

Lance J.M. Steinhart

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Suite 285
Duluth, Georgia 30097

Also Admitted in New York
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Telephone: (770) 232-9200
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February 27, 1998

VIA AIRBORNE EXPRESS

Mr. Cecil Wright
Executive Secretary
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102

FILED

MAR 03 1998

**MISSOURI
PUBLIC SERVICE COMMISSION**

Re: National Telecom, Inc.

TA-98-377

Dear Mr. Wright:

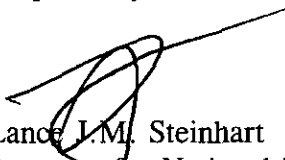
Enclosed please find one original and fourteen (14) copies of National Telecom, Inc.'s Application for Certificate of Service Authority to Provide Interexchange Telecommunications Services Within the State of Missouri.

I have also enclosed an extra copy of this letter to be date stamped and returned to me in the enclosed, self addressed, postage prepaid envelope.

If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me.

Please note that this Application is being submitted by myself and Judith A. Rau, Esq., Missouri Counsel, Bar # 24856.

Respectfully submitted,



Lance J.M. Steinhart
Attorney for National Telecom, Inc.

Enclosures

cc: Tom Mitchell
Office of Public Counsel

800717

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED
MAR 03 1998
MISSOURI
PUBLIC SERVICE COMMISSION

In the matter of the)
application)
of National Telecom, Inc.)
for a certificate of)
service authority)
to provide interexchange)
telecommunications services)

Case No. IA-98-377

APPLICATION

National Telecom, Inc. ("Applicant"), a Nevada Corporation, files this verified application respectfully requesting that the Missouri Public Service Commission ("Commission") issue an order that:

- (a) grants Applicant a Certificate of Service Authority to provide interexchange telecommunications services pursuant to Chapter 392 of the Missouri Revised Statutes.
- (b) grants competitive status to Applicant.
- (c) waives certain Commission rules and statutory provisions pursuant to Section 392.420, RSMo Cum. Supp. 1992.

In support of its request, Applicant states:

1. The legal name and principal office or place of business of the Applicant are:

National Telecom, Inc.
2235 East Flamingo Road, Suite 404
Las Vegas, Nevada 89119
(702) 735-1578
(888) 736-7939

Copies of Applicant's Articles of Incorporation and certificate of authority from the Missouri Secretary of State to transact business in Missouri are attached hereto as Exhibit I.

2. The name and address of Applicant's in-state attorney is:

Judith A. Rau, Esq.
Rau & Rau
1007 Olive Street, 5th Floor
St. Louis, Missouri 63101

3. Applicant proposes to provide interexchange telecommunications services within Missouri including direct dialing (1+), 800 and 888 (Toll Free), travel cards and prepaid calling cards. Applicant proposes to provide service to prospective customers throughout the State of Missouri.

4. Applicant has the experience in the telecommunications industry and the technical and financial resources to provide telecommunications services within Missouri. A brief description of the qualifications and experience of the key management employees is attached hereto as Exhibit II. A copy of the Applicant's balance sheet as of November 20, 1997 is attached hereto as Exhibit III.

5. Applicant's draft Tariff is attached as Exhibit IV. The proposed tariff contains the rules and regulations applicable to its customers, a description of the services offered, and a list of rates associated with such services.

6. Applicant requests classification as a competitive telecommunications company within the State of Missouri.

Applicant believes that its proposed services will be subject to sufficient competition to justify a lesser degree of regulation. Granting of this application will allow greater price and service options for telephone users.

7. Applicant also requests, pursuant to Section 392.420 RSMo (Cum. Supp. 1992), that the Commission waive the application of the following rules and statutory provisions as it relates to the regulation of Applicant:

392.240(1) Rates-reasonable average return on investment.

392.270 Property valuation.

392.280 Depreciation rates.

392.290 Issuance of stocks and bonds.

392.310 Issuance of stocks and bonds.

392.320 Issuance of stocks and bonds.

392.330 Issuance of stocks and bonds.

392.340 Reorganization.

4 CSR 240-10.020 Income on depreciation fund investments.

4 CSR 240-30.010(2)(C) Posting exchange rates at central offices.

4 CSR 240-32.030(1)(B) Exchange boundary maps.

4 CSR 240-32.030(1)(C) Record of access lines.

4 CSR 240-32.030(2) Records kept within state.

4 CSR 240-32.050(3-6) Telephone directories.

4 CSR 240-32.070(4) Coin telephones.

4 CSR 240-33.030 Inform customers of lowest priced service.

4 CSR 240-33.040(5) Finance Fee.

4 CSR 240-30.040 Uniform System of Accounts

The above-referenced rules and statutory provisions have been waived to other interexchange carriers in prior cases.

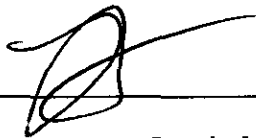
8. Applicant, pursuant to Section 386.570, Cum. Supp. 1992, will comply with all applicable Commission rules except those which are specifically waived by the Commission pursuant to a request filed by the Applicant.

9. Correspondence or communications pertaining to this Application should be addressed to:

Lance J.M. Steinhart, Esq.
6455 East Johns Crossing, Suite 285
Duluth, Georgia 30097
(770) 232-9200
(770) 232-9208 (Fax)

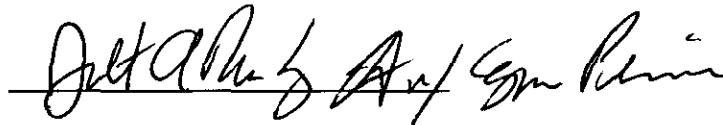
WHEREFORE, Applicant, National Telecom, Inc., respectfully requests that the Missouri Public Service Commission grant it a certificate of service authority to provide interexchange telecommunications services within the State of Missouri. Applicant also requests classification as a competitive telecommunications company. In addition Applicant requests a waiver of the above-referenced rules and statutory provisions.

Respectfully submitted,



Lance J.M. Steinhart, Esq.
Attorney at Law
6455 East Johns Crossing, Suite 285
Duluth, Georgia 30097
(770) 232-9200
Georgia Bar No. 678222

and



Judith A. Rau, Esq.
Rau & Rau
1007 Olive Street, 5th Floor
St. Louis, Missouri 63101
(314) 231-3323
Missouri Bar No. 24856

Attorneys for Applicant

ATTACHED EXHIBITS

Exhibit I	Missouri Secretary of State Authorization and Articles of Incorporation
Exhibit II	Executive Officers' Qualifications and Experience
Exhibit III	Financial Information
Exhibit IV	Draft Tariff

Exhibit I
Missouri Secretary of State Authorization
and
Articles of Incorporation

STATE OF MISSOURI



Rebecca McDowell Cook
Secretary of State

CORPORATION DIVISION - CERTIFICATE OF AUTHORITY

WHEREAS,
NATIONAL TELECOM, INC.

USING IN MISSOURI THE NAME
NATIONAL TELECOM, INC.

HAS COMPLIED WITH THE GENERAL AND BUSINESS CORPORATION LAW WHICH GOVERNS FOREIGN CORPORATIONS; BY FILING IN THE OFFICE OF THE SECRETARY OF STATE OF MISSOURI AUTHENTICATED EVIDENCE OF ITS INCORPORATION AND GOOD STANDING UNDER THE LAWS OF THE STATE OF NEVADA.

NOW, THEREFORE, I, REBECCA MCDOWELL COOK, SECRETARY OF STATE OF THE STATE OF MISSOURI, DO HEREBY CERTIFY THAT SAID CORPORATION IS FROM THIS DATE DULY AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE, AND IS ENTITLED TO ALL RIGHTS AND PRIVILEGES GRANTED TO FOREIGN CORPORATIONS UNDER THE GENERAL AND BUSINESS CORPORATION LAW OF MISSOURI.

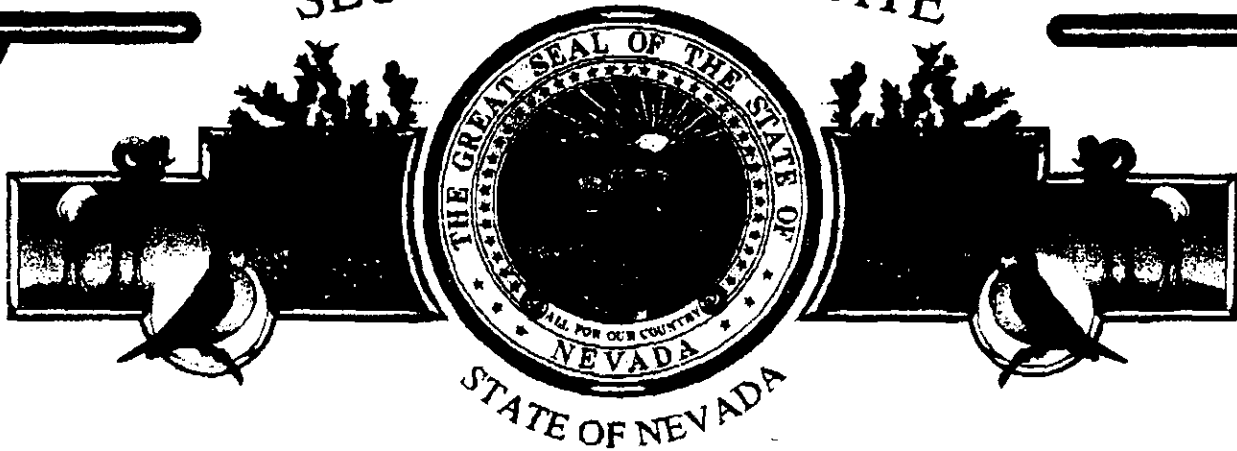
IN TESTIMONY WHEREOF, I HAVE SET MY HAND AND IMPRINTED THE GREAT SEAL OF THE STATE OF MISSOURI, ON THIS, THE 24TH DAY OF FEBRUARY, 1998.

Rebecca McDowell Cook
Secretary of State



\$155.00

SECRETARY OF STATE



CORPORATE CHARTER

I, DEAN HELLER, the duly elected and qualified Nevada Secretary of State, do hereby certify that **NATIONAL TELECOM, INC.** did on **October 20, 1997** file in this office the original Articles of Incorporation; that said Articles are now on file and of record in the office of the Secretary of State of the State of Nevada, and further, that said Articles contain all the provisions required by the law of said State of Nevada.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office, in Carson City, Nevada, on October 21, 1997.

A handwritten signature in cursive script, reading "Dean Heller".

Secretary of State

A handwritten signature in cursive script, reading "Sandra Pestana".

Certification Clerk



RECEIVED
IN THE OFFICE OF THE
SECRETARY OF STATE OF THE
STATE OF NEVADA

ARTICLES OF INCORPORATION

OCT 20 1997

OF

DEAN HELLER SECRETARY OF STATE

NATIONAL TELECOM INC.No. C23241-97

KNOW ALL MEN BY THESE PRESENTS:

That I, the undersigned, have this day voluntarily associated myself for the purpose of forming a corporation under and by virtue of the laws of the State of Nevada; and I do hereby state and certify:

I

The name of the corporation is: **NATIONAL TELECOM, INC.**

II

The Resident Agent of the corporation shall be NORMAN H. SPRINGER, ESQ., whose address within the State of Nevada is 431 So. Sixth St., Las Vegas, Nevada 89101. Offices for the transaction of any business for the corporation, and where the meetings of the Board of Directors and of the stockholders may be held, may be established and maintained in any other part of the State of Nevada, or in any other State, territory or possession of the United States, or in any foreign country, as the Board of Directors may from time to time determine.

III

This corporation is authorized to engage in any

activity permitted by law.

IV

The total authorized capital stock of this corporation shall consist of 2,500 shares of common stock of a single class, each share having a par value of \$0.00 Dollars. All of the voting power of the capital stock of this corporation shall reside in the common stock. No capital stock of this corporation shall be subject to assessment.

V

The members of the governing board of this corporation shall be styled directors, and pursuant to NRS 78.115, shall consist of at least one director, the exact number of directors to be determined by the By-Laws of the corporation. The initial board of directors shall consist of one person, whose name and address is as follows:

NAME	ADDRESS
THOMAS N. MITCHELL	17 Crown Valley Drive Henderson, NV 89014

VI

This corporation is to have a perpetual existence.

VII

The name and address of the incorporator of this corporation is as follows:

NAME	ADDRESS
THOMAS N. MITCHELL	17 Crown Valley Drive

Henderson, NV 89014

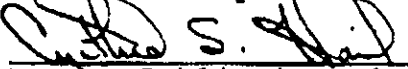
VIII

Pursuant to NRS 78.037, a Director or officer of a corporation shall not be liable personally to the corporation or its stockholders for damages for breach of fiduciary duty as a director or officer for any matter except, (a) acts or omissions which involve intentional misconduct, fraud or a knowing violation of law; or (b) the payment of dividends in violation of NRS 78.300.

IN WITNESS WHEREOF, THE UNDERSIGNED INCORPORATOR HAS EXECUTED THESE Articles of Incorporation of NATIONAL TELECOM, INC., on this 17th day of October, 1997.


THOMAS N. MITCHELL

Subscribed and Sworn to before me
this 17th day of October, 1997.


Notary Public in and for
said county and state.



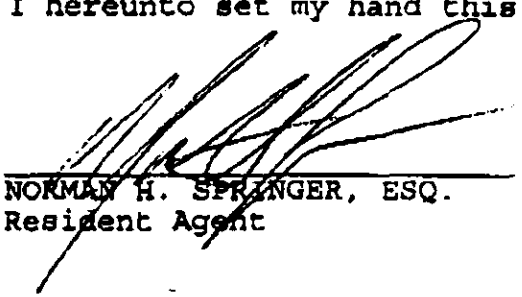
CERTIFICATE OF ACCEPTANCE
OF APPOINTMENT BY RESIDENT AGENT

In the matter of NATIONAL TELECOM, INC., I, NORMAN H. SPRINGER, ESQ., with address at 431 So. Sixth St., Town of Las Vegas, County of Clark, 89101, State of Nevada, hereby accept the appointment as Resident Agent of the above-entitled corporation in accordance with NRS 78.090.

Furthermore, that the mailing address for the

above registered office is 431 So. Sixth St., Las Vegas,
89101, State of Nevada.

IN WITNESS WHEREOF, I hereunto set my hand this
17th day of October, 1997.



NORMAN H. SPRINGER, ESQ.
Resident Agent

Exhibit II
Executive Officers' Qualifications and Experience

See attached Resumes

THOMAS MITCHELL

17 Crown Valley Drive
Henderson, Nevada 89014

Home (702) 361-3608
Cellular (702) 493-3313

OBJECTIVE

Seeking a position as a **Sales Manager or Sales Representative** where my background, education, and expertise can be effectively utilized.

SUMMARY OF QUALIFICATIONS

- ◆ 20 years of strong and diverse sales work experience within the advertising and automotive industries.
- ◆ Consistently perform in the top 5% of sales and new account development. Sold over \$750K annually in new business. Consistently receive awards for top sales representative annually.
- ◆ Strong sales and marketing skills encompass cold calling, telemarketing, person-to-person sales, and outstanding closing techniques.
- ◆ Licensed Real Estate Agent in the state of Nevada. Familiar with all types of real estate sales including; time-sharing and club vacation packages.
- ◆ Excellent supervisory capabilities include: interviewing, hiring, and training; developing work schedules and assigning job duties; monitoring work performance and completing performance appraisals; handling disciplinary action; and motivating up to 15 sales representatives to promote high quality customer relations.
- ◆ Highly successful communication and interpersonal relations skills. Relate quickly and effectively to a wide range of individuals in a fast paced setting.
- ◆ Technical expertise in the use and operation of a variety of computer software programs including: Microsoft Works, Quicken, Peachtree, and more.
- ◆ Highly competitive, goal-oriented, and hardworking.

PROFESSIONAL EXPERIENCE

1995-1996 MITCHELL & ASSOCIATES, INC., LAS VEGAS, NEVADA

President & Sales Manager

- ▶ Developed and managed an advertising and telemarketing firm. Generated \$1.5 million in new account sales in one year.
- ▶ Supervised 15 sales representative. Responsibilities included: interviewing, hiring, and training, developing work schedules and assigning job duties; monitoring work performance and completing performance appraisals; handling disciplinary action; and motivating staff members to promote high quality customer relations.
- ▶ Coordinated contracts for services and products with outside contract services for payroll and advertising development.
- ▶ Monitored all communications equipment, environment, and systems, including periodic systems testing, made arrangements to accomplish necessary maintenance and repairs.
- ▶ Developed telemarketing scripts and trained sales representatives in successful sales strategies. Promoted excellent customer relations.

1992-1995

WESTMARK SYSTEMS, INC., LAS VEGAS, NEVADA

Sales Representative

- ▶ Sold advertising products to businesses nationwide.
- ▶ Developed new accounts, maintained and reactivated existing accounts through successful telemarketing efforts.
- ▶ Analyzed company needs and made recommendations to customer regarding advertising that would best suit their needs.
- ▶ Quoted prices, delivery dates, and payment terms.
- ▶ Excellent sales closing techniques.
- ▶ Entered customer information into sales database system including; name, address, purchases, and comments from customer. Completed order form, including delivery date and customer credit information. Confirmed order with credit, production, and shipping departments.
- ▶ Completed end of shift and activity reports for sales department. Maintained accurate and timely information.

1981-1993

LOGAN PARK ENTERPRISES, LAS VEGAS, NEVADA

Sales Representative

- ▶ Sold advertising to businesses and industrial establishments.
- ▶ Generated new accounts, maintained and reactivated existing accounts by coordinating telemarketing efforts.
- ▶ Analyzed company needs and made recommendations to customer regarding advertising that would best suit their needs.
- ▶ Followed up on quotations and services provided to customer.
- ▶ Provided excellent customer service on all accounts.
- ▶ Submitted weekly activity/call reports concerning customer-related activities.
- ▶ Consistently exceeded company sales goals.
- ▶ Received numerous awards and honors for top sales.

1977-1981

HANNA NISSAN, LAS VEGAS, NEVADA

Sales Representative

- ▶ Sold new and used automobiles, trucks, and vans to customers.
- ▶ Explained features and demonstrated vehicle operations in both the showroom and on the road.
- ▶ Suggested optional equipment for customer to purchase.
- ▶ Computed and quoted sales price including; tax, trade-in allowance, license fee, and discounts.
- ▶ Explained requirements for financing payment of vehicle on credit.
- ▶ Promoted outstanding customer relations.

MILITARY

UNITED STATES MARINE CORP

Sergeant

- ▶ Held a Top Secret Security Clearance Level. Received a variety of service medal awards and ribbons. Awarded an Honorable Discharge.

EDUCATION

REAL ESTATE SCHOOL OF NEVADA, LAS VEGAS, NEVADA

Licensed: Real Estate Agent

CITY COLLEGE, NEW YORK, NEW YORK

Major: Business & Marketing/Advertising

Robert D. Williamson
1716 Ivanhoe
Las Vegas, NV 89102
Phone : 702-385-6038

DOB : 6/15/49

Educational Background:

BS Accountancy 1971
Ferris State College – Big Rapids, MI

Work Experience:

Essex Wire Corp. Lafayette, In 1971-73 Assistant Plant Accountant
Hoffman Industries Spring Arbor, MI 1973-76 Assistant Controller
Canyon State Motor Lodge Tucson, AZ 1976-1980 Hotel Manager
D & E Enterprises Las Vegas, NV 1980-1982 Controller
Gerovicap Pharmaceutical Las Vegas, NV 1982-1995 Controller
Long Distance Resellers Las Vegas, NV 1996 – present

Exhibit III
Financial Information

NATIONAL TELECOM, INC.
FINANCIAL STATEMENTS
WITH ACCOUNTANTS' COMPILATION REPORT
November 20, 1997

Raynes, Houldsworth and Company

CERTIFIED PUBLIC ACCOUNTANTS

CLARK WASHOE BUILDING, SUITE 1

500 SOUTH THIRD STREET

LAS VEGAS, NEVADA 89101

(702) 386-2888

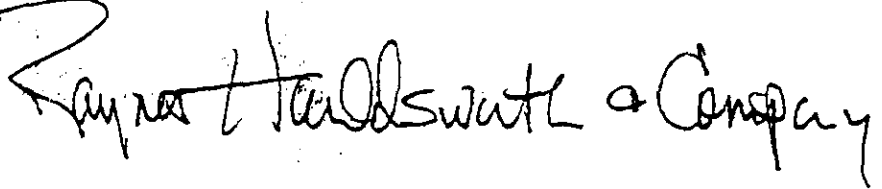
FAX (702) 384-0433

ACCOUNTANTS' COMPILATION REPORT

Board of Directors
National Telecom, Inc.
Las Vegas, Nevada

We have compiled the accompanying balance sheet of National Telecom, Inc. as of November 20, 1997, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



November 21, 1997

NATIONAL TELECOM, INC.

BALANCE SHEET

November 20, 1997

ASSETS

CURRENT ASSETS

Cash

\$100,000

PROPERTY AND EQUIPMENT

8,000

OTHER ASSETS

1,000\$109,000

SHAREHOLDERS' EQUITY

SHAREHOLDERS' EQUITY

Common stock - no par value
authorized, issued and outstanding;
2,500 shares

\$109,000

See accompanying accountants' compilation report.

NATIONAL TELECOM, INC.

NOTES TO THE FINANCIAL STATEMENTS

November 20, 1997

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and nature of business - National Telecom, Inc., (the Company) a corporation, is in the process of being licensed in various states to be a long distance reseller across the United States.

Property and equipment are carried at cost. Depreciation of property and equipment is provided using an accelerated method. Gains or losses on disposals are recognized in the period incurred. Renewals and betterments that materially extend the life of the assets are capitalized.

NOTE 2. CONCENTRATION OF CASH ON DEPOSIT

The Company has concentrated its credit risk for cash by maintaining deposits in a financial institution in excess of amounts covered by insurance provided by the Federal Deposit Insurance Corporation (FDIC). The Company has experienced no losses in such accounts and believes its exposure to loss is minimal.

Exhibit IV
Draft Tariff

3.

TITLE SHEET

MISSOURI INTEREXCHANGE TELECOMMUNICATIONS TARIFF

OF

NATIONAL TELECOM, INC.

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service or facilities for Telecommunications Services furnished by National Telecom, Inc. ("NTI"), with principal offices at 2235 E. Flamingo Rd., Suite 404, Las Vegas, Nevada 89119, toll free telephone number 888-736-7939. This tariff applies for services furnished within the State of Missouri. This tariff is on file with the Missouri Public Service Commission, and copies may be inspected, during normal business hours, at the company's principal place of business.

National Telecom, Inc. operates as a competitive telecommunications company as defined by Case No. TO-88-142 within the State of Missouri.

DATE OF ISSUE: March 4, 1998

DATE EFFECTIVE: April 18, 1998

Tom Mitchell, President

2235 E. Flamingo Rd., Suite 404

Las Vegas, Nevada 89119

WAIVER OF RULES AND REGULATIONS

392.240(1)	Rates-reasonable average return on investment.
392.270	Property valuation.
392.280	Depreciation rates.
392.290	Issuance of stocks and bonds.
392.310	Issuance of stocks and bonds.
392.320	Issuance of stocks and bonds.
392.330	Issuance of stocks and bonds.
392.340	Reorganization.
4 CSR 240-10.020	Income on depreciation fund investments.
4 CSR 240-30.010(2)(C)	Posting exchange rates at central offices.
4 CSR 240-32.030(1)(B)	Exchange boundary maps.
4 CSR 240-32.030(1)(C)	Record of access lines.
4 CSR 240-32.030(2)	Records kept within state.
4 CSR 240-32.050(3-6)	Telephone directories.
4 CSR 240-32.070(4)	Coin telephones.
4 CSR 240-33.030	Inform customers of lowest priced service.
4 CSR 240-33.040(5)	Finance Fee.
4 CSR 240-30.040	Uniform System of Accounts

DATE OF ISSUE: March 4, 1998

DATE EFFECTIVE: April 18, 1998

Tom Mitchell, President
2235 E. Flamingo Rd., Suite 404
Las Vegas, Nevada 89119

NATIONAL TELECOM, INC.

P.S.C. MO. TARIFF NO. 1

ORIGINAL SHEET 3

RESERVED FOR FUTURE USE

DATE OF ISSUE: March 4, 1998 DATE EFFECTIVE: April 18, 1998
Tom Mitchell, President
2235 E. Flamingo Rd., Suite 404
Las Vegas, Nevada 89119

TABLE OF CONTENTS

	Page
Title Sheet.....	1
Waiver of Rules and Regulations.....	2
Reserved For Future Use.....	3
Table of Contents.....	4
Tariff Format.....	5
Symbols.....	6
Section 1 - Technical Terms and Abbreviations.....	7
Section 2 - Rules and Regulations.....	9
2.1 Undertaking of the Company.....	9
2.2 Use of Services.....	10
2.3 Liability of the Company.....	11
2.4 Responsibilities of the Customer.....	13
2.5 Cancellation or Interruption of Service.....	15
2.6 Credit Allowance.....	17
2.7 Restoration of Service.....	18
2.8 Deposit.....	18
2.9 Advance Payments.....	18
2.10 Payment and Billing.....	19
2.11 Reserved for Future Use.....	20
2.12 Taxes.....	20
2.13 Late Charge.....	20
2.14 Returned Check Charge.....	20
Section 3 - Description of Service.....	21
3.1 Computation of Charges.....	21
3.2 Customer Complaints and/or Billing Disputes...	22
3.3 Level of Service.....	23
3.4 Billing Entity Conditions.....	23
3.5 Service Offerings.....	24
Section 4 - Rates.....	29

DATE OF ISSUE: March 4, 1998

DATE EFFECTIVE: April 18, 1998

Tom Mitchell, President
2235 E. Flamingo Rd., Suite 404
Las Vegas, Nevada 89119

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 pages 11 and 12 would be page 11.1.

B. Sheet Revision Numbers: Revision numbers also appear in the upper right corner of each sheet where applicable. These numbers are used to indicate the most current page version on file with the Commission. For example, 4th Revised Sheet 13 cancels 3rd Revised Sheet 13. Consult the Check Sheet for the sheets currently in effect.

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)

DATE OF ISSUE: March 4, 1998

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2235 E. Flamingo Rd., Suite 404
Las Vegas, Nevada 89119

SYMBOLS

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

- (C) to signify change in regulation
- (D) to signify a deletion
- (I) to signify a rate increase
- (L) to signify material relocated in the tariff
- (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

DATE OF ISSUE: March 4, 1998

DATE EFFECTIVE: April 18, 1998

Tom Mitchell, President

2235 E. Flamingo Rd., Suite 404

Las Vegas, Nevada 89119

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

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

Authorization Code - A numerical code, one or more of which may be assigned to a Customer, to enable NTI to identify the origin of the Customer so it may rate and bill the call. Automatic number identification (ANI) is used as the authorization code wherever possible.

Commission - Used throughout this tariff to mean the Missouri Public Service Commission.

Customer - The person, firm, corporation or other legal entity which orders the services of NTI or purchases a NTI Prepaid Calling Card and/or originates prepaid calls using such cards, and is responsible for the payment of charges and for compliance with the Company's tariff regulations.

Company or NTI - Used throughout this tariff to mean National Telecom, Inc., a Nevada Corporation.

Holiday - New Year's Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Holidays shall be billed at the evening rate from 8 a.m. to 11 p.m. After 11 p.m., the lower night rate shall go into effect.

Prepaid Account - An inventory of Telecom Units purchased in advance by the Customer, and associated with one and only one Authorization Code as contained in a specific Prepaid Calling Card.

Prepaid Calling Card - A card issued by the Company, containing an Authorization Code which identifies a specific Prepaid Account of Telecom Units, which enables calls to be processed, account activity to be logged, and balances to be maintained, on a prepayment basis.

DATE OF ISSUE: March 4, 1998

DATE EFFECTIVE: April 18, 1998

Tom Mitchell, President
2235 E. Flamingo Rd., Suite 404
Las Vegas, Nevada 89119

Telecom Unit - A measurement of telecommunications service equivalent to one minute of usage between any two points within the State of Missouri.

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

Underlying Carrier - The telecommunications carrier whose network facilities provide the technical capability and capacity necessary for the transmission and reception of Customer telecommunications traffic.

DATE OF ISSUE: March 4, 1998

DATE EFFECTIVE: April 18, 1998

Tom Mitchell, President
2235 E. Flamingo Rd., Suite 404
Las Vegas, Nevada 89119

SECTION 2 - RULES AND REGULATIONS2.1 Undertaking of the Company

This tariff contains the regulations and rates applicable to intrastate resale telecommunications services provided by NTI for telecommunications between points within the State of Missouri. Resale services are furnished subject to the availability of facilities and subject to the terms and conditions of this tariff in compliance with limitations set forth in the Commission's rules. The Company's services are provided on a statewide basis and are not intended to be limited geographically. The Company offers service to all those who desire to purchase service from the Company consistent with all of the provisions of this tariff. Customers interested in the Company's services shall file a service application with the Company which fully identifies the Customer, the services requested and other information requested by the Company. The Company reserves the right to examine the credit record and check the references of all applicants and Customers prior to accepting the service order. The service application shall not in itself obligate the Company to provide services or to continue to provide service if a later check of applicant's credit record is, in the opinion of the Company, contrary to the best interest of the Company. The Company 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 a service provided by the Company. The Customer shall be responsible for all charges due for such service arrangement. The Company does not own any switching, transmission or other physical facilities in Missouri.

DATE OF ISSUE: March 4, 1998

DATE EFFECTIVE: April 18, 1998

Tom Mitchell, President

2235 E. Flamingo Rd., Suite 404

Las Vegas, Nevada 89119

- 2.1.1 The services provided by NTI are not part of a joint undertaking with any other entity providing telecommunications channels, facilities, or services, but may involve the resale of the Message Toll Services (MTS) and Wide Area Telecommunications Services (WATS) of underlying common carriers subject to the jurisdiction of this Commission.
- 2.1.2 The rates and regulations contained in this tariff apply only to the resale services furnished by NTI and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carriers for use in accessing the services of NTI.
- 2.1.3 The Company reserves the right to limit the length of communications, to discontinue furnishing services, or limit the use of service necessitated by conditions beyond its control, including, without limitation: lack of satellite or other transmission medium capacity; the revision, alteration or repricing of the Underlying Carrier's tariffed offerings; or when the use of service becomes or is in violation of the law or the provisions of this tariff.

2.2 Use of Services

- 2.2.1 NTI'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, subject to any limitations set forth in this Section 2.2.
- 2.2.2 The use of NTI'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 NTI's services without payment for service or attempting to avoid payment for service by fraudulent means or devices, schemes, false or invalid numbers, or false calling or credit cards is prohibited.

DATE OF ISSUE: March 4, 1998

DATE EFFECTIVE: April 18, 1998

Tom Mitchell, President
2235 E. Flamingo Rd., Suite 404
Las Vegas, Nevada 89119

- 2.2.4 NTI's services are available for use 24 hours per day, seven days per week.
- 2.2.5 NTI does not transmit messages, but the services may be used for that purpose.
- 2.2.6 NTI's services may be denied for nonpayment of undisputed charges or for other violations of this tariff.
- 2.2.7 Customers shall not use the service provided under this tariff for any unlawful purpose.
- 2.2.8 The Customer is responsible for notifying the Company immediately of any unauthorized use of services.

2.3 Liability of the Company

- 2.3.1 The Company shall not be liable for any claim, loss, expense or damage for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff, if caused by the Underlying Carrier, an act of God, fire, war, civil disturbance, act of government, or due to any other causes beyond the Company's control.
- 2.3.2 The Company shall not be liable for, and shall be fully indemnified and held harmless by the Customer against any claim, loss, expense, or damage for defamation, libel, slander, invasion, infringement of copyright or patent, unauthorized use of any trademark, trade name or service mark, proprietary or creative right, or any other injury to any person, property or entity arising out of the material, data or information transmitted.
- 2.3.3 No agent or employee of any other carrier or entity shall be deemed to be an agent or employee of the Company.

DATE OF ISSUE: March 4, 1998

DATE EFFECTIVE: April 18, 1998

Tom Mitchell, President
2235 E. Flamingo Rd., Suite 404
Las Vegas, Nevada 89119

- 2.3.4 The Company's liability for damages, resulting in whole or in part from or arising in connection with the furnishing of service under this tariff, including but not limited to mistakes, omissions, interruptions, delays, errors, or other defects or misrepresentations shall not exceed an amount equal to the charges provided for under this tariff for the long distance call for the period during which the call was affected. No other liability in any event shall attach to the Company.
- 2.3.5 The Company shall not be liable for and shall be indemnified and saved harmless by any Customer or by any other entity from any and all loss, claims, demands, suits, or other action or any liability whatsoever, whether suffered, made, instituted, or asserted by any Customer or any other entity for any personal injury to, or death of, any person or persons, and for any loss, damage, defacement or destruction of the premises of any Customer or any other entity or any other property whether owned or controlled by the Customer or others.
- 2.3.6 The Company shall not be liable for any indirect, special, incidental, or consequential damages under this tariff including, but not limited to, loss of revenue or profits, for any reason whatsoever, including the breakdown of facilities associated with the service, or for any mistakes, omissions, delays, errors, or defects in transmission occurring during the course of furnishing service.

DATE OF ISSUE: March 4, 1998

DATE EFFECTIVE: April 18, 1998

Tom Mitchell, President

2235 E. Flamingo Rd., Suite 404

Las Vegas, Nevada 89119

- 2.3.7 The remedies set forth herein are exclusive and in lieu of all other warranties and remedies, whether express, implied, or statutory, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

2.4 Responsibilities of the Customer

- 2.4.1 The Customer is responsible for placing any necessary orders and complying with tariff regulations. The Customer is also responsible for the payment of charges for services provided under this tariff.
- 2.4.2 The Customer is responsible for charges incurred for special construction and/or special facilities which the Customer requests and which are ordered by NTI on the Customer's behalf.
- 2.4.3 If required for the provision of NTI's services, the Customer must provide any equipment space, supporting structure, conduit and electrical power without charge to NTI.
- 2.4.4 The Customer is responsible for arranging access to its premises at times mutually agreeable to NTI and the Customer when required for NTI personnel to install, repair, maintain, program, inspect or remove equipment associated with the provision of NTI's services.
- 2.4.5 The Customer shall cause the temperature and relative humidity in the equipment space provided by Customer for the installation of NTI's equipment to be maintained within the range normally provided for the operation of microcomputers.

DATE OF ISSUE: March 4, 1998

DATE EFFECTIVE: April 18, 1998

Tom Mitchell, President

2235 E. Flamingo Rd., Suite 404

Las Vegas, Nevada 89119

- 2.4.6 The Customer shall ensure that the equipment and/or system is properly interfaced with NTI's facilities or services, that the signals emitted into NTI's network are of the proper mode, bandwidth, power and signal level for the intended use of the subscriber and in compliance with criteria set forth in this tariff, and that the signals do not damage equipment, injure personnel, or degrade service to other Customers. 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, NTI will permit such equipment to be connected with its channels without the use of protective interface devices. If the Customer fails to maintain the equipment and/or the system properly, with resulting imminent harm to NTI equipment, personnel or the quality of service to other Customers, NTI may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, NTI may, upon written notice, terminate the Customer's service.
- 2.4.7 The Customer must pay NTI for replacement or repair of damage to the equipment or facilities of NTI caused by negligence or willful act of the Customer or others, by improper use of the services, or by use of equipment provided by Customer or others.
- 2.4.8 The Customer must pay for the loss through theft of any NTI equipment installed at Customer's premises.
- 2.4.9 If NTI installs equipment at Customer's premises, the Customer shall be responsible for payment of any applicable installation charge.

DATE OF ISSUE: March 4, 1998

DATE EFFECTIVE: April 18, 1998

Tom Mitchell, President
2235 E. Flamingo Rd., Suite 404
Las Vegas, Nevada 89119

- 2.4.10 The Customer must use the services offered in this tariff in a manner consistent with the terms of this tariff and the policies and regulations of all state, federal and local authorities having jurisdiction over the service.

2.5 Cancellation or Interruption of Services

- 2.5.1 Without incurring liability, upon five (5) working days' (defined as any day on which the company's business office is open and the U.S. Mail is delivered) written notice to the Customer, NTI may immediately discontinue services to a Customer or may withhold the provision of ordered or contracted services:
- 2.5.1.A For nonpayment of any undisputed sum due NTI for more than thirty (30) days after issuance of the bill for the amount due,
 - 2.5.1.B For violation of any of the provisions of this tariff,
 - 2.5.1.C For violation of any law, rule, regulation, policy of any governing authority having jurisdiction over NTI's services, 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 NTI from furnishing its services.

DATE OF ISSUE: March 4, 1998

DATE EFFECTIVE: April 18, 1998

Tom Mitchell, President
2235 E. Flamingo Rd., Suite 404
Las Vegas, Nevada 89119

- 2.5.2 Without incurring liability, NTI 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 Customer and NTI's equipment and facilities and may continue such interruption until any items of noncompliance or improper equipment operation so identified are rectified.
- 2.5.3 Service may be discontinued by NTI without notice to the Customer, by blocking traffic to certain NXX exchanges, or by blocking calls using certain Customer authorization codes, when NTI deems it necessary to take such action to prevent unlawful use of its service. NTI will restore service as soon as it can be provided without undue risk, and will, upon request by the Customer affected, assign a new authorization code to replace the one that has been deactivated.
- 2.5.4 The Customer may terminate service upon thirty (30) days written notice for the Company's standard month to month contract. Customer will be liable for all usage on any of the Company's service offerings until the Customer actually leaves the service. Customers will continue to have Company usage until the Customer notifies its local exchange carrier and changes its long distance carrier. Until the Customer so notifies its local exchange carrier, it shall continue to generate and be responsible for long distance usage.

DATE OF ISSUE: March 4, 1998

DATE EFFECTIVE: April 18, 1998

Tom Mitchell, President

2235 E. Flamingo Rd., Suite 404

Las Vegas, Nevada 89119

2.6 Credit Allowance

- 2.6.1 Credit allowance for the interruption of service which is not due to the Company'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 in 2.3 herein. It shall be the obligation of the Customer to notify the Company immediately of any interruption in service for which a credit allowance is desired. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission by the Customer within his control, or is not in wiring or equipment, if any, furnished by the Customer and connected to the Company's facilities.
- 2.6.2 No credit is allowed in the event that service must be interrupted in order to provide routine service quality or related investigations.
- 2.6.3 Credit for failure of service shall be allowed only when such failure is caused by or occurs due to causes within the control of the Company or in the event that the Company is entitled to a credit for the failure of the facilities of the Company's Underlying Carrier used to furnish service.
- 2.6.4 Credit for interruption shall commence after the Customer notifies the Company of the interruption or when the Company becomes aware thereof, and ceases when service has been restored.
- 2.6.5 For purposes of credit computation, every month shall be considered to have 720 hours.

DATE OF ISSUE: March 4, 1998

DATE EFFECTIVE: April 18, 1998

Tom Mitchell, President
2235 E. Flamingo Rd., Suite 404
Las Vegas, Nevada 89119

- 2.6.6 No credit shall be allowed for an interruption of a continuous duration of less than two hours.
- 2.6.7 The Customer shall be credited for an interruption of two hours or more 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:

$$\text{Credit} = \frac{A}{720} \times B$$

"A" - outage time in hours

"B" - monthly charge for affected activity

2.7 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.

2.8 Deposit

The Company does not require a deposit to commence service.

2.9 Advance Payments

The Company does not require advance payments.

DATE OF ISSUE: March 4, 1998

DATE EFFECTIVE: April 18, 1998

Tom Mitchell, President

2235 E. Flamingo Rd., Suite 404

Las Vegas, Nevada 89119

2.10 Payment and Billing

- 2.10.1 Service is provided and billed on a billing cycle basis, beginning on the date that service becomes effective. Billing is payable upon receipt. A late fee of 1.5% per month, or the amount otherwise authorized by law, whichever is lower, will be assessed upon any unpaid amount commencing 30 days after rendition of bills.
- 2.10.2 The customer is responsible for payment of all charges for services furnished to the Customer, as well as to all persons using the Customer's codes, exchange lines, facilities, or equipment, with or without the knowledge or consent of the Customer. The security of the Customer's Authorization Codes, presubscribed exchange lines, and direct connect facilities is the responsibility of the Customer. All calls placed using direct connect facilities, presubscribed exchange lines, or Authorization Codes will be billed to and must be paid by the Customer. Recurring charges and non-recurring charges are billed in advance. Charges based on actual usage during a month and any accrued interest will be billed monthly in arrears.
- 2.10.3 Reserved for Future Use.

DATE OF ISSUE: March 4, 1998

DATE EFFECTIVE: April 18, 1998

Tom Mitchell, President

2235 E. Flamingo Rd., Suite 404

Las Vegas, Nevada 89119

2.11 Reserved for Future Use

2.12 Taxes

All federal, state and local taxes, assessments, surcharges, or fees, including sales taxes, use taxes, gross receipts taxes, and municipal utilities taxes, are billed as separate line items and are not included in the rates quoted herein.

2.13 Reserved for Future Use

2.14 Returned Check Charge

A fee will be charged whenever a check or draft presented for payment for service is not accepted by the institution on which it is written.

DATE OF ISSUE: March 4, 1998

DATE EFFECTIVE: April 18, 1998

Tom Mitchell, President

2235 E. Flamingo Rd., Suite 404

Las Vegas, Nevada 89119

SECTION 3 - DESCRIPTION OF SERVICE3.1 Computation of Charges

- 3.1.1 The total charge for each completed call may be a variable measured charge dependent on the duration, distance and time of day of the call. The total charge for each completed call may also be dependent only on the duration of the call, i.e. a statewide flat rate per minute charge. The variable measured charge is specified as a rate per minute which is applied to each minute. All calls are measured in one minute increments. All calls are rounded up to the next whole increment.
- 3.1.2 Where mileage bands appear in a rate table, rates for all calls are based upon the airline distance between the originating and terminating points of the call, as determined by the vertical and horizontal coordinates associated with the exchange (the area code and three digit central office code) associated with the originating and terminating telephone numbers. If the Customer obtains access to the Company's network by a dedicated access circuit, that circuit will be assigned an exchange for rating purposes based upon the Customer's main telephone number at the location where the dedicated access circuit terminates. The vertical and horizontal (V & H) coordinates for each exchange and the airline distance between them will be determined according to industry standards.

DATE OF ISSUE: March 4, 1998

DATE EFFECTIVE: April 18, 1998

Tom Mitchell, President
2235 E. Flamingo Rd., Suite 404
Las Vegas, Nevada 89119

- 3.1.3 Timing begins when the called station is answered and two way communication is possible, 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. Recognition of answer supervision is the responsibility of the Underlying Carrier. Timing for each call ends when either party hangs up. NTI will not bill for uncompleted calls.

3.2 Customer Complaints and/or Billing Disputes

Customer inquiries or complaints regarding service or accounting may be made in writing or by telephone to the Company at:

2235 E. Flamingo Rd, Suite 404
Las Vegas, NV 89119
(888) 736-7939

Any objection to billed charges should be reported promptly to NTI. 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. Where overbilling of a subscriber occurs, due either to Company or subscriber error, no liability exists which will require the Company to pay any interest, dividend or other compensation on the amount overbilled.

DATE OF ISSUE: March 4, 1998

DATE EFFECTIVE: April 18, 1998

Tom Mitchell, President

2235 E. Flamingo Rd., Suite 404
Las Vegas, Nevada 89119

If a Customer accumulates more than One Dollar of undisputed delinquent NTI 800 Service charges, the NTI Resp. Org. reserves the right not to honor that Customer's request for a Resp. Org. change until such undisputed charges are paid in full.

3.3 Level of Service

A Customer can expect end to end network availability of not less than 99% at all times for all services.

3.4 Billing Entity Conditions

When billing functions on behalf of NTI or its intermediary are performed by local exchange telephone companies or others, the payment of charge conditions and regulations of such companies and any regulations imposed upon these companies by regulatory bodies having jurisdiction apply. NTI's name and toll-free telephone number will appear on the Customer's bill.

DATE OF ISSUE: March 4, 1998

DATE EFFECTIVE: April 18, 1998

Tom Mitchell, President

2235 E. Flamingo Rd., Suite 404

Las Vegas, Nevada 89119

3.5 Service Offerings**3.5.1 1+ Dialing**

The customer utilizes "1+" dialing, or "101XXXX" dialing followed by "1 + ten digits" for interLATA calls, or dials "101XXXX" followed by "1 + 7 digits" or "1 + 10 digits" for intraLATA calls.

3.5.2 Travel Cards

The Customer utilizes an 11 digit "toll-free" access number established by the Company to access a terminal. Upon receiving a voice prompt, the Customer uses push button dialing to enter an identification code assigned by the Company, and the ten digit number of the called party.

3.5.3 800 Service (Toll-Free)

This service is inbound calling only where an 800, 888 or other toll-free prefix number rings into a Customer's premise routed to a specific telephone number or terminated over a dedicated facility.

DATE OF ISSUE: March 4, 1998

DATE EFFECTIVE: April 18, 1998

Tom Mitchell, President
2235 E. Flamingo Rd., Suite 404
Las Vegas, Nevada 89119

3.5.4 NTI Prepaid Calling Cards

This service permits use of Prepaid Calling Cards for placing long distance calls. Customers may purchase NTI Prepaid Calling Cards at a variety of retail outlets or through other distribution channels. NTI Prepaid Calling Cards are available at a variety of face values ranging from five dollars (\$5.00), in one dollar (\$1.00) increments. NTI Prepaid Calling Card service is accessed using the NTI toll-free number printed on the card. The caller is prompted by an automated voice response system to enter his/her Authorization Code, and then to enter the terminating telephone number. NTI's processor tracks the call duration on a real time basis to determine the number of Telecom Units consumed. The total consumed Telecom Units for each call is deducted from the remaining Telecom Unit balance on the Customer's NTI Prepaid Calling Card.

All calls must be charged against Prepaid Calling Card that has a sufficient Telecom Unit balance. A Customer's call will be interrupted with an announcement when the balance is about to be depleted.

In order to continue the call, the Customer can either call the toll-free number on the back of the NTI Prepaid Calling Card and "recharge" the balance on the card using a nationally recognized credit card, or the Customer can throw the card away and purchase a new one. Calls in progress will be terminated by the Company if the balance on the NTI Prepaid Calling Card is insufficient to continue the call and the Customer fails to enter the number of another valid NTI Prepaid Calling Card prior to termination.

DATE OF ISSUE: March 4, 1998

DATE EFFECTIVE: April 18, 1998

Tom Mitchell, President

2235 E. Flamingo Rd., Suite 404

Las Vegas, Nevada 89119

A card will expire 12 months from the date of purchase, or the date of last recharge, whichever is later. The Company will not refund unused balances.

A credit allowance for NTI Prepaid Calling Card Service is applicable to calls that are interrupted due to poor transmission, one-way transmission, or involuntary disconnection of a call. To receive the proper credit, the Customer must notify the Company at the designated toll-free customer service number printed on the NTI Prepaid Calling Card and furnish the called number, the trouble experienced (e.g. cut-off, noisy circuit, etc.), and the approximate time that the call was placed.

When a call charged to an NTI Prepaid Calling Card is interrupted due to cut-off, one-way transmission, or poor transmission conditions, the Customer will receive a credit equivalent of one Telecom Unit.

Credit allowances for calls pursuant to NTI Prepaid Card Service do not apply for interruptions not reported promptly to the Company or interruptions that are due to the failure of power, equipment or systems not provided by the Company.

Credit for failure of service shall be allowed only when such failure is caused by or occurs due to causes within the control of the Company.

The Company will block all calls beginning with the NPA "900" and NXX "976" calls, therefore such calls can not be completed.

DATE OF ISSUE: March 4, 1998

DATE EFFECTIVE: April 18, 1998

Tom Mitchell, President

2235 E. Flamingo Rd., Suite 404

Las Vegas, Nevada 89119

3.5.5 Local Calls and Directory Assistance.

Local calls will not be accepted or completed. NTI does not provide local directory assistance. Access to long distance directory assistance is obtained by dialing 1 + 555-1212 for listings within the originating area code and 1 + (area code) + 555-1212 for other listings. When more than one number is requested in a single call, a charge will apply for each number requested. A charge will be applicable for each number requested, whether or not the number is listed or published.

DATE OF ISSUE: March 4, 1998

DATE EFFECTIVE: April 18, 1998

Tom Mitchell, President

2235 E. Flamingo Rd., Suite 404

Las Vegas, Nevada 89119

3.5.6 Reserved for Future Use.

3.5.7 Emergency Call Handling Procedures

Emergency "911" calls are not routed to company, but are completed through the local network at no charge.

3.5.8 Promotional Offerings

The Company may, from time to time, make promotional offerings to enhance the marketing of its services. These offerings may be limited to certain dates, times and locations. The Company will notify the Commission of such offerings as required by Commission rules and regulations. These promotions will be subject to prior notification and approval by the Commission.

DATE OF ISSUE: March 4, 1998

DATE EFFECTIVE: April 18, 1998

Tom Mitchell, President

2235 E. Flamingo Rd., Suite 404

Las Vegas, Nevada 89119

SECTION 4 - RATES

4.1 1+ Dialing

\$0.219 per minute

A monthly service charge of \$5.00 will apply per billing telephone number.

4.2 Travel Cards

\$0.249 per minute

4.3 800 Service (Toll Free)

\$0.219 per minute

A monthly service charge of \$10.00 will apply per toll-free number.

4.4 Prepaid Calling Cards

Prepaid Calling Cards are available in various Telecom Unit denominations. Prepaid Calling Cards may be recharged in \$1 increments (min. \$5).

Price Per Telecom Unit

\$.30

Cards will be decremented by one Telecom Unit for each minute or fractional part of a minute for intrastate calls. These rates apply twenty-four hours per day, seven days per week.

DATE OF ISSUE: March 4, 1998

DATE EFFECTIVE: April 18, 1998

Tom Mitchell, President

2235 E. Flamingo Rd., Suite 404

Las Vegas, Nevada 89119

4.5 Directory Assistance

\$.75 (maximum two numbers)

4.6 Returned Check Charge

\$20.00

4.7 Rate Periods

	Monday - Friday	Sat.	Sun.
8 a.m. to 5 p.m.*	Daytime Rate Period	Evening Rate Period	
5 p.m. to 11 p.m.*	Evening Rate Period		
11 p.m. to 8 a.m.*	Night/Weekend Rate Period		

* To, but not including

When a message spans more than one rate period, total charges for the minutes in each rate period are calculated and the results for each rate period are totaled to obtain the total message charge. If the calculation results in a fractional charge, the amount will be rounded down to the lower cent.

4.8 Payphone Dial Around Surcharge

A dial around surcharge of \$.35 per call will be added to any completed INTRASTATE toll access code and subscriber 800/888 type calls placed from a public or semi-public payphone.

DATE OF ISSUE: March 4, 1998

DATE EFFECTIVE: April 18, 1998

Tom Mitchell, President
2235 E. Flamingo Rd., Suite 404
Las Vegas, Nevada 89119

STATE OF NEVADA

COUNTY OF CLARK

VERIFICATION

I, Thomas Mitchell, being duly sworn, declare that I am the President of National Telecom, Inc., the Applicant. I verify that, based upon information and belief, I have knowledge of the statements in the foregoing Application, and I declare that they are true and correct.



Thomas Mitchell

Sworn to before me, the undersigned Notary Public on this 13TH day of FEBRUARY, 1998.



Notary Public

ROBERT WILLIAMSON

Print or Type Name

My commission expires:

1/2/2000