

List of Exhibits

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**Exhibit A**

**Affidavit of William Haas**

## AFFIDAVIT OF WILLIAM HAAS

William Haas, being first duly sworn according to law, does hereby state as follows:

1. My name is William Haas. I am Deputy General Counsel for McLeodUSA Telecommunications Services, Inc. ("McLeodUSA"). I have been employed with McLeodUSA for nearly 12 years. My business address is 1 Martha's Way, P.O. Box 3177, Hiawatha, Iowa 52233.
2. In addition to working at McLeodUSA, I have worked in the telecommunications industry for approximately 25 years.
3. As the Deputy General Counsel at McLeodUSA, I am responsible, among other things, for providing advice and counsel on McLeodUSA's Universal Service Fund ("USF") regulatory filings and related contributions. I am familiar with state and federal telecommunications regulations relating to the services provided by McLeodUSA. I am also responsible for providing legal support and advice to the McLeodUSA Marketing department, and am, therefore, familiar with the suite of telecommunications services and products offered by McLeodUSA.
4. McLeodUSA's private line services provide service from one dedicated location to another dedicated location and provides voice and/or data services by small and medium business users. These services have no direct access to long distance, local or data switches and therefore any transmissions traversing those circuits terminate at the designated boundaries of the circuit.
5. McLeodUSA's Integrated Access and Local T-1 service are intrastate only services. McLeodUSA has previously disconnected customers who have utilized these services to make long distance telephone calls. These services are marketed as replacements for traditional local services and bundled Internet access.

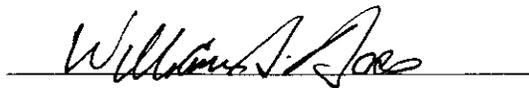
6. A significant number of McLeodUSA customers purchase the Integrated Access/T-1 services as a replacement for their local dial tone service or for use as intra-corporate network communications.

7. McLeodUSA's FX800 and Integrated Access/T-1 services are tariffed under the company's intrastate tariffs.

8. McLeodUSA requested information and certifications from 990 of its private line customers. As of September 27, 2007, McLeodUSA has received responses from 369 of those customers. Of those 369 responses, which represent 37% of all such customers, 78% of those responses indicate that in 2005 the customer used the private line for 90% or more intrastate use. These 369 customers represent 40% of the total circuits.

9. McLeodUSA expected that the majority of its reseller customers were registered and contributing to the Universal Service Fund. After a review of the McLeodUSA reseller customers, including a review of the FCC's 499 filer database, McLeodUSA noted that approximately 60% of the total customers identified as resellers on the Form 499-A are registered with the FCC. Many of the remaining 40% were originally inadvertently classified as resellers and have subsequently been reclassified by McLeodUSA where required by FCC regulations. When these inadvertent errors were removed, virtually all of the remaining carriers are registered with the FCC.

I affirm under penalty of perjury that the foregoing is true and correct.

A handwritten signature in black ink, appearing to read "William A. Haas", is written over a horizontal line.

William A. Haas

**Exhibit B**

**USAC Final Audit Report**

**CONFIDENTIAL - NOT FOR PUBLIC DISCLOSURE**

**REDACTED**

**Exhibit C**

**McLeodUSA Iowa Intrastate Tariff**

**Pages 1, 46-54**

**TITLE SHEET**

**TELECOMMUNICATIONS SERVICES**

This tariff applies to the Telecommunications Services furnished by McLeodUSA Telecommunications Services, Inc. ("McLeodUSA") between one or more points in the State of Iowa. This tariff is on file with the Iowa Utilities Board, and copies may be inspected, during normal business hours, at McLeodUSA's principal place of business, One Martha's Way, Hiawatha, Iowa 52233. (T)

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Issued: December 4, 2006

Effective: January 3, 2007

BY: General Counsel  
One Martha's Way, P.O. Box 3177  
Hiawatha, Iowa 52233

3.0 Description of Services Offered

3.1 Local Service

3.1.1 Nature of Service

Local Service is a service that allows customers to originate non-toll local calls at locations within the service areas in which McLeodUSA has been approved for certification for termination within the local calling area (including any applicable EAS areas) of those locations. Subject to service availability and the package selection by the customer, Local Service may include services in addition to those required for completion of non-toll local calls (including services which may not be subject to regulation under this tariff) which are purchased as part of a bundled package.

3.1.2 Availability

McLeodUSA offers local service in the areas in which it has been certified by the Iowa Utilities Board and in which McLeodUSA has available required network facilities or is able to lease required network facilities to enable the offering of service. Some features may not be available in all areas, or may slightly vary between service areas contingent on network availability or configuration. McLeodUSA will provide the most feature rich version of a feature in the bundled Local Service package available in a given market depending on network availability or configuration.

3.1.3 Local Service Packages

The standard elements of local line packages consist of local dial tone and unlimited local calling unless otherwise noted in a Service specific description. Mandatory extended area service ("EAS") is provided where applicable for the prices set forth in the Rate Tables. Customers with multiple lines at a single location may purchase different Packages for each telephone line at a particular location. **A Local Line Price Adjustment is applied to each business and residential local line that was established prior to June 13, 2005 and is serviced out of a Resale CLLI (see Section 5.1). The Local Line Price Adjustment will not be applied to new Preferred Advantage lines added to your account on or after June 13, 2005.** Business Customers purchasing a Business Package may select a long distance package of anytime minutes for each location, which shall be shared by all lines serving that Customer location. Business Customers purchasing Local Service Packages are also eligible to purchase a per minute long distance service that offers reduced long distance rates due to the purchase of bundled package of local and long distance services from McLeodUSA. Residential Customers shall select a long distance package of anytime minutes for each location, which shall be shared by all lines serving that Customer location.

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(N)

3.0 Description of Services Offered

3.1 Local Service (cont'd)

3.1.3 Local Service Packages (cont'd)

3.1.3.A Business Package A - OneLine Preferred**K** Package

Business Package A consists of local line switched service and a Primary Directory Listing.

3.1.3.B Reserved for future use.

(M)  
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(M)

3.1.3.C Business Package C - Premium Preferred<sup>®</sup> Package

Business Package C consists of local line switched service, Call Waiting, Three Way Calling, Call Forward Variable/Busy/Don't Answer, Called ID, Anonymous Call Rejection, Call Waiting ID, Speed Call 30, Call Transfer, Remote Access Call Forwarding and a Primary Directory Listing.

3.1.3.D Reserved for future use.

(M)  
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(M)

3.1.3.E Reserved for future use.

(M)  
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(M)

3.1.3.F. Business Package F - Preferred Advantage Plus Package

Existing Customers currently subscribing to grandfathered non-Preferred Advantage products are eligible to subscribe to Preferred Advantage<sup>SM</sup> Plus ("PA Plus") local line packages when renewing their service agreement with McLeodUSA by executing the Preferred Advantage agreement. PA Plus packages may include substitute or alternative line features currently purchased by the Customer that will permit them to migrate to a Preferred Advantage**K** service agreement with little or no modification to the Customer's current service configuration. Each Preferred Advantage**K** Plus local package will be priced at the same rate as the standard Preferred Advantage local package with a comparable number or type of features.

(Business Packages B, D and E were grandfathered and moved to Section 6.6 of this tariff.)

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3.0 Description of Services Offered

(N)

3.1 Local Service (cont'd)

3.1.3 Local Service Packages (cont'd)

3.1.3.G Business Package G - Simple Preferred® Select Package

Business Package X consists of local line switched service, Wire Care\*, and a choice of three (3) of the following features: Call Waiting, Call Waiting ID, Caller ID Name and Number, Call Forward Variable, Call Forward Busy, Call Forward Don't Answer, Call Transfer, Anonymous Call Rejection, Call Screening, Continuous Redial, Basic Hunting, Last Call Return/Callback, Remote Access to Call Forward, Speed Call 30 and Three Way Calling.

3.1.3.H Business Package H - Value Preferred® Select Package

Business Package X consists of local line switched service, Wire Care\*, and a choice of seven (7) of the following features: Basic Voice Mail\*, Call Waiting, Call Waiting ID, Caller ID Name and Number, Call Forward Variable, Call Forward Busy, Call Forward Don't Answer, Call Transfer, Anonymous Call Rejection, Call Screening, Continuous Redial, Basic Hunting, Last Call Return/Callback, Remote Access to Call Forward, Speed Call 30 and Three Way Calling.

(N)

**Note:** Some features may not be available in all areas.

\* Asterisk denotes non-regulated services.

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Issued: May 10, 2005

Effective: June 13, 2005

BY: General Counsel  
One Martha's Way, P.O. Box 3177  
Hiawatha, Iowa 52233

3.0 Description of Services Offered

3.1 Local Service (cont'd)

3.1.3 Local Service Packages (cont'd)

3.1.3.I Business Package I - Preferred Advantage® Unlimited

(N)

Business Package I consists of local line switched service, and a choice of any of the following features: Basic Voice Mail\*, Call Waiting, Call Waiting ID, Caller ID Name and Number, Call Forward Variable, Call Forward Busy, Call Forward Don't Answer, Call Transfer, Anonymous Call Rejection, Call Screening, Continuous Redial, Basic Hunting, Last Call Return/Callback, Remote Access to Call Forward, Priority Call, Speed Call 30 and Three Way Calling. This package is only available when combined with the Unlimited Long Distance and no other long distance plans are available with this Business Package. This package is only available when McLeodUSA provides services using its own local switching facilities (see 'Platform' in section 5.0).

3.1.3.J Business Package J - Preferred Advantage® Unlimited Highspeed

Business Package J consists of local line switched service, and a choice of any of the following features: Basic Voice Mail\*, Call Waiting, Call Waiting ID, Caller ID Name and Number, Call Forward Variable, Call Forward Busy, Call Forward Don't Answer, Call Transfer, Anonymous Call Rejection, Call Screening, Continuous Redial, Basic Hunting, Last Call Return/Callback, Remote Access to Call Forward, Priority Call, Speed Call 30 and Three Way Calling. This package is only available when combined with the Unlimited Long Distance and Business ADSL service. No other long distance plans are available with this Business Package. This package is only available when McLeodUSA provides services using its own local switching facilities (see 'Platform' in section 5.0).

(N)



3.0 Description of Services Offered

3.1 Local Service (cont'd)

3.1.3 Local Service Packages (cont'd)

3.1.3.O Residential Package E - Preferred Advantage® Unlimited

Residential Package E consists of local line switched service, 900 Blocking, Primary Directory Listing and a choice of any of the following features: Basic Voice Mail\*, Call Waiting, Call Waiting ID, Caller ID Name and Number, Call Forward Variable, Call Forward Busy, Call Forward Don't Answer, Call Transfer, Call Screening, Continuous Redial, Last Call Return/Callback, Priority Call, Speed Call 8 and Three Way Calling. This package is only available when combined with the Unlimited Long Distance and no other long distance plans are available with this Residential Package. This package is only available when McLeodUSA provides services using its own local switching facilities (see 'Platform' in section 5.0).

3.1.3.P Residential Package F - Preferred Advantage® Unlimited Highspeed

Residential Package F consists of local line switched service, 900 Blocking, Primary Directory Listing and a choice of any of the following features: Basic Voice Mail\*, Call Waiting, Call Waiting ID, Caller ID Name and Number, Call Forward Variable, Call Forward Busy, Call Forward Don't Answer, Call Transfer, Call Screening, Continuous Redial, Last Call Return/Callback, Priority Call, Speed Call 8 and Three Way Calling. This package is only available when combined with the Unlimited Long Distance and Residential ADSL service. No other long distance plans are available with this Residential Package. This package is only available when McLeodUSA provides services using its own local switching facilities (see 'Platform' in section 5.0).

3.1.3.Q Residential Package G: Preferred Advantage Simple Select

Residential Package G consists of local line switched service, 900 Blocking, Wire Care\*, Primary Directory Listing and a choice of three (3) of the following features: Call Waiting, Call Waiting ID, Caller ID Name and Number, Call Forward Variable, Call Forward Busy, Call Forward Don't Answer, Call Transfer, Anonymous Call Rejection, Call Screening, Continuous Redial, Last Call Return/Callback, Speed Call 8 and Three Way Calling. This product is only available when McLeodUSA provides services using its own local switching facilities (see Section 5.0 for availability).

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3.0 Description of Services Offered

3.1 Local Service (cont'd)

3.1.4 Description of Features Included In Certain Local Service Packages.

Some features included in certain Local Service Packages may not be available in all areas, or may slightly vary between service areas contingent on network availability or configuration. McLeodUSA will provide the most feature rich version of a feature in the bundled Local Service package that is available in a given market depending on network availability or configuration.

Anonymous Call Rejection

Allows customer to automatically reject all calls that have been marked anonymous by the calling party. The call is routed to a denial announcement and subsequently terminated.

Blocking Services.

Blocking Services prevent certain call types from being completed. Blocking service examples include blocking outgoing 10XXX1+ or 900 or 976 calls.

Call Forwarding Busy/Don't Answer/Variable

Call forwarding is the ability to forward an incoming call to a preselected station if the called station is unable to receive the call. "Call forwarding busy" will forward the call if the called station is in use; "call forwarding don't answer" will forward the call after a predetermined number of rings; "call forwarding variable" will forward the call regardless of the status of the called station. For Business customers, Call Forwarding Busy/Don't Answer options are only available as optional services to a location at which the customer also currently purchases Voice Mail from McLeodUSA.

Call Screening

Allows customer to block incoming calls from up to a maximum of fifteen telephone numbers. (T)

Call Trace

Permits the tracing of the last call received and holds the results for later use by an authorized law enforcement agency. Results of call trace will be provided only to appropriate law enforcement personnel, and not to the customer.

Call Transfer

The ability to forward a call in progress to another station.

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3.0 Description of Services Offered

3.1 Local Service (cont'd)

3.1.4 Description of Features Included In Certain Local Service Packages (cont'd)

Call Transfer Disconnect

Call Transfer Disconnect is the ability to transfer of calls to another line, disconnecting that call so that it frees up the original line.

Call Waiting

Call waiting is the ability of the called station to generate a tone when the called station is in use to alert the user that another call is waiting to connect with the called station.

Call Waiting ID

Call waiting ID is the ability to identify the party calling when on another call.

Caller ID Blocking

Provides a permanent indicator on a customer's line. Once the block is established on the customer's line, the private status can be deactivated by the customer by dialing a series of number before each call, to change the indicator from private to public. This one call unblock allows the name and number to be sent for that one call only.

Customers who choose per line blocking for the first time will not be charged the nonrecurring charge. New customers to the Caller ID serving area will be provided the same option. A customer requesting per line blocking will pay a nonrecurring charge for re-establishing line blocking.

The standard dialing pattern for per-call Called ID Blocking is \*67 (1167 from a rotary telephone). The standard dialing pattern for a per-call unblocking is \*82 (1182 from a rotary telephone).

Caller Identification

Allows for the automatic delivery of a calling party's name, telephone number (including non-published and non-listed telephone numbers) or both to the called customer. The number is displayed on customer provided equipment. McLeodUSA will provide the most feature rich version of caller identification in the bundled Local Service package available in a given market depending on network availability or configuration.

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 3.0 Description of Services Offered
3.1 Local Service (cont'd)3.1.4 Description of Features Included In Certain Local Service Packages (cont'd)Continuous Redial

Allows a customer to dial a code that will cause the feature to automatically redial the last number the customer dialed. If the called number is busy, the feature will redial the called number for a limited period of time. A distinctive ring alerts the customer when the called number becomes available. This service is available on a usage or subscription basis.

Hunting

Hunting is the ability to forward an incoming call to the next number in a hunting group if the called number is busy.

Circular Hunt is an option of Hunting service that allows for hunting to start at the dialed number and continues in ascending order to the last number in the hunt group. Hunting then proceeds to the first number of the hunt group and continues through the group until an idle line is reached or the number just preceding the dialed number is reached. The rates and charges for Circular Hunt are in addition to the rates and charges for Hunting Service.

Preferential Hunt is an option of Hunting service that allows for calls to a specific number (other than the first number) within a hunt group to hunt over a unique sequence of lines within the hunt group. The Preferential Hunt sequence is different than that encountered when a caller dials the first telephone number in a hunt group.

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(N)

Last Call Return

The customer does not have to know the number of the calling party. If the calling party's number is blocked by the calling party, the service will not return the call.

No Solicitation

Allows a customer to deter sales and telemarketing calls received by the customer. This is accomplished via a recorded message which informs the caller that the customer does not accept telephone solicitations, and asks solicitors to hang up and to place the called party on the solicitors "do-not-call" list. No Solicitation automatically screens calls between the hours of 8:00 A.M. until 9:00 P.M. daily. A caller may press one, or stay on the line to complete the call connection.

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3.0 Description of Services Offered

3.1 Local Service (cont'd)

3.1.4 Description of Features Included In Certain Local Service Packages (cont'd)

Priority Call

Provides the end user with a distinctive ring when called from pre-selected telephone numbers. Calls other than from the selected numbers are received with a standard ring pattern. Toll Free, International and 900 numbers are not programmable with Priority Call.

(N)

(N)

Remote Access to Call Forward

This feature allows a user at a "remote" location to activate/deactivate the call forwarding feature. The user gains remote access to the call forwarding feature from a touch tone phone at a remote location. The RACF feature uses an announcement system to provide interactive voice message prompting, which allows customers to verify the forwarded-to directory number. Changes are accomplished by remotely calling an access number, entering the appropriate line and PIN information when prompted to do so, and making any desired changes.

Speed Calling

Permits placing calls to 8 or 30 telephone numbers dialing an abbreviated code.

Three-Way Calling

The ability to add a third line to an established conversation.

Toll Restriction

Toll Restriction provides for exchange access lines to be restricted from dialing billable toll calls. Attempted violation of the restrictions are routed to an announcement.

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3.0 Description of Services Offered

3.1 Local Service (cont'd)

3.1.5 Intercept Services/Referral Recording

Intercept Services provide new number or explanatory information to callers dialing changed or disconnected numbers. The services include messages delivered either mechanically or by operator. Basic Intercept and Referral Recording services apply to temporary and permanently disconnected numbers. Intercept services are for periods up to 12 months for business customers and up to 3 months for residential customers. (T)

Basic Intercept Service includes all intercept recordings that do not provide the new number information. New Number Referral Service includes all intercept recordings that provide the new number information. (N)

3.1.6 Local T1 Service

The Local T1 product provide high capacity local access services, with up to 24 channels. The T1 can be configured for either two-way trunk side service (Standard Trunks), or one-way DID (DID capable) service. When DID service is ordered, direct inward dialing (DID) numbers must be purchased from the Company. Rate elements are a Module Rate Element, a Local Distribution Channel Rate Element, Optional Elements, and applicable surcharges and taxes.

3.1.7 Dynamic T-1

The Dynamic Local T1 product terminates into a customer-provided PBX or hybrid system, via a customer-provided DTI or channel bank. When DID/DOD service is ordered, direct inward dialing (DID) numbers must be purchased from the Company.

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3.0 Description of Services Offered (cont'd)

3.1 Local Service (cont'd)

3.1.8 Directories

3.1.8.A. Listing Service

One listing, the Primary Listing, is provided without charge for each customer location. Where two or more exchange lines are served on a hunting service basis, only one Primary Listing for the group will be provided.

3.1.8.B. Directory Distribution

One local exchange directory will be provided to a customer for each customer location at the time directories are distributed by the incumbent local exchange carrier.

**Exhibit D**

**List of Reseller Customers Reclassified by USAC**

**CONFIDENTIAL - NOT FOR PUBLIC DISCLOSURE**

**REDACTED**

**Exhibit E**

**Other Charges and Credits Information**

**CONFIDENTIAL - NOT FOR PUBLIC DISCLOSURE**

**REDACTED**

**Exhibit F**

**Certifications of Interstate Usage**

**CONFIDENTIAL - NOT FOR PUBLIC DISCLOSURE**