iBASIS RETAIL, INC.

REGULATIONS AND SCHEDULE OF CHARGES FOR FACILITIES BASED AND RESOLD LONG DISTANCE TELECOMMUNICATIONS SERVICES WITHIN THE STATE OF SOUTH CAROLINA

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of services or facilities for telecommunications services furnished by iBasis Retail, Inc. ("iBasis Retail" or the "Company"), with principal offices at 20 Second Avenue, Burlington, Massachusetts 01803. This tariff applies to the Company's services furnished within the State of South Carolina. This tariff is on file with the Public Service Commission of South Carolina, and copies may be inspected during normal business hours at the Company's principal place of business. Please direct questions regarding this tariff to Ellen Schmidt, Senior Counsel, (781) 505-7956, eschmidt@ibasis.net.

CHECK SHEET

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

SHEET	REVISION	SHEET	REVISION
1	Original	28	Original
2	Original	29	Original
3	Original	Price List	Original
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* - Indicates Revised Sheet

Issued By: Tony Bloom
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SYMBOLS

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

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

TARIFF FORMAT SHEETS

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 become 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, a 4th Revised Sheet 13 would cancel a 3rd Revised Sheet 13. Consult the Check Sheet for the sheets currently in effect.

C. Paragraph Numbering Sequence: There are nine (9) levels of paragraph coding. Each level of coding is subservient to its next higher level:

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

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

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 the Company's location or switching center.

ANI – ANI stands for Automatic Number Identification.

Applicant – An Applicant is any entity or person who applies for Service under this tariff.

Application for Service – The Application for Service is the Company's standard order form which includes all pertinent, billing, technical, and other descriptive information which will enable the Company to provide Telecommunications Services as required.

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

Authorized User – An Authorized User is a person, firm, corporation, or other entity that either is authorized by the Customer to receive or send Telecommunications or is placed in a position by the Customer, either through acts or omissions, to send or receive Telecommunications.

CLEC – CLEC is an acronym for Competitive Local Exchange Carrier.

Commission – Commission is used throughout this tariff to mean the Public Service Commission of South Carolina.

Company – Company refers to iBasis Retail, Inc.

Customer – The person, firm, corporation, or other legal entity that orders the Services of the Company or purchases a Company 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.

Dedicated Access – The Customer gains entry to the Company's Services by a direct path from the Customer's location to the Company's Point-of-Presence.

DUC – DUC is an acronym for Designated Underlying Carrier.

SECTION 1 – TECHNICAL TERMS AND ABBREVIATIONS – (CONT'D.)

InterLATA Call – An InterLATA call is any call that originates in one LATA and terminates in a different LATA.

IntraLATA Call – An IntraLATA call is any call that originates in one LATA and terminates in the same LATA.

IXC – IXC stands for Interexchange Carrier.

LATA – LATA is an acronym for Local Access Transport Area, which is a geographic boundary within which a Local Exchange Carrier provides communications services.

LEC – LEC is an acronym for Local Exchange Carrier.

NPA – NPA literally stands for Numbering Plan Area but is more commonly referred to as an area code.

NXX – NXX represents the first three digits of a Customer's telephone number.

ORS – ORS stands for Office of Regulatory Staff.

PIC – PIC stands for Primary Interexchange Carrier.

PIN – PIN stands for Personal Identification Number.

Platform – Platform is the proprietary technology and associated computer equipment that is used in conjunction with the Company's Prepaid Calling Cards.

Point of Sale – Point of Sale is the location at which a Customer purchases the Prepaid Calling Card.

POP – POP is an acronym for Point-of-Presence. A POP may be (a) the central office of the Underlying Carrier; (b) a location where the LEC or CLEC hands off traffic of the Company's Customer to the Underlying Carrier; or (c) the location where the Customer's facility interconnects with the DUC.

SECTION 1 – TECHNICAL TERMS AND ABBREVIATIONS – (CONT'D.)

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 or 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.

Resp. Org – Responsible Organization or entity identified by a toll-free service Customer that manages and administers records in the toll free number database and management system.

Service(s) – Service consists of any Telecommunications Service provided by the Company pursuant to this tariff.

Switched Access – The Customer gains entry to the Company's Services by a transmission line that is switched through the Local Exchange Carrier to reach the Company's Point-of-Presence.

Telecom Unit – A measurement of Telecommunications Service equivalent to one minute of usage between any two points within the State of South Carolina.

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 – A Telecommunications carrier whose network facilities provide the technical capability and capacity necessary for the transmission and reception of Customer Telecommunications traffic.

SECTION 2 – RULES AND REGULATIONS

2.1 Undertaking of the Company

This tariff contains the regulations and rates applicable to intrastate interexchange Telecommunications Services provided by the Company for Telecommunications between points within the State of South Carolina. 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. 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.

2.1.1 The Services provided by the Company are not part of a joint undertaking with any other entity providing Telecommunications channels or facilities but may involve the services of Underlying Carriers.

2.1.2 The rates and regulations contained in this tariff apply only to the Services furnished by the Company and do not apply, unless otherwise specified, to the lines, facilities, or services provided by LECs or other common carriers for use in accessing the Services of the Company.

2.1.3 The Company reserves the right to limit the length of communications, 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 re-pricing 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.

SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.2 Use and Limitations of Services

2.2.1 The Company'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 the Company's Services without payment for Service or attempting to avoid payment for Service by fraudulent means or devices, schemes, false or invalid numbers, or false calling or credit cards is prohibited.

2.2.3 The Company's Services are available for use twenty-four (24) hours per day, seven (7) days per week.

2.2.4 The Company's Services may be denied for nonpayment of charges or for other violations of this tariff subject to Section 2.5.1 herein.

2.2.5 Customers shall not use the Service provided under this tariff for any unlawful or abusive purpose, including but not limited to:

A. Use of the Service to transmit a message or to locate a person or otherwise to give or obtain information without payment of the applicable charge; or

B. Obtaining or attempting to obtain or assisting another to obtain or to attempt to obtain Services by tampering, rearranging, or making connection with any Service components of the Company or the DUC or by any trick or scheme or by any other fraudulent means or device whatsoever with intent to avoid payment in whole or in part of the charges for such Services; or

C. Use of the Service of the Company to send a message or messages anonymously or otherwise in a manner reasonably expected to frighten, abuse, torment, or harass another; or

D. Use of the Service in such a manner as to interfere unreasonably with the use of Services by one or more other Customers.

SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.2 Use and Limitations of Services (cont.)

2.2.6 All Services are interstate and/or international offerings, but the Customer has the option to use the Service to place intrastate calls. Intrastate Service is only available if the Customer purchases the Company's interstate and/or international Service offerings.

2.2.7 The Customer is responsible for notifying the Company immediately of any unauthorized use of Services.

SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.3 Liabilities of the Company

2.3.1 The Company's liability will be limited to that expressly assumed in Section 2.3 of this tariff.

2.3.2 The Company shall not be liable for any claim, loss, expense, damage, or for any interruption, delay, error, omission, or defect in any Service, facility, or transmission provided under this tariff, if caused by an act of God, fire, war, civil disturbance, act of government, or due to any other causes beyond the Company's control.

2.3.3 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.

2.3.4 No agent or employee of any other carrier or entity shall be deemed to be an agent or employee of the Company.

2.3.5 The Company's liability, 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 and not caused by the gross negligence or willful misconduct of the Customer, 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.

2.3.6 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.

SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.3 Liabilities of the Company (cont.)

2.3.7 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.

2.3.8 Unless otherwise provided in the specific Service section, the Company will not be liable to the Customer for damages or be obligated to make any adjustment, refund, or cancellation of charges unless the Customer has notified the Company in writing of any dispute concerning the charges, or the basis of any claims for damages, within sixty (60) calendar days after an invoice is rendered or a debit is effected by the Company for the call giving rise to the dispute or claim. Any such notice shall set forth sufficient facts to provide the Company with a reasonable basis upon which to evaluate the Customer's claim or demand. If the Customer is not satisfied with the Company's resolution of the billing issue, the Customer may submit an application to the Commission for review and resolution.

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

SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.3 Liabilities of the Company (cont.)

2.3.10 The Company is not liable for failure of performance hereunder due to causes beyond its control, including but not limited to:

A. Unavoidable interruption in the working transmission facilities including but not limited to fire, explosion, vandalism, cable cut, or other similar occurrence; or

B. Natural Disasters such as storms, fire, flood, or other catastrophes; or

C. Any law, order, regulation, direction, action, or request of the United States government, or any other governmental entity having jurisdiction over the Company or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of such governmental entity, or of any civil or military entity; or

D. National Emergencies, insurrections, riots, wars, strikes, lockouts, work stoppages, or other labor difficulties, supplier failures shortages or the like; or

E. Notwithstanding anything in this tariff to the contrary, the unlawful acts of individuals, including acts of the Company's agents and employees if committed beyond the scope of their employment.

SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.3 Liabilities of the Company (cont.)

2.3.11 The Company is not liable for:

A. Damages caused by negligence or willful misconduct of the Customer; or

B. The use or abuse of any Service described herein by any party including, but not limited to, the Customer's employees or members of the public. "Use or Abuse" includes but is not limited to, any calls placed by means of PBX-re-origination or any other legal or illegal equipment, service, or device. In the case of inbound Service, this also applies to third parties who dial the Customer's toll free inbound number by mistake; or

C. Any action or omission of any other company or companies furnishing a portion of the Services, facilities, or equipment associated with the Services; or

D. Any action, such as suspension of Service, blocking, or deactivating the provision of Service for all traffic or traffic to or from certain NPA NXXs, certain countries, cities, or individual telephone stations for any Service offered under this tariff in order to control fraud or non-payment.

SECTION 2 – RULES AND REGULATIONS (CONT'D.)

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 any charges incurred for special construction and/or special facilities which the Customer requests and which are ordered by the Company on the Customer's behalf.

2.4.3 If required for the provision of the Company's Services, the Customer must provide any equipment space, supporting structure, conduit, and electrical power without charge to the Company.

2.4.4 The Customer is responsible for arranging access to its premises at times mutually agreeable to the Company and the Customer when required for Company personnel to install, repair, maintain, program, inspect, or remove equipment associated with the provision of the Company's Services.

2.4.5 If any Company equipment is installed in a Customer location, the Customer shall cause the temperature and relative humidity in the equipment space provided by the Customer for the installation of the Company's equipment to be maintained within the range normally provided for the operation of microcomputers.

2.4.6 If a Customer interfaces with Company equipment, the Customer shall ensure that the equipment and/or system is properly interfaced with the Company's facilities or Services, that the signals emitted into the Company'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 the telephone network, the Company 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 the Company's equipment, personnel, or the quality of Service to other Customers, the Company may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, the Company may, upon written notice, terminate the Customer's Service.

SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.4 Responsibilities of the Customer (cont'd.)

2.4.7 The Customer must pay the Company for replacement or repair of damage to any equipment or facilities of the Company caused by negligence or willful acts of the Customer or others, by improper use of the Services, or by use of equipment provided by the Customer or others.

2.4.8 The Customer must pay for the loss or theft of any Company equipment installed at the Customer's premises.

2.4.9 If the Company installs equipment at the Customer's premises, the Customer shall be responsible for the payment of any applicable installation charge.

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 Services.

2.4.11 The Customer is responsible for all lost and stolen travel cards, calling cards, and associated PINs.

2.4.12 In the event that parties other than the Customer (*e.g.*, the Customer's customer) will have use of the Services directly or indirectly through the Customer, then the Customer agrees to forever indemnify and hold the Company and any affiliated or unaffiliated third party provider or operator of facilities employed in the provision of the Services harmless from and against any and all claims, demands, suits, actions, losses, damages, assessments, or payments which may be asserted by said parties.

2.4.13 Upon receipt of the Company's Prepaid Calling Cards, the Customer will assume all risks of loss or misuse of such Prepaid Calling Cards.

2.4.14 The Customer will not use the Company's name or any service mark or trademark of the Company or refer to the Company in connection with any product, equipment, promotion or promotional material, publication, contracts, or bill of the Customer without the express prior written consent of the Company.

SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.4 Responsibilities of the Customer (cont'd.)

2.4.15 The Customer is responsible for the payment of all charges for Services provided under this tariff and for the payment of all assessments, fees, surcharges, taxes, or similar liabilities whether charged to or against the Company or the Customer. This includes but is not limited to amounts the Company is required by government or other entities to collect and/or pay to designated entities. The Company may adjust its rates and charges, or impose additional rates and charges, in order to recover these amounts. Unless otherwise specified herein, if any entity imposes charges on the Company in connection with the Customer's Service, that entity's charges may be passed through to the Customer. The Customer is responsible for the payment of all such charges.

2.4.16 The cancellation of Services by the Customer pursuant to Section 2.5.4 of this tariff or discontinuance or suspension of Services by the Company pursuant to Section 2.5 of this tariff does not relieve the Customer of any obligations to pay the Company for charges due and owing for Services furnished up to the time of discontinuance. The remedies set forth herein will not be exclusive and the Company will at all times be entitled to all rights available to it under either law or equity.

SECTION 2 – RULES AND REGULATIONS (CONT'D.)

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, the Company may immediately discontinue Services to a Customer or may withhold the provision of ordered or contracted Services:

A. For nonpayment of any sum due to the Company for more than thirty (30) days after issuance of the bill for the amount due; or

B. For violation of any of the provisions of this tariff; or

C. For violation of any law, rule, regulation, or policy of any governing authority having jurisdiction over the Company's Services; or

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

The above notice is not required in those instances where the Company does not have contact information for the Customer.

2.5.2 Without incurring liability, the Company may interrupt the provision of Services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of the Customer's and the Company's equipment and facilities and may continue such interruption until any items of noncompliance or improper equipment operation so identified are rectified.

2.5.3 Service may be discontinued by the Company without notice to the Customer, by blocking traffic to certain counties, cities, or NXX exchanges, or by blocking calls using certain Customer Authorization Codes, when the Company deems it necessary to take such action to prevent unlawful use of its Service. The Company 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, or otherwise make the Customer whole.

SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.5 Cancellation or Interruption of Services (cont'd.)

2.5.4 The Customer may terminate Service upon verbal or written notice for the Company's standard month-to-month contract. The 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 the Company's Service and be responsible for payment until the Customer or its agent notifies its LEC and changes its long distance carrier.

The Company's discontinuance policies concerning Prepaid Calling Card Services is found in Section 3.2.

2.6 Credit Allowance - Interruption of Service

2.6.1 Credit may be given for disputed calls, on a per call basis.

2.6.2 Credit shall not be issued for the unavailability of long distance Services.

2.6.3 The Company's credit allowance policies concerning Prepaid Calling Card Services is found in Section 3.1.6.

2.7 Deposit

The Company may require deposits for certain Services if specifically provided for in the applicable Service description of this tariff. All deposit requirements will conform to SC Reg. 103-621.

SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.8 Payment and Billing

2.8.1 For any Service that is not prepaid, Service is provided and billed on a billing cycle basis, beginning on the date that Service becomes effective. Billing is payable upon receipt.

2.8.2 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, subscribed exchange lines, and direct connect facilities is the responsibility of the Customer. All calls placed using direct connect facilities, subscribed exchange lines, or Authorization Codes will be billed to and must be paid by the Customer.

SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.9 Collection Costs

In the event the Company is required to initiate legal proceedings to collect any amounts due to the Company for regulated Services, or for the enforcement of any other provision of this tariff or applicable law, Customer shall, in addition to all amounts due, be liable to the Company for all reasonable costs incurred by the Company in such proceedings and enforcement actions, including reasonable attorneys' fees, collection agency fees or payments, and court costs. In any such proceeding, the amount of collection costs, including attorneys' fees, due to the Company will be determined by the court.

2.10 Taxes

When a Customer receives a bill from the Company for Services, all federal, state, and local taxes, assessments, surcharges, or fees, including sales taxes, use taxes, and municipal utilities taxes, will be billed as separate line items and are not included in the rates quoted herein. Any applicable sales tax or exemption must be certified in writing and supported by appropriate documentation.

2.11 Late Charge

For all Services that are not prepaid, if payment is not received by the Customer by the due date, a late fee of the lesser of (a) one and one-half (1½) percent per month or (b) the maximum percentage permitted by law, shall be assessed against the Customer's delinquent balance of undisputed usage not paid by the due date. A Customer that is past due with a payment is liable for all reasonable attorneys' fees and other properly documented costs of collection incurred by the billing Customer, if any.

2.12 Reconnection Charge

A current reconnection fee per occurrence in the amount of $25.00 will be charged when Service is reestablished for Customers which has been disconnected due to non-payment. The reconnection fee will not exceed $30.00. Payment of the reconnection fee and any other outstanding amounts will be due in full prior to reconnection of Service.

SECTION 3 - DESCRIPTION OF SERVICE

3.1 Prepaid Calling Card Services

3.1.1 General

The Company may produce and arrange for the distribution and sale of Prepaid Calling Cards. The Prepaid Calling Cards will be brand marked iBasis, Inc. or iBasis Retail, Inc.

All Prepaid Calling Card Services are interstate and international offerings with the Customer having the ability to use the Prepaid Calling Card to place calls within the state. All applicable fees, directions for use, and customer service information are included on the back of the Cards or on the packaging. Prepaid Calling Cards have no cash redemption value. The Company is not responsible for lost or stolen Cards or PINs, or unauthorized use.

3.1.1.1 Customers may purchase the Company's Prepaid Calling Cards at a variety of retail outlets or through other distribution channels.

3.1.1.2 Prepaid Calling Card Services will be available with designated Card face values such as five dollars ($5.00), ten dollars ($10.00), twenty dollars ($20.00), or alternatively, other values in one-cent ($.01) U.S. increments.

3.1.2 Description of Service

The Company's Prepaid Calling Card Service is a prepaid long distance Service that allows Customers to obtain a predetermined amount of access to the Company's long distance Services by purchasing the Company's Prepaid Calling Cards. The Cards are a cash-value-based Service with fixed face values on the Cards that are available to the Customer that purchases the Cards. Some Cards may include a recharge option as set forth in Section 3.1.3.

SECTION 3 - DESCRIPTION OF SERVICE (CONT'D.)

3.1 Prepaid Calling Card Services (cont'd.)

3.1.2 Description of Service (cont'd.)

3.1.2.1 Prepaid Calling Card Usage

A. Prepaid Calling Card Service is offered via access numbers printed on the back of the Cards. The Customer dials the access number on the Card and is then prompted by an automated voice response system to enter the Authorization Code (or PIN), which is either included on the back of the Card or otherwise provided to the Customer upon purchase. The Customer then enters the called telephone number. A PIN is not required if the Card provides for ANI registration and the Customer registers its ANI with the Company.

B. The Calling Card Platform validates the PIN or ANI, determines the time remaining on the Card, which is prompted to the caller, and completes the call.

C. Billing for a call begins when the Platform receives a signal that the called-to number is answered. Billing ends when the Platform receives a signal that the calling or called party has terminated the call. Upon call termination, the total consumed cost for each call is deducted from the remaining balance on the Card.

D. Calls are billed in increments ranging from one (1) to five (5) minutes depending on the specific calling Card and the destination called.

E. All calls must be charged against a Card that has a sufficient balance. All callers will receive a warning tone one (1) minute before the balance is reduced to zero (0). The call will be interrupted when the balance is reduced to zero (0).

F. Calling Cards are only valid if activated by an authorized distributor or reseller and used prior to their expiration dates. The Company will not refund unused balances after Cards have expired.

SECTION 3 - DESCRIPTION OF SERVICE (CONT'D.)

3.1 Prepaid Calling Card Services (cont'd.)

3.1.3 Extra Features

The following extra features may be available on some of the Company's Cards:

A. ANI Registration – Cards that have an ANI registration option will be disclosed as such. For these Cards, a Customer has the option of registering its ANI with the Company so that it is not necessary to input the PIN number for the call to be validated.

B. Recharge Option – Cards that have the recharge option will be disclosed as such. For these Cards, Customers may select an amount of access to the Company's Service from a choice of pre-designated amounts. A Customer may recharge the Cards by selecting one of the pre-designated amounts.

3.1.4 Call Blocking

The Company will block calls made to the following types of numbers: "500," "700," "855," "900," "976," "411," "555," "885," "886," and "872." These types of calls, therefore, cannot be completed.

3.1.5 Customer Service

Customers may dial the customer service number on the back of the Card twenty-four (24) hours per day, seven (7) days per week to report any problems with the Card or Service. A live operator is available to take calls from 10:00 a.m. to 12:00 a.m. ET. When a live operator is not available, Customers may leave messages regarding their questions or concerns and the Company will return messages within one (1) business day from the date messages are received.

SECTION 3 - DESCRIPTION OF SERVICE (CONT'D.)

3.1 Prepaid Calling Card Services (cont'd.)

3.1.6 Credits

3.1.6.1 To receive credit, the Customer must promptly notify the Company at the designated toll free number on the back of the Card and furnish the PIN, the called number, the trouble experienced, and the approximate time the call was placed.

3.1.6.2 With the provision of the above information, the Customer will receive a credit equivalent of up to one (1) minute under the following circumstances:

A. When a call charged to a Prepaid Calling Card is interrupted due to a cut-off or one-way transmission.

B. Credit for failure of Service shall also be allowed for failure of power, equipment, or systems, which are provided for and are the responsibility of the Company if such failures occur while a completed call is in progress.

3.1.6.3 Credit allowances will not be given for interruptions that are due to the failure of power, equipment, or systems not provided by the Company.

3.1.6.4 Credit allowances will not exceed the amount of usage deducted from the card balance.

3.1.6.5 No credits will be provided in the event of any force majeure events.

SECTION 3 - DESCRIPTION OF SERVICE, (CONT'D.)

3.1 Prepaid Calling Card Services (cont'd.)

3.1.7 Refunds

If a Prepaid Calling Card is unusable for reasons beyond the Customer's control, the Card has not exceeded the expiration period, and the retail outlet has not provided a replacement card, a Customer may submit a refund request by calling customer service and providing all relevant information. Upon verification that a refund is due, the Customer will be provided with either a replacement card equal to the value remaining in the account, or if possible, the equivalent value on the Customer's card. Card replacements will be accomplished either via the retail outlet where the card was purchased or sent to the Customer's address, at the option of the Customer. No monetary refunds will be provided.

The refund will be provided to the Customer within sixty (60) days of notification by the Customer of the problem.

3.2 Discontinuance of Prepaid Calling Card Service

If the Company wishes to discontinue Service, it will ensure either through its contracts with its network providers, distributors, or marketing agents, or other means, that purchased Cards remain usable through their expiration dates or, if the Card does not have an expiration date, for one (1) year from the date of first use, or that Customers are otherwise made whole.

SECTION 4 - MAXIMUM RATES AND CHARGES

4.1 Payphone Surcharge

Pursuant to the FCC's Order in CC Docket 96-128, the payphone surcharge applies only to dial-around calls, *i.e.*, calls originating using a carrier's access code, a Customer's 800 and other toll-free numbers, calling cards, and prepaid phone card calls, from payphone instruments.

4.2 Return Check Charge

A fee in the amount of $25.00 will be charged whenever a check or draft presented for payment for Service is not accepted by the institution on which it is written.

Return check charges may be applied in an amount not to exceed that allowed under South Carolina statutes, S.C. Code Section 34-11-70.

4.3 Promotional Offerings

The Company may from time to time make promotional offerings available in which the rates and charges differ from the tariffed rates in Section 4.1. These offerings will be limited to certain Cards and dates and the Commission will be notified as required of these promotions.

SECTION 4 - MAXIMUM RATES AND CHARGES, (CONT'D.)

4.4 Marketing

As a telephone utility under the regulation of the Commission, the Company hereby asserts and affirms that as a reseller of intrastate telecommunications service the Company will not indulge or participate in deceptive or misleading telecommunications marketing practices to the detriment of consumers in South Carolina, and the Company will comply with those marketing procedures, if any, set forth by the Commission. Additionally, the Company will be responsible for the marketing practices of its contracted telemarketers for compliance with this provision. The Company understands that violation of this provision could result in a rule to Show Cause as to the withdrawal of its certification to complete intrastate telecommunications traffic within the state of South Carolina.

PRICE LIST

1.1 Prepaid Calling Cards

Base rate of $0.50 per minute.

Weekly fee of $0.89.

Hang-up fee of $0.99.

Payphone fee of $0.99.