable for any damages whatsoever resulting from delays in meeting the estimated service date due to delays resulting from normal installation procedures. Such delays shall include, but not be limited to delays in obtaining necessary regulatory approvals for construction, delays in obtaining right-of-way approvals, delays in actual construction work being done by our vendor(s), and any delays due to any LEC where the Company is relying solely upon such LEC to meet such estimated due date which is beyond the Company's control.

Issued By:
James E. Kennedy
Vice President, Business Development
Sage Telecom, Inc.
805 Central Expressway South, Suite 100
Allen, Texas 75013-2789

SECTION 2 - RULES AND REGULATIONS

2.4. **Liabilities of Sage** (cont'd)

2.4.11. With respect to the services, materials and equipment provided hereunder, Sage makes no promises, agreements, understandings, representations or warranties, expressed or implied, and hereby expressly disclaims all warranties, expressed or implied, not stated in this Tariff, and in particular disclaims all warranties of merchantability and fitness for a particular purpose.

2.5 **Responsibilities of the Customer**

2.5.1. The Customer must initiate a service order pursuant to Section 2.6 of this Tariff.

2.5.2. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the facilities or equipment installed by Sage, except upon the written consent of Sage. The equipment Sage provides or installs at the Customer premises for use in connection with the service Sage offers shall not be used for any purpose other than for which it was provided.

2.5.3. The Customer shall ensure that the equipment and/or system is properly interfaced with Sage's facilities or service. 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, Sage will permit such equipment to be connected with its channels without the use of protective interface devices.

2.5.4. The Customer shall be responsible for securing its telephone equipment against being used to place fraudulent calls using Sage's service. The Customer shall be responsible for payment of all applicable charges for services provided by Sage and charged to the Customer's accounts, even where those calls are originated by fraudulent means either from Customer's premises or from remote locations.

2.5.5. Sage shall be indemnified and held harmless by the Customer against claims of liable, slander, or the infringement of copyright, or for the unauthorized use of any trademark, trade name, or service mark, arising from the material transmitted over Sage's service, against claims for infringement of patents arising from, combining with, or using in connection with, service, Sage's apparatus and systems of the Customer; against all other claims arising out of any act or omission of the member in connection with Sage's service. The Customer shall be liable for:

2.5.5.A. Loss due to theft, fire, flood, or other destruction of Sage's equipment or facilities on Customer's premises.

2.5.5.B. Reimbursing Sage for damages to facilities or equipment caused by the negligence or willful acts of the Customer's officers, employees, agents or contractors.

Issued By:
James E. Kennedy
Vice President, Business Development
Sage Telecom, Inc.
805 Central Expressway South, Suite 100
Allen, Texas 75013-2789

SECTION 2 - RULES AND REGULATIONS

2.5. **Responsibilities of the Customer** (cont'd)

2.5.5.C. Charges incurred with interconnect or local operating companies for service or service calls made to the Customer's premises or on the Customer's leased or owned telephonic equipment unless Sage specifically authorizes said visit or repairs in advance of the occurrence and Sage agrees in advance to accept the liability for said repairs or visit.

2.5.5.D. Payment for all Sage service charges incurred through usage or direct action on the part of the Customer.

2.5.6. The Customer may be required to verify in writing that it is duly authorized to order service at all locations designated by the Customer for service, and assumes financial responsibility for all locations designated by the Customer to receive Sage's services. If the verification (i.e., a letter of authorization) cannot be produced within five (5) calendar days of the request, the presubscription of the Customer's locations are considered unauthorized.

2.5.7. The Customer shall not use the Sage name, logo or trademark in any promotional materials, contracts, Tariffs, service bills, etc., without expressed written authorization from Sage. The Customer shall not use the Sage name, logo or trademark in any pre-sale activities. The Customer is prohibited from using Sage's name or trademark on any of the Customer's products or services.

2.5.8. Customer may not assign or transfer any of its rights or services ordered without the prior written consent of Sage. Sage may assign any service orders to its parent company or any affiliate. Sage will notify Customers of any such assignment.

2.6 **Application for Service**

2.6.1. Applicants wishing to obtain service must initiate a service order which may include the Customer's authorization for Sage to instruct other carriers and vendors and the appropriate LEC to provide certain services on the Customer's behalf. Sage will obtain the proper authorization from the Customer where necessary, pursuant to Commission regulations.

2.6.2. An Application for Service may be changed by Customer upon written notice to Sage, subject to acceptance and confirmation by Sage, provided that a charge shall apply to any change when the request is received by Sage after notification by Sage of the acceptance and confirmation. Such charge shall be the sum of the charges and costs for access facilities and other services and features and the lesser of (i) the monthly recurring rate for each service component that has been canceled as a result of the change times the appropriate minimum service period, plus the applicable installation or non-recurring charges, and (ii) the costs incurred by Sage in accommodating each change, less net salvage. The costs incurred by Sage will include the direct and indirect cost of facilities specifically provided or used, the costs of installation, including design preparation, engineering, supply expense, labor and supervision, general and administrative, and any other costs resulting from the preparation, installation and removal effort.

Issued By:
James E. Kennedy
Vice President, Business Development
Sage Telecom, Inc.
805 Central Expressway South, Suite 100
Allen, Texas 75013-2789

SECTION 2 - RULES AND REGULATIONS

2.6. **Application for Service** (cont'd)

2.6.3. Where the Customer or applicant cancels an Application for Service prior to the start of installation of service, lease of network elements, or prior to the start of special construction, no charge applies. Where installation of service has been started prior to the cancellation, a cancellation charge equal to the costs incurred by Sage shall apply, but in no case shall such charge exceed the charge for the minimum period of the service ordered, including applicable installation charges, if any. The costs incurred by Sage will include the direct and indirect costs of facilities specifically leased, provided or used; the cost of installation, including design preparation, engineering, supply expense, labor and supervision, general and administrative, and any other costs resulting from the preparation, installation and removal effort.

2.7. **Charges Related to Customer Activity**

2.7.1. Deposit from Applicant

2.7.1.A. The Company may require a deposit from an applicant for service in accordance with Rule 4.01. of the Commission's Telecommunications Providers Rules.

2.7.1.B. For the purposes of this rule, "applicant" is to be defined as a person who applies for service for the first time or reapplies at a new or existing location after a previous discontinuance of service; "customer" is defined as someone who is currently receiving service.

2.7.1.C. In accordance with United States Bankruptcy Code, U.S.C.A. Title 11 Section 366, the Company may require an applicant to furnish adequate assurance of payment in the form of a deposit or other security.

2.7.2. Deposit from Customer

2.7.2.A. The Company may require a deposit from a customer in accordance with Rule 4.02. of the Commission's Telecommunications Providers Rules.

2.7.2.B. In accordance with United States Bankruptcy Code, U.S.C.A. Title 11 Section 366, the Company may require an applicant to furnish adequate assurance of payment in the form of a deposit or other security. This deposit may be in addition to all other deposits posted with the Company before the bankruptcy filing.

2.7.3. Late Payment Charge

The penalty for late payments shall be 10% of the first thirty (30) dollars plus 2% of the remainder. The charge is applied to any unpaid balance shown on a Customer's subsequent bill.

2.7.4. Returned Check Charge

Sage will assess a twenty-five dollar ($25) charge for each returned check or credit card chargeback.

Issued By:
James E. Kennedy
Vice President, Business Development
Sage Telecom, Inc.
805 Central Expressway South, Suite 100
Allen, Texas 75013-2789

SECTION 2 - RULES AND REGULATIONS

2.7. **Charges Related to Customer Activity** (cont'd)

2.7.5. Restoration Fee

If service is suspended/disconnected by Sage in accordance with the provisions of this Tariff and later restored, restoration of service will be subject to a Restoration Fee of $39.

2.8. **Payment of Charges**

2.8.1. The Customer is responsible for the payment of all charges for facilities and services furnished by Sage to the Customer and to all Users authorized by the Customer, regardless of whether those services are used by the Customer itself or are resold to or shared with other persons.

2.8.2. For billing of monthly charges, service is considered to be established upon the day in which Sage notifies the Customer of installation and testing of the Customer's services.

2.8.3. Usage charges will be billed monthly in arrears. Customer will be billed for all usage accrued beginning immediately upon access to the service. Customers will be billed for usage occurring during their specific 30-day billing cycle, which for purposes of computing charges shall be considered a month. The rates charged to a Customer will be the rates in effect on the first day of the Customer's billing cycle.

2.8.4. Monthly charges for all access service components, provided hereunder, are billed in advance of service and reflect the rates in effect as of the date of the invoice. A Customer's first invoice may contain charges from previous periods for service provided from the date of installation through the current invoice period.

2.8.5. Bills are due and payable as specified on the bill. Bills may be paid by mail or in person at the business office of Sage or an agency authorized to receive such payment. All charges for service are payable only in United States currency. Payment may be made by cash, check, money order, cashier's check, or certain major credit cards. Customer payments are considered prompt when received by Sage or its agent by the due date on the bill. Amounts not paid within ten (10) days after the mail date of invoice will be considered past due. In the event that a postmark on a customer's payment received after the due date is not discernible, a three day mailing period will be presumed. If the last calendar day for remittance falls on a Sunday, legal holiday, or other day when the offices of Sage are not open to the general public, the final payment date shall be extended through the next business day. If Sage becomes concerned at any time about the ability of a Customer to pay its bills, Sage may require that the Customer pay its bills and make such payments in cash or the equivalent of cash.

2.8.6. If any portion of the payment is not received by Sage, or if any portion of the payment is received by Sage in funds that are not immediately available, within thirty (30) days after the date of rendition, then a late payment penalty may be assessed. The penalty for late payments shall be a 1.5% charge on the amount of the bill past due.

Issued By:
James E. Kennedy
Vice President, Business Development
Sage Telecom, Inc.
805 Central Expressway South, Suite 100
Allen, Texas 75013-2789

SECTION 2 - RULES AND REGULATIONS

2.8. **Payment of Charges** (cont'd)

2.8.7. Any disputed charge may be brought to Sage's attention by verbal or written notification. In the case of a billing dispute between the Customer and Sage that cannot be settled to their mutual satisfaction, the undisputed portion and subsequent bills must be paid on a timely basis, or the service may be subject to disconnection. The Customer may request an in-depth investigation into the disputed amount and a review by a Sage manager. During the period that the disputed amount is under investigation, Sage shall not pursue any collection procedures or assess late fees with regard to the disputed amount. The Customer shall be required to pay the undisputed part of the bill, and if not paid, Sage may discontinue service. In the event the dispute is not resolved, Sage shall inform the customer that the customer has the option to pursue the matter with the Public Utility Commission.

2.8.8. The Customer is responsible to pay Sage for all toll calls or other third party charges resulting from the origination of calls to points outside the local exchange and for charges or calls billed to the Customer's number.

2.8.9. Sage may assess up to a twenty-five dollar ($25) charge for each returned check or credit card chargeback.

2.8.10. If service is suspended/disconnected by Sage in accordance with the provisions of the Tariff and later restored, restoration of service will be subject to all applicable installation charges.

2.8.11. When circumstances prevent customers from paying their invoices in full, Sage may make special accommodations to assist customers by setting up a regular payment plan. Payment plans are only set up at the request of the customer. Payment plans are intended to function as a short-term solution and will be reviewed and approved on an individual case basis.

2.8.12. Multi-Account, Multi-Brand and Multi-Affiliate Credit and Collections Practices **(AT)**

The Company may collect on behalf of itself and/or its affiliates or brands in one or more transactions as permitted by law. In an effort to satisfy any outstanding account balance(s) of the Customer for previously-billed products or services, the Company apply any credit balances of the Customer from one of the Customer's existing or previous accounts to another of the same Customer's existing or previous accounts and the Company may apply any credit balances of the Customer from one Company affiliate or brand to another. In all such instances, the Customer shall remain responsible for any remaining unsatisfied balances, for any fees or taxes, and for any additional balances incurred. **(AT)**

Issued By:
Robert W. McCausland
Vice President and Secretary
Sage Telecom, Inc.
805 Central Expressway South, Suite 100
Allen, Texas 75013-2789

SECTION 2 - RULES AND REGULATIONS

2.9. **Interruption of Service**

2.9.1. Credit allowance for the interruption of service that is not due to Sage's testing or adjusting, negligence of the Customer or to the failure of channels or equipment provided by the Customer, are subject to the general liability provisions set forth herein. It shall be the obligation of the Customer to notify Sage immediately of any interruption in service for which a credit allowance is desired. Before giving such notice, the Customer or end-user shall ascertain that the trouble is not being caused by any action or omission by the Customer within his or her control, or is not in wiring or equipment, if any, furnished by the Customer and connected to Sage's facilities.

An adjustment or refund shall be made:

1. Automatically, if the service interruption lasts for more than forty-eight (48) hours after being reported to the company and the adjustment or refund exceeds $1.00 in amount; and

2. Upon subscriber oral or written request, if the service interruption lasts twenty-four (24) to forty-ight (48) hours after being reported to the company and the adjustment or refund exceeds $1.00 in amount.

2.9.2. For purposes of credit computation, every month shall be considered to have 720 hours.

2.9.3. The Customer shall be credited for an interruption at the rate of 1/720th of the monthly charge for the facilities affected for each hour or major fraction thereof that the interruption continues.

Credit Formula:

$$\text{Credit} = \underline{A}/720 \times B$$

"A" - outage time in hours
"B" - total monthly charge for affected facility

2.9.4. If written notice of a dispute as to charges is not received by the Company within 180 days of the date a bill is issued, such charges shall be deemed to be correct and binding on the Customer.

2.10. **Restoration of Service**

The use and restoration of service shall be in accordance with the priority system specified in part 64, Subpart D of the Rules and Regulations of the Federal Communications Commission.

Issued By:
James E. Kennedy
Vice President, Business Development
Sage Telecom, Inc.
805 Central Expressway South, Suite 100
Allen, Texas 75013-2789

SECTION 2 - RULES AND REGULATIONS

2.11. **Disconnection of Service by Customer**

2.11.1. By giving notice, Customer may disconnect service at any time following its minimum service requirement(s).

2.12. **Cancellation for Cause**

2.12.1 The Company may discontinue service or cancel an application for service, pursuant to applicable Commission rules, without incurring any liability for any of the following reasons:

A. Nonpayment of a bill for regulated telecommunications services within the period;
B. Failure to make a security deposit;
C. Violation of or noncompliance with any provision of law, or of the tariffs or terms and conditions of service of the Company filed with and approved by the Commission:
C. Refusal to permit the Company reasonable access to its telecommunications facilities for recovery, maintenance, and inspection thereof.
D. Interconnection of a device, line, or channel to Company facilities or equipment contrary to the Company's terms and conditions of service on file with and approved by the Commission.
E. Use of telephone service in such manner as to interfere with reasonable service to other end-users.

2.12.2 Service may be discontinued during normal business hours on or after the date specified in the notice of discontinuance. Service shall not be discontinued on a day when the offices of the Company are not available to facilitate reconnection of service or on a day immediately preceding such a day.

2.12.3 At least 24 hours preceding a discontinuance, the Company shall make reasonable efforts to contact the Customer to advise it of the proposed discontinuance and what steps must be taken to avoid it.

2.13 **Notice and Communication**

2.13.1. The Customer shall designate on the Application for Service an address to which Sage shall mail or deliver all notices and other communications, except that Sage may also designate a separate address to which Sage's bills for service shall be mailed.

2.13.2. Sage shall designate on the Application for Service an address to which the Customer shall mail or deliver all notices and other communications, except that Sage may designate a separate address on each bill for service to which the Customer shall mail payment on that bill.

2.13.3. All notices or other communications required to be given pursuant to this Tariff shall be made in writing to Sage at 805 Central Expressway South, Suite 100, Allen, Texas 75013-2789 or by calling (214) 495-4700. Notices and other communications of either party, and all bills mailed by Sage, shall be presumed to have been delivered to the other party on the third business day following placement of the notice, communication or bill with the U. S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.

2.13.4. Sage or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

SECTION 2 - RULES AND REGULATIONS

2.14. **Taxes, Surcharges and Utility Fees**

Customer is responsible for the payment of all federal, state and local taxes, surcharges, utility fees, or other similar fees (*i.e.*, gross receipts tax, sales tax, municipal utilities tax, 911 surcharges or fees, universal service contributions) that may be levied by a governing body or bodies in conjunction with or as a result of the service furnished under this Tariff. These charges will appear as separate line items on the Customer's bill and are not included in the rates contained in this Tariff. There shall be added to the Customer's bill for service, an additional charge equal to the pro rata share of any occupation, franchise, business, license, excise privilege or other similar charge or tax, now or hereafter imposed upon the gross receipts or revenue of Sage by any municipal taxing body or municipal authority whether by statute, ordinance, law or otherwise, and whether presently due or to hereafter become due. The charge applicable to each Customer will appear as a separate line item on the Customer's regular monthly bill and shall be determined on a basis equal to the tax levied by each municipal taxing body or municipal authority.

2.15. **Customer Billing Inquiries**

Any customer who has a question regarding his/her telephone bill may contact Sage toll free at (888) 449-4940, or at 805 Central Expressway South, Suite 100, Allen, Texas 75013-2789.

Issued By:
James E. Kennedy
Vice President, Business Development
Sage Telecom, Inc.
805 Central Expressway South, Suite 100
Allen, Texas 75013-2789

SECTION 3 - DESCRIPTION OF SERVICES

3.1 **General**

The Company provides intrastate interexchange services, including direct-dialed message telecommunications services and 800/888/877/866 service to residential and business customers who also subscribe to the Company's Local Exchange Telecommunications Services, as described in Arkansas P.S.C. Tariff No. 1. Intrastate interexchange services are only provided in conjunction with the Company's local exchange services, and no alternative arrangements will be made to provide these services to a customer that is not subscribed to the Company's local exchange service. Each service is offered via Sage's facilities, conventional network elements purchased from other local or inter-exchange carriers, or via resale of facilities of other local or inter-exchange carriers for the transmission of one-way or two-way communications, unless otherwise noted. Calls are rated based on the duration of the call. Services are available twenty-four (24) hours a day, seven (7) days a week.

Residential service offerings that include unlimited usage are limited to use for residential voice applications. This includes service offerings providing for unlimited local usage, unlimited intraLATA usage and/or unlimited interLATA usage. No commercial use of any form is permitted for such unlimited service offerings. Incidental calling for dial-up Internet access, for data and fax type applications and for other restricted uses reflected in this tariff is permitted up to a maximum of 1200 minutes within any consecutive thirty-day period; any such usage beyond this threshold shall be presumed to be non-residential in nature. If, at any time, the Company determines that the Customer's usage is non-residential or is not consistent with use for residential voice applications, the Company may immediately take actions to enforce adherence to this tariff and to the Company's Statement of Terms and Conditions of Service that are applicable to interLATA and international long distance. Such actions may include the transition to a higher tier within the customer's existing service plan. **(CT)**

The Company will notify the Customer in writing when the previous month's usage exceeds that normally associated with residential voice applications. Such written notice will inform the Customer that a higher tier rate will apply if, after two additional months, the usage remains above usage thresholds established in the existing service plan. Customers whose excessive usage levels resulted in a higher rate will, upon request, qualify for the lower-tier rate(s) after three consecutive months of usage below usage thresholds established in the existing service plan. **(CT)**

(RT)

(RT)

Issued By:
Robert W. McCausland
Vice President, Regulatory Affairs
Sage Telecom, Inc.
805 Central Expressway South, Suite 100
Allen, Texas 75013-2789

SECTION 3 - DESCRIPTION OF SERVICES

3.2 **Charges Based on Duration of Use** **(MT)**

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 duration 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).

3.2.8 Each call is rated and billed in whole cents. Any rated call with a fraction of a cent less than $0.004 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.

3.3 **Product Descriptions**

3.3.1 Switched Outbound (1+)

Service provides Sage customers with the ability to originate calls from a Sage-provided access line to all other stations on the public switched telephone network bearing the designation of any central office exchanges outside the customer's local calling area. This service is available on a switched basis only.

This service is available to Local Exchange Telecommunications Services customers of Sage pursuant to the terms and conditions of Sage's Arkansas P.S.C. Tariff No. 1. **(MT)**

Material appearing on this page was previously located on Page 19.

Issued By:
Robert W. McCausland
Vice President, Regulatory Affairs
Sage Telecom, Inc.
805 Central Expressway South, Suite 100
Allen, Texas 75013-2789

SECTION 3 - DESCRIPTION OF SERVICES

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

3.3.2 Toll Free Service (8xx)

Toll Free Service is an inbound-only service that allows callers located anywhere in the State of Kansas to place Toll Free Calls to Customers by dialing an assigned telephone number with an 8XX area code. The Company provides Switched Toll Free Service only. Calls may be terminated either to the Customer's local exchange telephone service or dedicated access line.

3.3.3 [Reserved for Future Use]

3.3.4 Directory Assistance

Directory Assistance ("DA") is a Service that provides Customers with access to telephone number information. Access is obtained by direct dialing 1 + (Area Code) 555-1212 for InterLATA DA or 1-411 for Local/IntraLATA DA. **(CT)** **(CT)**

3.3.5 Operator Services

Operator Services involve assisting Customers with the placement of telephone calls, including collect calls, calling cards, credit card calls, person-to-person calls, third party calls, and other related operator services as well as the obtaining of related information. The Company provides this service for local and intraLATA calls. All other operator assisted calls will be routed to the Company's underlying carrier.

Issued By:
Robert W. McCausland
Vice President and Secretary
Sage Telecom, Inc.
805 Central Expressway South, Suite 100
Allen, Texas 75013-2789

SECTION 4 - RATES AND CHARGES

The following rates and charges are applicable to Residential and Business Customers.

4.1 **Switched Outbound (1+)**

4.1.1 For all customers who choose Sage as their intraLATA toll and interLATA long distance provider.

Rate per Minute	$0.05
Discount* Rate per Minute	$0.04

*Discount is available on select plans as identified in Sage Local Exchange tariff.

4.1.2 For customers who do not choose Sage as both their intraLATA toll and interLATA long distance provider.

Rate per Minute	
IntraLATA Toll Calls	$ 0.15 per minute where Sage is the carrier
InterLATA Long Distance Calls	$ 0.15 per minute where Sage is the carrier **(CR)**

4.1.3 The duration of each call is rounded up to the nearest minute.

4.2 **Toll Free Service (8xx)**

4.2.1 The rate per minute is $ 0.10. A $0.50 per call surcharge will apply to all calls placed from a payphone.

4.2.2 The duration of each call is rounded up to the nearest minute.

4.3 **[Reserved for Future Use]**

4.4 **Directory Assistance**

4.4.1 InterLATA Directory Assistance calls (1 + (Area Code) 555-1212), other than calls placed to 8xx toll free DA:

Per call rate: $ 1.99

4.4.2 [Reserved for Future Use]

Issued By:
Robert W. McCausland
Vice President and Secretary
Sage Telecom, Inc.
805 Central Expressway South, Suite 100
Allen, Texas 75013-2789

SECTION 4 - RATES AND CHARGES

4.4 **Directory Assistance** (cont'd)

4.4.3 Calls placed to 800/888 toll free DA

Calls placed to 800/888 toll free DA are provided at no charge to the Customer.

4.5 **Operator Services**

4.5.1 All usage associated with operator assisted calls will be charged the per minute rates as stated in Section 4.1.

4.5.2 In addition to applicable usage charges, the following operator-assisted charges will apply:

Person-to-Person	
IntraLATA	$ 9.00 per call
Station-to-Station	
IntraLATA	$ 3.00 per call

Issued By:
James E. Kennedy
Vice President, Business Development
Sage Telecom, Inc.
805 Central Expressway South, Suite 100
Allen, Texas 75013-2789

SECTION 5 - PROMOTIONS

5.0. **General** – The Company may from time to time offer promotional services, and will do so in accordance with the Commission's regulations, including securing the Commission's approval prior to implementation of any such promotions.

Issued By:
James E. Kennedy
Vice President, Business Development
Sage Telecom, Inc.
805 Central Expressway South, Suite 100
Allen, Texas 75013-2789