

DOCKET NO. _____

In the Matter of _____

IN THE MATTER OF THE
APPLICATION OF AMERICATEL
CORPORATION FOR A CERTIFICATE
OF AUTHORITY TO PROVIDE
TELECOMMUNICATIONS SERVICES IN
SOUTH DAKOTA

Public Utilities Commission of the State of South Dakota

DATE	MEMORANDA
1/28 98	Filed and docketed;
1/29 98	TC Fax Filing;
2/2 98	Revised Tariff Sheets;
2/13 98	Revised Tariff Sheets;
2/27 98	Order Granting COA;
2/27 98	Docket Closed.

TC98-013
ORIGINAL

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January 27, 1998

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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

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VIA FEDERAL EXPRESS

Mr. Bill Bullard
Executive Director
South Dakota Public Utilities Commission
500 E. Capitol Ave.
Pierre, SD 57501-5070

**Re: Petition of Americatel Corporation for a Certificate of Authority
to Operate as a Reseller of Telephone Services**

Dear Sir:

On behalf of Americatel Corporation ("Americatel"), enclosed herewith please find an original and ten (10) copies of Americatel's Petition for a Certificate of Authority to Operate as a Reseller of Telephone Services in the State of South Dakota. Also enclosed is a check to cover the required filing fee of \$250.00, made payable to the South Dakota Public Utilities Commission.

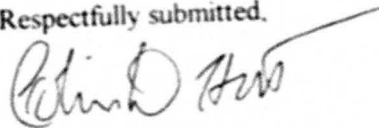
Please acknowledge receipt of this application by date-stamping the enclosed "Return Copy" of this filing and returning it in the stamped, self-addressed envelope enclosed for that purpose.

LEVENTHAL, SENTER & LERMAN PLLC

Mr. Bill Bullard
January 27, 1998
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Should you have any questions regarding this matter, please contact the
undersigned.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Colin D Horst", with a long horizontal flourish extending to the right.

Colin D Horst

Enclosures

**STATE OF SOUTH DAKOTA
PUBLIC UTILITIES COMMISSION**

In the Matter of)

AMERICATEL CORPORATION)

Petition for Certificate of Authority)

to Operate as a Reseller of Telephone Services)

PETITION FOR A CERTIFICATE OF AUTHORITY

Americatel Corporation ("Americatel") hereby petitions the State of South Dakota Public Utilities Commission (the "Commission") for the issuance of a Certificate of Authority to permit Americatel to resell long distance, casual dial-around, 10XXX telephone services to customers within the State of South Dakota. In support thereof, Americatel submits the following information:

1. NAME, ADDRESS AND TELEPHONE NUMBER OF APPLICANT

The name of the applicant is Americatel Corporation, whose principal contact person, business address and telephone number are:

Jorge Asecio
Chief Executive Officer
4045 N.W. 97th Avenue
Miami, Florida 33178
(305) 716-8700

2. BUSINESS NAMES OF APPLICANT

Americatel has been assigned the number 123 as its three-digit Carrier Identification Code ("CIC"). Until such time as the use of three-digit CICs is discontinued in the United States by order of the Federal Communications Commission, Americatel intends to

conduct business in the State of South Dakota under either or both of the fictitious business names 10 123 Americatel and 1010 123 Americatel. Once the use of three-digit CICs has been discontinued, Americatel may cease conducting business under the fictitious business name 10 123 Americatel.

3. CORPORATE INFORMATION

a. State of Incorporation; Authority to Transact Business in South Dakota

Americatel is a privately-held corporation, which was duly incorporated under the laws of the State of Delaware on April 29, 1992. A copy of Americatel's Certificate of Authority to Transact Business in South Dakota is attached hereto as Exhibit A.

b. Principal Office; Registered Agent

Americatel will not operate from an office in the State of South Dakota. The name, address and telephone and facsimile numbers of Americatel's agent for service of process in the State of South Dakota are as follows:

Corporation Service Company
503 South Pierre Street
Pierre, SD 57501
(302) 998-0595
(fax) (302) 636-5454

c. Ownership; Management

The following are the names, addresses and titles of, and the percentages and classes of shares held by, the direct and indirect holders of ten percent or more of the shares of Americatel. As all reported shareholders are entities rather than individuals, citizenship and principal business information is provided in lieu of titles.

- (i) ENTEL International B.V.I. Corporation ("ENTEL B.V.I.") owns 90 percent of

Americatel. ENTEL B.V.I. is organized under the laws of the British Virgin Islands and its address is Av. Andres Bello No. 2687, Piso 14, Edificio Pacifico, Las Condes, Santiago, Chile. Its principal business is investments. Empresa Nacional de Telecomunicaciones, S.A. ("ENTEL-Chile") owns one hundred percent of ENTEL B.V.I.

(ii) ENTEL-Chile is organized under the laws of Chile and its address is Av. Andres Bello No. 2687, Piso 14, Edificio Pacifico, Las Condes, Santiago, Chile. Its principal business is the provision of domestic and international long-distance telephone service in Chile. The holders of ten percent or more of the capital stock of ENTEL-Chile are as follows:

<u>Shareholder</u>	<u>Citizenship</u>	<u>Address</u>	<u>Principal Business</u>	<u>% of Shares Held</u>
Stet International Netherlands N.V.	The Netherlands	Hoekenrode 6/8 Foppingadref 12 1102 BR Amsterdam The Netherlands	Investments	19.9919 ¹
Chilquinta S.A.	Chile	General Cruz 222 Valparaiso, Chile	Electric Utility	19.9919 ²
Samsung Chile Holding Limitada	Chile	Puerta Del Sol 55 Oficina 11 Las Condes, Chile	Investments	12.4729

(iii) Seaquins Investments S.A. ("Seaquins") owns 10 percent of Americatel.

Seaquins is organized under the laws of the British Virgin Islands, and its address is Quebrada Honda 11721, Santiago, Chile. Its principal business is investments.

¹ Together with Duncan Fox, a company related to Chilquinta, S.A. ("Chilquinta"), Chilquinta holds 20.0881 percent of the corporate capital of ENTEL-Chile. In addition, and pursuant to a shareholders' agreement between Stet International Netherlands N.V. ("Stet Netherlands") and Chilquinta, Stet Netherlands and Chilquinta (with Duncan Fox) jointly own 40.08 percent of the capital stock of ENTEL-Chile.

² See note 1 *supra*.

The titles, names, and business addresses of the corporate officers and directors of

Americatel are as follows.

<u>Title</u>	<u>Name</u>	<u>Business Address</u>
Chief Executive Officer	Jorge Asecio	4045 N.W. 97th Avenue Miami, Florida 33178
Vice President of Corporate & Legal Affairs and Secretary	Alejandro Vargas	4045 N.W. 97th Avenue Miami, Florida 33178
Vice President of Finance & Administration	Daniel Contreras	4045 N.W. 97th Avenue Miami, Florida 33178
Vice President of Engineering & Sales	Roberto Oyarzun	4045 N.W. 97th Avenue Miami, Florida 33178
Vice President of Customer Service and Management Informator Systems	Justo Valladares	4045 N.W. 97th Avenue Miami, Florida 33178
Vice President of Long Distance Services	Jose Navarro	4045 N.W. 97th Avenue Miami, Florida 33178
Vice President of Marketing	Matias Arentsen	4045 N.W. 97th Avenue Miami, Florida 33178
Director	Richard Büchi	4045 N.W. 97th Avenue Miami, Florida 33178
Director (Chairman)	Felipe Ureta	4045 N.W. 97th Avenue Miami, Florida 33178
Director	Rene Kreuzberger	4045 N.W. 97th Avenue Miami, Florida 33178
Director	Konrad Burchardt	4045 N.W. 97th Avenue Miami, Florida 33178
Director	Ricardo Cruzat	4045 N.W. 97th Avenue Miami, Florida 33178

d. Subsidiaries

Americatel neither owns nor controls any subsidiaries.

4. PARTNERSHIP INFORMATION

Americatel is not a partnership, and as such, it has no general or limited partners.

5. PROPOSED SERVICES AND MANAGERIAL CAPABILITY TO PROVIDE SUCH SERVICES

Americatel will offer direct dialed, long distance, casual dial-around 10XXX service on a non-presubscribed basis. Americatel intends to provide its telecommunications services from points of origin within the State of South Dakota to points of destination within the State of South Dakota, other parts of the United States, and foreign countries. Americatel intends to market its telecommunications services primarily to residential and business customers.

Domestic calls are placed by dialing 1-0-123-1 and the destination area code and telephone number. Domestic calls may also be placed by dialing 1-0-1-0123-1 and the destination area code and telephone number. Americatel does not provide operator services, but has arranged for the provision of operator services by a separate company. To reach such operator services, customers will dial 1-0-123-0 or 1-0-1-0123-0. After the use of three digit carrier identification codes is discontinued within the United States, customers will dial only 1-0-1-0123 before domestic area codes and telephone numbers. Customers may originate calls from any calling station within the State of South Dakota except calling stations in hospitals, university dormitories and prisons, and cellular and pay telephones.

Americatel has the managerial expertise necessary to provide the services proposed herein. Americatel's Chief Executive Officer, Mr. Jorge Asecio, will be the officer principally responsible for the provision of 10XXX service in South Dakota. Mr. Asecio has more than 15 years of experience in various executive positions in telecommunications, software and investments, and has worked in government as well. From 1995 until 1997, he served as

Public Services Manager for ENTEL-Chile. In this capacity, Mr. Asecio was responsible for managing several key products, including marketing strategy, budgeting, pricing and product development. In addition to Mr. Asecio, Americatel is staffed by six departmental vice presidents in charge of up to 17 departments. Total staffing is approximately 50, with expectations to grow to approximately 100 by the second quarter of 1998. All vice presidents have substantial experience within the areas of their responsibilities and are highly qualified to carry out the duties of their respective positions.

6. EQUIPMENT; STATEMENT REGARDING AMERICATEL'S TECHNICAL CAPABILITY TO PROVIDE PROPOSED SERVICES

a. Equipment

Americatel plans to resell long distance telephone service and as such will use the facilities of its underlying carrier(s).

b. Statement Regarding Technical Capability to Provide Proposed Services

Americatel's engineering and technical staff is comprised of many experienced personnel. Roberto Oyarzun is the company's Vice President of Engineering and Sales. Mr. Oyarzun has more than twenty years of telecommunications industry experience, including nearly four years in his present capacity with Americatel. Prior to joining Americatel, Mr. Oyarzun was employed for more than 15 years with ENTEL-Chile. His last position with ENTEL-Chile was Vice President of the Southern Chile region.

Mr. Oyarzun's engineering staff consists of some 13 engineers and technicians plus support staff with many years of experience in international telecommunications. This group has substantial expertise in areas of systems design and operations for both private networks and public telephony.

7. GEOGRAPHIC AREA TO BE SERVED

Americatel plans to offer its services throughout the entire State of South Dakota, except for cellular and pay telephones, and calling stations in hospitals, university dormitories and prisons.

8. FINANCIAL STATEMENTS; TARIFF

A copy of Americatel's most recent financial statements is attached hereto as Exhibit B. Because Americatel is a privately held corporation, it does not prepare either annual reports or reports to stockholders.

A copy of Americatel's tariff, describing the terms and conditions of service, is attached hereto as Exhibit C.

9. REGULATORY COUNSEL AND CUSTOMER BILLING

a. Regulatory Counsel

Official communication from the Commission regarding this Application and/or Americatel's ongoing regulatory affairs should be directed to:

Raul R. Rodriguez, Esq.
Walter P. Jacob, Esq.
c/o Leventhal, Senter & Lerman P.L.L.C.
2000 K Street, N.W., Suite 600
Washington, D.C. 20006-1809

b. Customer Billing Procedures; Customer Complaints

Americatel's billing and collections will be performed by OAN Services, Inc., whose business address is 9255 Corbin Avenue, Northridge, California 91324.

Americatel's customer service organization is Precision Response Corporation, whose address is 1505 N.W. 167th Street, Miami, Florida. Customer service agents are available

24 hours per day, seven days per week to respond to customer inquiries. In the event that a customer service agent is unable to promptly resolve a customer's complaint, the customer will be referred to Americatel's Customer Service Department. In addition, customers have the right to refer billing disputes and other complaints directly to Americatel at (888) 801-0123. All customer complaints will be handled as expeditiously as possible.

Americatel's customer service contact is Mr. Justo Valladares, Vice President of Customer Service and Management Information Systems.

10. STATES IN WHICH AMERICATEL IS AUTHORIZED TO DO BUSINESS

Americatel is in the process of registering to conduct business in every state in the continental United States of America. Certification has been received from every state except the states of Alabama, Arizona, Connecticut, Illinois, New Hampshire, Mississippi, New Mexico, West Virginia, and Wyoming (where Americatel's applications are currently pending). Americatel has never been denied registration or certification in any state.

11. MARKETING PLAN

Americatel's target market is U.S. Hispanics, both residential and business customers. Americatel intends to market its services through mass media (print, TV, radio, and billboards) to reinforce code usage and price savings. As we will be using mass media, we have no promotional materials available at this time. There are no plans to have a sales department at Americatel. Americatel uses an advertising agency and a public relations firm to assist in its marketing efforts. Americatel does not engage in multilevel marketing.

12. STATEMENT REGARDING COST SUPPORT FOR RATES SHOWN IN APPLICANT'S TARIFF

Americatel proposes to offer direct dialed, long distance, casual dial-around 10XXX service on a non-presubscribed basis. Because the Commission has classified long distance service as fully competitive, see, e.g. Touch 1 Long Distance, Inc., Docket No. TC96-176, Americatel is not be required to submit cost support for rates shown in the company's tariff.

13. CONCLUSION

In view of the foregoing, Americatel Corporation submits that the public convenience and necessity would be served by expeditious grant of the instant Petition for a Certificate of Authority Operate as a Reseller of Telephone Services within the State of South Dakota.

Respectfully submitted,

AMERICATEL CORPORATION

By: 

Title: Chief Exec. Officer

Date: 1/12/98

**AMERICATEL
CORPORATION**

**PETITION FOR A CERTIFICATE OF
AUTHORITY TO OPERATE AS A RESELLER
OF LONG-DISTANCE TELEPHONE SERVICES**
EXHIBIT A

**CERTIFICATE OF AUTHORITY
TO TRANSACT BUSINESS IN SOUTH DAKOTA**

State of South Dakota



OFFICE OF THE SECRETARY OF STATE

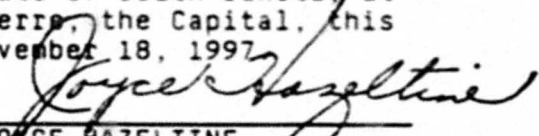
CERTIFICATE OF AUTHORITY

I, JOYCE HAZELTINE, Secretary of State of the State of South Dakota, hereby certify that the Application for a Certificate of Authority of AMERICATEL CORPORATION (DE) 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 AMERICATEL CORPORATION.



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 November 18, 1997.


JOYCE HAZELTINE
Secretary of State

**AMERICATEL
CORPORATION**

**PETITION FOR A CERTIFICATE OF
AUTHORITY TO OPERATE AS A RESELLER
OF LONG-DISTANCE TELEPHONE SERVICES**
EXHIBIT B

FINANCIAL STATEMENTS

AMERICATEL CORPORATION
(A Wholly Owned Subsidiary of Entel International
B.V.I. Corporation)

Financial Statements

December 31, 1996 and 1995

(With Independent Auditors' Report Thereon)

One Biscayne Tower
Suite 2900
2 South Biscayne Boulevard
Miami, FL 33131

Telephone 305 358 2300

Teletax 305 677 3544

Independent Auditors' Report

The Board of Directors
Americatel Corporation:

We have audited the accompanying balance sheets of Americatel Corporation (a wholly owned subsidiary of Entel International B.V.I. Corporation) as of December 31, 1996 and 1995, and the related statements of operations, stockholder's equity, and changes in working capital for the years then ended and the statement of cash flows for the year ended December 31, 1996 which, as described in note 1, have been prepared on the basis of accounting principles accepted in Chile. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

As discussed in note 2 to the financial statements, the Company is currently dependent on its stockholder to fund its operations and capital expenditures.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Americatel Corporation as of December 31, 1996 and 1995 and the results of its operations and changes in working capital for the years then ended and its cash flows for the year ended December 31, 1996 in conformity with accounting principles generally accepted in Chile.

KPMG Peat Marwick LLP

January 24, 1997



Member Firm of
KPMG network

South Florida Business Unit

Miami

Fort Lauderdale

West Palm Beach

AMERICATEL CORPORATION
(A Wholly Owned Subsidiary of Entel International
B.V.I. Corporation)

Balance Sheets

December 31, 1996 and 1995

<u>Assets</u>	<u>1996</u>	<u>1995</u>
Current assets:		
Cash and cash equivalents	\$ 160,129	288,157
Receivables:		
Trade, net of allowance for doubtful accounts of \$44,900 and \$16,000 in 1996 and 1995, respectively	747,880	516,243
Other	<u>219</u>	<u>7,048</u>
Total receivables	748,099	523,291
Note receivable	-	29,357
Prepaid expenses	15,019	600
Due from related parties	<u>67,833</u>	<u>36,819</u>
Total current assets	991,080	878,224
Property and equipment, net	7,772,783	7,766,890
Advances to and investment in affiliates, at equity	189,621	493,801
Other assets	<u>155,442</u>	<u>68,409</u>
	\$ <u>9,108,926</u>	<u>9,207,324</u>
<u>Liabilities and Stockholder's Equity</u>		
Accounts payable and accrued expenses	1,852,210	805,174
Notes payable to banks	400,000	-
Due to stockholders and related parties	<u>950,132</u>	<u>632,623</u>
Total current liabilities	<u>3,202,342</u>	<u>1,437,797</u>
Due to stockholders, long term	<u>-</u>	<u>49,226</u>
Stockholder's equity:		
Common stock, \$0.01 par value. Authorized 150,000 shares: 57,870 and 49,483 shares issued and outstanding in 1996 and 1995, respectively	579	495
Additional paid-in capital	21,241,137	18,002,137
Accumulated deficit	(14,919,962)	(10,205,059)
Accumulated preoperating deficit-affiliates	<u>(415,170)</u>	<u>(77,272)</u>
Total stockholder's equity	5,906,584	7,720,301
Commitments and contingencies	<u>-</u>	<u>-</u>
	\$ <u>9,108,926</u>	<u>9,207,324</u>

See accompanying notes to financial statements.

AMERICATEL CORPORATION
(A Wholly Owned Subsidiary of Entel International
B.V.I. Corporation)

Statements of Operations

Years ended December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Revenue	\$ 4,557,780	1,533,970
Costs and expenses:		
Cost of revenue	5,005,317	2,618,596
Selling, general and administrative expenses	<u>3,830,838</u>	<u>4,253,461</u>
Loss from operations	<u>4,278,375</u>	<u>5,338,087</u>
Other (income) expense:		
Equity in losses of affiliates	147,629	323,363
Write-off of advances to and due from affiliate	500,369	-
Interest income	(64,008)	(33,628)
Interest expense	23,900	-
Other income	<u>(171,362)</u>	<u>-</u>
Other expenses, net	<u>436,528</u>	<u>289,735</u>
Net loss	\$ <u>4,714,903</u>	<u>5,627,822</u>

See accompanying notes to financial statements.

AMERICATEL CORPORATION
(A Wholly Owned Subsidiary of Entel International
B.V.I. Corporation)

Statements of Stockholder's Equity
Years ended December 31, 1996 and 1995

	Common stock			Accumulated deficit	Accumulated preoperating deficit - affiliates	Total stockholder's equity
	Number of shares	Par value	Additional paid in capital			
Balance, December 31, 1994	23,761	\$ 238	13,067,394	(4,577,237)	-	8,490,395
Net loss	-	-	-	(5,627,822)	-	(5,627,822)
Preoperating deficit, affiliates	-	-	-	-	(77,272)	(77,272)
Issuance of common stock related to contributed capital during 1994	5,366	53	(53)	-	-	-
Issuance of common stock on April 3, 1995	5,696	57	2,034,943	-	-	2,035,000
Issuance of common stock on July 28, 1995	4,820	48	999,952	-	-	1,000,000
Issuance of common stock on October 2, 1995	4,880	49	999,951	-	-	1,000,000
Issuance of common stock on November 22, 1995	2,685	27	499,973	-	-	500,000
Issuance of common stock on December 15, 1995	<u>2,275</u>	<u>23</u>	<u>399,977</u>	<u>-</u>	<u>-</u>	<u>400,000</u>
Balance, December 31, 1995	49,483	495	18,002,137	(10,205,059)	(77,272)	7,720,301
Net loss	-	-	-	(4,714,903)	-	(4,714,903)
Preoperating deficit, affiliates	-	-	-	-	(337,898)	(337,898)
Capitalization of loans from stockholder and issuance of common stock on September 30, 1996	8,387	84	1,279,916	-	-	1,280,000
Capitalization of loan from stockholder on September 30, 1996	-	-	334,084	-	-	334,084
Capitalization of loan from stockholder on October 7, 1996	-	-	925,000	-	-	925,000
Capitalization of loan from stockholder on November 28, 1996	<u>-</u>	<u>-</u>	<u>700,000</u>	<u>-</u>	<u>-</u>	<u>700,000</u>
Balance, December 31, 1996	<u>57,870</u>	<u>\$ 579</u>	<u>21,241,137</u>	<u>(14,919,962)</u>	<u>(415,170)</u>	<u>5,906,584</u>

See accompanying notes to financial statements.

AMERICATEL CORPORATION
(A Wholly Owned Subsidiary of Entel International
B.V.I. Corporation)

Statements of Changes in Working Capital

For the years ended December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Resources from operating activities:		
Net loss	\$ (4,714,903)	(5,627,822)
Adjustments to reconcile net loss to resources from operating activities:		
Depreciation and amortization	863,539	681,934
Equity in loss of affiliates	147,629	323,363
Write-off of advances to affiliate	277,273	-
Other operating resources	<u>(49,226)</u>	<u>49,226</u>
Total resources from operating activities	<u>(3,475,688)</u>	<u>(4,573,299)</u>
Other resources:		
Proceeds from issuance of common stock and capital contributed by stockholders	3,239,084	4,935,000
Deposits refunded	<u>30,025</u>	<u>37,999</u>
Total other resources	<u>3,269,109</u>	<u>4,972,999</u>
Uses:		
Purchases of property and equipment	(986,490)	(1,399,915)
Advances and capital contributions to affiliates	<u>(458,620)</u>	<u>(498,594)</u>
Total uses	<u>(1,445,110)</u>	<u>(1,898,509)</u>
Decrease in working capital	\$ <u>(1,651,689)</u>	<u>(1,498,809)</u>
Changes in working capital:		
Increase (decrease) in current assets:		
Cash and cash equivalents	(128,028)	(1,486,133)
Receivables	224,808	395,427
Note receivable	(29,357)	29,357
Prepaid expenses	14,419	(50,340)
Due from related parties	<u>31,014</u>	<u>36,819</u>
	<u>112,856</u>	<u>(1,074,870)</u>
Decrease (increase) in current liabilities:		
Accounts payable and accrued expenses	(1,047,036)	208,684
Notes payable to banks	(400,000)	-
Due to stockholders and related parties	<u>(317,509)</u>	<u>(632,623)</u>
	<u>(1,764,545)</u>	<u>(423,939)</u>
Decrease in working capital	\$ <u>(1,651,689)</u>	<u>(1,498,809)</u>

See accompanying notes to financial statements.

AMERICATEL CORPORATION
(A Wholly Owned Subsidiary of Entel International
B.V.I. Corporation)

Statement of Cash Flows

Year ended December 31, 1996

Cash flows from operating activities:	
Cash was provided from:	
Receipts from customers	\$ 4,392,108
Interest received	64,008
Cash disbursed to:	
Payments to suppliers and employees	(6,754,218)
Payments of interest	<u>(23,900)</u>
Net cash used in operating activities	<u>(2,322,002)</u>
Cash flows from investing activities:	
Purchases of property and equipment	(986,490)
Advances and capital contributions to affiliates	<u>(458,620)</u>
Net cash used in investing activities	<u>(1,445,110)</u>
Cash flows from financing activities:	
Proceeds from issuance of common stock and capital contributed by stockholders	3,239,084
Proceeds from notes payable	<u>400,000</u>
Net cash provided by financing activities	<u>3,639,084</u>
Net decrease in cash and cash equivalents	(128,028)
Cash and cash equivalents, beginning of year	<u>288,157</u>
Cash and cash equivalents, end of year	\$ <u>160,129</u>
Reconciliation of net loss to net cash used in operating activities:	
Cash flows from operating activities:	
Net loss	\$ (4,714,903)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation and amortization	863,539
Allowance for doubtful accounts	44,900
Equity in loss of affiliate	147,629
Write-off of advances to and due from affiliate	500,369
Net changes in operating assets and liabilities:	
Increase in accounts receivable	(269,708)
Decrease in notes receivable	29,357
Increase in prepaid expenses	(14,419)
Decrease in deposits	30,025
Increase in accounts payable and accrued expenses	1,047,036
Increase in due to stockholders and related parties, net	<u>14,173</u>
Net cash used in operating activities	\$ <u>(2,322,002)</u>

See accompanying notes to financial statements.

AMERICATEL CORPORATION
(A Wholly Owned Subsidiary of Entel International
B.V.I. Corporation)

Notes to Financial Statements

December 31, 1996 and 1995

(1) *Summary of Significant Accounting Policies*

(a) *Description of Business and Basis of Presentation*

Americatel Corporation (the "Company") was incorporated in Delaware on April 29, 1992. The Company provides long distance communication services, including long distance telephone communication, facsimile and other telecommunication services primarily between the United States and Latin America and the Caribbean.

The Company has obtained authorization from the Federal Communications Commission (the "FCC") to provide international telecommunications services on a common-carrier basis and has entered into various operating agreements and contracts with related and unrelated entities to provide such services and purchase necessary equipment and facilities to provide such services.

Effective July 11, 1994, the FCC approved the transfer of an 80 percent majority interest of the Company to its principal stockholder, Entel International B.V.I. Corporation ("Entel"), subject to certain terms and conditions which include filing requirements, restrictions as to services that the Company can provide, and nondiscriminatory accounting rates the Company can utilize to settle its international accounts.

On July 26, 1996, Entel entered into a Stock Purchase Agreement (the "Agreement") with the minority stockholders whereby Entel acquired all of their shares in the Company. Pursuant to the terms of the Agreement, all previous agreements between Entel and the former stockholders were terminated as of that date.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in Chile.

(b) *Property and Equipment*

Property and equipment are stated at cost. Depreciation on equipment is computed under the straight-line method over the estimated useful lives of the assets. Expenditures for major renewals and betterments are capitalized. Repairs and maintenance expenditures are charged to income as incurred.

(c) *Income Taxes*

Income taxes are recognized in the same period in which the income and expenses that generate them are incurred, independently from the period in which those income and expenses become taxable or deductible as indicated by fiscal regulations.

(Continued)

AMERICATEL CORPORATION
(A Wholly Owned Subsidiary of Entel International
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Notes to Financial Statements

Temporary differences arising from this methodology are recognized as deferred taxes in the financial statements unless there is reasonable assurance that those differences will be offset in the future by temporary differences of the same nature, in which case they are not recognized.

(d) *Cash Equivalents*

For purposes of the statement of cash flows, the Company considers cash on hand and in banks and all highly liquid instruments purchased with an original maturity of three months or less to be cash and cash equivalents.

(e) *Advances to and Investment in Affiliates*

The Company has entered into joint ventures in Peru and Ecuador in which it purchased a 50 percent interest in the resulting companies. The joint venture in Peru started operations in 1995, while the Ecuadorian joint venture is considered a development-stage enterprise.

The Company accounts for its investment in affiliates under the equity method of accounting. Included in investment in affiliates are advances made to the affiliates which are not evidenced by promissory notes. As of December 31, 1996 and 1995, interest income on these advances to affiliates amounted to \$35,018 and \$7,571, respectively. The Company's affiliates are dependent upon the continuing financial support of their stockholders to support their current operations.

The Company's joint venture in Peru has incurred recurring losses since its inception, resulting in a stockholders' deficit of \$23,359 as of December 31, 1996. Furthermore, the Company is currently in negotiations with its partner in this joint venture to determine the most appropriate course of action for this investment, which could include sale or liquidation of the business. In view of the aforementioned, the Company wrote off all its advances and commercial receivable balances due from its venture in Peru, which amounted to \$500,369 as of December 31, 1996. While it is not feasible to determine the final outcome of the negotiations with its partner in this venture, management does not believe that such negotiations will result in a materially adverse effect on the Company's financial position or results of operations.

(f) *Use of Estimates*

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with generally accepted accounting principles. Significant estimates include, among others, the useful lives of property and equipment and the allowance for doubtful accounts. Actual results could differ from those estimates.

(Continued)

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AMERICATEL CORPORATION
 (A Wholly Owned Subsidiary of Entel International
 B.V.I. Corporation)

Notes to Financial Statements

(g) Change in Accounting Principle

In October 1995, the "Consejo Nacional de Contadores de Chile A.G.," the authoritative accounting principles pronouncement body in Chile, issued Technical Bulletin No. 50, "Statement of Cash Flows." This bulletin is effective for fiscal years ending after December 31, 1995 and requires the presentation of a statement of cash flows as part of the financial statements and eliminates the requirement of presenting a statement of changes in working capital.

In January 1996, the "Superintendencia de Valores y Seguros" issued "Oficio Circular" No. 00386 which establishes the requirement of both a statement of cash flows and a statement of changes in working capital in the financial statements for fiscal years ending after December 31, 1995.

Consequently, the accompanying financial statements include the Company's statements of changes in working capital for the years ended December 31, 1996 and 1995 and the Company's statement of cash flows for the year ended December 31, 1996.

(h) Reclassifications

Certain amounts in the 1995 financial statements have been reclassified to conform with the 1996 presentation.

(2) Liquidity

The Company does not generate sufficient cash flows to cover its current obligations and therefore is dependent upon the continuing support of Entel to support its current operations. During 1996 and 1995, the Company obtained the majority of its funding for capital expenditures, working capital, and capital contributions and advances to its joint ventures from Entel. The Company will continue to require such support until such time that it is able to generate a level of revenue sufficient to support its operations.

(3) Property and Equipment, Net

Property and equipment, net as of December 31, 1996 and 1995, consists of the following:

	<u>1996</u>	<u>1995</u>	<u>Estimated useful lives</u>
Land	\$ 732,700	732,700	-
Building	1,503,916	1,503,916	40 years
Telecommunications equipment	6,798,415	5,937,671	10 years
Office equipment	228,421	221,763	5 years
Furniture and fixtures	191,752	191,752	10 years
Automobile	<u>26,964</u>	<u>26,964</u>	5 years
	9,482,168	8,614,766	
Less accumulated depreciation	<u>(1,709,385)</u>	<u>(847,876)</u>	
Property and equipment, net	\$ <u>7,772,783</u>	<u>7,766,890</u>	

(Continued)

AMERICATEL CORPORATION
(A Wholly Owned Subsidiary of Entel International
B.V.I. Corporation)

Notes to Financial Statements

Depreciation expense for the years ended December 31, 1996 and 1995 amounted to \$862,512 and \$679,906, respectively. For the years ended December 31, 1996 and 1995, cost of sales includes \$734,337 and \$561,324, respectively, of depreciation expense related to services rendered during the year. The telecommunications equipment owned by the Company is subject to rapid technological obsolescence; therefore it is reasonably possible that the equipment's estimated useful lives could change in the near term.

(4) *Notes Payable*

The Company's notes payable as of December 31, 1996 consist of the following:

Note payable to bank, unsecured, bearing interest at prime plus one percent, principal due on demand and monthly interest payments	\$ 300,000
Note payable to bank due on June 10, 1997, unsecured, bearing interest at LIBOR plus 2%, principal and interest due at maturity	<u>100,000</u>
	\$ <u>400,000</u>

(5) *Related-Party Transactions*

On March 31, 1993, the Company entered into an agreement with a related party to provide for the operation and maintenance of the Company's telecommunication facilities given that the related party owns the FCC license to operate a common carrier radio facility. This related party became a wholly owned subsidiary of Entel effective July 26, 1996. The initial term of the agreement is for a period of 10 years with continual self-renewing five-year intervals. The agreement calls for the Company to maintain and operate its facilities, and the related party, in turn, will lease said facilities, in addition to any required office and storage space. As a result of this agreement, included in due to stockholders and related parties is a net payable of \$74,956 and \$21,416 as of December 31, 1996 and 1995, respectively.

Effective March 1, 1993, the Company entered into employment contracts with two officer/stockholders having an initial term which extended until February 28, 1997. The agreements provided for minimum salary levels as well as for incentive bonuses payable if specified management goals were attained. The agreements also provided for certain fringe benefits and reimbursement of expenses. During 1995, these employment contracts were terminated as a result of the resignation of these officer/stockholders. The Company agreed to pay certain monthly termination benefit payments to the former officer/stockholders. As of December 31, 1995, due to stockholders and related parties included an accrual for the monthly payments due as of that date totaling \$344,582. On July 26, 1996, the aforementioned termination agreements were canceled as a result of the Stock Purchase Agreement mentioned in note 1(a). Included in other income as of December 31, 1996, is \$172,297 arising from the extinguishment of debt related to the termination benefits due to the former officer/stockholders.

(Continued)

AMERICATEL CORPORATION
(A Wholly Owned Subsidiary of Entel International
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Notes to Financial Statements

Included in due to stockholders and related parties as of December 31, 1996, is a payable to the Company's stockholder amounting to \$445,000 primarily due to payments made by Entel on behalf of the Company for expenses in the normal course of business. In addition, the Company collects funds from one of Entel's customers located in the United States and subsequently remits the funds to Entel.

Effective November 1995, the Company entered into an agreement to provide Entel access to the Internet for an initial start-up fee plus a monthly fixed fee of \$12,823. The agreement is effective for a one-year period and renews automatically for additional and successive 12-month terms, provided neither party terminates it. As of December 31, 1996 and 1995, the Company maintains a receivable from Entel relating to this agreement of \$148,091 and \$25,676, respectively, which is included in due to stockholders and related parties.

Effective February 1996, the Company entered into another agreement with Entel whereby the Company sells units (that is, minutes) along its link with Entel to other carriers and vice versa. As of December 31, 1996, included in due to stockholder and related parties, is a net receivable of \$83,434 related to this agreement.

Also included in due to stockholders and related parties is a payable amounting to \$338,588 relating to an agreement with Entel whereby the Company pays a monthly fixed charge of \$14,167 for the usage of the telecommunication/satellite link between the United States and Chile and a payable of \$217,401 for charges related to all communications that pass through the Company for termination in Chile.

(6) *Income Taxes*

As of December 31, 1996, the Company had net operating loss carryforward of \$14,794,112. These amounts can be used to reduce future taxable income, as provided for under Internal Revenue Code Section 382 described below. Such tax loss carryovers expire as follows: \$26,775, \$744,193, \$3,526,279, \$5,737,862 and \$4,759,003 in 2007, 2008, 2009, 2010 and 2011, respectively.

In July 1996, additional shares of stock of the Company were transferred to Entel. Under the provisions of Internal Revenue Code Section 382, this transfer resulted in an ownership change due to Entel's greater-than-50-percent increase in stock ownership within a three-year period. Once an ownership change is deemed to have occurred under Section 382, a limitation on the annual utilization of net operating-loss carryovers is imposed. Whether or not this limitation will have a significant impact on the Company's future utilization of net operating losses will depend on the amount of future taxable income generated by the Company. If another ownership change should occur in the future, the tax-loss carryovers prior to the change in ownership may be further limited under the provisions of Section 382.

(Continued)

AMERICATEL CORPORATION
(A Wholly Owned Subsidiary of Entel International
B.V.I. Corporation)

Notes to Financial Statements

As of December 31, 1996 and 1995, the Company had no deferred tax asset and liability reflected on its financial statements since the deferred tax asset attributable to the net operating loss is completely offset by the valuation allowance, due to the uncertainty regarding the ability of the Company to generate future taxable income sufficient to utilize the tax-loss carryovers.

(7) *Commitments and Contingencies*

The Company leases equipment under operating leases which expire in 1999. The following is a schedule of future minimum lease payments under the terms of noncancelable operating leases as of December 31, 1996:

<u>Year ending December 31.</u>	<u>Future minimum lease payments</u>
1997	\$ 14,628
1998	14,628
1999	<u>11,340</u>
	\$ <u>40,596</u>

Rent expense for the years ended December 31, 1996 and 1995 amounted to \$30,983 and \$54,374, respectively.

The Company is subject to certain legal proceedings and claims which arise in the normal course of its business. In the opinion of management, there is no pending or threatened litigation which will have a material effect on the Company's financial position or results of operations.

**AMERICATEL
CORPORATION**

**PETITION FOR A CERTIFICATE OF
AUTHORITY TO OPERATE AS A RESELLER
OF LONG-DISTANCE TELEPHONE SERVICES**

EXHIBIT C

LONG DISTANCE RESALE TARIFF

AMERICATEL CORPORATION
d/b/a/ 10 123 AMERICATEL
and 1010 123 AMERICATEL

SOUTH DAKOTA P.U.C. TARIFF NO. 1
ORIGINAL SHEET 1

LONG DISTANCE RESALE TARIFF

TITLE SHEET

STATE OF SOUTH DAKOTA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of telecommunications services provided by Americatel Corporation, d/b/a 10 123 Americatel and 1010 123 Americatel, with its principal offices at 4045 N.W. 97th Avenue, Miami, Florida 33178. This tariff applies for services furnished within the State of South Dakota. This tariff is on file with the South Dakota Public Utilities Commission, where copies may be inspected, during normal business hours.

Issued: _____

Effective: _____

By: Jorge Asecio
Chief Executive Officer
Americatel Corporation
4045 N.W. 97th Avenue
Miami, Florida 33178
305-716-8700

AMERICATEL CORPORATION
d/b/a/ 10 123 AMERICATEL
and 1010 123 AMERICATEL

SOUTH DAKOTA P.U.C. TARIFF NO. 1
ORIGINAL SHEET 2

LONG DISTANCE RESALE TARIFF

CHECK SHEET

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

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

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AMERICATEL CORPORATION
d/b/a/ 10 123 AMERICATEL
and 1010 123 AMERICATEL

SOUTH DAKOTA P.U.C. TARIFF NO. 1
ORIGINAL SHEET 3

LONG DISTANCE RESALE TARIFF

TABLE OF CONTENTS

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d/b/a/ 10 123 AMERICATEL
and 1010 123 AMERICATEL

SOUTH DAKOTA P.U.C. TARIFF NO. 1
ORIGINAL SHEET 4

LONG DISTANCE RESALE TARIFF

SYMBOLS USED IN THIS TARIFF

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

- D - Delete or Discontinue
- I - Change resulting in an increase to a Customer's bill
- M - Moved from another tariff location
- N - New
- R - Change resulting in a reduction to a Customer's bill
- T - Change in text or regulation but no change in rate or charge

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LONG DISTANCE RESALE TARIFF

TARIFF FORMAT

- A. Sheet Numbering - Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. Sheet Revision Numbers - 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 S.D.P.U.C. For example, the 4th revised Sheet 14 would cancel the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc. that the S.D.P.U.C. follows in its tariff approval process, the most current sheet number on file with the S.D.P.U.C. is not always the tariff page in effect. Consult the Check Sheet for the sheet currently in effect.

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LONG DISTANCE RESALE TARIFF

C. Paragraph Numbering Sequence - There are various levels of alphanumeric coding. Each level of coding is subservient to its next higher level:

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

D. Check Sheets - When a tariff filing is made with the S.D.P.U.C., an updated check sheet accompanies the tariff filing. The check sheet lists the sheet contained in the tariff and gives 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 on the check sheet with 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 S.D.P.U.C.

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d/b/a/ 10 123 AMERICATEL
and 1010 123 AMERICATEL

SOUTH DAKOTA P.U.C. TARIFF NO. 1
ORIGINAL SHEET 7

LONG DISTANCE RESALE TARIFF

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

For the purposes of this tariff, the following definitions will apply:

1.1. Company

Americatel Corporation, d/b/a 10 123 Americatel and 1010 123 Americatel, 4045 N.W. 97th Avenue, Miami, Florida 33178, a corporation organized under the laws of the State of South Dakota.

1.2. Customer

Denotes any individual, company or other entity, or any duly authorized agent thereof, that utilizes the Services offered under this tariff.

1.3. Day

From 7:00 AM up to, but not including, 8:00 PM local time Monday through Friday.

1.4 Department

The South Dakota Public Utilities Commission.

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1.5. Evening/Weekend

From 8:00 PM up to, but not including, 7:00 AM local time Monday through Friday, and 24 hours a day on Saturday, Sundays and Holidays.

1.6. S.D.P.U.C

The South Dakota Public Utilities Commission.

1.7. Holidays

The Company's recognized holidays are New Year's Day (January 1), Memorial Day, Independence Day (July 4), Labor Day, Thanksgiving Day and Christmas Day (December 25).

1.8. Service(s)

The communications offerings provided by the Company.

1.9. Underlying Carrier

A facilities-based intrastate interexchange carrier or reseller providing the Services being resold by the Company.

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LONG DISTANCE RESALE TARIFF

SECTION 2 - RULES AND REGULATIONS

2.1. Application of Tariff

- 2.1.1. This tariff contains the regulations and rates applicable to intrastate resale telecommunications services provided by the Company to business and residential customers for telecommunications between points within the State of South Dakota. The Company's services are furnished subject to the availability of facilities and subject to the terms and conditions of this Tariff.
- 2.1.2. The Company's services are not part of a joint undertaking with any other entity providing telecommunications channels, facilities or services, but involve the resale of the facilities and/or services of underlying common carriers.
- 2.1.3. The rates and regulations contained in this Tariff apply only to the services furnished by the Company and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or

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LONG DISTANCE RESALE TARIFF

other common carrier for use in accessing the services of the Company.

- 2.1.4. The Customer is entitled to limit the use of the Company's services by end users at the Customer's facilities, and may use other common carriers in addition to or in lieu of the Company.

2.2. Undertaking of the Company

- 2.2.1. The Company's services and facilities are furnished for communications originating at specified points within the State of South Dakota under the terms of this tariff. The Company installs, operates and maintains the communications services provided herein in accordance with the terms and conditions set forth under this tariff. The Company will resell long distance services to customers within the State of South Dakota.
- 2.2.2. The Company will offer casual dial-around 10XXX service on a non-pre-subscribed basis only.
- 2.2.3. The Company shall be responsible only for the resale of the Services it offers.

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2.2.4. The Company's Services are available twenty-four hours per day, seven days per week.

2.3. Limitations of Service

2.3.1. All Service is offered subject to availability of the necessary facilities of underlying carriers, to the provisions of this tariff, and to applicable law.

2.3.2. Except as indicated otherwise herein, the Company reserves the right to refuse or discontinue Service immediately to Customers without incurring liability:

- A. For non-payment of any sum owing to the Company;
- B. For insufficient or fraudulent billing information, invalid or unauthorized telephone numbers, credit card numbers or pre-arranged account code numbers;
- C. For any violation by a Customer related to the request for such Service of either the provisions of this Tariff or any applicable

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laws, rules, regulations, or policies of any governmental authority;

- D. By reason of any order or decision of a court or other governmental authority which prohibits the Company from furnishing such Service;
- E. If the Company deems such refusal necessary to protect itself or third parties against fraud or to otherwise protect its personnel, agents, or Services;
- F. If such refusal or discontinuance is otherwise made necessary by conditions beyond the Company's control.

2.3.3. The Company may discontinue service to a Customer for nonpayment of disputed charges or other violation of this tariff or provisions of applicable law upon 10 days' written notice to the Customer without incurring any liability for damages due to the loss of telephone service.

2.3.4. The Customer may not transfer or assign its rights or duties under this tariff without the express written consent of the Company. All regulations

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and conditions contained in this tariff shall apply to all such assignees or transferees that the Company has authorized.

2.4. Liabilities of the Company

- 2.4.1. Except as stated in this Subsection, the Company shall have no liability for damages of any kind arising out of or related to events, acts, rights, obligations, or privileges contemplated by this tariff. This tariff does not limit the liability of the Company for willful misconduct.
- 2.4.2. The liability of the Company to its Customer(s) resulting in whole or in part from, or arising in connection with, the furnishing of Service under this tariff, including, but not limited to, mistakes, omissions, interruptions, delays, errors or other defects or misrepresentations, shall not exceed an amount equal to the lesser of \$500 or the charge applicable under this tariff to the call or calls affected. No other liability in any event shall attach to the Company, including liability resulting from the unavailability of Service due to the failure or inoperability of any Customer-provided communications equipment.

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- 2.4.3. The Company shall not be liable for any failure of performance hereunder due to causes beyond its control, including, but not limited to: Acts of God, fires, flood or other catastrophes; any law, order, regulation, directive, action or request of the United States Government, or any other government, including state and local governments having jurisdiction over the Company, or of any department, agency, commission, bureau, corporation or other instrumentality of any one or more of said governments, or of any civil or military authority; national emergencies, insurrections, riots, wars or labor difficulties.
- 2.4.4. The Company shall not be liable for any claim or loss, expense or damage arising out of the provision of Service (including direct, special or consequential damages, attorney fees or court costs), or for any interruption, delay, error, omission, or defect in any Service, facility or transmission provided under this tariff, if caused by any person or entity other than the Company.
- 2.4.5. The Customer shall defend, indemnify and save harmless the Company from and against any suits, claims, losses or damage, including punitive damages, attorney fees and court costs, brought or

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caused by the Customer or third parties and arising out of any act or omission of the Customer in the course of any authorized use, unauthorized use or misuse of the Company's Services, or the Customer's equipment or facilities. Unauthorized use or misuse of the Customer's equipment or facilities includes, but is not limited to, the unauthorized use or misuse of such equipment or facilities by the Customer's agent(s) or other third parties. The Company does not warrant or guarantee that it can prevent such unauthorized use or misuse, and the Customer is responsible for controlling access to, and use of, its own equipment and facilities.

- 2.4.6. The Company shall not be liable for, and shall be fully indemnified and held harmless by the Customer against, any claim or loss, expense or damage (including indirect, special or consequential damages, attorney fees or court costs) for defamation, libel, slander, invasion of privacy, infringement of copyright or patent, unauthorized use of any trademark, tradename or service mark, unfair competition, interference with or misappropriation or violation of any contract, proprietary or creative right, or any other injury or harm to any person, property or

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entity arising out of the material, data, information, or other content revealed to, transmitted, or used by the Company under this tariff; or for any act or omission of the Customer.

2.4.7. THE COMPANY MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, CONCERNING THE SERVICES, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

2.4.8. No agent or employee of any other carrier shall be deemed to be an agent or employee of the Company unless the Company or a duly authorized agent or employee of the Company so authorizes in writing.

2.5. Provision of Equipment

2.5.1. Customer-provided communications equipment at the Customer's premises for use in connection with Services provided hereunder shall be so constructed, maintained and operated as to work satisfactorily with the Services and facilities of the Company, and/or the Company's Underlying Carriers. Such Customer-provided equipment shall be in compliance with all applicable rules and regulations of the S.D.P.U.C. and the Federal

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LONG DISTANCE RESALE TARIFF

Communications Commission, the laws of the State of South Dakota and the requirements of the Communications Act of 1934, as amended.

- 2.5.2. The Company shall not be responsible for the installation, operation or maintenance of any Customer-provided communications equipment. Where such equipment is connected to Services furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of Services under this tariff in the proper manner. Subject to this requirement, the Company shall not be responsible for:
- A. the through transmission of signals generated by Customer-provided equipment or for the quality of, or defects in, such transmission;
 - B. the reception of signals by Customer-provided equipment; or
 - C. network control signaling where such signaling is performed by Customer-provided network control signaling equipment.

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By: Jorge Asecio
Chief Executive Officer
Americatel Corporation
4045 N.W. 97th Avenue
Miami, Florida 33178
305-716-8700

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2.6. Payment for Services

- 2.6.1. The Customer is responsible for the payment of all charges for Services furnished to the Customer and Customer's agent(s) or patrons of the Customer, and for all calls placed by or through Customer's equipment directly or via any remote access features. The Customer is also responsible for the payment of charges for calls originated at the Customer's numbers which are not collect, third party, calling card or credit card calls.
- 2.6.2. The Company's bills are due upon receipt. If full payment is not received within 30 days after the bill is issued, a late payment penalty on the unpaid balance shall be assessed at the rate of 1.5% per month or at the maximum permissible rate under applicable law, whichever is greater.
- 2.6.3. Disputes with respect to charges must be presented to the Company in writing within sixty (60) days from the date the bill in question is issued or such bill will be deemed correct and binding on the Customer. If a billing dispute arises, Customer may request, and the Company will provide, a review of the disputed amount. The undisputed portion of the relevant bill and all

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subsequent bills must continue to be paid on a timely basis.

- 2.6.4. Customers may refer billing disputes and any other complaints to the Company at (888) 801-0123, or to the State of South Dakota Public Utilities Commission, 500 E. Capitol Ave., Pierre, South Dakota 57501-5070.
- 2.6.5. The Customer shall be liable to the Company for the cost of collection of all charges owed to the Company. Collection fees on unpaid charges will accrue at a rate of 1.5% per month. Collection fees on unpaid charges shall begin to accrue when the account is assigned to an outside collection agency. Such collection fees are separate and distinct from attorney's fees and other costs incurred in collecting charges owed to the Company.
- 2.6.6. If the Company initiates legal proceedings to collect any amount due hereunder and the Company substantially prevails in such proceedings, then the Customer shall pay the reasonable attorneys fees and costs of the Company in prosecuting such proceedings and appeals therefrom. In the event that the Company suspends the provision of

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d/b/a/ 10 123 AMERICATEL
and 1010 123 AMERICATEL

SOUTH DAKOTA P.U.C. TARIFF NO. 1
ORIGINAL SHEET 20

LONG DISTANCE RESALE TARIFF

Services to the Customer pursuant to the provisions of this tariff, the Company will re-connect the Customer to such Services only when all debts of the Customer to the Company, including accrued interest and other expenses and costs of collection, have been fully discharged to the satisfaction of the Company.

- 2.6.7. All applicable taxes, fees, charges, exactions, or the like which must be paid to any governmental authority - federal, state, local, municipal or otherwise - for the provision of telecommunications services and which, pursuant to the rules and regulations governing such applicable taxes, fees, charges, exactions or the like, may be charged directly to the Customer, will be separately stated on the Customer's bill and charged to, and collected from, the Customer. It shall be the responsibility of the Customer to pay these taxes, and to accept the liability of any such unpaid taxes that may subsequently become applicable retroactively.
- 2.6.8. A return check charge of \$20.00 or 5% of the amount of the check, whichever is greater, will be assessed for checks returned for insufficient funds.

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2.7. Billing Entity Conditions

When billing functions on behalf of the Company are performed by local exchange telephone companies, or others, the payment conditions and regulations of such companies apply, including any applicable interest and/or late payment charge conditions.

2.8. Liability of the Customer

The Customer, and not the Company, shall be liable for damage to the Underlying Carrier's facilities utilized to provide Services under this tariff that are caused by the negligence or willful act of the Customer or its agent(s), or that result from the improper use of the Underlying Carrier's facilities by the Customer or its agent(s). Nothing in the foregoing sentence shall be interpreted to hold one Customer liable for another Customer's actions.

2.9. Use of Service

2.9.1. The Services offered hereunder may be used to transmit communications of the Customer in a manner consistent with the terms of this tariff, the policies and regulations of the S.D.P.U.C. and the Federal Communications Commission, the laws of

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the State of South Dakota and the requirements of the Communications Act of 1934, as amended. The Services offered hereunder shall not be used for any unlawful purpose.

- 2.9.2. The use of the Company's services without payment for service and any attempt to avoid payment for service by fraudulent means or devices, schemes, false or invalid numbers, or false calling or credit cards is prohibited.

2.10. Interruption of Service

- 2.10.1. Without incurring liability, the Company may interrupt the provision of services at any time in order to perform tests and inspections to assure compliance with tariff regulations and applicable law, and may continue such interruption until any items of non-compliance so identified are rectified.
- 2.10.2. The Company will consider customer requests for credit for faulty or incorrect connections and for other problems experienced by customers in the use of the Company's services on a case-by-case basis, and will provide reasonable credit in those

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cases in which it determines that the request is justified and the Company was at fault. All credit allowances shall be subject to the provisions of Section 2.4. above. It shall be the obligation of the customer to notify the Company immediately of any service problems for which a credit allowance is desired. Before giving such notice, the customer shall ascertain that the problem experienced is not being caused by any action or omission by the customer within the customer's control.

2.11. Restoration of Service

The use and restoration of Service shall be in accordance with the priority system specified in Part 64, Subpart D of the Rules of the Federal Communications Commission.

2.12. Billing Arrangements

The Customer will either be billed directly by the Company or its intermediary, or charges will be included in the Customer's regular telephone bill pursuant to billing and collection agreements established by the Company or its intermediary with the applicable telephone company.

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2.13. Deposits

The Company does not require a deposit from the Customer.

2.14. Advance Payments

The Company does not require advance payments from the Customer.

2.15. Employee Concessions

Employees of the Company do not receive any discount for any of the Company's services.

2.16. Failure to Notify or Enforce

The failure to give notice of default, to enforce or to insist upon compliance with any of the terms or conditions herein, the waiver of any terms or conditions herein, or the granting of an extension of time for performance by the Customer shall not constitute the permanent waiver of any term or condition herein. Each of the provisions of this tariff shall remain at all times in full force and effect unless and until modified in writing.

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LONG DISTANCE RESALE TARIFF

SECTION 3 - DESCRIPTION OF SERVICE

3.1. Timing of Calls

3.1.1. When Billing Charges Begin and Terminate for Phone Calls

The chargeable time for a long distance call is determined by the duration of the call. Chargeable time begins when connection is established between the calling station and the called station. When the called party picks up is determined by hardware answer supervision, in which the local telephone company sends a signal to the switch or the software utilizing digital format or audio tone detection. In any case, an unanswered call will not be billed. Chargeable time ends when the calling station hangs up or otherwise terminates the call. If the called station hangs up or otherwise terminates the call but the calling station does not, chargeable time ends when the connection is released either by automatic timing equipment in the telecommunications network or by the Underlying Carrier's operator.

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3.1.2. Billing Increments

Unless otherwise specified in this tariff, the minimum call duration for billing purposes is 1 minute for a connected call. Calls beyond 1 minute are billed in 1 minute increments. The Customer will not be billed for the first 5 seconds beyond a given minute. After the first 5 seconds, the Customer will be billed for an additional minute.

3.1.3. Per Call Billing Charges

Billing will be rounded up to the nearest penny for each call.

3.1.4. Uncompleted Calls

There shall be no charge for uncompleted calls.

3.2. Calculation of Distance

Billing will not be based on distance. Every call within the State of South Dakota will be billed, regardless of distance, at rates that vary based on the time and day on which the call is made as indicated in Section 4 below.

3.3. Minimum Call Completion Rate

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Carrier will ensure an industry standard blocking rate of P.01.

3.4. Service Offerings

3.4.1. 10XXX Casual Dial-Around Service

The Company offers and provides direct dialed long distance service to residential, business and other customers. Service is available on a full-time basis, 24 hours a day, seven days a week. Domestic calls are placed by dialing 1-0-123-1 and the destination area code and telephone number. Domestic calls may also be placed by dialing 1-0-1-0123-1 and the destination area code and telephone number. The Company does not provide operator services, but has arranged for the provision of operator services by a separate company. To reach such operator services, customers will dial 1-0-123-0 or 1-0-1-0123-0. After the use of three digit carrier identification codes is discontinued within the United States, customers will dial only 1-0-1-0123 before domestic area codes and telephone numbers. Customers may originate calls from any calling station within the State of South Dakota except calling stations in hospitals, university dormitories and prisons, and except for cellular and pay telephones.

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LONG DISTANCE RESALE TARIFF

SECTION 4 - RATES

4.1. 10XXX Casual Dial-Around Service

10XXX Casual Dial-Around Service is billed by whole minutes, with partial minutes of usage rounded up to the next whole minute as indicated in Section 3.1.2 above. Rates apply irrespective of mileage, and are as follows:

	<u>Initial Minute</u>	<u>Additional Minute</u>
Day:	\$0.15000	\$0.15000
Evening/Weekend:	\$0.15000	\$0.15000

4.2. Determining Applicable Rate in Effect

For the initial minute, the rate applicable at the start of chargeable time at the calling station applies. For additional minutes, the rate applicable is that rate which is in effect at the calling station when the additional minute(s) begin. That is, if chargeable time begins during the Day Period, the Day rate applies to the initial minute and to any additional minutes that the call continues during that rate period. If the call continues into a different rate period, the appropriate rates from that period apply to any additional minutes occurring in that rate period. If an additional minute is split between two rate periods, the

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ORIGINAL SHEET 29

LONG DISTANCE RESALE TARIFF

rate period applicable at the start of the minute applies to that entire minute.

4.3. Promotions

The Company may from time to time engage in special promotional service offerings designed to attract new subscribers or to increase subscriber awareness of a particular service offering. Such promotional offerings will be limited to specific dates, times and locations. Except for the rates charged under such promotions and any other specified terms and conditions of those promotions, all terms and conditions of service contained in this tariff shall apply to the Company's promotional service offerings.

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4045 N.W. 97th AVE.
MIAMI, FL 33178

FIRST UNION NATIONAL BANK OF FLORIDA
PENSACOLA, FL 32534
63-1012/632

7738

CHECK NO	CHECK DATE	VENDOR NO
	01/03/98	12345

PAY

TWO HUNDRED FIFTY AND 00/100 DOLLARS*****

CHECK AMOUNT
\$ ***** 250 00



TO THE ORDER OF SOUTH DAKOTA P.U.COMM.

[Handwritten Signature]
AUTHORIZED SIGNATURE

⑈007738⑈ ⑆063260⑆25⑆2079900⑆4724⑆⑈

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:

01/23/98 through 01/29/98

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
FORMAL COMPLAINT FILED			
TC98-007	The Willow Lake Elevator vs U S WEST Communicatons. "The Willow Lake Elevator is in the process of installing a new fully integrated, on-line, real time, computer system. We have several remote locations and one of those locations is Carpenter. The Elevator would like to have a fully dedicated, local line from Carpenter to Willow Lake. The two different telephone companies (ITC and U S WEST) [said] that this could not be done. We live a total of 14 miles from each other and are in the same county, yet we cannot communicate locally." (Staff: SW/CH)	01/20/98	NA
TC98-008	Galen Waldner vs U S WEST Communicatons. "In December of 1997 we tried to hook up to the internet partially for education benefits for my children and partially for our farming and insurance business. We could not get the internet to work. We could get our information out but could not get the information back because of our phone lines. After talking to people from U S WEST they basically said our service was working well for voice and there was nothing they would do. For the educational benefits for my children and the well being of my businesses we would really like to see the phone lines improved." (Staff: SW/KC)	01/20/98	NA
TC98-009	Dick Glanzer vs U S WEST Communicatons. "We tried to get on the Internet with two different providers, and after much time and aggravation found out that we were unable to get connected because of "antique" phone lines. Can't take advantage of caller ID. When we have a power outage we also lose our telephone. This is dangerous in case of an emergency. Fax machines are extremely slow or sometimes don't work properly. I am on the Board of directors of the Willow Lake Elevator. Carpenter Cenex is a branch of that organization. The distance between the two businesses is only 14 miles, but still there are serious problems with trying to connect computers between the two locations." I ask that the Commission grant the following relief: "Make U S WEST bury new phone lines in the affected area." (Staff: SW/KC)	01/20/98	NA
TC98-010	Regan Glanzer vs U S WEST Communications. "I cannot get Caller ID as the phone lines are old and also cannot get on the internet. Also when the electricity goes out the phone goes out so 911 services are gone." I ask that the Commission grant the following relief: "Take necessary steps to correct the problem. Put new phone lines in or whatever it takes. We pay the bills just like the other customers but don't receive as good of service or as many options." (Staff: SW/KC)	01/20/98	NA
TC98-011	Mike Madsen vs U S WEST Communications. "We cannot get Caller ID. Phone rings alot and when you answer no one is there. Can't get our computer on the internet. Phone connection is poor, have alot of double talk or alot of static. Would may be like to add a second line and phone company says we can't. When electricity goes out phones die within a couple of hours, so we can't even make emergency calls!" I ask that the Commission grant the following relief: "Look at updating phone lines." (Staff: SW/ KC)	01/20/98	NA

TC98-012	Claude Glanzer vs U S WEST Communications. "The U S WEST telephone lines serving our farm cannot supply us with services that we are in need of and are being charged to us on our local phone bill. We cannot get Internet, Caller ID, or second line. Noisy phone lines. If electricity is cut off "911" won't work." I ask that the Commission grant the following relief "U S WEST should update or replace old phone lines." (Staff SW/KC)	01/20/98	NA
REQUEST FOR CERTIFICATE OF AUTHORITY			
TC98-013	Application by Amencatel Corporation for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota (Staff TS/CH) "Amencatel will offer direct dialed, long distance, casual dial-around 10XXX service on a non-presubscribed basis."	01/28/98	02/13/98
EMERGING COMPETITIVE TELECOMMUNICATIONS FILING			
TC98-014	U S WEST Communications has filed to change the Uniform Service Order Codes for Gold Line Calling Package C in its Exchange and Network Services Catalog (Staff HB/CH)	01/28/98	02/13/98

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@pub.state.sd.us. Faxing the address to the Commission at 605-773-3809.

LAW OFFICES
LEVENTHAL, SENTER & LERMAN P.L.L.C.

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2000 K STREET N.W.
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January 29, 1998

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**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

WRITER'S DIRECT DIAL
202-416-1080

WRITER'S E-MAIL
CHORST@LSL-LAW.COM

VIA FEDERAL EXPRESS

Mr. Bill Bullard
Executive Director
South Dakota Public Utilities Commission
500 E. Capitol Ave.
Pierre, SD 57501-5070

Re: **Docket No. PC 98-013**
Tariff Amendment

Dear Mr. Bullard:

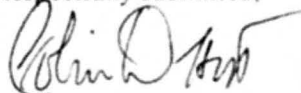
Sheet 28 of the Long Distance Resale Tariff that was attached as Exhibit C to the Petition for a Certificate of Authority submitted on behalf of Americatel Corporation, Docket No. **PC 98-013**, contained the following error: Sheet 28 sets Rates for both Day and Evening/Weekend at \$0.15000 for the Initial Minute and \$0.15000 for each Additional Minute; the Rates for both Day and Evening/Weekend should be \$0.20000 for the Initial Minute and \$0.20000 for each Additional Minute. An original and ten (10) copies of Revised Sheet 28, and an original and ten (10) copies of Revised Sheet 2 (the Check Sheet) are enclosed to reflect this change.

LEVENTHAL, SENTER & LERMAN P.L.L.C.

Mr. Bill Bollard
January 29, 1998
Page -2 -

We apologize for any inconvenience this error may have caused. If you have any questions, please contact the undersigned.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Colin D. Horst".

Colin D. Horst

Enclosures

AMERICATEL CORPORATION
d/b/a/ 10 123 AMERICATEL
and 1010 123 AMERICATEL

SOUTH DAKOTA P.U.C. TARIFF NO. 1
1st REVISED SHEET 2

LONG DISTANCE RESALE TARIFF

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SOUTH DAKOTA PUBLIC
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CHECK SHEET

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

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

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By: Jorge Asecio
Chief Executive Officer
Americatel Corporation
4045 N.W. 97th Avenue
Miami, Florida 33178
305-716-8700

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and 1010 123 AMERICATEL

SOUTH DAKOTA P.U.C. TARIFF NO. 1
1st REVISED SHEET 28

LONG DISTANCE RESALE TARIFF

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SECTION 4 - RATES

4.1. 10XXX Casual Dial-Around Service

10XXX Casual Dial-Around Service is billed by whole minutes, with partial minutes of usage rounded up to the next whole minute as indicated in Section 3.1.2 above. Rates apply irrespective of mileage, and are as follows:

	<u>Initial Minute</u>	<u>Additional Minute</u>
Day:	\$0.20000	\$0.20000
Evening/Weekend:	\$0.20000	\$0.20000

4.2. Determining Applicable Rate in Effect

For the initial minute, the rate applicable at the start of chargeable time at the calling station applies. For additional minutes, the rate applicable is that rate which is in effect at the calling station when the additional minute(s) begin. That is, if chargeable time begins during the Day Period, the Day rate applies to the initial minute and to any additional minutes that the call continues during that rate period. If the call continues into a different rate period, the appropriate rates from that period apply to any additional minutes occurring in that rate period. If an additional minute is split between two rate periods, the

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By: Jorge Asecio
Chief Executive Officer
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February 12, 1998

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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

WRITER'S DIRECT DIAL
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WRITER'S E-MAIL
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VIA FEDERAL EXPRESS

Ms. Tammi Stangohr
Utility Analyst
South Dakota Public Utilities Commission
500 E. Capitol Ave.
Pierre, SD 57501-5070

Re: **Docket No. PC 98-013**
Tariff Amendments

Dear Ms. Stangohr:

Pursuant to the instructions of your letter dated February 3, 1998, the Long Distance Resale Tariff that was attached as Exhibit C to the Petition for a Certificate of Authority submitted on behalf of Americatel Corporation, Docket No. PC 98-013 is amended as follows:

- Sheet 7, section 1.1 of the tariff is amended to note that Americatel is organized under the laws of the State of Delaware;
- Sheet 19, section 2.6.4 of the tariff is amended to include the South Dakota Public Utilities Commission's 1-800 consumer hotline number;
- Sheet 20, section 2.6.8 is amended to reflect that return check charges will not exceed the maximum amount permitted under South Dakota law, and
- Sheet 2 (the Check Sheet) is amended to show that the revised pages reflecting the above changes are currently in effect.

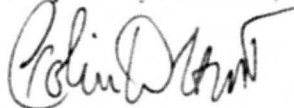
An original and ten (10) copies of Revised Sheets 2, 7, 19, and 20 are enclosed to reflect these changes.

LEVENTHAL, SENTER & LERMAN P.L.L.C.

Ms. Tammi Stango
January 29, 1998
Page -2 -

Thank you for promptly calling our attention to these matters. If you have any further questions, please contact the undersigned

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Colin D. Horst". The signature is written in a cursive style with a large initial "C".

Walter P. Jacob

Colin D. Horst (Admitted in CA only)

Enclosures

AMERICATEL CORPORATION
d/b/a/ 10 123 AMERICATEL
and 1010 123 AMERICATEL

SOUTH DAKOTA P.U.C. TARIFF NO. 1
2nd REVISED SHEET 3

LONG DISTANCE RESALE TARIFF

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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

CHECK SHEET

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

<u>Sheet</u>	<u>Revision</u>	<u>Sheet</u>	<u>Revision</u>
1	Original	16	Original
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8	Original	23	Original
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12	Original	27	Original
13	Original	28	1st Revised
14	Original	29	Original
15	Original		

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By: Jorge Asecio
Chief Executive Officer
Americatel Corporation
4045 N.W. 97th Avenue
Miami, Florida 33178
305-716-8700

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and 1010 123 AMERICATEL

SOUTH DAKOTA P.U.C. TARIFF NO. 1
1st REVISED SHEET 7

LONG DISTANCE RESALE TARIFF

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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

For the purposes of this tariff, the following definitions will apply:

1.1. Company

Americatel Corporation, d/b/a 10 123 Americatel and 1010 123 Americatel, 4045 N.W. 97th Avenue, Miami, Florida 33178, a corporation organized under the laws of the State of Delaware.

1.2. Customer

Denotes any individual, company or other entity, or any duly authorized agent thereof, that utilizes the Services offered under this tariff.

1.3. Day

From 7:00 AM up to, but not including, 8:00 PM local time Monday through Friday.

1.4 Department

The South Dakota Public Utilities Commission.

Issued: _____ Effective: _____

By: Jorge Asecio
Chief Executive Officer
Americatel Corporation
4045 N.W. 97th Avenue
Miami, Florida 33178
305-716-8700

AMERICATEL CORPORATION
d/b/a/ 10 123 AMERICATEL
and 1010 123 AMERICATEL

SOUTH DAKOTA P.U.C. TARIFF NO. 1
1st REVISED SHEET 19

LONG DISTANCE RESALE TARIFF

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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

subsequent bills must continue to be paid on a
timely basis.

- 2.6.4. Customers may refer billing disputes and any other complaints to the Company at (888) 801-0123, or to the State of South Dakota Public Utilities Commission, 500 E. Capitol Ave., Pierre, South Dakota 57501-5070, telephone 1-800-332-1782.
- 2.6.5. The Customer shall be liable to the Company for the cost of collection of all charges owed to the Company. Collection fees on unpaid charges will accrue at a rate of 1.5% per month. Collection fees on unpaid charges shall begin to accrue when the account is assigned to an outside collection agency. Such collection fees are separate and distinct from attorney's fees and other costs incurred in collecting charges owed to the Company.
- 2.6.6. If the Company initiates legal proceedings to collect any amount due hereunder and the Company substantially prevails in such proceedings, then the Customer shall pay the reasonable attorneys fees and costs of the Company in prosecuting such proceedings and appeals therefrom. In the event that the Company suspends the provision of

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UTILITIES COMMISSION

Services to the Customer pursuant to the provisions of this tariff, the Company will re-connect the Customer to such Services only when all debts of the Customer to the Company, including accrued interest and other expenses and costs of collection, have been fully discharged to the satisfaction of the Company.

- 2.6.7. All applicable taxes, fees, charges, exactions, or the like which must be paid to any governmental authority - federal, state, local, municipal or otherwise - for the provision of telecommunications services and which, pursuant to the rules and regulations governing such applicable taxes, fees, charges, exactions or the like, may be charged directly to the Customer, will be separately stated on the Customer's bill and charged to, and collected from, the Customer. It shall be the responsibility of the Customer to pay these taxes, and to accept the liability of any such unpaid taxes that may subsequently become applicable retroactively.
- 2.6.8. A return check charge of \$20.00 or 5% of the amount of the check (up to the maximum amount permitted under South Dakota law), whichever is greater, will be assessed for checks returned for insufficient funds.

Issued: _____ Effective: _____

By: Jorge Asecio
Chief Executive Officer
Americatel Corporation
4045 N.W. 97th Avenue
Miami, Florida 33178
305-716-8700

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE APPLICATION OF) AMERICATEL CORPORATION FOR A) CERTIFICATE OF AUTHORITY TO PROVIDE) TELECOMMUNICATIONS SERVICES IN) SOUTH DAKOTA)	ORDER GRANTING CERTIFICATE OF AUTHORITY TC98-013
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On January 28, 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 Americatel Corporation (Americatel).

Americatel proposes to offer direct dialed, long distance, casual dial-around 10XXX service on a non-presubscribed basis, interstate and intrastate. A proposed tariff was filed by Americatel. The Commission has classified long distance service as fully competitive.

On January 29, 1998, the Commission electronically transmitted notice of the filing and the intervention deadline of February 13, 1998, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled February 24, 1998, meeting, the Commission considered Americatel's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to the condition that Americatel 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 Americatel has met the legal requirements established for the granting of a certificate of authority. Americatel 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 Americatel's application for a certificate of authority, subject to the condition that Americatel 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 Americatel's application for a certificate of authority is hereby granted, effective March 28, 1998, subject to the condition that Americatel not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. It is

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

Dated at Pierre, South Dakota, this 27th day of February, 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	<u><i>Alderic Kalbo</i></u>
Date	<u>3/2/98</u>
(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

CERTIFICATE OF AUTHORITY

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

Authority was Granted February 24, 1998, effective March 28, 1998
Docket No. TC98-013

This is to certify that

AMERICATEL CORPORATION

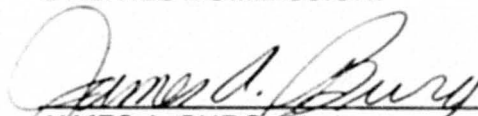
is authorized to provide telecommunications services in South Dakota.

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 27th day of February, 1998.

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION:






JAMES A. BURG, Chairman



PAM NELSON, Commissioner



LASKA SCHOENFELDER, Commissioner

10 123

May 14, 1998

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

RECEIVED

MAY 19 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Mr. Bill Bullard
Executive Director
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501-5070

Re: Americatel Corporation;

Dear Mr. Bullard:

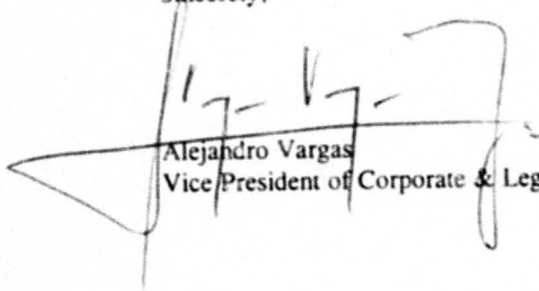
This is to advise you that the law firm of Leventhal, Senter & Lerman in Washington, DC no longer represents Americatel Corporation with respect to matters relating to the South Dakota PUC.

Therefore, please change the name of the Regulatory Counsel listed in Americatel Corporation's Petition for Certificate of Authority to myself as follows:

Alejandro Vargas
Vice President of Corporate & Legal Affairs
Americatel Corporation
4045 NW 97th Avenue
Miami, FL 33178
(305) 717-0200
fax: (305) 599-6222

Thank you for your attention to this matter, and please do not hesitate to contact me at the above number with any questions.

Sincerely,



Alejandro Vargas
Vice President of Corporate & Legal Affairs