



TC97-123

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JUL 07 1997

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

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

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KALAMAZOO, MICHIGAN 49007-4752  
TELEPHONE (616) 381-8844  
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JOHN T. PETERS, JR.  
DAVID G. CROCKER  
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LAWRENCE H. BRISTON  
GORDON C. MILLER

BLAKE D. CROCKER  
ROBERT M. TAYLOR  
PATRICK D. CROCKER  
ANDREW J. VOBRNICH\*\*  
NICOLETTE G. KAHN\*\*

OF COUNSEL  
VINCENT T. EARLY  
HON. C.H. MULLER  
THOMPSON BERNETT

JOSEPH J. BURDIE  
1926 - 1989

\*Also admitted in Iowa.  
\*\*Also admitted in California and North Carolina.

June 23, 1997

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

Re: USBG, INC.  
SDPUC Docket No. \_\_\_\_\_

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/pas

TC97-123

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JUL 07 1997

BEFORE THE  
PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

IN THE MATTER OF:

THE APPLICATION OF USBG, 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

USBG, 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) 389-3200

2. Applicant's toll free number is (888) 406-8724.
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 has the

authority 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 Sprint, 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 in 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 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 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 along with Company projections 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.

**Initiated 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.

**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:

USBG, INC.  
5601 West 120th Street  
Alsip, Illinois 60658  
Telephone (708) 389-3200

- (2). Applicant shall provide services under the name USBG, 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 and Director

Joseph Amendala - CEO and Director

Brian Amendala - Secretary/Treasurer and Director

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

Joseph J. Amendala - CEO  
5601 West 120th Street  
Alsip, Illinois 60658

Thomas Jacobs - President  
5601 West 120th Street  
Alsip, Illinois 60658

Brian Amendala - Secretary/Treasurer  
5601 West 120th Street  
Alsip, Illinois 60658

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

<u>Name</u>	<u>Number of shares</u>
Joseph Amendala	60%
Brian Amendala	25%
Thomas Jacobs	10%
Sean Trepeta	5%

- (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**

21. 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 LDM SYSTEMS, INC. for approximately \$.10 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.

WHEREFORE, USBG, 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: 6-24-97

By: 

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

Its: Attorneys

VERIFICATION


Patrick D. Crocker, Attorney for USBG, 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.

USBG, INC.

By: 

\_\_\_\_\_  
Patrick D. Crocker

The foregoing instrument was acknowledged before me this 3<sup>rd</sup> day of July, 1997  
by Patrick D. Crocker.

  
\_\_\_\_\_  
Notary Public Linda D. Tetzloff  
For the County of St. Joseph, MI  
Acting in the County of Kalamazoo, MI  
My Commission Expires 7-14-2001

**EXHIBIT A**

**NEXT**

**DOCUMENT (S)**

**BEST IMAGE**

**POSSIBLE**



37337774

File Number 5937-315-3

LETT-01 RECORDING 42:50  
T0002 TOW 0277 05/13/97 14:22:4  
62137 # LHM # - 97 - 337774  
COOK COUNTY RECORDER

State of Illinois  
Office of  
The Secretary of State

COPY

Whereas,

ARTICLES OF INCORPORATION OF  
USBO, 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 23RD  
day of APRIL A.D. 19 97 and of  
the Independence of the United States the two  
hundred and 21ST



*George H. Ryan*

Secretary of State

6/12/97 15:08

Form **BCA-2.10** ARTICLES OF INCORPORATION

(Rev. Jan. 1995)  
George H. Ryan  
Secretary of State  
Department of Business Services  
P.O. Box 62756  
Tallahassee, Florida 32306-0256  
Payment must be made by certified check, cashier's check, U.S. government's check, Florida state check or money order payable to Secretary of State.

This space for use by Secretary of State  
**FILED**  
APR 28 1997  
GEORGE H. RYAN  
SECRETARY OF STATE

**NONRESIDENT QUALIFIED!**  
This space for use by Secretary of State  
Date 4-23-97  
Franchise Tax \$ 35  
Filing Fee \$ 35  
Approved: [Signature]

1. CORPORATE NAME: USUG, Inc.

(The corporate name must contain the word "corporation," "company," "incorporate," "limited" or an abbreviation thereof.)

2. (a) Registered Agent: Anthony P Spina  
First Name Middle Initial Last Name  
7610 West North Avenue  
Address  
Number Street Suite #  
Elmwood Park 60707  
City Zip Code County  
City Zip Code County

3. Purpose or purposes for which the corporation is organized:  
(If not sufficient space to cover this point, add one or more sheets of this size.)

SEE ATTACHED SCHEDULE "A"

4. Paragraph 1: Authorized Shares, Issued Shares and Consideration Received:

Class	Par Value per Share	Number of Shares Authorized	Number of Shares Proposed to be Issued	Consideration to be Received Therefor
Common	\$ NPV	100,000	1,000	\$1,000.00
TOTAL =				\$1,000.00

Paragraph 2: The preferences, qualifications, limitations, restrictions and special or relative rights in respect of the shares of each class are:

(If not sufficient space to cover this point, add one or more sheets of this size.)  
NONE

EXPEDITED

SECRETARY OF STATE

(over)

OPTIONAL (A) Number of directors constituting the initial board of directors of the corporation: \_\_\_\_\_  
(B) Names and addresses of the persons who are to serve as directors until their first annual meeting, shareholders or until their successors are elected and qualify.

Name	Residential Address	City	State	Zip

OPTIONAL (a) It is estimated that the value of all property to be owned by the corporation for the following year wherever located will be: \$ \_\_\_\_\_  
 (b) It is estimated that the value of the property to be located within the State of Illinois during the following year will be: \$ \_\_\_\_\_  
 (c) It is estimated that the gross amount of business that will be transacted by the corporation during the following year will be: \$ \_\_\_\_\_  
 (d) It is estimated that the gross amount of business that will be transacted from places of business in the State of Illinois during the following year will be: \$ \_\_\_\_\_

OPTIONAL OTHER PROVISIONS  
Attach a separate sheet if the size for any other provision to be included in the Articles of Incorporation, e.g., authorizing preemptive rights, denying cumulative voting, registering matters, altering majority requirements, listing a duration other than perpetual, etc.

**NAME(S) & ADDRESS(ES) OF INCORPORATOR(S)**

The undersigned incorporator(s) hereby declare(s), under penalties of perjury, that the statements made in the foregoing Articles of Incorporation are true.

Dated Mar 11 22 19 97

Signature and Name	Address
1. <u><i>Nancy H. Cital</i></u> Signature <u>Nancy H. Cital</u> (Type or Print Name)	1. <u>7610 Meade North Avenue</u> Street <u>Linwood Park, IL 60707</u> City/Town State
2. _____ Signature (Type or Print Name)	2. _____ Street City/Town State
3. _____ Signature (Type or Print Name)	3. _____ Street City/Town State

(Signatures must be in **BLACK INK** on original document. Carbon copy, photocopy, or rubber stamp signatures may only be used on conforming copies.)

NOTE: If a corporation acts as incorporator, the name of the corporation and the state of incorporation shall be shown and the creation shall be by its president or vice president and verified by him, and attested by its secretary or assistant secretary.

**FEE SCHEDULE**

- The initial franchise tax is assessed at the rate of 15/100 or 1 percent (\$1.00 per \$1,000) on the paid-in capital represented in this state, with a minimum of \$25.
- The filing fee is \$75.
- The minimum total due (franchise tax & filing fee) is \$100.
- (Applies when the Consideration to be Received as set forth in Item 4 does not exceed \$16,647)
- The Department of Business Services in Springfield will provide assistance in calculating the total fees if necessary.
- Illinois Secretary of State Springfield, IL 62756
- Department of Business Services Telephone (217) 782-9522 or 782-9523

### SCHEDULE "A"

To acquire by purchase, lease or otherwise any equipment and machinery necessary and requisite to conduct the business of the corporation.

To do each and everything necessary, suitable or proper for the accomplishment of the purposes or the attainment of any one or more of the objects herein enumerated, or which shall at any time appear conducive to or expedient for the protection or benefit of this corporation.

To purchase, rent, lease, design, patent, manufacture, produce and otherwise acquire, own, hold, deal in, prepare for market, sell, exchange, lease or assign, and otherwise dispose of, operate, provide service for, and deal with either as principal or agent, and upon commission or otherwise, any and all types of telephones and telephone equipment, whether operated manually, mechanically, electrically, or otherwise, now in use or which may be hereafter invented or created.

To develop, manufacture, assemble, fabricate, import, lease, purchase or otherwise acquire, invest in, hold, use, license the use of, install, handle, maintain, service or repair, sell, pledge, mortgage, exchange, export, distribute, lease, assign, and otherwise dispose of, and generally to trade and deal in and with, as principal or agent, in wholesale, retail, on commission, or otherwise, electronic systems, equipment and components, and electrical, mechanical, and electromechanical apparatus and equipment of every kind and description, electronic, telecommunication, communication, transmitting, receiving, recording, reproducing, and similar equipment of every description, microwave devices and equipment, radio, sonar, radar, television and related devices and equipment, and similar goods, wares, merchandise, commodities, articles of commerce, and property of every kind and description, and any and all products, machinery, equipment, and supplies used or useful in connection therewith.

To acquire by purchase, lease or otherwise and to improve and develop real property. To buy, sell, mortgage, exchange, lease, let, hold for investment or otherwise, use, and operate real estate of all kinds, improved or unimproved, and any right or interest therein.

To such extent as a corporation organized under the Business Corporation Law of this state may now or hereafter lawfully do. To such extent as a corporation organized under the Business Corporation Law of this state may now or hereafter lawfully do, to do, either as principal or agent and either alone or in connection with other corporations, firms, or individuals, all and everything necessary, suitable, convenient, or proper for, or in connection with, or incident to, the accomplishment of any of the purposes or the attainment of any one or more of the objects herein enumerated, or designed directly or indirectly to promote the interests of this Corporation or to enhance the value of its properties; and in general to do any and all things and exercise any and all powers, rights, and privileges which a corporation may now or hereafter be organized to do or to exercise under the Business Corporation Law of this state or under any act amendatory thereof, supplemental thereto, or substituted therefor.

**EXHIBIT B**

# State of South Dakota



## OFFICE OF THE SECRETARY OF STATE

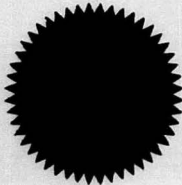
### CERTIFICATE OF AUTHORITY

I, JOYCE HAZELTINE, Secretary of State of the State of South Dakota, hereby certify that duplicate of the Application for a Certificate of Authority of USBG, INC. (TL) 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 USBG, 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 May 29, 1997.

  
JOYCE HAZELTINE  
Secretary of State



MON 12:17 PM CORP GUAR TR CO

FAX NO. 2155639410

P. 3

 CLERK OF STATE  
 OF CAPITOL  
 OF CAPITOL

TEL. NO. 5750115077

FAX NO. 4045

PHONE 720 4800

FILE NO. \_\_\_\_\_

RECEIPT NO. \_\_\_\_\_

## APPLICATION FOR CERTIFICATE OF AUTHORITY

I, the undersigned, being a duly qualified 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 USBG, INC. (Exact corporate name) RECEIVED  
MAY 2 1998

2) If the name of the corporation does not contain the word "corporation", "company", "incorporated", "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# \_\_\_\_\_

4) The date of its incorporation is 4/23/97 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 ST., ALSIP, IL Zip Code 60658

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 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

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

Name	Office Title	Street Address	City	State	Zip
JOSEPH J. AMERDALA	DIR. <del>SECRETARYS</del>	5601 W. 120TH ST.,	ALSIP,	IL	60658
THOMAS JACOBS	PRESIDENT	SAME AS ABOVE			
<i>Brian Amerdala</i>	<i>Sec. Treas.</i>				

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
100,000	COMMON	-	WITHOUT PAR VALUE

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
1000	COMMON	-	WITHOUT PAR VALUE

The amount of its stated capital is \$ 1,000.00

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

That such corporation shall not directly or indirectly combine or make any contract with any incorporated corporation, foreign or domestic, through their stockholders or the trustees or assigns of such stockholders, 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.

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

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

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

Dated May 8<sup>th</sup> 19 97

[Signature]  
(Signature)  
THOMAS JACOBS  
(Title)

State of Illinois  
County of Cook

On this 8<sup>th</sup> day of May 19 97, before me ROBERT TUREK-SHELTON personally appeared Thomas Jacobs 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 February 28, 1998  
Robert Turek-Shelton  
(Notary Public)

Notarial Seal  
Robert Turek-Shelton  
Notary Public, State of Illinois  
My Commission Expires July 23, 2000

\*\*\*\*\*

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

**CONSENT OF APPOINTMENT BY THE REGISTERED AGENT**

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

registered agent for USEBC, INC. (corporate name)

Dated 5/28 19 97

[Signature]  
(signature of registered agent)



0011-17-44-10

**EXHIBIT C**

USBG, 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 USBG. 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, and as CEO of International Gateway Communications, Inc.

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; and President of International Gateway Communications, Inc.

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.

100-1-4-4-0

**EXHIBIT D**

	MAY 97	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
ORDER'S DIRECT GROWTH	937	2,718	5,299	8,642	12,708	17,462	22,867	28,893	35,507	42,662	50,327
		190.00%	95.00%	63.06%	47.00%	37.40%	30.96%	26.35%	22.86%	20.20%	18.05%
USBO TELEMARKETING EMPLOYEES	5	10	15	20	25	30	35	40	45	50	55
MONTHLY TELEMARKETING COM OVERHEAD	\$9,882	\$18,184	\$28,775	\$38,267	\$47,669	\$57,581	\$67,142	\$78,734	\$86,328	\$95,918	\$105,509
USBO TELEMARKETING COST	\$22,822	\$45,644	\$68,465	\$91,287	\$114,109	\$136,931	\$159,752	\$182,574	\$205,396	\$228,218	\$251,039
LEAD COST	\$1,617	\$3,234	\$4,851	\$6,468	\$8,085	\$9,702	\$11,319	\$12,936	\$14,553	\$16,170	\$17,787
VERIFICATION COST	\$2,911	\$5,821	\$8,732	\$11,642	\$14,553	\$17,464	\$20,374	\$23,285	\$26,195	\$29,106	\$32,017
USBO CREDIT CARD	\$750	\$1,499	\$2,249	\$2,999	\$3,749	\$4,499	\$5,249	\$5,998	\$6,747	\$7,497	\$8,247
USBO REWARD PROGRAM											
USBO COMMISSION ADVANCE	\$170,000	\$160,000	\$140,000	\$120,000	\$100,000	\$110,000	\$100,000	\$100,000	\$70,000	\$70,000	\$60,000
COMB PLUS COMMISSION		\$50,000	\$180,000	\$119,000	\$107,000	\$96,200	\$86,751	\$78,076	\$70,268	\$63,241	\$56,917
FRAND LMC COST		\$71,000	\$71,000	\$71,000	\$71,000	\$71,000	\$71,000	\$71,000	\$71,000	\$71,000	\$71,000
USBO LMC COST		\$11,029	\$11,029	\$11,983	\$62,266	\$107,708	\$149,560	\$209,486	\$269,112	\$368,025	\$417,869
USBO BILLING COST		\$760	\$760	\$2,174	\$4,240	\$6,314	\$10,987	\$13,969	\$18,294	\$23,114	\$29,496
TOTAL COST	\$198,096	\$327,168	\$487,025	\$646,553	\$814,201	\$983,906	\$1,243,171	\$1,502,333	\$1,685,566	\$1,924,371	\$2,166,262
USBO LEC BILLING OLD	\$1,000,000	\$800,000	\$610,000	\$729,000	\$606,000	\$396,489	\$531,441	\$418,292	\$430,482	\$381,420	\$348,678
USBO DIRECT BILLING		\$25,776	\$14,147	\$143,757	\$237,702	\$349,717	\$480,265	\$628,844	\$794,674	\$976,684	\$1,173,524
PALMHEIM COMMISSION LEC BILLING OLD	\$400,000	\$400,000	\$400,000	\$600,000	\$300,000	\$324,000	\$291,600	\$282,440	\$236,166	\$212,576	\$191,319
PALMHEIM REVENUE DIRECT BILLING ----				\$12,887	\$41,106	\$88,296	\$171,848	\$283,320	\$373,319	\$506,486	\$641,652
PALMHEIM TOTAL COMMISSION	\$400,000	\$400,000	\$400,000	\$412,887	\$405,106	\$422,296	\$483,148	\$528,970	\$603,714	\$710,072	\$834,971
PALMHEIM INCOME TAX											
PALMHEIM CASH FLOW	\$1,281,901	\$1,244,703	\$1,227,527	\$1,183,962	\$1,154,867	\$1,093,906	\$1,013,833	\$942,310	\$868,456	\$797,159	\$709,847
MAY 97											

APN	MAY 98	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB
98.198 UNDEVELOP DIRECT	48.27%	79.152	81.313	104.847	119.054	134.999	151.110	168.576	186.949	206.194
18.20% GROWTH	18.43%	18.82%	15.38%	14.60%	13.81%	13.02%	12.27%	11.56%	10.90%	10.29%
60 USDO TELEMARKETING EMPLOYEES										
\$18,151 USDO TELEMARKETING EMPLOYEES	70	80	90	100	110	120	130	140	150	160
\$13,256	\$13,256	\$17,262	\$17,262	\$19,125	\$21,919	\$23,202	\$29,206	\$29,909	\$27,753	\$28,526
\$19,505	\$19,505	\$10,782	\$10,782	\$16,635	\$32,579	\$47,772	\$50,356	\$63,009	\$64,653	\$72,796
\$19,494 LEAD COST	\$22,638	\$25,872	\$29,106	\$32,340	\$35,574	\$38,808	\$42,042	\$45,276	\$48,510	\$51,744
\$14,927 MERCHANDISE COST	\$40,748	\$46,730	\$52,712	\$58,694	\$64,676	\$69,658	\$75,640	\$81,622	\$87,604	\$93,586
\$8,996 USDO CREDIT CARD	\$10,496	\$11,996	\$13,496	\$14,996	\$16,496	\$17,996	\$19,496	\$20,996	\$22,496	\$23,996
USDO REWARD PROGRAM	\$644	\$1,666	\$3,644	\$5,644	\$6,738	\$12,507	\$15,724	\$19,887	\$24,415	\$29,348
\$60,000 USDO COMMISSION ADVANCE	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$10,000	\$0	\$0	\$0
\$51,326 COMMERCE COMMISSION	\$46,103	\$41,483	\$37,343	\$33,008	\$30,748	\$27,273	\$24,501	\$22,081	\$19,846	\$17,861
\$82,798 USDO LMC COST	\$62,889	\$68,811	\$62,213	\$61,504	\$129,620	\$123,134	\$140,197	\$158,633	\$179,339	\$190,884
\$31,101 USDO BILLING COST	\$46,310	\$46,818	\$54,544	\$63,332	\$71,951	\$83,117	\$95,275	\$107,640	\$120,888	\$134,961
\$94,898 TOTAL COST	\$1,123,477	\$1,279,438	\$1,454,204	\$1,638,358	\$1,834,836	\$2,048,859	\$2,277,932	\$2,520,403	\$2,786,459	\$3,065,124
\$13,811 USDO LEC BILLING OLD	\$32,435	\$254,187	\$228,768	\$205,891	\$189,332	\$166,772	\$160,095	\$135,985	\$121,937	\$109,419
\$1,368,864 USDO DIRECT BILLING	\$1,011,693	\$1,076,482	\$1,177,023	\$1,211,050	\$1,277,225	\$1,375,366	\$1,502,051	\$1,658,165	\$1,836,846	\$1,941,880
\$172,187 FALKNER COMMISSION LEC BILLING OLD	\$154,968	\$139,471	\$125,324	\$112,972	\$101,675	\$91,207	\$82,356	\$74,121	\$66,709	\$60,028
\$82,119 FALKNER REVENUE DIRECT BILLING ----	\$875,304	\$1,182,262	\$1,262,477	\$1,388,058	\$1,544,862	\$1,734,036	\$1,953,805	\$2,202,840	\$3,179,048	\$3,591,768
\$94,385 FALKNER TOTAL COMMISSION	\$1,130,273	\$1,301,773	\$1,488,381	\$1,700,030	\$1,948,537	\$2,225,843	\$2,536,161	\$2,876,161	\$3,343,797	\$3,841,905
\$78,200 FALKNER CASH FLOW	\$78,200	\$78,200	\$82,275	\$86,946	\$1,008,847	\$1,185,331	\$1,443,861	\$1,802,218	\$2,259,596	\$2,837,238
APN	MAY 98	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB

USRG, INC.  
COMPILED FINANCIAL STATEMENT  
APRIL 23, 1997

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**WONAK & COMPANY, LTD.**  
Certified Public Accountants

1515 Woodfield Road, Suite 630  
Schaumburg, Illinois 60173  
(847) 995-9400, Fax (847) 995-9407

ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors  
USBG, Inc.  
Alsip, Illinois

We have compiled the accompanying balance sheet of USBG, Inc. (A Development Stage Enterprise), as of April 23, 1997, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

Management has elected to omit substantially all of the disclosures and the statement of cash flows, presentation of which is required by generally accepted accounting principles. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

*Wonak & Company, Ltd.*

Schaumburg, Illinois  
June 12, 1997



**USBG, INC.**  
**BALANCE SHEET**  
**APRIL 28, 1997**

<b>ASSETS</b>	
Due From Shareholders	\$ 1,000
<b>TOTAL ASSETS</b>	<b>\$ 1,000</b>

<b>STOCKHOLDERS' EQUITY</b>	
Common Stock, No Par Value, Authorized 100,000 Shares, Issued and Outstanding 1,000 shares	\$ 1,000
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>\$ 1,000</b>

See accompanying accountants' compilation report and selected notes to financial statement.

**USBG, INC.**

**SELECTED NOTES TO FINANCIAL STATEMENT**

**SELECTED INFORMATION - SUBSTANTIALLY ALL DISCLOSURES REQUIRED  
BY GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ARE NOT INCLUDED**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. ORGANIZATION**

USBG, Inc. (A Development Stage Enterprise) was incorporated in Illinois on April 23, 1997 as a re-seller of local and long distance telephone services through telemarketing and direct sales efforts. To date, the Company is in the initial stage of its operations and has not yet engaged in significant commercial activities.

The Company is a development stage company as defined in accounting Standards Board Statement No. 7. The Company is devoting substantially all of its present efforts to establishing a new business and its planned principal operations have not commenced and, accordingly, no revenue has been derived therefrom.

Initial funding of operations is to be provided by The Faulkner Group, Ltd., a company affiliated by common ownership.

See accompanying accountants' compilation report.

**THE FAULKNER GROUP LTD.**  
**COMPILED FINANCIAL STATEMENTS**  
**(WITH SUPPLEMENTAL MATERIAL)**  
**FOR THE PERIOD**  
**JANUARY 16, 1996 (DATE OF INCEPTION)**  
**TO DECEMBER 31, 1996**

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**WONAK & COMPANY, LTD.**  
Certified Public Accountants

1515 Woodfield Road, Suite 630  
Schaumburg, Illinois 60173  
(847) 993-9400, Fax: (847) 993-9407

ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors  
The Faulkner Group, Ltd.  
Alsip, Illinois

We have compiled the accompanying balance sheet of The Faulkner Group, Ltd., as of December 31, 1996 and the related statement of income, retained earnings and cash flows for the period January 16, 1996 (date of inception) to December 31, 1996, and the accompanying supplemental material, which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

Management has elected to omit substantially all disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and changes in financial position. Accordingly, these financial statements are not designed for those who are not informed about such matters.

*Wonak & Company Ltd.*  
Schaumburg, Illinois  
April 2, 1997

THE FAULKNER GROUP, LTD.

BALANCE SHEETS

DECEMBER 31, 1996

ASSETS

CURRENT ASSETS

Cash	\$ 261,166
Accounts Receivable, Net	1,480,311
Notes Receivable	21,110
Prepaid Expenses	158,089
Refundable Income Taxes	1,680

Total Current Assets 1,922,356

OTHER ASSETS

Start Up Costs, Net of Amortization of \$2,000	8,000
Organization Costs, Net of Amortization of \$513	2,052

Total Other Assets 10,052

TOTAL ASSETS

\$1,932,408

<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	
<b>CURRENT LIABILITIES</b>	
Accounts Payable	\$ 13,919
Accrued Expenses (Note 1)	331,293
Current Maturities of Long-Term Debt	283,637
<b>Total Current Liabilities</b>	<b>628,849</b>
<b>LONG-TERM DEBT, Less Current Maturities</b>	<b>436,147</b>
<b>Total Liabilities</b>	<b>1,064,996</b>
<b>STOCKHOLDERS' EQUITY</b>	
Common Stock, No Par Value - 100,000 Shares Authorized, 970 Shares Issued and Outstanding	970
Retained Earnings	866,442
<b>Total Stockholders' Equity</b>	<b>867,412</b>
 <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	 <b>\$1,932,408</b>

See accompanying accountants' compilation report and selected notes to financial statements.

**THE FAULKNER GROUP, LTD.**

**STATEMENT OF INCOME AND RETAINED EARNINGS**

**PERIOD OF JANUARY 16, 1996 (DATE OF INCEPTION)  
THROUGH DECEMBER 31, 1996**

NET SALES	\$3,949,500
COST OF SALES	2,911,338
Gross Profit	1,038,162
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	90,018
Operating Income	948,144
OTHER INCOME (EXPENSE)	
Interest Expense	( 82,102)
Interest Income	400
Total Other Income (Expense)	( 81,702)
NET INCOME, WHICH REPRESENTS RETAINED EARNINGS AT DECEMBER 31, 1996 (NOTE 2)	\$ 866,442

See accompanying accountants' compilation report and selected notes to financial statements.



THE FAULKNER GROUP, LTD.

STATEMENT OF CASH FLOWS  
PERIOD OF JANUARY 16, 1996 (DATE OF INCEPTION)  
THROUGH DECEMBER 31, 1996

1996	
OPERATING ACTIVITIES	
Net Income	\$ 866,442
Adjustment to Reconcile Net Income to Cash Provided (Used) By Operating Activities:	
Depreciation and Amortization Expense	2,513
Accounts Receivable	(1,480,311)
Notes Receivable	( 21,110)
Refundable Income Taxes	( 1,680)
Prepaid Expenses and Other Assets	( 170,654)
Accounts Payable, Accrued Expenses and Other	345,212
Cash Used By Operating Activities	( 459,588)
INVESTING ACTIVITIES	
Proceeds From Issuance of Common Stock	970
Cash Provided By Investing Activities	970
(Continued)	

See accompanying accountant's compilation report and selected notes to financial statement.

**THE FAULKNER GROUP, LTD.**

**STATEMENT OF CASH FLOWS  
PERIOD OF JANUARY 16, 1996 (DATE OF INCEPTION)  
THROUGH DECEMBER 31, 1996**

**(CONTINUED)**

<b>FINANCING ACTIVITIES</b>	
Proceeds From Additional Long-Term Debt	\$829,175
Principal Payments of Long-Term Debt	(109,391)
<b>Cash Provided By Financing Activities</b>	<b>719,784</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>261,166</b>
<b>CASH AND CASH EQUIVALENTS</b>	
Beginning	0
Ending	\$261,166
<b>CASH PAID FOR INCOME TAXES</b>	<b>\$ 1,400</b>
<b>CASH PAID FOR INTEREST</b>	<b>\$ 35,455</b>

See accompanying accountant's compilation report and selected notes to financial statement.

THE FAULKNER GROUP, LTD.

SELECTED NOTES TO FINANCIAL STATEMENTS

SELECTED INFORMATION - SUBSTANTIALLY ALL DISCLOSURES REQUIRED BY  
GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ARE NOT INCLUDED

NOTE 1. ACCRUED EXPENSES

Accrued Expenses are summarized as follows:

	<u>1996</u>
Service and Collection Fees	\$153,384
Commissions	131,262
Interest	<u>46,647</u>
	<u>\$331,293</u>

NOTE 2. INCOME TAX STATUS

Effective January 16, 1996 the Company has elected, and the stockholders have consented to include the net income or losses of the Corporation in their individual tax returns to the extent allowed. The Company is, however, liable for Illinois Replacement Taxes. Accordingly, no provision has been made for Federal or State income taxes.

See accompanying accountants' compilation report.

THE FAULKNER GROUP, LTD.

SUPPLEMENTAL MATERIAL  
PERIOD OF JANUARY 16, 1996 (DATE OF INCEPTION)  
THROUGH DECEMBER 31, 1996

ANALYSIS OF COST OF SALES

Commissions	\$2,412,386
Service and Collection Fees	401,086
Line Charges	97,866
	<b>\$2,911,338</b>

ANALYSES OF SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Management Fee Expense	\$82,066
Accounting Fees	3,612
Amortization and Depreciation Expense	2,513
Office Expense	727
Miscellaneous Fees and Taxes	540
Donations	500
Delivery and Express	42
Bank Service Charges	18
	<b>\$90,018</b>

See accompanying accountants' compilation report.

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 USBG, 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.

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Issued:

Effective:

Issued by:

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

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**CHECK SHEET**

The title page and pages 1-27 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
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8	Original	25	Original
9	Original	26	Original
10	Original	27	Original
11	Original		
12	Original		
13	Original		
14	Original		
15	Original		
16	Original		
17	Original		

\* New or Revised Sheets

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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

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Issued:

Effective:

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



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**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).I.
- 2.1.1.A.1.(a).I.(i).
- 2.1.1.A.1.(a).I.(i).I.

**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.

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**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 USBG, INC. ("Company").

---

Issued:

Effective:

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

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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Issued:

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

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Effective:

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

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5601 West 120th Street  
Alsip, Illinois 60658

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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.

**Call**

A completed connection between the Calling and Called Stations.

---

**Issued:****Effective:**

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

**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**

USBG, 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.

**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 pre-subscribed 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.

Issued:

Effective:

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

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 36 Kbps.

Due Date

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

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

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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.

**Interchange Service**

Interchange 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.

**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.

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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.

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.

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**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.

**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.
- 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.

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- 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 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").

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- 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 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.

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- 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.
- 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.

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- 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.
- 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);

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- 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.
- 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.

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- 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

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.

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**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 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

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uniformly on the basis of each end user's monthly charges for the types of service made subject to such tax, fee or charge.

- 2.10.3. 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. Method 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 AT&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:	$\frac{V}{5004}$	$\frac{H}{1406}$
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.

- 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.

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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

2.14.1. 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.

2.15. Customer Inquiries and Complaints

2.15.1. Customers may direct inquiries and complaints to the Company or the Commission by using the address and toll free number set forth below:

USBG, INC.  
5601 West 120th Street  
Alsip, Illinois 60658  
(888) 406-8724

South Dakota Public Utilities Commission  
State Capitol Building  
500 East Capitol Avenue  
Pierre, South Dakota 57501  
(800) 332-1782

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Alsip, Illinois 60658

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3. DESCRIPTION OF SERVICES

3.1. 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 Customer's 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 SCHEDULES4.1. 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

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

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

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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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Alsip, Illinois 60658



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

ATTORNEYS AT LAW  
500 COMERICA BLDG.  
KALAMAZOO, MI 49007-4752

20382

5-4/75  
52

PAY  
TO THE  
ORDER OF

June 23 1997  
South Dakota Public Utilities Commission

\$ 250 00

Two hundred fifty and <sup>00</sup>/<sub>100</sub>

DOLLARS

Comerica Bank  
Member FDIC

FOR

USBC, Inc

⑆020382⑆ ⑆072000096⑆ 1840391625⑆

TC97-123

TC97-129	Application by Telco Holdings, Inc. d/b/a Dial & Save for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: DJ/TZ) "Telco proposes to provide resold local exchange service to subscribers from all points within the state of South Dakota and, therefore, seeks statewide authorization. Specifically, Telco seeks authority to resell local exchange service in the existing service areas of U S WEST... The specific manner in which Telco will provide local exchange service depends upon the result of negotiations with the incumbent local exchange carriers currently operating within the State."	07/10/97	07/25/97
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**REQUEST FOR ELIGIBLE TELECOMMUNICATIONS COMPANY STATUS**

TC97-125	Brookings Municipal Utilities - Telephone Department pursuant to 47 U.S.C. 214(e) and 47 CFR 54.201 hereby seeks designation as an eligible telecommunications carrier within the local exchange areas that constitute its service area in South Dakota. Brookings Telephone is the facilities-based local exchange carrier presently providing local exchange telecommunications services in the following exchange prefixes in South Dakota: 688, 692, 696 and 697 - serving within the corporate limits of Brookings, SD. Brookings Telephone, to its knowledge, is the only carrier today providing local exchange telecommunications services in the above identified service area. (Staff: HB/KC)	07/07/97	07/25/97
TC97-130	Hanson Communications d/b/a Hanson County Telephone Company pursuant to 47 U.S.C. 214(e) and 47 CFR 54.201 hereby seeks designation as an eligible telecommunications carrier within the local exchange areas that constitute its service area in South Dakota. Hanson is the facilities-based local exchange carrier presently providing local exchange telecommunications services in the following exchanges in South Dakota: Alexandria (239). Hanson, to its knowledge, is the only carrier today providing local exchange telecommunications services in the above identified exchange area. (Staff: HB/CH)	07/10/97	07/25/97
TC97-131	Hanson Communications Inc. d/b/a McCook Telecom pursuant to 47 U.S.C. 214(e) and 47 CFR 54.201 hereby seeks designation as an eligible telecommunications carrier within the local exchange areas that constitute its service area in South Dakota. McCook Telecom is the facilities-based local exchange carrier presently providing local exchange telecommunications services in the following exchanges in South Dakota: Salem (425). McCook Telecom, to its knowledge, is the only carrier today providing local exchange telecommunications services in the above identified exchange area. (Staff: HB/CH)	07/10/97	07/25/97

**NEGOTIATED INTERCONNECTION AGREEMENT FILED**

TC97-126	U S WEST Communications, Inc. filed for approval by the Commission the negotiated interconnection Agreement between U S WEST and Dakota Telecom, Inc. and Dakota Telecommunications Systems, Inc. Any person wishing to comment on the parties' request for approval may do so by filing written comments with the Commission and the parties to the agreement no later than July 28, 1997. Parties to the agreement may file written responses to the comments no later than August 15, 1997.	07/07/97	Responses Due 07/28/97
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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 Norum at: [terry@tpuc.state.sd.us](mailto:terry@tpuc.state.sd.us) Failing the address to the Commission at: 605-773-3809

South Dakota Public Utilities Commission State Capitol 500 E. Capitol Pierre, SD 57501-5070 Phone: (800) 332-1782 Fax: (605) 773-3809	<h2 style="margin: 0;">TELECOMMUNICATIONS SERVICE FILINGS</h2> <p style="font-size: small; margin: 0;">These are the telecommunications service filings that the Commission has received for the period of:</p> <h3 style="margin: 0;">07/04/97 through 07/10/97</h3> <p style="font-size: x-small; margin: 0;">If you need a complete copy of a filing passed, overnight expressed, or mailed to you, please contact Delinea Kolbo within five days of this filing.</p>
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DOCKET NUMBER	TITLE/STAFF/SYNOPSIS	DATE FILED	INTERVENTION DEADLINE
<b>REQUEST FOR CERTIFICATE OF AUTHORITY</b>			
TC97-122	Application by Access Point, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/TZ) "Applicant is a switchless reseller which intends to offer 1+ direct dialing, 800 toll free, and travel card (no prepaid calling cards) service through the resale of telephone services provided by facilities-based interexchange carriers."	07/07/97	07/25/97
TC97-123	Application by USBG, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/TZ) "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. Applicant does not intend to provide operator services, 900 or 700 services."	07/07/97	07/25/97
TC97-124	Application by Electric Lighthouse, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/TZ) "Applicant seeks ... authority to provide 1+, business 800, business calling cards, and prepaid calling cards to the general public and to small and large business."	07/07/97	07/25/97
TC97-127	Application by Telco Holdings, Inc. d/b/a Dial & Save for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: DJ/TZ) "Petitioner proposes to provide 24-hour intrastate interexchange telecommunications services, 800 services, and postpaid debit travel card services... Telco Holdings, Inc. hereby adopts the tariff of Dial & Save which has been approved and is on file with the Commission."	07/09/97	07/25/97
TC97-128	Application by Clarity Telecom LD Network Services, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: DJ/TZ) "The specific services to be offered by Clarity include switched inbound and outbound services to employees of Clarity and switched and dedicated inbound and outbound services for commercial customers, calling cards and directory assistance services for presubscribed commercial and residential customers."	07/10/97	07/25/97

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION OF )  
USBG, INC. FOR A CERTIFICATE OF )  
AUTHORITY TO PROVIDE )  
TELECOMMUNICATIONS SERVICES IN )  
SOUTH DAKOTA )

ORDER GRANTING  
CERTIFICATE OF  
AUTHORITY  
  
TC97-123

On July 7, 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 USBG, Inc. (Applicant).

Applicant seeks authority to provide a full range of 1+ interexchange telecommunications services on a resale basis, including MTS, out-WATS, in-WATS and calling card services. Applicant does not intend to provide operator services, 900 or 700 services. A proposed tariff was filed by Applicant. The Commission has classified long distance service as fully competitive.

On July 10, 1997, the Commission electronically transmitted notice of the filing and the intervention deadline of July 25, 1997, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled August 18, 1997, meeting, the Commission considered Applicant's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to the condition that Applicant 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 Applicant has met the legal requirements established for the granting of a certificate of authority. Applicant 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 Applicant's application for a certificate of authority, subject to the condition that Applicant 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 Applicant's application for a certificate of authority is hereby granted effective September 7, 1997, subject to the condition that Applicant not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. It is

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

Dated at Pierre, South Dakota, this 27<sup>th</sup> day of August, 1997.

CERTIFICATE OF SERVICE

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.

By: Alfred Kalko

Date: 9/2/97

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg  
JAMES A. BURG, Chairman

Pam Nelson  
PAM NELSON, Commissioner

Laska Schoenfelder  
LASKA SCHOENFELDER, Commissioner

# SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

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## CERTIFICATE OF AUTHORITY

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

Authority was Granted August 18, 1997, effective September 7, 1997  
Docket No. TC97-123

*This is to certify that*

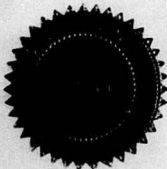
**USBG, INC.**

*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 27<sup>th</sup> day of August, 1997.

**SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION:**



*James A. Burg*  
\_\_\_\_\_  
JAMES A. BURG, Chairman

*Pam Nelson*  
\_\_\_\_\_  
PAM NELSON, Commissioner

*Laska Schoenfelder*  
\_\_\_\_\_  
LASKA SCHOENFELDER, Commissioner