100	KC/KT		TC98-001
1	he Matter of	IN THE MATTER OF THE APPLICATION OF A C S TEL COM INC. FOR A CERTIFICATE OF AUTHORITY TO PROVIDE TELECOMMUNICATIONS SERVICES IN SOUTH DAKOTA	
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TELECARD REGULATORY SERVICES

JERRY W. HENDRICKS

December 26, 1997

RECEIVED

JAN 02 1998

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

Telephone: (503) 641-5169

FAX: (503) 643-1572

South Dakota Public Utilities Commission Harlan Best State Capitol 500 East Capitol Street Pierre, SD 57501-5070

RE: Application of A C S TEL COM INC.. for Public Convenience and Necessity

Dear Harlan Best:

Enclosed, please find an original and 10 copies of the application and tariff of A C S TEL COM INC.. to Resell Telecommunications Services throughout the state of South Dakota along with a check in the sum of \$250.00.

I am also enclosing an additional copy of this letter to be stamped as filed and returned to this office.

If there are any questions or comments concerning this application, please don't hesitate to contact me.

Sincerely,

Rebecca Scribner

Assistant

enclosures

1640 00-

BEFORE THE PUBLIC UTILITY COMMISSION OF SOUTH DAKOTA



In the Matter of the Application of)	
A C S TEL COM INC. for a) Application No	
Certificate of Public Convenience & Necessity To)	
Operate As A Reseller Of Telecommunications)	
Services Within the Commonwealth of South Dakota)	

APPLICATION FOR CERTIFICATE OF AUTHORITY OF A C S TEL COM INC.

A C S TEL COM INC. ("Applicant"), hereby respectfully applies to the South Dakota Public Utility Commission for a Certificate of Public Convenience and Necessity to operate as a Reseller of resold competitive telecommunications services within the Commonwealth of South Dakota. Applicant has applied to provide resold long distance services in the states of Oregon, Washington, California, Florida, New Jersey and Idaho, and is in the process of filing, as required, in the remaining contiguous 48 states. Applicant seeks statewide authority to serve, 800 WATS, and 1+ prepaid telecard services to the general public.

In support of this application A C S TEL COM INC. states as follows:

 Applicant is a Corporation formed under the laws of the State of New York on October 16, 1996. (Exhibit 1) (2) The legal name and address of Applicant and its principal representative are:

Chander Khurana, President A C S TEL COM INC 100 Merrick Rd., Suite 116W Rockville Centre, NY 11570 (516) 255-9700 (tel) (516) 255-9602 (fax) Customer Service 800-326-6064

(3) Questions comments and notices concerning this application should be addressed to:

> Jerry W. Hendricks Consultant Telecard Regulatory Services 11655 SW Allen Blvd., #23 Beaverton, Oregon 97005-4849 (503 641-5169 FAX (503) 643-1572

(4) State and Form of Organization; Officers, Directors and Shareholders:

A C S TEL COM INC. is a for profit corporation organized under the laws of the State of New York on December 16, 1996. A copy of the Articles of Incorporation are attached hereto as Exhibit 1. Evidence of Applicant's authority to transact business as a foreign corporation appears at Exhibit 2. A list of the executive officers, the board of directors, and the principal shareholders of A C S TEL COM INC. is attached as Exhibit 3.

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(5) By this application, A C S TEL COM INC., hereby requests authorization to resell intrastate WATS and MTS type long distance services to the public throughout the State as a Non-Dominant Interexchange Carrier (NDIEC). A C S TEL COM requests authorization to operate as a "switchless" reseller, relying completely upon the facilities of selected underlying facilities based carriers and, therefore does not propose to acquire, own, construct or extend any telecommunications facilities. A description of the resale services offered by A C S TEL COM follows in this section.

A C S TEL COM offers two types of card service: (1) A Post-paid calling card service; and, (2) A Prepaid calling card service.

A C S TEL COM's Post-paid service is a service provided to subscribers desiring to calling card services. Upon credit approval and necessary credit arrangements, a subscriber will reach A C S TEL COM's network via a toll free number. The subscriber is responsible for paying the tariffed rate for calls charged to the card. Charges for such calls appear on the Subscriber's regular monthly bill.

A C S TEL COM's Prepaid Service is a prepaid calling card that is not time of day or distance sensitive. Users purchase cards in predetermined amounts for long distance usage. As users access the service their usage is automatically deducted from the remaining card balance.

All prepaid calling cards are "refreshable", or "rechargeable", and may be recharged by adding value to the prepaid balance of the card. A user may add value to a refreshable card at the initiation or termination of a call in order to continue use of the card. The user receives a warning tone when the remaining value of the card will only permit one additional minute of conversation time. Value can be added to the refreshable card by following voice prompts that allow entering a valid commercial credit card number. Thus, if a caller wishes to continue using the same A C S TEL COM card for an extended period, he/she can easily do so by charging additional purchases of time to their card.

The A C S TEL COM Phone Card is an innovative debit system of providing telecommunications service. Similar to debit cards available in other countries, the A C S TEL COM Prepaid card offers a method of payment of long distance charges at the time a card is obtained. End users will be able to buy A C S TEL COM cards from a variety of retail and other outlets. Each card will contain a unique identifying number. Callers will obtain access to the A C S TEL COM processor by conventional 800 dialing. As a call is placed, A C S TEL COM's processor tracks the call, and the cost of the call, including applicable taxes, is deducted on a real time basis from the prepaid amount on the card. A C S TEL COM's ability to rate calls and deduct the long distance charges on a real time basis brings state-of-the-art smart card technology to the public.

A C S TEL COM's Prepaid Service will give end users calling card type capability without the necessity of having advance billing arrangements with a carrier. Further, the A C S TEL COM Phone Card offers the flexibility of a calling card with added features.

Callers purchase an A C S TEL COM Prepaid Phone Card for a stated face value OF \$5.00, \$10.00, \$25.00, \$50.00 AND \$100.00. Each A C S TEL COM Prepaid card

includes instructions for use and a unique account number. A call is placed by dialing an 800 number to obtain access to A C S TEL COM's processor. The caller is prompted by an automated voice response system to enter his/her account number, i.e. the card number, and then to enter the terminating telephone number.

A C S TEL COM rates calls, calculates applicable taxes, and deducts the appropriate call charges from the face value of the prepaid card on a real time basis. Using voice and switching modules in a platform arrangement, A C S TEL COM will bring the most innovative and up-to-date technology to end users.

A C S TEL COM's state-of-the are real time rating and processing capabilities make using the A C S TEL COM Prepaid Phone Card a simple and convenient means of controlling telecommunications costs. End users do not have to wait for a bill to determine how much a particular call will cost. Payment is made initially in a predetermined amount, so end users can plan expenditures more easily than with other forms of payment for telecommunications services.

A C S TEL COM will operate as a reseller of another carrier's (or carriers') telecommunications services. A C S TEL COM will resell interexchange telecommunications services of common carriers. A C S TEL COM's rates will be no higher than the travel card charges of the dominant carrier's travel card rates. (A C S TEL COM may enter special arrangements with certain customers who purchase cards in volume directly from A C S TEL COM. Discounts offered to these customers will apply to interstate charges. Because A C S TEL COM cards are purchased in specified amounts, discounts may reduce the effective intrastate rates charged to the A C S TEL COM Card users. A C S TEL COM offers universal origination from anywhere in the continental United States and termination both domestically and internationally. The

ability to terminate intrastate calls is subject to A C S TEL COM's operating authority limits, and the ability to terminate international calls is subject to service availability for direct dial international calling.

A user may add value to a card at the initiation or termination of a call in order to continue use of the card. The caller receives a warning tone when the remaining value of the card will only permit one additional minute of conversation time. Value can be added by entering a valid account number from a second A C S TEL COM Card, or by entering a valid commercial credit card number. A C S TEL COM also offers an automatic addition of value to a card by written agreement, which authorizes charging a credit card number on a regular basis. Thus, if a caller wishes to continue using the same A C S TEL COM card for an extended period, he/she can easily do so by automatically adding value to the card.

Card purchasers may designate that only certain specified numbers may be called, a feature which may be of particular value to parents of students or families of prison inmates. Callers may also make multiple calls without redialing an access number or account number. Once access is obtained to the processor, and a valid account number entered, multiple calls can be placed by simply dialing the # sign twice after completion of a call, or to interrupt a call.

The caller may reach an A C S TEL COM Customer Service Agent from 8:00 a.m. to 8:00 p.m. ET, 365 days a year. Customer service may be reached at 1-800-326-6064. The Customer Service number is printed on all cards, bills and statements. A C S TEL COM Customer Service Agents do not assist in placing or completing calls.

In the unlikely event that the Phone Card service ceases to be offered for any reason, Lither the customer service representative or a recording on the customer

service line will give directions as to the method and manner of making a claim of refund of any unused portion of a calling card. A C S TEL COM is not responsible for lost or stolen cards, and holders of cards should treat each such card like cash. Each card issued by A C S TEL COM shall bear such admonition.

A C S TEL COM Phone Cards will be available for purchase at various retail establishments, such as restaurant chains, convenience stores, shopping clubs, hotels, or gas stations. A C S TEL COM also plans to market its Phone Cards directly to a variety of groups, such as businesses whose employees travel or associations whose members have a common interest. A C S TEL COM cards can be given as gifts, or can be purchased for use by students.

(6) Geographic Area to be Served in South Dakota:

A C S TEL COM INC. will offer universal origination and termination throughout the entire State of South Dakota.

(7) Proposed South Dakota Tariff:

A C S TEL COM INC. has included an informational tariff for South Dakota which is attached hereto as Exhibit 4.

(8) Financial Qualifications:

Because A C S will resell services, it does not have the capital requirements that owning and operating a network and switching equipment would require. A C S' only owned equipment is that which rates calls and deducts the appropriate charges from a user's card, which equipment is located in the State of New York.

Financial statements showing investments sufficient to cover the companies start-up expenses are attached as Exhibit 5. The information contained in these financial statements is proprietary and commercially sensitive. A C S therefore requests

they be given proprietary treatment and not be disclosed to anyone other than Commissioners or staff involved in processing A C S' Petition.

(9) The A C S TEL COM executives bring to the organization extensive technical and managerial experience, which A C S TEL COM will draw on in its day-to-day operations. The combined telecommunications experience of A C S TEL COM INC.'s, management team will enable A C S TEL COM to provide reliable, quality service to its customers. For technical expertise in the operation and management of the actual telecommunications services, ACS will rely upon Universal Communications Network, Inc., a California corporation.

Chander Khurana

Mr. Khurana entered the telecommunications industry in the areas of management, sales and marketing for the current company. Prior to entry into the telecommunications field, he served a private corporation, ACS International, as owner, coordinating business-planning efforts for five strategic business units to ensure consistency of assumptions and standardization of financial computing. Managed company and produced new sales and oversees business. Prior to ACS, he managed a corporation engaged in the sales of electronics and health equipment. He also has experience as a manager for Niba Corp. managing various divisions engaged in electronics, toys and telephone sales.

Sanjay Khurana

Sanjay Khurana was a co-owner with his brother in ACS TEL COM INC, as well as ACS International, and ACS. During the operation of these businesses, Sanjay Khurana proved a solid manager, and the producer of substantial revenues. Prior to ACS, he formed and operated a corporation, RCN, Corp. where he was accountable for optimizing service, technologies and cost within the guidelines of incentive regulation. In addition, he was responsible for achieving safety, quality, budget conformance and efficiency.

Canale & Tellekamp

Canale & Tellekamp are Certified Public Accountants located in Freeport, New York. They have been retained by ACS to provide accounting services, and to provide timely and accurate accounting information.

(9) Public Convenience and Necessity Does Favor The Granting of A C S TEL COM INC.' Application

A C S service is in a unique area in telecommunications, and has a variety of applications. The concept of a debit card as a means of paying for telecommunications services is only a few years old. A C S Calling Card cards are a simple means of controlling telecommunications costs, because the caller prepays for long distance calls and can plan in advance for communications expenditures. The cards are simple to use and offer convenient features, as described above.

In addition to offering a unique new service, A C S will be competing with other established carriers who offer services such as calling cards. A C S' services will, therefore, also enhance competition in the telecommunications marketplace. Unlike conventional pre-subscribed long distance services, debit or prepaid cards are discretionary, convenience services which supplement existing long distance service. There are numerous providers of this service, and the service is very competitive.

Customers will benefit by the ability to prepay for telecommunications services and by the use of A C S' state of the art technology for real time rating and charging of calls. In addition, A C S will provide the convenience of a calling card and access to a variety of enhanced services. A C S' services will also be available to users who might not otherwise qualify to obtain telecommunications services. A C S' services are, therefore, in the public interest.

CONCLUSION

A C S TEL COM INC. will is prepared to offer services upon the granting of this

Application. By this application and exhibits, A C S TEL COM INC. demonstrates that

it has the technical, managerial, and financial resources and ability to conduct this

business for the benefit of the public in South Dakota and throughout the United

States.

WHEREFORE, for the foregoing reasons, A C S TEL COM INC. respectfully

requests that this Honorable Commission grant this petition for a Certificate of

Territorial Authority to enable it to resell long-distance telecommunications in the State

of South Dakota.

Respectfully submitted,

A C S TEL COM INC.

lendricks, Asst. Vice President

DATED: December // , 1997

EXHIBIT 1

Articles of Incorporation are attached hereto.

NEXT

DOCUMENT (S)

DISREGARD

BACKGROUND

F9612160003/8

CERTIFICATE OF INCORPORATION

A C S TEL COM INC

Under Section 402 of the Business Corporation Law

The undersigned, for the purpose of forming a corporation pursuant to Section 402 of the Business Corporation Law of the State of New York, does hereby certify and set forth

FIRST: The name of the corporation is A C S TEL COM INC.

SECOND: The purposes for which the corporation is formed are:

To engage in any lawful act or activity for which corporations may be organized under the business corporation law, provided that the corporation is not formed to engage in any act or activity which requires the act or approval of any state official, department, board, agency or other body without such approval or consent first being obtained.

To carry on a general mercantile, industrial, investing and trading business in all its branches; to devise, invent, manufacture, fabricate, assemble, install, service, maintain, alter, buy, sell, import, export, license as licensor or licensee, lease as lessor or lessee, distribute, job, enter into, negotiate, execute, acquire, and assign contracts in respect of, acquire, receive, grant, and assign licensing arrangements, options, franchises, and other rights in respect of and generally deal in and with at wholesale and retail, as principal, and as sales, business, special, or general agent, representative, broker, factor, merchant, distributor, jobber, advisor, or in any other lawful capacity, goods, wares, merchandise. commodities, and unimproved, improved. finished. processed and other real, personal and mixed property of any and all kinds, together with the components, resultants, and by-products thereof

To create, manufacture, contract for, buy, sell, import, export, distribute, job and generally deal in and with, whether at wholesale or retail, and as principal, agent, broker, factor, commission merchant, licensor, licensee or otherwise, any and all kinds of goods, wares, and merchandise, and in connection therewith or independent thereof, to establish and maintain, by any manner or means, buying offices, distribution centers, specialty and other shops, stores, mail-order establishments, concessions, leased departments, and any and all other

departments, sites and locations necessary, convenient or useful in the furtherance of any business of the corporation.

To develop, experiment with, manufacture, fabricate, produce, assemble, buy, lease or otherwise acquire, hold, own, operate, use, install equip, maintain, service, process, possess, repossess, remodel recondition, transport, import, export, sell, lease or otherwise dispose of and generally to deal in and with any and all kinds of raw materials, products, manufactured articles and products, equipment, machinery, devices, systems, parts, tools and implements, apparatus, and goods, wares, merchandise and tangible property of every kind, used or capable of being used for any purpose whatsoever, and wheresoever located.

To acquire by purchase, subscription, underwriting or otherwise, and to own, hold for investment, or otherwise, and to use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of real and personal property of every sort and description and wheresoever situated, including shares of stock, bonds, debentures, notes, scrip, securities, evidences of indebtedness, contracts or obligations of any corporation or association, whether domestic or foreign, or of any firm or individual or of the United States or any state, territory or dependency of the United States or any foreign country, or any municipality or local authority within or without the United States, and also to issue in exchange therefor, stocks, bonds or other securities or evidences of indebtedness of this corporation and, while the owner or holder of any such property, to receive, collect and dispose of the interest, dividends and income on or from such property and to possess and exercise in respect thereto all of the rights, powers and privileges of ownership, including all voting powers thereon.

To construct, build, purchase, lease or otherwise acquire, equip, hold, own, improve, develop, manage, maintain, control, operate, lease, mortgage, create liens upon, sell, convey or otherwise dispose of and turn to account, any and all plants, machinery, works, implements and things or property, real and personal, of every kind and description, incidental to, connected with, or suitable, necessary or convenient for any of the purposes enumerated herein, including all or any part or parts of the properties, assets, business and goodwill of any persons, firms, associations or corporations.

The powers, rights and privileges provided in this certificate are not to be deemed to be in limitation of similar, other or additional powers, rights and privileges granted or permitted to a corporation by the Business Corporation Law, it being intended that this corporation shall have all rights, powers and privileges granted or permitted to a corporation by such statute.

THIRD: The office of the corporation is to be located in the County of Nassau, State of New York.

FOURTH: The aggregate number of shares which the corporation shall have the authority to issue is Two Hundred (200), all of which shall be without par value.

FIFTH: The Secretary of State is designated as the agent of the corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the corporation served on him is:

100 Merrick Road Rockville Centre, New York 11570

SIXTH: The personal liability of directors to the corporation or its shareholders for damages for any breach of duty in such capacity is hereby eliminated except that such personal liability shall not be eliminated if a judgment or other final adjudication adverse to such director establishes that his acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law or that he personally gained in fact a financial profit or other advantage to which he was not legally entitled or that his acts violated Section 719 of the Business Corporation Law.

IN WITNESS WHEREOF, this certificate has been subscribed to this 13th day of December, 1996 by the undersigned who affirms that the statements made herein are true under the penalties of perjury.

GERALD WEINBERG 90 State Street Albany, New York

3

F961216000 38.

July

CERTIFICATE OF INCORPORATION

OF

A C S TEL COM INC.

DEPARTMENT OF STATE
DEC 16 1996

BY: IMD

FILED

Filed by:

Martin Katzman, Esq. 29 Roslyn Road Mineola, New York 11501

4

961216000 320

EXHIBIT 2

Application for Authority to Transact Business as a Foreign Corporation is being prepared for filing with the South Dakota Secretary of State's office. Evidence of Corporate Qualification shall be filed with the Commission upon receipt. Applicant files this Application less such evidence, in the interest of time.

Exhibit 3

OFFICER AND DIRECTOR INFORMATION IS AS FOLLOWS:

OFFICER AND DIRECTOR INFORMATION IS AS FOLLOWS:

Chander Khurana 100 Merrick Rd., Suite 116W. Rockville Centre, NY 11570 President Director

SHAREHOLDER INFORMATION IS AS FOLLOWS:

Name and Address Percentage of Voting Control

Chander Khurana

50%

100 Merrick Rd., Suite 116W. Rockville Centre, NY 11570

Sanjay Khurana

50%

100 Merrick Rd., Suite 116W. Rockville Centre, NY 11570

Proposed Rates:

Attached hereto.

A C S TEL COM INC. Financial Sheets

R.M:12/11/97

A C S TEL COM INC.

South Dakota Application for Authority to Resell Telecommunications
Page No. 16

ACS TELCOM, INC.

BALANCE SHEET

July 31, 1997

ASSETS

Current Assets:		
Cash - checking Cash - M/M	\$104,059.00 50,464.51	
Total Current Assets		\$154,523.51
Fixed Assets:		
Equipment Less accumulative depreciation	26,730.00	
Total Fixed Assets		26,730.00
Other Assets:		
Rental deposit		1,720.00
TOTAL ASSETS		\$182,973.51
LIABILITIES & STOCK	HOLDERS' EQUITY	
Current Liabilities:		
Unexpired telephone cards		\$ 45,500.00
Other Liabilities:		
Stockholders' loan		82,450.00
Stockholders' Equity:		
Capital stock Retained earnings	\$ 10,000.00 45,023.51	
Total Stockholders' Equity		55,023.51
TOTAL LIABILITIES & STOCKHOLDERS'	EOUITY	\$182,973 51

ACS TELCOM, INC.

INCOME STATEMENT

For the Seven Months Ended July 31, 1997

		\$427,715.17
Sales		
Expenses:	710 10	
nharan	\$365,748.10	
Purchases	2,378.41	
Office expenses	907.89	
Insurance	5,587.75	
Rent	2,664.41	
Telephone	2,664.68	
Bank charges	2,408.42	
Advertising		
Advettesting	332.00	
Permits and fees		382,691.66
Total Expenses		
		\$ 45,023.51
Current Net Income		

TITLE SHEET

RECEIVED

JAN 02 1998

LONG DISTANCE RESOLD TELECOMMUNICATIONS SERVICES

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

In the State of South Dakota

by

A C S TEL COM INC

This tariff applies to the Long Distance Telecommunications Services furnished by A C S TEL COM INC between one or more points in the State of South Dakota. This tariff is on file with the South Dakota Public Utilities Commission, and copies may be inspected, during normal business hours, at Carrier's principal place of business, 100 Merrick Rd., Suite 116W, Rockville Centre, NY 11570

Issued:

Effective:

CHECK SHEET

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

Sheet	Revision	Sheet	Revision
1	Original	16	Original
2	Original	17	Original
3	Original	18	Original
4	Original	17	Original
5	Original	18	Original
6	Original	19	Original
7	Original	20	Original
8	Original	21	Original
9	Original	22	Original
10	Original	23	Original
11	Original		
12	Original		
13	Original		
14	Original		
15	Original		

Issued:

Effective:

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Issued:

Effective:.

A C S TEL COM INC

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Issued:

Effective:

APPLICATION OF TARIFF

This tariff contains the regulations and changes applicable to intrastate interexchange telecommunications resellers services provided by A C S TEL COM INC, to customers within the State of South Dakota.

SYMBOLS

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

- D Delete or Discontinue
- I Change Resulting In An Increase in Rates
- M Moved From Another Tariff Location
- N New
- R Change Resulting In A Reduction in Rates
- T Change In Text or Regulation But No Change In Rate or Charge

Issued:

Effective:.

TARIFF FORMAT

- A. <u>Sheet Numbering</u> Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. <u>Sheet Revision Numbers</u> Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the South Dakota Public Utilities Commission ("SDPUC"). For example, the 2nd revised Sheet 10 cancels the 1st revised Sheet 10.
- C. <u>Paragraph Numbering Sequence</u> There are four levels of paragraph coding. Each level of coding is subservient to its next higher level.

2.

2.1.

2.1.1.A.

2.1.1.A.1.

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

Issued:

Effective:.

SECTION 1. TECHNICAL TERMS AND ABBREVIATIONS

<u>Access Line-</u> An arrangement from a local exchange telephone company or other common carrier, using either dedicated or switched access, which connects a subscriber's location to A C S's location or switching center.

<u>Account Number</u> - A numerical code, one or more of which may be assigned to a subscriber, to enable A C S to identify the service user so it may rate and process the call.

A C S TEL COM INC. - The term "ACS TEL COM INC or A C S" shall mean A C S TEL COM INC

<u>A C S Phone Card</u> - A credit or debit calling card issued by Carrier which allows Subscribers and/or Users to make telephone calls and charge the calls to a credit or debit account. Calls charged to an A C S-issued credit card will appear on the Subscriber's regular monthly bill. Calls charged to an A C S-issued debit travel card will be charged against the debit account.

<u>Common Carrier</u> - A company or entity providing telecommunications services to the public.

<u>Credit Card Calls</u> - Calls for which charges are billed not to the originating telephone number, but to a credit card, such as VISA, MasterCard, or American Express.

<u>Local Access and Transport Area (LATA)</u> - The term "Local Access Transport Area" denotes a geographical area within which a local exchange company provides communications services.

Measured Charge - A charge assessed on a per minute basis in calculating the charges due for a completed call.

Issued:

Effective:.

SECTION 1. TECHNICAL TERMS AND ABBREVIATIONS (Cont'd)

<u>Prepaid Card Calls</u> - A prepaid, or debit calling card issued by A C S which allows Subscribers and/or Users to make telephone calls and charge the calls to or against the debit account of that card. Charges for calls on this card are billed not to the originating telephone number but are deducted from the remaining prepaid value of the debit card. Company debit, or prepaid card calls do not result in a bill being sent to the subscriber.

<u>Postpaid Card Service</u> - A travel card service to which users may subscribe. Payment for charges to such card are made either through Local Exchange Carrier billing, or through charges to a valid credit card. 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 Subscriber's LEC billing or on the Subscriber's credit card monthly billing statement..

<u>SDPUC</u> - Used throughout this tariff to mean the South Dakota Public Service Commission.

<u>Subscriber/User</u> - The person or legal entity which enters into arrangements for A C S's telecommunications services and is responsible for payment of A C S's services and/or the party utilizing the services of A C S and responsible for the payment of charges.

<u>Telecommunications</u> - The transmission of voice communications or, subject to the transmission capabilities of the service, the transmission of data, facsimile, signaling, metering, or other similar communications.

Issued:

Effective:

SECTION 2. RULES AND REGULATIONS

2.1 Terms of Tariff

- 2.1.1 This tariff contains the regulations and rates applicable to intrastate resale telecommunications services provided by A C S for telecommunications between points within the State of South Dakota. A C S's services are furnished subject to the availability of facilities and subject to the terms and conditions of this tariff.
- 2.1.2 The services of A C S are not part of a joint undertaking with any other entity providing telecommunications channels, facilities or services, but do involve the resale of the Message Toll Services (MTS) and Wide Area Telecommunications Services (WATS) of underlying common carriers who may be subject to the jurisdiction of this commission.
- 2.1.3 The rates and regulations contained in this tariff apply only to the services furnished by A C S and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carrier for use in accessing the services of A C S
- 2.1.4 The services of A C S are furnished to purchasers of A C S Phone cards. The purchase of a card makes available to the purchasing subscriber A C S's nationwide services, including the intrastate services offered under the terms and conditions of this tariff.

Issued:

Effective:.

SECTION 2. RULES AND REGULATIONS (Cont'd)

2.2 Use of Services

- 2.2.1 A C S's services may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of services.
- 2.2.2 The use of A C S's services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another, or in such a way as to unreasonably interfere with use by others, is prohibited.
- 2.2.3 The use of A C S's services without payment for service or attempting to avoid payment for service by fraudulent means or devices, schemes, false or invalid numbers, false calling or credit cards or false A C S Phone Cards or false numbers of such cards, is prohibited.
- 2.2.4 A C S's services are available for use twenty-four hours per day, seven days per week.
- 2.2.5 A C S does not transmit messages pursuant to this tariff, but its services may be used for that purpose.
- 2.2.6 A C S's services may be denied for nonpayment of charges or for other violations of this tariff.

Issued:

Effective:

2.3 Liability of A C S

- 2.3.1 A C S shall not be liable for loss or damage sustained by reason of any failure in or breakdown of facilities associated with A C S International's services or for any interruption or delay of services, whatever shall be the cause of such failure, breakdown, or interruption, and whether negligent or otherwise, and however long it shall last. In no event shall A C S's liability for any service exceed the charges applicable under this tariff to such service.
- 2.3.2 A C S shall be indemnified and saved harmless by any subscriber, user or by any other entity against claims for libel, slander or the infringement of copyright arising from the material transmitted over its services; and against all other claims arising out of any act or omission of a subscriber or of any other entity in connection with the services provided by A C S
- 2.3.3 A C S is not liable for any act or omission of any entity furnishing facilities or services connected with or provided in conjunction with the services of A C S.
- 2.3.4 A C S shall not be liable for any personal injury, or death of any person or persons, nor for any loss or damage sustained by reason of acts, mistakes, omissions, errors or defects in providing its services, whatever shall be the cause, and whether negligent or otherwise.

Issued:

Effective:

- 2.3.5 A C S shall not be liable for and shall be indemnified and saved harmless by any subscriber, user or other entity from any and all loss, claims, demands, suits, or other action or any liability whatever, whether suffered, made, instituted, or asserted by any subscriber, user or any other entity or any personal injury to, or death of, any person or persons, and for any loss, damage, defacement or destruction of the premises of any subscriber, user or any other entity of any other property whether owned or controlled by the subscriber, user or others, caused or claimed to have been caused, directly or indirectly, by any act or omission of the subscriber, user or others or by any installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of services, facilities or equipment provided by A C S which is not the direct result of A C S's negligence. No agents or employees of any other entity shall be deemed to be the agents or employees of A C S
- 2.3.6 A C S shall not be liable for any failure of performance due to causes beyond its control, including, without being limited to, acts of God, fires, floods or other catastrophes, national emergencies, insurrections, riots or wars, strikes, lockouts, work stoppage or other labor difficulties, acts or omissions of other carriers, and any law, order, regulation or other action of any governing authority or agency thereof.

Issued:

- 2.3.5 A C S shall not be liable for and shall be indemnified and saved harmless by any subscriber, user or other entity from any and all loss, claims, demands, suits, or other action or any liability whatever, whether suffered, made, instituted, or asserted by any subscriber, user or any other entity or any personal injury to, or death of, any person or persons, and for any loss, damage, defacement or destruction of the premises of any subscriber, user or any other entity of any other property whether owned or controlled by the subscriber, user or others, caused or claimed to have been caused, directly or indirectly, by any act or omission of the subscriber, user or others or by any installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of services, facilities or equipment provided by A C S which is not the direct result of A C S's negligence. No agents or employees of any other entity shall be deemed to be the agents or employees of A C S
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Issued:

Effective:

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- 2.3.6 A C S shall not be liable for any failure of performance due to causes beyond its control, including, without being limited to, acts of God, fires, floods or other catastrophes, national emergencies, insurrections, riots or wars, strikes, lockouts, work stoppage or other labor difficulties, acts or omissions of other carriers, and any law, order, regulation or other action of any governing authority or agency thereof.

Issued:

Effective:

2.4 Responsibilities of the Subscriber

- 2.4.1 The subscriber is responsible for payment for use of A C S Phone Cards and for complying with tariff regulations. The subscriber is also responsible for the payment of charges for calls which the subscriber elects to continue following notification that the prepaid amount on the A C S calling card then in use has been fully used.
- 2.4.2 The subscriber must pay A C S for replacement or repair of damage to the equipment or facilities of A C S caused by negligence or willful act of the subscriber or others, by improper use of the services, or by use of equipment provided by the subscriber or others.
- 2.4.3 The subscriber is responsible for compliance with the applicable regulations set forth in this tariff.
- 2.4.4 The subscriber is responsible for establishing its identity as often as necessary during the course of a call.
- 2.4.5 The subscriber is responsible for identifying the station, party, or person with whom communication is desired and/or made at the called number.

issued:

2.5 Cancellation or Interruption of Services

- 2.5.1 Without incurring liability, A C S may immediately discontinue services to a subscriber or may withhold the provision of ordered or contracted services:
 - (A) For nonpayment of any sum due A C S for the use of A C S Phone Cards, or for nonpayment of any sum due A C S following full use of the prepaid amount on an A C S calling card.
 - (B) For violation of any of the provisions of this tariff,
 - (C) For violation of any law, rule, regulation or policy of any governing authority having jurisdiction over A C S's services, or
 - (D) By reason of any order or decision of a court, public service commission or federal regulatory body or other governing authority prohibiting A C S from furnishing its services.
- 2.5.2 Without incurring liability, A C S may interrupt the provision of services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of A C S's equipment and facilities and may continue such interruption until any items of non-compliance or improper equipment operation so identified are rectified.

Issued:

2.5.3 Service may be discontinued by A C S, without notice to the subscriber, by blocking traffic to certain countries, cities, or exchanges, or by blocking calls using certain customer authorization code, when A C S deems it necessary to take such action to prevent unlawful use of its service. A C S will restore service as soon as it can be provided without undue risk, and will, upon request by the customer affected, assign a new account number to replace the one that has been deactivated.

2.6 Billing Arrangements

- 2.6.1 A C S Card Calls: Charges for calls of this type will be prepaid upon purchase by the subscriber of an A C S Phone Card. A C S customer service agents will have itemized call detail information on-line in order to answer customers' questions. Upon verification that the caller is an A C S customer, written itemization of charges can be obtained from customer service.
- 2.6.2 <u>Credit Card Call</u>: Itemization of charges posted to credit cards will be included on the subscriber's regular monthly statement from the card-issuing company.
- 2.7 <u>Validation of Credit</u> A C S reserves the right to validate the credit worthiness of users through available verification procedures. Where a requested billing method cannot be validated, the user may be required to provide an acceptable alternate billing method or A C S may refuse to place the call.

Issued:

2.8 Contested Charges: All bills are presumed accurate, and shall be absolutely binding on the Subscriber unless objection is received by A C S within thirty (30) days after such bills are rendered. In the case of a billing dispute between the Subscriber and A C S for service furnished to the Subscriber, A C S's Customer Service may be reached at 1-800-326-6064, 24 hours per day, or the subscriber may contact A C S at the following address:

A C S TEL COM INC 100 Merrick Rd., Suite 116W Rockville Centre, NY 11570

If such dispute cannot be settled to the satisfaction of the subscriber, the Subscriber may take the following course of action within thirty (30) days of the billing date:

2.8.1 First, the Subscriber may request, and Carrier will provide, an in-depth review of the disputed amount. The undisputed portion and subsequent bills must be paid on a timely basis or the service may be subject to disconnect.

Issued:

2.8.2 Second, if there is still a disagreement about the disputed amount after the investigation and review by a manager of A C S, the Subscriber may file an appropriate complaint with the SDPUC. The Commission's address is:

> South Dakota Public Utilities Commission 500 East Capitol Street Pierre SD 57501-5070 (605) 773-3201

- 2.9 Taxes: All federal, state and local taxes (e.g., excise tax, gross receipts tax, sales tax, municipal utilities tax) are calculated at the time of each call and included in the amount deducted for each call. Taxes are not in postpaid service, but are included in the prepaid card service.
- 2.10 Deposits: A C S does not require a deposit from the Subscriber.
- 2.11 <u>Directory Assistance</u>: A C S does not provide Directory Assistance.

Issued:

SECTION 3. DESCRIPTION OF SERVICE

- 3.1 <u>General Description of Services:</u> A C S provides interexchange telecommunications services, including switched access long distance communications service. Calls are rated based on the duration of the call.
- 3.2 <u>Prepaid Phone Card Service</u>: Prepaid Phone Card Service is a product that is neither time of day nor distance sensitive while calling within the United States, that provides prepaid calling card service (see "Service Offerings" below).
- Postpaid Card Service. A travel card service to which users may subscribe. Payment for charges to such card are made at the time of billing, after the service has been rendered. 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 Subscriber's regular monthly bill.
- 3.4 Calculation of Usage Rates: Billing for calls placed over the A C S network is based on the distance and duration of the call. Billing is in one minute increments. Calls are rounded up to the next minute. Timing of each call begins as specified below, and ends when either the calling party or the called party hangs up.
 - 3.4.1 Timing begins when the called station is answered, as determined by standard industry methods generally in use for ascertaining answer, including hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. A C S will not bill for uncompleted calls.

issued:

SECTION 3. DESCRIPTION OF SERVICE(Cont'd)

3.5 <u>Minimum Call Completion Rate</u> A customer can expect a call completion rate of not less than 99% during peak use periods for all FG D services ("1+" dialing). Under normal circumstances, the call completion rate should be no less than 99%.

3.6 Service Offerings

- 3.6.1 A C S Prepaid Phone Card Service. This service permits use of a prepaid A C S Phone Card for placing long distance calls. Users may purchase A C S cards at a variety of retail outlets or through other distribution channels.
 - 3.6.1.A A C S Phone Cards are available at a face value ranging from \$5.00, \$10.00, \$25.00, \$50.00 to \$100.00. A call is placed by dialing an 800 number to obtain access to A C S's network. The caller is prompted by an automated voice response system to enter his/her account number, and then to enter the terminating telephone number.
 - 3.6.1.B A C S's processor tracks the call duration and destination for rating purposes on a real time basis. The total price of each call, including applicable taxes, is deducted from the prepaid amount on the caller's A C S card. Should the balance on the card approach zero, the caller is so advised, and, if desired, the caller may enter a valid account number on a separate A C S card or may enter a valid commercial credit card number to continue

issued:

SECTION 3. DESCRIPTION OF SERVICE(Cont'd)

the call. Callers may also add value to an A C S card by arranging to charge a credit card on a regular basis.

- 3.6.1.C Special features are available for use with the A C S card. These features include speed calling capability for two digit dialing of up to ten numbers. In addition, multiple calls can be made without re-dialing an access number or account number.
- 3.6.1.D A C S offers universal origination from anywhere in the United States, and termination both domestically and internationally. Availability of termination may be limited by A C S's operating authority limits, or by service availability for international direct dialing.
- 3.6.2 A C S Postpaid Card Service. A travel card service to which users may subscribe. Charges to such card are either paid through LEC billing, or through charges to a valid credit card, which would be paid under the terms of the billing statement rendered by the credit card company. 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 Subscriber's regular monthly bill.

Issued:

Effective:

SECTION 4. RATES AND CHARGES

4.1 A C S Phone Card Rates

- 4.1.1 A C S will enter agreements with retailers or other distributors of the A C S card to discount the price of cards purchased by a particular retailer or other distributor in order to induce the distributor to offer the cards to end users. These distribution arrangements will not affect the rates charged to end users of the cards.
- 4.1.2 A C S may enter special arrangements with certain customers who purchase cards in volume directly from A C S. The discount will consist of reductions of price for the denomination of card or cards being purchased.

4.2 Charges Computation

- 4.2.1 Calls processed by A C S are rated and charged in increments of one minute.
- 4.2.2 Chargeable time begins when the called party answers and a connection has been established. Chargeable time ends when either party "hangs up" thereby releasing the network connection. Calls are measured and billed in one minute increments; fractional minutes of use are rounded up to the next full minute. Calls beginning in one rate period and ending in another will be billed at the rate applicable to at the beginning of the call. Consumers using A C S services will not be charged for unanswered or uncompleted calls.
- 4.2.3 All prepaid calling cards expire six (6) months after the date of first use, without further use, or after the date of last use.

Issued:

SECTION 4. RATES AND CHARGES (Cont'd)

4.3 Rate Schedules

4.3.1: Postpaid Card Service: Postpaid travel card service is available to Subscribers of A C S's long distance services. Customers will reach A C S'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 will be billed monthly on the Subscriber's Visa, MasterCard, American Express or Discover credit card. Card calls are billed in one minute initial and additional increments.

Per Minute Rate: \$0.50
Per Call Surcharge: \$0.39
Annual access fee: \$12.00

Issued:

Effective:.

SECTION 4. RATES AND CHARGES (Cont'd)

4.3.2 Prepaid Card Service: Prepaid card service is a prepaid long distance calling card service under which Users purchase cards in predetermined amounts for long distance usage. As Users access the service their usage and required taxes are automatically deducted from the remaining card balance. Prepaid card calls are billed in one minute initial and additional increments.

For calls placed anywhere in the United States, the following rates apply:

Per Minute Rates:

atou.	Face	Rate \$0.18	
Card cost	\$100.00 or more		
Card cost	Less than \$100	\$0.50	

Per Call Surcharge, all cards: \$1.00

Rev:M:12/1/97

Issued:

Effective:.

TELECARD REGULATORY SERVICES COST ACCOUNT 11655 SW ALLEN BLVD. 23 BEAVERTON, OR 97005	1036 2-29 97
Two Hundred Fifty and ref 100	DOLLARS TE
UNITED STATES NATIONAL BANK OF OREGON	
:: 1 5 3 0 0 0 5 50: 10 3 685	

South Dakota
Public Utilities Commission
State Capitol 500 E. Capitol
Pierre, SD 57501-5070
Phone: (605) 773-3705

Fax: (605) 773-3809

TELECOMMUNICATIONS SERVICE FILINGS

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

01/02/98 through 01/08/98

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

DOCKET NUMBER	TITLE/STAFF/SYNOPSIS	DATE FILED	INTERVENTION DEADLINE				
REQUEST FOR CERTIFICATE OF AUTHORITY							
TC98-001	Application by A.C.S.TEL COM INC. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/KC) "A.C.S.TEL COM offers two types of card services: (1) A Post-paid calling card services; and, (2) A Prepaid calling card service."	01/02/98	01/23/98				
TC98-002	Application by Business Calling Plan, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/CH) "Applicant offers outbound, switched access services designed primarily for small business customers."	01/08/98	01/23/98				
TC98-003	Application by Telephone Company of Central Florida, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/KC) "The Company, proposes to provide intrastate long distance service in conjunction with its interstate long distance serviceThe Company plans on offering the following services to its customers: Direct Dial 1+, Inbound Toll Free, Travel Card, Debit Card, Casual Calling, and Directory Assistance."		01/23/98				
	APPLICATION FOR REHEARING						
TC97-163	U.S. WEST Communications, Inc. applied for a rehearing in the docket granting it designation as an eligible telecommunications carrier. "U.S. WEST respectfully requests that the Commission rehear and reconsider Finding of Fact XX, Conclusion of Law VI to the extent that it addresses single party service, and the FURTHER ORDERED provision relative to single party service on page 6 of the December 17, 1997 order in this docket to allow U.S. WEST to rely on the approved timetable as allowed by the FCC order." (Staff: HB/KC)	01/08/98					

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: terryn@puc.state.sd.us. Faxing the address to the Commission at: 605-773-3809.



TeleCard Regulatory Services, Inc.

March 12, 1998

RECEIVED

MAR 16 1998 SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

Tammi Stangohr Utility Analyst South Dakota Public Utilities Commission State Capitol 500 East Capitol Street Pierre, SD 57501-5070

RE:

SD PUC docket TC 98-001

A C S TEL COM INC.

Dear Ms Stanghor:

Enclosed please find revised page 17 of the tariff for the above company. It adds the 800 number as requested in your letter of January 22, 1998.

I apologize for the lateness of the response to your request, but your request somehow got misplaced. This will confirm our telephone conversation of this date where I indicated to you that we have requested the financial information that was also requested in your letter, and that it should be forthcoming within a reasonable amount of time.

Sincerely.

Jerry W. Hendricks

Consultant

Enclosure

2.8.2 Second, if there is still a disagreement about the disputed amount after the investigation and review by a manager of A C S, the Subscriber may file an appropriate complaint with the SDPUC. The Commission's address is:

> South Dakota Public Utilities Commission 500 East Capitol Street Pierre SD 57501-5070 (605) 773-3201 (800) 332-1782

- 2.9 <u>Taxes</u>: All federal, state and local taxes (e.g., excise tax, gross receipts tax, sales tax, municipal utilities tax) are calculated at the time of each call and included in the amount deducted for each call. Taxes are not in postpaid service, but are included in the prepaid card service.
- 2.10 Deposits: A C S does not require a deposit from the Subscriber.
- 2.11 <u>Directory Assistance</u>: A C S does not provide Directory Assistance.

Issued:

Effective:.

OF THE STATE OF SOUTH DAKOTA

IN THE MATTER O	F THE	APPLICATION	OF)	ORDER GRANTING
A C S TEL COM INC.	FOR A	CERTIFICATE	OF)	CERTIFICATE OF
AUTHORITY	ΤO	PROVI	DE)	AUTHORITY
TELECOMMUNICAT	TIONS	SERVICES	IN)	
SOUTH DAKOTA)	TC98-001

On January 2, 1998, 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 A C S TEL COM INC. (A C S).

A C S proposes to offer 800 WATS and two types of card service: (1) a post-paid calling card service; and (2) prepaid calling card service. A proposed tariff was filed by A C S. The Commission has classified long distance service as fully competitive.

On January 8, 1998, the Commission electronically transmitted notice of the filing and the intervention deadline of January 23, 1998, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled September 10, 1998, meeting, the Commission considered A C S' request for a certificate of authority. Commission Staff recommended granting a certificate of authority.

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 A C S has met the legal requirements established for the granting of a certificate of authority. A C S 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 A C S' application for a certificate of authority. As the Commission's final decision in this matter, it is therefore

ORDERED, that A C S' application for a certificate of authority is hereby granted. It is

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

Dated at Pierre, South Dakota, this 21 day of September, 1998.

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 fully Kalks

Date 9/21/98

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

JAMES A. BURG, Chairman

Jam Vilson

PAM NELSON, Commissioner

LASKA SCHOENFELDER, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

CERTIFICATE OF AUTHORITY

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

Authority was Granted September 10, 1998 Docket No. TC98-001

This is to certify that

A C S TEL COM 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 21st day of September, 1998.

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION:

JAMES A BURG Chairman

PAM NELSON, Commissioner

LASKA SCHOENFELDER, Commissioner