

TC97-013

C4744

TC97-013

DOCKET NO.

In the Matter of IN THE MATTER OF THE
APPLICATION OF INTERNATIONAL
GATEWAY COMMUNICATIONS, INC.
FOR A CERTIFICATE OF AUTHORITY
TO PROVIDE TELECOMMUNICATIONS
SERVICES IN SOUTH DAKOTA

Public Utilities Commission of the State of South Dakota

DATE

MEMORANDA

DATE	MEMORANDA
2/10/97	Filed and docketed;
2/13/97	T.C. Park Filing,
3/11/97	Order Denying COA;
3/11/97	Docket Closed.

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

CERTIFICATE OF AUTHORITY

To Conduct Business As A Telecommunications Company
Within The State Of South Dakota

Authority was Granted March 4, 1997, effective April 10, 1997
Docket No. TC97-013

This is to certify that

INTERNATIONAL GATEWAY COMMUNICATIONS, INC.

is authorized to provide telecommunications services in South Dakota.

This certificate is issued in accordance with SDCL 49-31-3 and ARSD 20:10:24:02, and is subject to all of the conditions and limitations contained in the rules and statutes governing its conduct of offering telecommunications services.

Dated at Pierre, South Dakota, this 11th day of March, 1997.

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION:**



James A. Burg

JAMES A. BURG, Chairman

Pam Nelson

PAM NELSON, Commissioner

Laska Schoenfelder

LASKA SCHOENFELDER, Commissioner

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION OF) ORDER GRANTING
INTERNATIONAL GATEWAY)
COMMUNICATIONS, INC. FOR A) CERTIFICATE OF
CERTIFICATE OF AUTHORITY TO PROVIDE) AUTHORITY
TELECOMMUNICATIONS SERVICES IN)
SOUTH DAKOTA) TC97-013

On February 10, 1997, the Public Utilities Commission (Commission), in accordance with SDCL 49-31-3 and ARSD 20 10 24 02, received an application for a certificate of authority from International Gateway Communications, Inc. (IGC).

IGC seeks authority to provide MTS, out-WATS, in-WATS and calling card services. A proposed tariff was filed by IGC. The Commission has classified long distance service as fully competitive.

On February 13, 1997, the Commission electronically transmitted notice of the filing and the intervention deadline of February 28, 1997, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled March 4, 1997, meeting, the Commission considered IGC's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to the condition that IGC not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission.

The Commission finds that it has jurisdiction over this matter pursuant to Chapter 49-31, specifically 49-31-3 and ARSD 20 10 24 02 and 20 10 24 03. The Commission finds that IGC has met the legal requirements established for the granting of a certificate of authority. IGC has, in accordance with SDCL 49-31-3, demonstrated sufficient technical, financial and managerial capabilities to offer telecommunications services in South Dakota. The Commission approves IGC's application for a certificate of authority, subject to the condition that IGC not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. As the Commission's final decision in this matter, it is therefore

ORDERED, that IGC's application for a certificate of authority is hereby granted, effective April 10, 1997, subject to the condition that IGC not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. It is

FURTHER ORDERED, that IGC shall file informational copies of tariff changes with the Commission as the changes occur.

Dated at Pierre, South Dakota, this 11th day of March, 1997.

<p>CERTIFICATE OF SERVICE</p> <p>The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by first class mail, in properly addressed envelopes, with charges prepaid thereon.</p> <p>By <u>Nelvine Kalko</u></p> <p>Date <u>3/13/97</u></p> <p>(OFFICIAL SEAL)</p>

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

FULLY COMPETITIVE TELECOMMUNICATIONS FILINGS

NA	AT&T filed to extend the customer requested installation date beyond March 31, 1997, for the AT&T UNIPLAN T1.5 Access Incentive Promotion.	02/03/97	NA
NA	AT&T filed to introduce AT&T Long Distance Wireless Service to its Message Telecommunications Service tariff. The revision is effective February 5, 1997.	02/04/97	NA
NA	American Express Telecom, Inc. filed to clarify what occurs when a customer's Telecom Unit balance is depleted, to indicate that the expiration date on all cards will be at least 12 months, not necessarily 12 months, to revise language to indicate that the Company may block calls, other than 900 and 976, if such calls have surcharges, to revise language to indicate specifically which forms of promotional offerings may be offered by the Company, and to introduce a lower rate for cards marketed by the Company and the United States Postal Service. These revisions are effective February 7, 1997.	02/06/97	NA
NA	NYNEX Long Distance Company filed to make numerous minor text changes, to introduce a number of new product and service offerings, and to increase the rate and change the rate structure for the NYNEX Long Distance Prepaid Calling Card Service. The revisions are effective February 10, 1997.	02/06/97	NA
NA	US WEST Communications filed to introduce Centrex 21, a product targeted to small and medium sized business customers which incorporates value added voice features and functions in a standard package. The product is added to USWC's Exchange and Network Services Catalog. USWC requests an effective date of March 3, 1997.	02/11/97	NA
NA	CommuniGroup of K.C., Inc. filed to introduce PersonalEdge Plus to its tariff. The revision is effective February 13, 1997.	02/11/97	NA
NA	AT&T filed to decrease specific rates related to its UNIPLAN T1.5 Promotion. The revisions are effective February 13, 1997.	02/12/97	NA

Important Notice: The Commission is compiling a list of internet addresses. If you have an internet address please notify the Commission by E-mailing it to Terry Norman at: terry@pub.state.sd.us. Filing the address to the Commission at: 605-773-3829.

South Dakota
Public Utilities Commission
State Capitol 500 E. Capitol
Pierre, SD 57501-5070
Phone: (800) 332-1782
Fax: (605) 773-3809

TELECOMMUNICATIONS SERVICE FILINGS

These are the telecommunications service filings that the Commission has received for the period of:

01/31/97 through 02/13/97

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five days of this filing.

DOCKET NUMBER	TITLE/STAFF/SYNOPSIS	DATE FILED	INTERVENTION DEADLINE
REQUEST FOR CERTIFICATION OF AUTHORITY			
TC97-010	Application by Telco Partners, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TH/CH) Applicant seeks authority to provide MTS, out-WATS, in-WATS, and calling card services. Applicant does not intend to provide operator services, 900 or 700 services.	02/03/97	02/28/97
TC97-011	Application by Tele-Tech, Inc. to amend its Certificate of Authority to provide local exchange services within the state of South Dakota. (Staff: TH/CH) Tele-Tech, Inc. intends to offer local exchange service on a resale or facilities basis, or a combination of both. The exact manner in which Tele-Tech, Inc. will provide these services in South Dakota depends upon the result of negotiations with the incumbent local exchange carriers. Tele-Tech, Inc. will not offer any local service in areas presently served by independent rural telecommunications companies, unless designated as an eligible telecommunications carrier pursuant to the Federal Act §214(e)(1) and 253(f), and then only upon approval by the Public Utility Commission of any required interconnection agreement as prescribed by §252 of the Act.	02/05/97	02/28/97
TC97-012	Application by American Long Lines, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: DJ/CH) Applicant seeks authority to offer outbound telecommunications services to residential and business customers, utilizing switched and dedicated access. Applicant will also offer travel card and inbound toll-free services.	02/06/97	02/28/97
TC97-013	Application by International Gateway Communications, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: DJ/CH) Applicant seeks authority to provide MTS, out-WATS, in-WATS, and calling card services. Applicant does not intend to provide operator services, 900 or 700 services.	02/10/97	02/28/97
STUDY AREA WAIVER REQUEST			
TC97-014	Dakota Cooperative Telecommunications, Inc. and its subsidiary companies, Dakota Telecom, Inc. and Dakota Telecommunications Systems, Inc. (Dakota) are requesting that the South Dakota Public Utilities Commission determine whether it objects to a waiver by the FCC of the definition of "Study Area" contained in Part 36 Appendix-Glossary of the FCC's rules to allow Dakota to expand its South Dakota study area boundaries to include the new local exchange facilities it is constructing in Viborg and Centerville. Dakota will provide service to consumers in the Centerville and Viborg exchanges through its subsidiaries, and has begun providing such services. Dakota's current study area completely surrounds the Viborg and Centerville exchanges. Dakota is building a new, state-of-the-art switching facility in Viborg, which is centrally located with respect to Dakota's service area. If the Commission does not object to such a waiver by the FCC, Dakota requests that the PUC provide Dakota with a letter to that effect.	02/10/97	02/28/97

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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

EARLY, LENNON, PETERS & CROCKER, P.C.

ATTORNEYS AT LAW
900 COMERICA BUILDING
KALAMAZOO, MICHIGAN 49007-4752
TELEPHONE (616) 381-8844
FAX (616) 349-8525

GEORGE H. LENNON
JOHN T. PETERS, JR.
DAVID G. CROCKER
HAROLD E. FISCHER, JR.
LAWRENCE M. BRENTON
GORDON C. MILLER

BLAKE D. CROCKER
ROBERT M. TAYLOR
PATRICK D. CROCKER
ANDREW J. VORBRICH*
NICOLETTE G. HANBY**

OF COUNSEL
VINCENT T. EARLY
RONALD C. H. MULLEN
THOMPSON BENNETT

JOSEPH J. BURGE
(1928-1992)

*Also admitted in Iowa.

**Also admitted in California and North Carolina.

February 7, 1997

Mr. Marshall Damgaard
Executive Director
South Dakota Public Utilities Commission
State Capitol
Pierre, South Dakota 57501-5070

Re: INTERNATIONAL GATEWAY COMMUNICATIONS, INC.

Dear Mr. Damgaard:

Enclosed for filing with the Commission please find an original and ten (10) copies of the above captioned corporation's Application for a Certificate of Authority to transact the business of a reseller of interexchange telecommunications services within South Dakota, along with a check in the amount of \$250.00 to cover filing fees relating to same.

Also enclosed is an exact duplicate of this letter. Please date-stamp the duplicate and return same to me in the enclosed postage pre-paid, addressed envelope.

Should you have any questions concerning this filing, please contact me.

Very truly yours,

EARLY, LENNON, PETERS & CROCKER, P.C.

Patrick D. Crocker

PDC/jdt

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TC97-013

RECEIVED

FEB 10 1997

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

BEFORE THE
PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF:

THE APPLICATION OF INTERNATIONAL)
GATEWAY COMMUNICATIONS, INC.)
FOR A CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY TO TRANSACT THE BUSINESS)
OF A RESELLER OF INTEREXCHANGE)
TELECOMMUNICATIONS SERVICES AND)
FOR APPROVAL OF ITS INITIAL TARIFF)

DOCKET NO. _____

APPLICATION FOR AUTHORIZATION

INTERNATIONAL GATEWAY COMMUNICATIONS, INC. (hereinafter "Applicant") respectfully requests that the Public Utilities Commission of the State of South Dakota (hereinafter referred to as "Commission") grant Applicant authority pursuant to SDCL 49-31-3 and in accordance with ARSD 20:10:24:02 to provide intrastate telecommunications services to the public within South Dakota through the resale of similar services offered by other interexchange carriers ("IXCs") in the state. Applicant further requests that the Commission approve its initial proposed tariff. Applicant, for purposes of verification, and in evidence of its fitness to operate and the public need for its services, offers the following information in support of this Application:

Identification of the Applicant

1. Applicant maintains its headquarters at:
 5601 West 120th Street
 Alsip, Illinois 60658
 Telephone (708) 489-9400
 Fax (708) 489-0256
2. Applicant's toll free number is 800-377-0040.
3. Applicant is incorporated under the laws of the State of Illinois. A copy of the

Company's Articles of Incorporation is attached hereto as Exhibit A. Applicant is qualified to transact business within the State of South Dakota as a foreign corporation. A copy of the qualifying document is set forth in Exhibit B hereto.

4. Correspondence regarding this Application should be directed to:

Patrick D. Crocker
EARLY, LENNON, PETERS & CROCKER, P.C.
900 Comerica Building
Kalamazoo, MI 49007-4752
(616) 381-8844

5. The name of Applicant's Registered Agent, and the address of the registered office of the corporation in South Dakota is:

Corporation Guarantee and Trust Company
117 E. Capitol
P.O. Box 66
Pierre, South Dakota 57501-0066

Description of Authority Requested

6. Applicant seeks authority to operate as a reseller of intrastate telecommunications services to the public on a statewide basis. Applicant seeks authority to offer a full range of "1+" interexchange telecommunications services on a resale basis. Specifically, Applicant seeks authority to provide MTS, out-WATS, in-WATS and Calling Card services.

7. Applicant does not intend to provide operator services, 900 or 700 services.

8. Applicant owns no transmission facilities. Applicant will offer service to its subscribers using facilities of the communications networks of AT&T, other facilities-based IXCs and the local exchange telephone companies ("LECs").

9. Applicant has no plans at this time to construct any telecommunications transmission facilities of its own and seeks no construction authority by means of this Application. Applicant will operate exclusively as a reseller.

10. Applicant will abide by all rules governing telecommunications resellers which the Commission has promulgated or may promulgate in the future, unless application of such rules is specifically waived by the Commission.

Proposed Services

11. Applicant is a wholesale supplier of long distance services to other resellers, rebillers, aggregators and similar medium to high volume business users. Applicant combines high quality transmission services with very competitive rates, flexible end user billing, professional customer service and excellent reporting to create a unique blend which meets the individualized needs of such business customers.

12. Applicant's services are designed to be especially attractive to resellers, rebillers and aggregators who desire to repackage the offering and reoffer it to small and medium sized businesses.

13. Applicant's intends to engage in "switchless" resale. Applicant will arrange for the traffic of underlying subscribers to be routed directly over the networks of Applicant's network providers.

14. Applicant is committed to the use of ethical sales practices. All distributors of its products must commit in writing to market Applicant's services in a professional manner, and to fairly and accurately portray Applicant's services and the charges for them.

Description and Fitness of Applicant

15. Applicant's officers have extensive managerial, financial and technical experience with which to execute the business plan described herein. Applicant's management personnel represent a broad spectrum of business and technical disciplines, possessing many years of individual and aggregate telecommunications experience. In support of Applicant's managerial

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and technical ability to provide the services for which authority is sought herein, Applicant submits a description of the background and experience of its current management team as Exhibit C. In support of Applicant's financial ability to provide the proposed services, Applicant attaches a recent Income Statement and Balance Sheet as Exhibit D.

Public Interest Considerations

16. Applicant's entry into the South Dakota marketplace is in the public interest because Applicant intends to make a uniquely attractive blend of service quality, network management and reporting, and low rates available. Namely, Applicant's offering ultimately will enable small and medium businesses in South Dakota to obtain long distance services at rates which previously were available only to larger businesses.

17. In addition to the direct benefits delivered to the public by its services, Applicant's entry into the South Dakota marketplace will benefit the public indirectly by increasing the competitive pressure felt by existing IXCs, spurring them to lower costs and improve services in response.

Requested Regulatory Treatment.

18. Applicant is a non-dominant reseller of interexchange telecommunications services. Applicant requests to be regulated by the Commission in the same relaxed fashion extended to other, similarly situated resellers.

Initialed Proposed Tariff

19. Applicant proposes to offer service pursuant to the rules, regulations, rates and other terms and conditions included in Applicant's initial proposed tariff which is attached hereto as Exhibit E. Billing, payment, credit, deposit and collection terms are set forth in Applicant's initial proposed tariff.

0142.16.9

Compliance with ARSD 20:10:24:02

20. In accordance with ARSD 20:10:24:02, Applicant provides the following information:

- (1). The name, address and telephone number of Applicant:

International Gateway Communications, Inc.
5601 West 120th Street
Alsip, Illinois 60658
Telephone (708) 489-9400
Fax (708) 489-0256

- (2). Applicant shall provide services under the name International Gateway Communications, Inc.

- (3). (a) See paragraph 2 of this Application.

(b) Applicant has no principal office in South Dakota. Applicant's registered agent is set forth in paragraph 4 hereinabove.

(c) A copy of Applicant's Articles of Incorporation is attached as Exhibit A. Applicant's Officers and Directors are as follows:

Thomas Jacobs - President

Brian Amendala - Secretary/Treasurer

- (d) A list of the names and addresses of Applicant's current Officers and Board of Directors:

Joseph J. Amendala - Chairman of the Board & Sole Director
4219 Falkner Drive
Naperville, IL 60564

- (e) The names of Applicant's shareholders and numbers of shares held by each:

<u>Name</u>	<u>Number of shares</u>
Joseph J. Amendala	49%
Brian Amendala	12%
Harry Chung	12%
Thomas Jacobs	12%
Michal Caringella	9%
Sheffield Systems	6%

0142-16-1B

- (f) No corporation, association, partnership or corporation own any interest in Applicant.
- (g) Applicant owns or controls no subsidiaries.
- (4). Applicant is a corporation organized under the laws of Illinois.
- (5). See paragraph 5 of the Application.
- (6). See paragraph 6 of the Application.
- (7). Applicant shall offer services on all equal access areas within the State of South Dakota. Accordingly, Applicant does not attach a map describing service boundaries.
- (8). See Exhibits D and E attached hereto.
- (9). All complaints and regulatory matters should be directed to Applicant's attorney as set forth in paragraph 3 of this Application.

Applicant's Cost for Underlying Transport Services

20. Applicant proposes to resell services within South Dakota in excess of Applicant's cost of purchasing services from Applicant's underlying carrier (Frontier). Applicant purchases intrastate services from Frontier for approximately \$.1249 per minute.

Conclusion

21. A decision by the Commission to grant Applicant a Certificate of Public Convenience and Necessity is plainly in the public interest. Applicant will introduce important new products and services at very competitive rates as well as enhance the competitiveness of the overall long distance market in South Dakota.


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WHEREFORE, INTERNATIONAL GATEWAY COMMUNICATIONS, INC., respectfully requests that this Commission grant it authority to transact the business of a reseller of interexchange telecommunications services within the State of South Dakota, that the Commission regulate it in a streamlined fashion, and that the Commission approve Applicant's initial proposed tariff effective on the date of the order granting authority.

Respectfully submitted,

Dated: _____

By: _____



Patrick D. Crocker
EARLY, LENNON, PETERS
& CROCKER, P.C.
900 Comerica Building
Kalamazoo, MI 49007-4752

Its: Attorneys

VERIFICATION

Thomas W. Jacobs, President of INTERNATIONAL GATEWAY COMMUNICATIONS, INC., first being duly sworn on oath, deposes and says that he has read the foregoing Application and verifies that the statements made therein are true and correct to the best of his knowledge, information, and belief.

INTERNATIONAL GATEWAY COMMUNICATIONS, INC.

By: 

Thomas W. Jacobs

The foregoing instrument was acknowledged before me this 5th day of Jan, 1997
by Thomas W. Jacobs.


Notary Public

For the County of Cook

My Commission Expires: 7-7-00

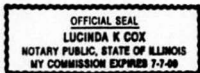


EXHIBIT A

COPY

STATE OF ILLINOIS
 OFFICE OF
 THE SECRETARY OF STATE



Whereas, ARTICLES OF AMENDMENT TO THE ARTICLES OF INCORPORATION OF TELEVOX PUBLIC COMMUNICATIONS, INC. INCORPORATED UNDER THE LAWS OF THE STATE OF ILLINOIS HAVE BEEN FILED IN THE OFFICE OF THE SECRETARY OF STATE AS PROVIDED BY THE BUSINESS CORPORATION ACT OF ILLINOIS, IN FORCE JULY 1, A.D. 1984.

Now Therefore, I, George H. Ryan, Secretary of State of the State of Illinois, by virtue of the powers vested in me by law, do hereby issue this certificate and attach hereto a copy of the Application of the aforesaid corporation.

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, at the City of Springfield, this 29TH day of JUNE A.D. 1984 and of the Independence of the United States the two hundred and 18TH



George H. Ryan
 SECRETARY OF STATE

FILED

JUN 29 1994

Rev. Jul. 1984)

GEORGE H. RYAN JIM EDGAR
SECRETARY OF STATE Secretary of State
State of Illinois

File # D5677-313-4

Submit in Duplicate Payment in Check or Money
 payable to "Secretary of State"

ARTICLES OF AMENDMENT

DO NOT SEND CASH!

This Space For Use By Secretary of State	
Date	6-29-94
License Fee	\$
Franchise Tax	\$
Filing Fee	\$ 25. -
Clerk	AW

COPY

to the provisions of "The Business Corporation Act of 1983", the undersigned corporation hereby adopts Articles of Amendment to its Articles of Incorporation.

ONE The name of the corporation is Televox Public Communications, Inc.

(Note 1)

TWO The following amendment of the Articles of Incorporation was adopted on June 16
19 94 in the manner indicated below ("X" in one box only)

By a majority of the incorporators, provided no directors were named in the articles of incorporation and no directors have been elected, or by a majority of the board of directors, in accordance with Section 10.10, the corporation having issued no shares as of the time of adoption of this amendment.

(Note 2)

By a majority of the board of directors, in accordance with Section 10.15, shares having been issued but shareholder action not being required for the adoption of the amendment.

(Note 3)

By the shareholders, in accordance with Section 10.20, a resolution of the board of directors having been duly adopted and submitted to the shareholders. At a meeting of shareholders, not less than the minimum number of votes required by statute and by the articles of incorporation were voted in favor of the amendment.

(Note 4)

By the shareholders, in accordance with Sections 10.20 and 7.10, a resolution of the board of directors having been duly adopted and submitted to the shareholders. A consent in writing has been signed by shareholders having not less than the minimum number of votes required by statute and by the articles of incorporation. Shareholders who have not consented in writing have been given notice in accordance with Section 7.10.

(Note 4)

By the shareholders, in accordance with Sections 10.20 and 7.10, a resolution of the board of directors have been duly adopted and submitted to the shareholders. A consent in writing has been signed by all the shareholders entitled to vote on this amendment.

(Note 4)

(INSERT AMENDMENT)

to be amended is required to be set forth in its entirety. (Suggested language for an amendment to change the corporate name is: WHEREAS, the Articles of Incorporation be amended to read as follows:

International Gateway Communications, Inc.
(NEW NAME)

EXPEDITE
JUN 29 1994
SECRETARY OF STATE

All changes other than name, include on page 2
(over)

EXHIBIT B

State of South Dakota



OFFICE OF THE SECRETARY OF STATE

CERTIFICATE OF AUTHORITY

I, JOYCE HAZELTINE, Secretary of State of the State of South Dakota, hereby certify that the Application for a Certificate of Authority of INTERNATIONAL GATEWAY COMMUNICATIONS, INC. (IL) to transact business in this state duly signed and verified pursuant to the provisions of the South Dakota Corporation Acts, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I hereby issue this Certificate of Authority and attach hereto a duplicate of the application to transact business in this state under the name of INTERNATIONAL GATEWAY COMMUNICATIONS, INC.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at Pierre, the Capital, this January 27, 1997.



JOYCE HAZELTINE
Secretary of State

6-1114

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FAX NO. 2155639410

P. 11

SECRETARY OF STATE
 STATE CAPITOL
 500 E. CAPITOL
 PIERRE, S.D. 57501-4777
 605 773-4845
 FAX (605) 773-6550

FILE NO. _____
 RECEIPT NO. _____

APPLICATION FOR CERTIFICATE OF AUTHORITY

RECEIVED

Pursuant to the provisions of SDCL 47-8-7, the undersigned corporation hereby applies for a Certificate of Authority to transact business in the State of South Dakota and for that purpose submits the following information:

(1) The name of the corporation is INTERNATIONAL GATEWAY COMMUNICATIONS, INC.
 (Exact corporate name)

S.D. SEC. STATE

(2) If the name of the corporation does not contain the word "corporation", "company", "incorporated" or "limited" or does not contain an abbreviation of one of such words, then the name of the corporation with the word or abbreviation which it elects to add thereto for use in this state is _____

(3) State where incorporated ILLINOIS Federal Taxpayer ID# 36-3873351

(4) The date of its incorporation is 3/25/92 and the period of its duration is PERPETUAL

(5) The address of its principal office in the state or country under the laws of which it is incorporated is 5601 W. 120TH STREET, ALSIP, IL Zip Code 60628

(6) The street address, or a statement that there is no street address, of its proposed registered office in the State of South Dakota is 117 E. CAPITOL, PIERRE, SD Zip 57501-0066 and the name of its proposed registered agent in the State of South Dakota at that address is RONALD D. OLINGER

(7) The purposes which it proposes to pursue in the transaction of business in the State of South Dakota are: TELECOMMUNICATION SERVICES AS A RESELLER OF INTEREXCHANGE SERVICES

(B) The names and respective addresses of its directors and officers are:

Name	Officer Title	Street Address	City	State	Zip
<u>JOSEPH J. AMENDALA</u>	<u>DIRECTOR</u>	<u>4219 FALKNER DR.,</u>	<u>NAPERVILLE</u>	<u>IL</u>	<u>60564</u>
<u>THOMAS JACOBS</u>	<u>PRESIDENT</u>	<u>417 HADDASSAH,</u>	<u>NAPERVILLE,</u>	<u>IL</u>	<u>60565</u>
<u>BRIAN AMENDALA</u>	<u>SECY/TREAS</u>	<u>9317 STEAMBOAT ISLAND NW,</u>	<u>OLYMPIA</u>	<u>WA</u>	<u>98502</u>

(9) The aggregate number of shares which it has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any, within a class is:

Number of shares	Class	Series	Par value per share or statement that shares are without par value
<u>100,000</u>	<u>COMMON</u>	<u>-</u>	<u>WITHOUT PAR VALUE</u>

(10) The aggregate number of its issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class, is:

Number of shares	Class	Series	Par value per share or statement that shares are without par value
1,000	COMMON	-	WITHOUT PAR VALUE

(11) The amount of its stated capital is \$ 273,000.00

(12) This application is accompanied by a CERTIFICATE OF FACT duly acknowledged by the secretary of state or other officer having custody of corporate records in the state or country under whose laws it is incorporated.

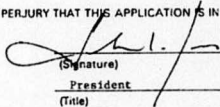
(13) That such corporation shall not directly or indirectly combine or make any contract with any incorporated company, foreign or domestic, through their stockholders or the trustees or assigns of such stockholders, or with any copartnership or association of persons, or in any manner whatever to fix the prices, limit the production or regulate the transportation of any product or commodity so as to prevent competition in such prices, production or transportation or to establish excessive prices therefor.

(14) That such corporation, as a consideration of its being permitted to begin or continue doing business within the State of South Dakota, will comply with all the laws of the said State with regard to foreign corporations.

The application must be signed by the chairman of the board of directors, or by the president or by another officer.

I DECLARE AND AFFIRM UNDER THE PENALTY OF PERJURY THAT THIS APPLICATION IS IN ALL THINGS, TRUE AND CORRECT.

Dated Dec. 9 19 96

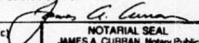

 (Signature)
 President
 (Title)

State of PENNSYLVANIA
 County of PHILADELPHIA

On this 9th day of Dec. 19 96, before me James A. Curran personally appeared Thomas Jacob, known to me, or proved to me, to be the President of the corporation that is described in and that executed the within instrument and acknowledged to me that such corporation executed same.

My Commission Expires: 08/07/99

(Notary Public)


 NOTARIAL SEAL
 JAMES A. CURRAN, Notary Public
 City of Philadelphia, Phila. County
 My Commission Expires Aug. 7, 1999

The Consent of Appointment below must be signed by the registered agent listed in number six.

CONSENT OF APPOINTMENT BY THE REGISTERED AGENT

I, RONALD D. OLINGER hereby give my consent to serve as the (name of registered agent)

registered agent for INTERNATIONAL GATEWAY COMMUNICATIONS, INC. (corporate name)

Dated 1-27 19 98

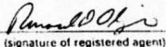

 (signature of registered agent)

EXHIBIT C

INTERNATIONAL GATEWAY COMMUNICATIONS, INC.

MANAGEMENT PROFILES:

Joseph J. Amendala: Chief Executive Officer

With twenty-four years' experience in the telecommunications industry, CEO Joseph J. Amendala brings a breadth of industry knowledge to IGC. After working for Illinois Bell Telephone for thirteen years, Mr. Amendala founded Sheffield Systems, Inc., Sheffield Systems, Inc., a company originally specializing in small business interconnect, was awarded Public Utility status by the Illinois Commerce Commission in January of 1987. Mr. Amendala is President of Sheffield Systems, Inc., and has served as President and Member of the Board of the Illinois Public Telecommunications Association (IPTA) from the years 1990-1994.

Thomas W. Jacobs: President

After receiving his B.S. from S.U.N.Y. in Albany, New York (Business/Computer Science), President Thomas W. Jacobs has worked in the telecommunications industry for ten years. He spent two years as Major Account Manager at RCI Long Distance, a subsidiary of Rochester Telephone Company, in Elmsford, New York; and six years as National Account Manager at MCI Telecommunications in New York, New York; before taking his position of President of IGC two years ago.

Sean Trepeta: Executive Vice President: Sales/Marketing

After receiving his B.S. in 1990, Executive Vice President Sean Trepeta spent two years working for NYNEX in the MIS Department of the Business Information Services Company. Mr. Trepeta then spent four years working for MCI, in their sales division, advancing to the position of Investment Major Account Manager in the International Markets Branch of MCI.

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EXHIBIT D

**INTERNATIONAL GATEWAY COMMUNICATIONS, INC.
(FORMERLY TELEVOX PUBLIC COMMUNICATIONS, INC.)**

**REPORT ON FINANCIAL STATEMENTS
(WITH SUPPLEMENTAL MATERIAL)**

YEARS ENDED JUNE 30, 1996 AND 1995

CONTENTS	
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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	1
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WONAK & COMPANY, LTD.
Certified Public Accountants

1315 Woodfield Road, Suite 830
Schaumburg, Illinois 60173
(708) 995-9400, Fax: (708) 995-9407

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
International Gateway Communications, Inc.
Alsip, Illinois

We have audited the accompanying balance sheets of International Gateway Communications, Inc. (formerly Televox Public Communications, Inc.), as of June 30, 1996 and 1995 and the related statements of income, retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of International Gateway Communications, Inc. as of June 30, 1996 and 1995, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

Wonak & Company, Ltd.
Schaumburg, Illinois
October 21, 1996

INTERNATIONAL GATEWAY COMMUNICATIONS, INC.

BALANCE SHEETS

JUNE 30

ASSETS	1996	1995
CURRENT ASSETS		
Cash	\$ 198,168	\$ 122,611
Accounts Receivable	304,083	196,624
Due From Stockholders	4,888	8,185
Deferred Income Taxes (Note 8)	102,100	56,800
Prepaid Expenses and Other	8,031	1,291
Total Current Assets	617,270	385,511
PROPERTY AND EQUIPMENT, Less Accumulated Depreciation (Note 2)	273,113	220,648
OTHER ASSETS		
Deferred Development Costs, Net of Amortization (Note 3)	50,369	71,956
Deposits	13,161	1,762
Total Other Assets	63,530	73,718
TOTAL ASSETS	\$ 953,913	\$ 679,877

LIABILITIES AND STOCKHOLDERS' EQUITY		
	1996	1995
CURRENT LIABILITIES		
Accounts Payable (Note 9)	\$ 490,122	\$ 360,520
Accrued Expenses (Note 4)	31,503	20,362
Due to Stockholders	28,759	0
Due to Affiliate (Note 6)	109,674	1,675
Current Maturities of Long-Term Debt (Note 7)	15,625	0
Total Current Liabilities	675,683	382,557
LONG-TERM DEBT, Less Current Maturities (Note 7)	21,730	0
OTHER LIABILITIES		
Deferred Income Taxes (Note 8)	50,500	41,300
Total Liabilities	747,913	423,857
STOCKHOLDERS' EQUITY		
Common Stock, No Par Value - 1,000 Shares Authorized, 1000 Shares Issued and Outstanding	293,001	281,000
Retained Earnings (Deficit)	(87,000)	(24,980)
Total Stockholders' Equity	206,000	256,020
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 953,913	\$ 679,877

See accompanying notes to financial statements.

INTERNATIONAL GATEWAY COMMUNICATIONS, INC.

STATEMENTS OF OPERATIONS AND DEFICIT

YEARS ENDED JUNE 30

	1996	1995
NET SALES	\$8,931,572	\$7,323,747
COST OF SALES	8,354,514	6,751,779
Gross Profit	577,058	571,968
GENERAL AND ADMINISTRATIVE EXPENSES	627,635	400,599
SELLING EXPENSES	38,004	105,761
	665,639	506,360
Operating Income (Loss)	(88,581)	65,608
OTHER INCOME (EXPENSE)		
Interest Expense	(7,794)	(11,265)
Assessments	(1,013)	(345)
Other Income	375	23,294
Other Expenses	(7)	(144)
	(8,439)	11,540
Income (Loss) Before Taxes (Benefit) on Income (Loss)	(97,020)	77,148
TAXES (BENEFIT) ON INCOME (LOSS) (NOTE 8)	(35,000)	30,800
NET INCOME (LOSS)	(62,020)	46,348
RETAINED EARNINGS (DEFICIT)		
Beginning	(24,980)	(71,328)
Ending	\$ (87,000)	\$ (24,980)

See accompanying notes to financial statements.

INTERNATIONAL GATEWAY COMMUNICATIONS, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30

	1996	1995
OPERATING ACTIVITIES		
Net Income (Loss)	\$ (62,020)	\$ 46,348
Adjustments to Reconcile Net Income (Loss) to Cash Provided (Used) By Operating Activities:		
Depreciation and Amortization	62,135	48,350
Accounts Receivable, Prepaid Expenses and Other Assets	(115,490)	(95,149)
Due From Stockholders	(10,108)	(309)
Deferred Tax Asset	3,297	(5,874)
Accounts Payable, Accrued Expenses and Other	(45,300)	5,500
Deferred Tax Liability	169,502	192,327
	9,200	25,300
Cash Provided By Operating Activities	11,216	216,493
INVESTING ACTIVITIES		
Purchase of Property and Equipment	(93,013)	(19,294)
Cash Used By Investing Activities	(93,013)	(19,294)
FINANCING ACTIVITIES		
Proceeds From Note Payable	48,258	0
Principal Payments of Note Payable	(12,578)	(102,992)
Proceeds From Due to Affiliate	109,674	0
Payments of Due to Affiliate	0	(169,806)
Additional Issuance of Capital Stock	12,000	130,000
Cash Provided (Used) By Financing Activities	157,354	(142,798)
(Continued)		

INTERNATIONAL GATEWAY COMMUNICATIONS, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30

(CONTINUED)

	1996	1995
INCREASE IN CASH	75,557	54,401
CASH Beginning	122,611	68,210
Ending	\$198,168	\$ 122,611
CASH PAID FOR INTEREST	\$ 5,829	\$ 3,406

See accompanying notes to financial statements.

INTERNATIONAL GATEWAY COMMUNICATIONS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIESORGANIZATION

The Company was incorporated in Illinois in 1992 as a re-seller of local and long distance telephone services through state-of-the-art switch equipment under the name Televox Public Communications, Inc. During 1995, the Company changed its name to International Gateway Communications, Inc.

Prior to November 1, 1993, the Company was a development stage enterprise as defined in Accounting Standards Board Statement No. 7, and devoted substantially all of its efforts to establishing a new business. As of November 1, 1993, the Company commenced its planned principal operations, and began deriving significant revenue thereon.

CHANGE IN FISCAL YEAR

In 1994, the Company changed its reporting period from a calendar year to June 30 for financial statement and tax purposes. The new fiscal period was adopted effective July 1, 1993.

PROPERTY, EQUIPMENT AND DEPRECIATION

Property and Equipment are stated at cost. Depreciation is computed using the straight line method for financial reporting purposes over the following estimated useful lives:

	<u>Years</u>
Phone Switch and Components	10
Furniture and Fixtures	10
Computer Equipment and Software	5

For Federal income tax purposes, depreciation is computed using accelerated methods. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

TAXES ON INCOME

Deferred income taxes are provided on the difference in earnings determined for tax and financial accounting purposes.

USE OF ESTIMATES

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(Continued)

INTERNATIONAL GATEWAY COMMUNICATIONS, INC.

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)CONCENTRATIONS OF CREDIT RISK

Sales and receivables are concentrated entirely in the telecommunications industry. In addition, substantially all revenues are generated by the Company's phone switch located in Chicago, Illinois.

The Company maintains cash balances at one financial institution located in Illinois. Accounts at this institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. Uninsured balances amounted to \$98,168 at June 30, 1996.

NOTE 2. PROPERTY AND EQUIPMENT

Major classes of Property and Equipment consist of the following at June 30:

	<u>1996</u>	<u>1995</u>
Phone Switch and Components	\$251,892	\$218,406
Computer Equipment	91,568	32,042
Furniture and Fixtures	7,643	7,643
Computer Software	<u>2,900</u>	<u>2,900</u>
	354,003	260,991
Less Accumulated Depreciation	<u>80,890</u>	<u>40,743</u>
Net Property and Equipment	<u>\$273,113</u>	<u>\$220,248</u>

NOTE 3. DEFERRED DEVELOPMENT COSTS

Costs incurred during the development stage, other than those which were similar to those of an established company, are being amortized over a sixty-month period beginning November 1, 1993, the start of full operations.

Accumulated amortization of deferred development costs amounted to \$57,565 and \$35,978 at June 30, 1996 and 1995, respectively.

(Continued)

INTERNATIONAL GATEWAY COMMUNICATIONS, INC.

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 4 ACCRUED EXPENSES

Accrued expenses are summarized as follows at June 30:

	<u>1996</u>	<u>1995</u>
Other	\$17,968	\$ 5,427
Salaries and Wages	8,292	8,510
Payroll Taxes	2,383	6,366
Sales Taxes	1,730	0
401(k) Contribution Payable	<u>1,130</u>	<u>52</u>
	<u>\$31,503</u>	<u>\$20,362</u>

NOTE 5 NOTE PAYABLE - STOCKHOLDER

In July, 1993, the Company received a loan of \$200,000 from one of its stockholders. The unsecured note calls for monthly payments of \$8,864 including interest at 6%. The note was fully paid as of June 30, 1996.

NOTE 6 DUE TO AFFILIATE

During 1995, the Company issued a demand loan for \$10,000 plus interest at 6% to a marketing company which is affiliated by common ownership, the total of which was repaid as of June 30, 1996.

During 1994, the Company received a demand loan for \$170,000 plus interest at 6% from a payphone company which is affiliated by common ownership and is also the Company's major customer. As of June 30, 1996, the entire balance was repaid.

The affiliated payphone company also provides certain administrative services to the Company which totaled \$40,276 for the year ended June 30, 1996, of which \$24,518 is reported as management fee expense, and \$15,758 is included with insurance expense. As of June 30, 1996, the remaining balance due to the affiliate for these services combined with all other intercompany non-trade activity amounted to \$109,674.

(Continued)

INTERNATIONAL GATEWAY COMMUNICATIONS, INC.

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 7 LONG-TERM DEBT

Long-Term Debt consists of the following at June 30:

	<u>1996</u>	<u>1995</u>
Notes Payable - payable in monthly installments of \$1,542 due September 1998, including interest at 9.5%	\$37,355	\$ 0
Less Current Maturities	<u>15,625</u>	<u>0</u>
Total Long-Term Debt	<u>\$21,730</u>	<u>\$ 0</u>

Maturities of Long-Term Debt are as follows:

Years Ending	Amount
June 30	
1997	\$15,625
1998	17,176
1999	4,554

NOTE 8 TAX (BENEFIT) ON INCOME (LOSS)

The Company uses the liability method of accounting for income taxes. The income tax benefit consists of the following at June 30:

	<u>1996</u>	<u>1995</u>
Current:		
Federal	\$ 0	\$ 0
State	<u>1,100</u>	<u>0</u>
	<u>1,100</u>	<u>0</u>
Deferred:		
Federal	(31,500)	25,500
State	<u>(4,600)</u>	<u>5,300</u>
	<u>(36,100)</u>	<u>30,800</u>
	<u>\$(25,000)</u>	<u>\$30,800</u>

(continued)

INTERNATIONAL GATEWAY COMMUNICATIONS, INC.

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 8. TAX (BENEFIT) ON INCOME (LOSS) (CONTINUED)

Deferred tax assets and liabilities consists of the following at June 30:

	<u>1996</u>	<u>1995</u>
Deferred Tax Assets		
Net Operating Loss Carryforward	\$102,100	\$ 52,200
Accrued Interest to a Related Party	<u>0</u>	<u>4,600</u>
	<u>\$102,100</u>	<u>\$ 56,800</u>
Deferred Tax Liabilities		
Depreciation of Property and Equipment	<u>\$ 50,500</u>	<u>\$ 41,300</u>

The income tax provision reconciled to the tax (benefit) computed at the statutory Federal rate is as follows at June 30:

	<u>1996</u>		<u>1995</u>	
	Amount	Percent	Amount	Percent
Tax (benefit) at statutory rate	\$(35,600)	(34.0)%	\$26,200	34.0%
Increase (decrease) in tax benefit resulting from:				
State income taxes,				
net of federal income				
tax benefit	(5,000)	(4.8)	3,700	5.0
Non-deductible items	<u>1,600</u>	<u>1.5</u>	<u>(200)</u>	<u>1.0</u>
	<u>\$(39,000)</u>	<u>(37.3)%</u>	<u>\$30,800</u>	<u>40.0%</u>

Management believes that the realization of its deferred tax assets is more likely than not, therefore no valuation allowance has been recorded as of June 30, 1996 or 1995.

The Company has a net operating loss carryforward for income tax purposes of approximately \$246,000 and \$152,000 at June 30, 1996 and 1995, respectively, which expires by the year 2011.

NOTE 9. RELATED PARTY TRANSACTIONS

The Company provides switch services to two companies affiliated by common ownership. Net fees for services rendered to the affiliates totaled approximately \$1,302,000 and \$1,655,000 for the years ended June 30, 1996 and 1995, respectively. Accounts Payable includes amounts due to the affiliates totaling approximately \$19,500 and \$229,000 at June 30, 1996 and 1995, respectively, for line charges net of switch service and collection fees.

(continued)

INTERNATIONAL GATEWAY COMMUNICATIONS, INC.

NOTES TO FINANCIAL STATEMENTS

(CONTINUED)

NOTE 9. RELATED PARTY TRANSACTIONS (CONTINUED)

On June 30, 1996, the Company issued 50 shares of its common stock for a stated value of \$130,000 to Sheffield Systems, Inc., a company previously affiliated by common ownership, and the Company's major customer. Also, in December, 1995, the total company issued 100 shares of its common stock for a stated value of \$12,000 to one of its key employees.

NOTE 10. COMMITMENTS, CONTINGENCIES AND OTHER MATTERS

The Company is involved in a legal action against Communication Telesystems International (CTI) with whom the Company had a contract whereby CTI was to provide certain international and domestic long-distance and "callback" services. Due to many problems encountered with CTI's services, the Company alleges that CTI did not perform in accordance with its contract. Therefore, the Company seeks relief from any and all liabilities to CTI of which the Company has a recorded amount of \$47,000. CTI filed a counterclaim seeking collection of approximately \$190,000 allegedly due from the Company. The Company believes it will prevail in its action and intends to vigorously contest CTI's counterclaim. The Company also believes that the likelihood of material losses in excess of those amounts recorded is remote.

The Company leases its switch facility on a month-to-month basis for a monthly rental of \$567 plus operating costs. In addition, during 1996 and 1995 the Company leased various sales offices on month-to-month bases. Rent expense for the operating leases totaled \$13,760 and \$25,533 for the years ended June 30, 1996 and 1995, respectively. As of June 30, 1996, only the switch facility is being leased.

Substantially all sales were to two customers for the years ended June 30, 1996 and 1995. Both customers are affiliated with the Company by common ownership.

NOTE 11. RETIREMENT PLAN

During 1994, the Company established a 401(k) retirement plan for all employees. The Plan covers any employee that has reached at least age 21, and has completed 1 year of service with the Company. Qualified employees may enter the Plan on the following January 1, April 1, July 1 or October 1 after completing the eligibility requirements.

Currently, the Company makes matching contributions of 50% of the first 6% of effective contributions to the Plan through salary deferral, not to exceed 3% of compensation. Company contributions amounted to \$4,590 for the year ended June 30, 1996. Participants may contribute up to 15% of their compensation or \$9,500 whichever is less.

(continued)

INTERNATIONAL GATEWAY COMMUNICATIONS, INC.

NOTES TO FINANCIAL STATEMENTS

(CONCLUDED)

NOTE 11. RETIREMENT PLAN (CONTINUED)

Additional employer contributions may be made at year end on a discretionary basis on behalf of all eligible employees.

Participants are 100% vested in their salary deferral savings contributions. Participants are vested in the company's contributions based on their years of service as shown below.

<u>Years of Service</u>	<u>% Vested</u>
0-3 years	0%
3 years	20%
4 years	40%
5 years	60%
6 years	80%
7 years	100%



WONAK & COMPANY, LTD.
Certified Public Accountants

1515 Woodfield Road, Suite 632
Schaumburg, Illinois 60173
(708) 995-9400, Fax: (708) 995-9407

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON SUPPLEMENTAL MATERIAL

To the Board of Directors
International Gateway Communications, Inc.
Alsip, Illinois

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole of International Gateway Communications, Inc. as of and for the years ended June 30, 1996 and 1995, which are presented in the preceding section of this report. The supplemental material is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Wonak & Company, Ltd.
Schaumburg, Illinois
October 21, 1996

INTERNATIONAL GATEWAY COMMUNICATIONS, INC.

SUPPLEMENTAL MATERIAL

YEARS ENDED JUNE 30

ANALYSES OF COST OF SALES

	1996	1995
Customer Payments	\$7,156,694	\$5,670,184
Line Charges	955,050	712,888
Service and Collection Fees	126,767	247,631
Validation Fees	74,074	80,255
Depreciation and Amortization	41,005	38,613
Installation Supplies and Repair	924	2,208
	\$8,354,514	\$6,751,779

See accompanying Report of Independent Certified Public Accountants on Supplemental Material.

INTERNATIONAL GATEWAY COMMUNICATIONS, INC.		
SUPPLEMENTAL MATERIAL		
YEARS ENDED JUNE 30		
ANALYSES OF GENERAL & ADMINISTRATIVE EXPENSES		
	1996	1995
Officers' Salaries	\$ 231,310	\$ 74,847
Office Salaries and Wages	132,336	88,134
Other Professional Services	76,656	42,781
Taxes - Payroll	22,455	13,790
Auto Expense	19,000	16,297
Corporate Legal Fees	18,485	19,837
Telephone	18,453	17,211
Depreciation and Amortization	18,334	6,942
Rent Expense	13,760	25,533
Accounting Fees	13,728	18,499
Insurance - General	12,725	3,373
Computer Expense	9,102	974
Dues and Subscriptions	5,862	3,416
Office Expense	5,275	20,301
Delivery and Express	4,781	4,505
Taxes - ICC	4,689	5,214
401(k) Contribution	4,590	59
Taxes - Other	3,179	3,769
Medical Reimbursements	2,487	13,029
Stationery and Printing	2,328	10,579
Taxes - Invested Capital	2,086	2,892
Miscellaneous Expense	1,811	323
Office Equipment Maintenance	1,750	0
Utilities	1,601	2,143
Outside Services	600	0
Moving Expense Reimbursements	146	5,367
Rank Service Charges	87	684
Postage Expense	19	0
Contributions	0	100
	\$ 627,635	\$ 400,599

See accompanying Report of Independent Certified Public Accountants on Supplemental Material.

INTERNATIONAL GATEWAY COMMUNICATIONS, INC.

SUPPLEMENTAL MATERIAL
YEARS ENDED JUNE 30

ANALYSES OF SELLING EXPENSES

	1996	1995
Travel	\$ 12,579	\$ 7,742
Advertising and Marketing	8,371	18,839
Entertainment and Meals	7,095	3,698
Auto Expense	5,337	4,093
Depreciation and Amortization	2,795	2,795
Commissions - Salesmen	1,827	4,601
Salesmen's Salaries	0	58,820
Taxes - Payroll	0	5,173
	\$ 38,004	\$105,761

See accompanying Report of Independent Certified Public Accountants on Supplemental Material.

EXHIBIT E

SOUTH DAKOTA TELECOMMUNICATIONS TARIFF

This Tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services within the State of South Dakota by International Gateway Communications, Inc. ("Company"). This tariff is on file with the South Dakota Public Utilities Commission, and copies may also be inspected, during normal business hours, at the following location: 5601 West 120th Street, Alsip, Illinois 60658.

Issued:

Effective:

Issued by: Thomas W. Jacobs, President
5601 West 120th Street
Alsip, Illinois 60658

CHECK SHEET

The title page and pages 1-29 inclusive of this Tariff are effective as of the date shown. Original and revised sheets, as named below, comprise all changes from the original Tariff in effect on the date indicated.

<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>
1	Original	18	Original
2	Original	19	Original
3	Original	20	Original
4	Original	21	Original
5	Original	22	Original
6	Original	23	Original
7	Original	24	Original
8	Original	25	Original
9	Original	26	Original
10	Original	27	Original
11	Original	28	Original
12	Original	29	Original
13	Original		
14	Original		
15	Original		
16	Original		
17	Original		

* New or Revised Sheets

Issued

Effective

Issued by: Thomas W. Jacobs, President
5601 West 120th Street
Alsip, Illinois 60658

CONCURRING, CONNECTING AND OTHER PARTICIPATING CARRIERS

CONCURRING CARRIERS:

No Concurring Carriers

CONNECTING CARRIERS:

No Connecting Carriers

OTHER PARTICIPATING CARRIERS:

No Participating Carriers

Issued:

Effective:

Issued by: Thomas W. Jacobs, President
5601 West 120th Street
Alsip, Illinois 60658

TARIFF FORMAT

Sheet Numbering - Sheet numbers appear in the upper right hand corner of the page. Sheets are numbered sequentially and from time to time new pages may be added to the Tariff. When a new page is added between existing pages, a decimal is added to the preceding page number. For example, a new page added between Sheets 3 and 4 would be numbered 3.1.

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)1
2.1.1.A.1(a)1(i)
2.1.1.A.1(a)1(i)1

Check Sheets - When a Tariff filing is made with the Commission, an updated check sheet accompanies the Tariff filing. The check sheet lists the pages contained in the Tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision, all revisions made in a given filing are designed by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it. The Tariff user should refer to the latest check sheet to find out if a particular page is the most current on file with the Commission.

Issued:

Effective:

Issued by: Thomas W. Jacobs, President
5601 West 120th Street
Alsip, Illinois 60658

APPLICABILITY

This Tariff contains the Service offerings, rates, terms and conditions applicable to the furnishing of intrastate interexchange telecommunications services within the State of South Dakota by International Gateway Communications, Inc. ("Company").

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EXPLANATION OF SYMBOLS

- (D) To signify discontinued material
- (I) To signify a rate or charge increase
- (M) To signify material relocated without change in text or rate
- (N) To signify new material
- (R) To signify a reduction
- (T) To signify a change in text but no change in rate or regulation

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1 TECHNICAL TERMS AND ABBREVIATIONS

For the purpose of this Tariff, the following definitions will apply:

Access Coordination

Provides for the design, ordering, installation, coordination, pre-service testing, service turn-up and maintenance on a Company or Customer provided Local Access Channel.

Administrative Change

A change in Customer billing address or contact name.

Alternate Access

Alternate Access is a form of Local Access except that the provider of the Service is an entity, other than the Local Exchange Carrier, authorized or permitted to provide such Service. The charges for Alternate Access may be subject to private agreement rather than published or special tariff if permitted by applicable governmental rules.

Application for Service

A standard Company order form which includes all pertinent billing, technical and other descriptive information which will enable the Company to provide a communication Service as required.

ASR

ASR (Access Service Request) means an order placed with a Local Access Provider for Local Access.

Authorized User

A person, firm, corporation or other entity that either is authorized by the Customer to receive or send communications or is placed in a position by the Customer, either through acts or omissions, to send or receive communications.

Bandwidth

The total frequency band, in hertz, allocated for a channel.

Bill Date

The date on which billing information is compiled and sent to the Customer.

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Call

A completed connection between the Calling and Called Stations.

Called Station

The telephone number called.

Calling Station

The telephone number from which a Call originates.

Cancellation of Order

A Customer initiated request to discontinue processing a Service order, either in part or in its entirety, prior to its completion. Cancellation charges will be assessed for each Circuit-end or Dedicated Access line canceled from an order prior to its completion by the Company, under the following circumstances: (1) if the LEC has confirmed in writing to the Company that the Circuit-end or Dedicated Access line will be installed; or (2) if the Company has already submitted facilities orders to and interconnecting telephone company.

Channel or Circuit

A dedicated communications path between two or more points having a Bandwidth or Transmission Speed specified in this Tariff and selected by a Customer.

Commission

South Dakota Public Utilities Commission

Company

International Gateway Communications, Inc.

Company Recognized National Holidays

The following are Company Recognized National Holidays determined at the location of the originator of the Call: New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, Christmas Day.

The evening rate is used unless a lower rate would normally apply. When a Call begins in one rate period and ends in another, the rate in effect in each rate period applies to the portion of the Call occurring within that rate period. In the event that a minute is split between two rate periods, the rate in effect at the start of that minute applies.

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Customer

The person, firm, corporation or governmental unit which orders Service and which is responsible for the payment of charges and for compliance with the Company's Tariff regulations. A Customer is considered to be an account for billing purposes. The term Customer also includes an entity that remains presubscribed to the Company Service after its account(s) are removed from the Company's billing system, subsequently continues to use Company's network, and is billed by a local exchange carrier for such use, or otherwise uses Service for which no other Customer is obligated to compensate Company.

Customer Premises/Customer's Premises

Locations designated by a Customer where Service is originated/terminated whether for its own communications needs or for the use of its resale customers.

DCS

DCS means Digital Cross-Connect System.

Dedicated Access/Special Access

Dedicated Local Access between the Customer's Premises or serving wire center and the Company's Point-of-Presence for origination or termination of Calls.

DS-0

DS-0 means Digital Signal Level 0 Service and is a 64 Kbps signal.

DS-1

DS-1 means Digital Signal Level 1 Service and is a 1.544 Mbps signal.

DS-0 with VF Access

DS-0 Service with VF Local Access facilities provides for the transmission of analog voice and/or data within 300 Hz to 3000 Hz frequency range.

DS-0 with DDS Access

DS-0 Service with VF Local Access facilities provides for the transmission of digital data at speeds 2.4, 4.8, 9.6 or 56 Kbps.

Due Date

The Due Date is the date on which payment is due.

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Expedite

A Service order initiated at the request of the Customer that is processed in a time period shorter than the Company's standard Service interval.

FCC

Federal Communications Commission

Individual Case Basis (ICB)

Individual Case Basis (ICB) determinations involve situations where complex Customer-specific Company arrangements are required to satisfactorily serve the Customer. The nature of such Service requirements makes it difficult or impossible to establish general tariff provisions for such circumstances. When it becomes possible to determine specific terms and conditions for such offerings, they will be offered pursuant to such terms and conditions.

Installation

The connection of a Circuit, Dedicated Access line, or port for new, changed or an additional Service.

Interexchange Service

Interexchange Service means that portion of a communications channel between a Company-designated Point-of-Presence in one exchange and a Point-of-Presence in another exchange.

Interruption

Interruption shall mean a condition whereby the Service or a portion thereof is inoperative, beginning at the time of notice by the Customer to Company that such Service is inoperative and ending at the time of restoration.

Kbps

Kilobits per second.

LATA (Local Access Transport Area)

A geographical area established for the provision and administration of communications Service of a local exchange company.

Local Access

Local Access means the Service between a Customer Premises and a Company designated Point-of-Presence

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Local Access Provider

Local Access Provider means an entity providing Local Access.

Local Exchange Carrier (LEC)

The local telephone utility that provides telephone exchange services.

Mbps

Megabits per second.

Multiplexing

Multiplexing is the sequential combining of lower bit rate Private Line Services onto a higher bit rate Private Line Service for more efficient facility capacity usage or vice versa.

N/A

Not available.

Nonrecurring Charges

Nonrecurring Charges are one-time charges.

Payment Method

The manner which the Customer designates as the means of billing charges for Calls using the Company's Service.

Physical Change

The modification of an existing Circuit, Dedicated Access line or port, at the request of the Customer, requiring some Physical Change or retermination.

Point-of-Presence (POP)

A Company-designated location where a facility is maintained for the purpose of providing access to its Service.

Primary Route

The route which, in the absence of Customer-designated routing or temporary re-routing, would be used by the Company in the provision of Service.

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Private Line

A dedicated transmission channel furnished to a customer without intermediate switching arrangements for full-time customer use.

Private Line Service

A dedicated full-time transmission Service utilizing dedicated access arrangements.

Rate Center

A specified geographical location used for determining mileage measurements.

Requested Service Date

The Requested Service Date is the date requested by the Customer for commencement of Service and agreed to by the Company.

Restore

To make Service operative following an interruption by repair, reassignment, re-routing, substitution of component parts, or otherwise, as determined by the carrier(s) involved.

Route Diversity

Two channels which are furnished partially or entirely over two physically separate routes.

Service

Service means any or all Service(s) provided pursuant to this Tariff.

Service Commitment Period

The term elected by the Customer and stated on the Service order during which the Company will provide the Services subscribed to by the Customer. The term can be monthly or in the case of Private Line Services for a period of up to 5 years.

Special Promotional Offerings

Special trial offerings, discounts, or modifications of its regular Service offerings which the Company may, from time to time, offer to its Customers for a particular Service. Such offerings may be limited to certain dates, times, and locations.

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Start of Service Date

The Requested Service Date or the date Service first is made available by the Company whichever is later.

Tariff

The current Intrastate Services Tariff and effective revisions thereto filed by the Company with the Commission.

Transmission Speed

Data transmission speed or rate, in bits per seconds (bps)

Two-Way Conversation

A Two-Way Conversation is a telephone conversation between or among two or more parties.

VF

VF is voice frequency or voice-grade Service designed for private-line Service. Normal transmission is in the 300 hertz to 3000 hertz frequency band.

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2. RULES AND REGULATIONS

- 2.1. Description and Limitations of Services
- 2.1.1. Intrastate Telecommunications Service ("Service") is the furnishing of Company communication Services contained herein between specified locations under the terms of this Tariff.
- 2.1.2. Any member of the general public (including any natural person or legally organized entity such as a corporation, partnership, or governmental body) is entitled to obtain Service under this Tariff, provided that the Company reserves the right to deny Service: (A) to any Customer that, in the Company's reasonable opinion, presents an undue risk of nonpayment, (B) in circumstances in which the Company has reason to believe that the use of the Service would violate the provisions of this Tariff or any applicable law or if any applicable law restricts or prohibits provision of the Service, or (C) if insufficient facilities are available to provide the Service (in such cases Company shall make best efforts to accommodate the needs of all potential Customers by means of facility improvements or purchases, of capacity, if such efforts will, in the Company's opinion, provide the Company with a reasonable return on its expenditures), but only for so long as such unavailability exists.
- 2.1.3. Company, when acting at the Customer's request and as its authorized agent, will make reasonable efforts to arrange for Service requirements, such as special routing, Diversity, Alternate Access, or circuit conditioning.
- 2.1.4. Service is offered in equal access exchanges subject to the availability of facilities and the provisions of this Tariff. Company reserves the right to refuse to provide Service to or from any location where the necessary facilities and/or equipment are not available.
- 2.1.5. Service may be discontinued after five business days written notice to the Customer if:
- 2.1.5.A. the Customer is using the Service in violation of this Tariff, or
- 2.1.5.B. the Customer is using the Service in violation of the law or Commission regulation.
- 2.1.6. Service begins on the date that billing becomes effective and is provided on the basis of a minimum period of at least one month, 24 hours per day. For the purposes of computing charges in this Tariff, a month is considered to have 30 days.
- 2.1.7. Service will be provided until canceled, by the Customer on not less than thirty (30) days' written notice from the date of postmark on the letter giving notice of cancellation.
- 2.1.8. Nothing herein, or in any other provision of this Tariff, or in any marketing materials issued by the Company shall give any person any ownership, interest, or proprietary right in any code or 800 number issued by the Company to its Customers.

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- 2.1.9. The Company reserves the right to discontinue furnishing Services or billing options, upon written notice, when necessitated by conditions beyond its control. Conditions beyond the Company's control include, but are not limited to, a Customer's having Call volume or a calling pattern that results, or may result, in network blockage or other Service degradation which adversely affects Service to the calling party, the Customer, or other Customers of the Company.
- 2.1.10. Except as otherwise provided in this Tariff or as specified in writing by the party entitled to receive Service, notice may be given orally or in writing to the persons whose names and business addresses appear on the executed Service order and the effective date of any notice shall be the date of delivery of such notice, not the date of mailing. By written notice, Company or Customer may change the party to receive notice and/or the address to which such notice is to be delivered. In the event no Customer or Company address is provided in the executed Service order, notice shall be given to the last known business address of Customer or, as appropriate.
- 2.2. Other Terms and Conditions
- 2.2.1. The name(s) of the Customer(s) desiring to use the Service must be stipulated in the application for Service.
- 2.2.2. The Customer agrees to operate the Company provided equipment in accordance with instructions of the Company or the Company's agent. Failure to do so will void the Company liability for interruption of Service and may make Customer responsible for damage to equipment pursuant to Section 2.2.3 below.
- 2.2.3. Customer agrees to return to the Company all Company-provided equipment delivered to Customer within five (5) days of termination of the Service in connection with which the equipment was used. Said equipment shall be in the same condition as when delivered to Customer, normal wear and tear only excepted. Customer shall reimburse the Company, upon demand, for any costs incurred by the Company due to Customer's failure to comply with this provision.
- 2.2.4. A Customer shall not use any service-mark or trademark of the Company or refer to the Company in connection with any product, equipment, promotion, or publication of the Customer without prior written approval of the Company.
- 2.2.5. In the event suit is brought or any attorney is retained by the Company to enforce the terms of this Tariff, the Company shall be entitled to recover, in addition to any other remedy, reimbursement for reasonable attorneys' fees, court costs, costs of investigation and other related expenses incurred in connection therewith.
- 2.2.6. The provision of Service will not create a partnership or joint venture between the Company and the Customer nor result in joint Service offerings to their respective Customers.
- 2.2.7. The rate or volume discount level applicable to a Customer for a particular Service or Services shall be the rate or volume discount level in effect at the beginning of the monthly billing period applicable to the Customer for the particular Service or Services. When a Service is subject to a

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minimum monthly charge, account charge, port charge or other recurring charge or Nonrecurring Charge for both intrastate and interstate Service, only one such charge shall apply per account and that charge shall be the interstate charge.

- 2.2.8. Service requested by Customer and to be provided pursuant to this Tariff shall be requested on Company Service Order forms in effect from time to time or Customer's forms accepted in writing by an authorized headquarters representative of the Company (collectively referred to as "Service Orders").
- 2.2.9. If an entity other than the company (e.g., another carrier or a supplier) imposes charges on the Company in connection with a Service that entity's charges will be passed through to the Customer also.
- 2.2.10. The Service Commitment Period for any Service shall be established by the Service Order relevant thereto and commence on the Start of Service Date. Upon expiration, each Service Commitment Period for such Service shall automatically be extended subject to written notice of termination by either Company or Customer as of a date not less than thirty (30) days after delivery of said notice to the other. The charges for Interexchange Service during any such extension shall not exceed the then current Company month-to-month charges applicable to such Service.

2.3. Liability

- 2.3.1. Except as provided otherwise in this Tariff, the Company shall not be liable to Customer or any other person, firm or entity for any failure of performance hereunder if such failure is due to any cause or causes beyond the reasonable control of the Company. Such causes shall include, without limitation, acts of God, fire, explosion, vandalism, cable cut, storm or other similar occurrence, any law, order, regulation, direction, action or request of the United States government or of any other government or of any civil or military authority, national emergencies, insurrections, riots, wars, strikes, lockouts or work stoppages or other labor difficulties, supplier failures, shortages, breaches or delays, or preemption of existing Services to restore service in compliance with Part 64, Subpart D, Appendix A, of the FCC's Rules and Regulations.
- 2.3.2. With respect to the Services contained herein and except as otherwise provided herein, the Company's liability shall not exceed an amount equal to the charge applicable to a one minute Call to the Called Station at the time the affected Call was made. If the initial minute rate is higher than the additional minute rate, the higher rate shall apply. For those Services with monthly recurring charges, the Company's liability is limited to an amount equal to the proportionate monthly recurring charges for the period during which Service was affected.
- 2.3.3. The Company is not liable for any act or omission of any other company or companies (including any Company affiliate that is a participating or concurring carrier) furnishing a portion of the Service or facilities, equipment, or Services associated with such Service.
- 2.3.4. The Customer is responsible for taking all necessary legal steps for interconnecting the Customer provided terminal equipment with the Company facilities. The Customer shall ensure that the

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signals emitted into the Company's network do not damage Company equipment, injure personnel or degrade Service to other Customers. The Customer is responsible for securing all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection. In addition, the customer shall comply with applicable LEC signal power limitations.

- 2.3.5 The Company may rely on Local Exchange Carriers or other third parties for the performance of other Services such as Local Access. Upon Customer request and execution and delivery of appropriate authorizing documents, the Company may act as agent for Customer in obtaining such other Services. Customer's liability for charges hereunder shall not be reduced by untimely Installation or non-operation of Customer provided facilities and equipment.
- 2.3.6 The failure to give notice of default, to enforce or insist upon compliance with any of the terms or conditions herein, the waiver of any term or conditions herein, or the granting of an extension of time for performance by the Company or the Customer shall not constitute the permanent waiver of any term or condition herein. Each of the provisions shall remain at all time in full force and effect until modified in writing.
- 2.3.7 The Company shall not be liable to the Customer or any other person, firm or entity in any respect whatsoever as a result of mistakes, accidents, errors, omissions, interruptions, delays, or defects in Service (collectively "Defects"). Defects caused by or contributed to, directly or indirectly, by any act or omission of Customer or its customers, affiliates, agents, representatives, invitees, licensees, successors or assigns or which arise from or are caused by the use of facilities or equipment of Customer or related parties shall not result in the imposition of any liability whatsoever upon the Company, and Customer shall pay to the Company any reasonable costs, expenses, damages, fees or penalties incurred by the Company as a result thereof, including penalties incurred by the Company as a result thereof, including costs of Local Access Providers' labor and materials. In addition, all or a portion of the Service may be provided over facilities of third parties, or sold by third parties, and the Company shall not be liable to Customer or any other person, firm or entity in any respect whatsoever arising out of Defects caused by such third parties. THE COMPANY SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, SPECIAL, ACTUAL, PUNITIVE OR ANY OTHER DAMAGES, OR BUSINESS INTERRUPTION, FOR ANY LOST PROFITS OF ANY KIND OR NATURE WHATSOEVER ARISING OUT OF ANY DEFECTS OR ANY OTHER CAUSE. THE COMPANY'S LIABILITY, IF ANY, WITH REGARD TO THE DELAYED INSTALLATION OF THE COMPANY'S FACILITIES OR COMMENCEMENT OF SERVICE SHALL NOT EXCEED \$1,000. THIS WARRANTY AND THESE REMEDIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OR REMEDIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN THE EVENT OF AN INTERRUPTION IN SERVICE OR ANY DEFECT IN THE SERVICE WHATSOEVER, NEITHER COMPANY NOR ANY AFFILIATED OR UNAFFILIATED THIRD PARTY, THIRD PARTY PROVIDER OR OPERATOR OF FACILITIES EMPLOYED IN THE PROVISION OF THE SERVICE SHALL BE LIABLE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, SPECIAL, ACTUAL, PUNITIVE OR ANY OTHER DAMAGES, OR FOR ANY LOST PROFITS OF ANY KIND OR NATURE WHATSOEVER.

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- 2.3.8 With respect to the routing of Calls by the Company to public safety answering points or municipal Emergency Service providers, Company liability, if any, will be limited to the lesser of: (a) the actual monetary damages incurred and proved by the Customer as the direct result of the Company's action, or failure to act, in routing the Call, or (b) the sum of \$1,000.00.
- 2.3.9 In the event parties other than Customer (e.g., Customer's customers) shall have use of the Service directly or indirectly through Customer, then Customer agrees to forever indemnify and hold Company and any affiliated or unaffiliated third-party, third-party provider or operator of facilities employed in provision of the Service harmless from and against any and all claims, demands, suits, actions, losses, damages, assessments or payments which may be asserted by said parties arising out of or relating to any Defects.
- 2.3.10 In the event that Company is required to perform a Circuit redesign due to inaccurate information provided by the Customer, or, circumstances in which such costs and expenses are caused by the Customer or reasonably incurred by the Company for the benefit of the Customer, the Customer is responsible for the payment of all such charges.
- 2.4 Cancellation of Service by a Customer
- 2.4.1 If a Customer cancels a Service order before the Service begins, before completion of the Minimum Period, or before completion of some other period mutually agreed upon by the Customer and the Company, a charge will be levied upon the Customer for the nonrecoverable portions of expenditures or liabilities incurred expressly on behalf of the Customer by the Company and not fully reimbursed by Installation and monthly charges. If, based on a Service order by a Customer, any construction has either begun or been completed, but no Services provided, the nonrecoverable costs of such construction shall be borne by the Customer.
- 2.4.2 Upon thirty (30) days' prior written notice, either Customer or Company shall have the right, without cancellation charge or other liability, to cancel the affected portion of the Service, if the Company is prohibited by governmental authority from furnishing said portion, or if any material rate or term contained herein and relevant to the affected Service is substantially changed by order of the highest court of competent jurisdiction to which the matter is appeal, the Federal Communications Commission, or other local, state or federal government authority.
- 2.5 Cancellation for Cause by the Company
- 2.5.1 Upon nonpayment of any sum owing to the Company, or upon a violation of any of the provisions governing the furnishing of Service under this Tariff, the Company may, upon five business days written notification to the Customer, except in extreme cases, without incurring any liability, immediately discontinue the furnishing of such Service. The written notice may be separate and apart from the regular monthly bill for service. Customer shall be deemed to have canceled Service as of the date of such disconnection and shall be liable for any cancellation charges set forth in this Tariff.

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- 2.5.2. Without incurring any liability, the Company may discontinue the furnishing of Service(s) to a Customer upon five business days written notice if the Company deems that such action is necessary to prevent or to protect against fraud or to otherwise protect its personnel, agents, facilities or Services under the following circumstances, except under extreme cases where the customer may be disconnected immediately and without notice:
- 2.5.2.A. if the Customer refuses to furnish information to the Company regarding the Customer's credit-worthiness, its past or current use of common carrier communications Services or its planned use of Service(s);
 - 2.5.2.B. if the Customer provides false information to the Company regarding the Customer's identity, address, credit-worthiness, past or current use of Customer communications Services, or its planned use of the Company Service(s);
 - 2.5.2.C. if the Customer states that it will not comply with a request of the Company for reasonable security for the payment for Service(s);
 - 2.5.2.D. if the Customer has been given five business days written notice in a separate mailing by the Company of any past due amount (which remains unpaid in whole or in part) for any of the Company's communications Services to which the Customer either subscribes or had subscribed or used;
 - 2.5.2.E. in the event of unauthorized use;
 - 2.5.2.F. Following the disconnection of service for any of these reasons, the Company or the local exchange utility acting as Company agent, will notify the telephone user/customer that service was disconnected and why. The notice will include all reasons for the disconnection and will include a toll-free number where an end user/customer can obtain additional information. Notice shall be deemed given upon deposit, postage prepaid, in the U.S. Mail to the end user's/customer's last known address and in compliance with the Commission's rules.
- 2.5.3. The discontinuance of Service(s) by the Company pursuant to this Section does not relieve the Customer of any obligations to pay the company for charges due and owing for Service(s) furnished up to the time of discontinuance. The remedies set forth herein shall not be exclusive and the Company shall at all times be entitled to all rights available to it under either law or equity.

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2.6. Credit Allowance

- 2.6.1. Credit allowance for the interruption of Service is subject to the general liability provisions set forth in this Tariff. Customers shall receive no credit allowance for the interruption of service which is due to the Company's testing or adjusting, negligence of the Customer, or to the failure of channels or equipment provided by the Customer. The Customer should notify the Company when the Customer is aware 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 within Customer's control, or is not in wiring or equipment, if any, furnished by the Customer in connection with the Company's Services.
- 2.6.2. No credit is allowed in the event service must be interrupted in order to provide routine service quality or related investigations.
- 2.6.3. No credit shall be allowed.
- 2.6.3.A. For failure of services or facilities of Customer, or
- 2.6.3.B. For failure of services or equipment caused by the negligence or willful acts of Customer.
- 2.6.4. Credit for an interruption shall commence after Customer notifies Company of the interruption and ceases when services have been restored.
- 2.6.5. Credits are applicable only to that portion of Service interrupted.
- 2.6.6. For purposes of credit computation, every month shall be considered to have 720 hours.
- 2.6.7. No credit shall be allowed for an interruption of a continuous duration of less than two hours.
- 2.6.8. The Customer shall be credited for an interruption of two hours or more at a rate of 1/720th of the monthly recurring charge for the service affected for each hour or major fraction thereof that the interruption continues. Calculations of the credit shall be made in accordance with the following formula.
- Credit Formula:

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

"A" = outage time in hours

"B" = total monthly charge for affected facility

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2.7. Use of Service

2.7.1 The Services offered herein may be used for any lawful purpose, including residential, business, governmental, or other use. There are no restrictions on sharing or resale of Services. However, the Customer remains liable for all obligations under this Tariff notwithstanding such sharing or resale and regardless of the Company's knowledge of same. The Company shall have no liability to any person or entity other than the Customer and only as set forth in Section 2.3. The Customer shall not use nor permit others to use the Service in a manner that could interfere with Services provided to others or that could harm the facilities of the Company or others.

2.7.2 Service furnished by the Company may be arranged for joint use or authorized use. The joint user or Authorized User shall be permitted to use such Service in the same manner as the Customer, but subject to the following:

2.7.2.A One joint user or Authorized User must be designated as the Customer.

2.7.2.B All charges for the Service will be computed as if the Service were to be billed to one Customer. The joint user or Authorized User which has been designated as the Customer will be billed for all components of the Service and will be responsible for all payments to the Company. In the event that the designated Customer fails to pay the Company, each joint user or Authorized User shall be liable to the Company for all charges incurred as a result of its use of the Company's Service.

2.7.3 In addition to the other provisions in this Tariff, Customers reselling company Services shall be responsible for all interaction and interface with their own subscribers or customers. The provision of the Service will not create a partnership or joint venture between Company and Customer nor result in a joint communications Service offering to the Customers of either the Company or the Customer.

2.7.4 Service furnished by the Company shall not be used for any unlawful or fraudulent purposes.

2.7.5 The Customer will be billed directly by the LEC for certain Dedicated Access arrangements selected by the Customer for the provisioning of direct access arrangements. In those instances where the Company at the Customer's request may act as agent in the ordering of such arrangements, the Company will bill the Customer Local Access charges.

2.8. Payment Arrangements

2.8.1 The Customer is responsible for payment of all charges for Services furnished to the Customer or its joint or Authorized Users. This responsibility is not changed due to any use, misuse, or abuse of the Customer's Service or Customer provided equipment by third parties, the Customer's employees, or the public.

2.8.2 The Company's bills are due upon receipt. Amounts not paid within 30 days from the Bill Date of the invoice will be considered past due. Customers will be assessed a late fee on past due

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amounts in the amount not to exceed the maximum lawful rate under applicable state law. If a Customer presents an undue risk of nonpayment at any time, the Company may require that Customer to pay its bills within a specified number of days and to make such payments in cash or the equivalent of cash.

- 2.8.3. In determining whether a Customer presents an undue risk of nonpayment, the Company shall consider the following factors: (A) the Customer's payment history (if any) with the Company and its affiliates, (B) Customer's ability to demonstrate adequate ability to pay for the Service, (C) credit and related information provided by Customer, lawfully obtained from third parties or publicly available, and (D) information relating to Customer's management, owners and affiliates (if any).
- 2.8.4. Disputes with respect to charges must be presented to the Company in writing within thirty days from the date the invoice is rendered or such invoice will be deemed to be correct and binding on the Customer.
- 2.8.5. If a LEC has established or establishes a Special Access surcharge, the Company will bill the surcharge beginning on the effective date of such surcharge for Special Access arrangements presently in Service. The Company will cease billing the Special Access surcharge upon receipt of an Exemption Certificate or if the surcharge is removed by the LEC.
- 2.8.6. In the event the Company incurs fees or expenses, including attorney's fees, in collecting, or attempting to collect, any charges owed the Company, the Customer will be liable to the Company for the payment of all such fees and expenses reasonably incurred.
- 2.8.7. Company will not require deposits or advance payments by Customers for Services.
- 2.9. Assignment
- 2.9.1. The obligations set forth in this Tariff shall be binding upon and inure to the benefit of the parties hereto and their respective successors or assigns, provided, however, the Customer shall not assign or transfer its rights or obligations without the prior written consent of the Company.
- 2.10. Taxes
- 2.10.1. All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.
- 2.10.2. If at any future time a municipality acquires the legal right to impose an occupation tax, license tax, permit fee, franchise fee or other similar charge upon the Carrier, and imposes the same by ordinance or otherwise, such taxes, fees or charges shall be billed to the end users receiving service within the territorial limits of such municipality. Such billing shall allocate the tax, fee or charge among end users uniformly on the basis of each end user's monthly charges for the types of service made subject to such tax, fee or charge.

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- 2.10.3 If at any future time a county or other local taxing authority acquires the legal right to impose an occupation tax, license tax, permit fee, franchise fee or other similar charge upon the Carrier, and imposes the same by ordinance or otherwise, such taxes, fees or charges shall be billed to the end users receiving service within the territorial limits of such county or other taxing authority. Such billing shall allocate the tax, fee or charge among end users uniformly on the basis of each end user's monthly charges for the types of service made subject to such tax, fee or charge.
- 2.10.4 When utility or telecommunications assessments, franchise fees, or privilege, license, occupational, excise, or other similar taxes or fees, based on interstate or intrastate receipts are imposed by certain taxing jurisdictions upon the Company or upon local exchange companies and passed on to the Company through or with interstate or intrastate access charges, the amounts of such taxes or fees will be billed to Customers in such a taxing jurisdiction on a prorated basis. The amount of charge that is prorated to each Customer's bill is determined by the interstate or intrastate telecommunications service provided to and billed to an end user customer service location in such a taxing jurisdiction with the aggregate of such charges equal to the amount of the tax or fee imposed upon or passed on to the Company.
- 2.11. Metb. d for Calculation of Airline Mileage

- 2.11.1 The airline mileage between two cities can be calculated using the Vertical (V) and Horizontal (H) coordinates of the serving wire centers associated with the Company's POP locations. The method for calculating the airline mileage is obtained by reference to A.T.&T.'s Tariff F.C.C. No. 10 in accordance with the following formula:

$$\text{the square root of } \frac{(V1-V2)^2 + (H1-H2)^2}{10}$$

where V1 and H1 correspond to the V&H coordinates of City 1 and V2 and H2 correspond to the V&H coordinates of City 2.

Example:

	<u>V</u>	<u>H</u>
City 1	5004	1406
City 2	5987	3424

$$\text{the square root of } \frac{(5004-5987)^2 + (1406-3424)^2}{10}$$

The result is 709.83 miles. Any fractional miles are rounded to the next higher whole number; therefore, the airline mileage for this example is 710 miles.

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2.12. Time of Day Rate Periods

2.12.1 Time of Day Rate Periods are determined by the time of day at the location of the Calling station.

The rates shown in Section 4 apply as follows:

DAY: From 8:01 AM to 5:00 PM Monday - Friday

EVENING: From 5:01 PM to 11:00 PM Monday - Friday and Sunday

NIGHT:

WEEKEND: From 11:01 PM to 8:00 AM Everyday

From 8:01 AM to 11:00 PM Saturday

From 8:01 AM to 5:00 PM Sunday

2.13. Special Customer Arrangements

2.13.1 In cases where a Customer requests a special or unique arrangement which may include engineering, conditioning, installation, construction, facilities, assembly, purchase or lease of facilities and/or other special Services not offered under this Tariff, the Company, at this option, may provide the requested Services. Appropriate recurring charges and/or Nonrecurring Charges and other terms and conditions will be developed for the Customer for the provisioning of such arrangements.

2.14. Inspection

2.14. The Company may, upon notice, make such tests and inspections as may be necessary to determine that the requirements of this Tariff are being complied with in the Installation, operation or maintenance of Customer or the Company equipment. The Company may interrupt the Service at any time, without penalty to the Company, should Customer violate any provision herein.

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3. DESCRIPTION OF SERVICES3.1. Wide Area ("WATS") and Message ("MTS") Toll Services.

- 3.1.1. The Company offers WATS and MTS intrastate interLATA long distance service utilizing switched or dedicated access arrangements between the Customers Premises and the Company's facilities for call origination. Call termination is completed through a combination of the Company's facilities and LEC switched access arrangements.

3.2. Timing of Calls

- 3.2.1. Long distance usage charges are based on the actual usage of the Company network. Chargeable time begins when a connection is established between the Calling Station and the Called Station. Chargeable time ends when either party "hangs up" thereby releasing the network connection.

- 3.2.2. Unless otherwise specified in this Tariff, the minimum call duration for billing purposes is sixty (60) seconds. In addition, unless otherwise specified in this Tariff, usage is measured thereafter in sixty (60) second increments and rounded to the next higher sixty (60) second period.

3.3. Minimum Call Completion Rate

- 3.3.1. A Customer can expect a call completion rate of not less than 90% during peak use periods for all Feature Group D services.

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4. RATE SCHEDULES

4.1. Usage Rates

4.1.1. The following are the per minute usage charges which apply to all calls. These charges are in addition to the Non-recurring Charges and Recurring Charges referred to herein.

4.2. Message Telecommunications Services

4.2.1. Message Telecommunications services consist of the furnishing of message telephone service between stations located within the state.

RATE PER MINUTE

<u>DAY</u>	<u>EVENING</u>	<u>NIGHT/WEEKEND</u>
\$ 0.3252	\$ 0.2739	\$ 0.2739

4.3. Postpaid Travel Card Service

4.3.1. Postpaid travel card service is available to Customers of Carrier's long distance services. Customers will reach Carrier's network via a toll-free number. A Customer who elects to use this service will pay the tariffed rates for calls charged to the card. Charges for such calls appear on the Customer's regular monthly bill.

Per Minute Rates: \$0.30

4.4. Directory Assistance Service

4.4.1. Customers will be billed the following per call charge for each directory assistance call. The directory assistance charge applies to each call regardless of whether the directory assistance bureau is able to furnish the requested telephone number.

Per Call Charge: \$0.70

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4.5. 800 Service

- 4.5.1. 800 Service is an inbound-only service in which callers located within the state may place toll-free calls to a telephone in the 800 area code assigned to the Customer. 800 Service is available to Customers utilizing switched or dedicated access.

RATE PER MINUTE

DAY	EVENING	NIGHT/WEEKEND
\$ 0.3252	\$ 0.2739	\$ 0.2739

4.6. Special Promotional Offering

- 4.6.1. The Company may from time to time engage in Special Promotional Offerings or Trial Service Offerings limited to certain dates, times or locations designed to attract new subscribers or increase subscriber usage when approved by the Commission. Company will not have special promotional offerings for more than 90 days in any 12 month period. In all such cases, the rates charged will not exceed those specified in Section 4 hereof.

4.7. Emergency Calls

- 4.7.1. Customer shall configure its PBX or other switch vehicle from which a customer places a call so that 911 emergency calls, where available, and similar emergency calls will be automatically routed to the emergency answering point for the geographical location where the call originated without the intervention of Company.

4.7.1.A. 911 calls are not routed but are completed through the local network. No billing applies to emergency calls.

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INTERNATIONAL GATEWAY COMMUNICATIONS, INC

5698

DATE INVOICE NO COMMENT
01/23/97 1/23/97 FILING FEE

AMOUNT DISCOUNT NET AMOUNT
250.00 .00 250.00

TC97-013

RECEIVED
FEB 10 1997
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

CHECK: 005698 01/23/97 SOUTH DAKOTA PUBLIC UTILITIES CHK TOTAL: 250.00

INTERNATIONAL
GATEWAY
COMMUNICATIONS, INC.

5601 West 120th Street
Alsip, Illinois 60658
1708-489-9400

AMERICAN NATIONAL BANK
AND TRUST COMPANY OF CHICAGO
CHICAGO, ILLINOIS 60690

5698

2.77/710

005698

*TWO HUNDRED FIFTY DOLLARS AND NO CENTS

DATE
01/23/97

AMOUNT
*****250.00*

PAY
TO THE
ORDER
OF

SOUTH DAKOTA PUBLIC UTILITIES
COMMISSION

Thomas J. Pauls

AUTHORIZED SIGNATURE

SDPIC

⑈005698⑈ ⑆074000770⑆ 4326504⑈

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