

In the Matter of — IN THE MATTER OF THE
APPLICATION OF FACILICOM
INTERNATIONAL, L.L.C. FOR A
CERTIFICATE OF AUTHORITY TO
PROVIDE TELECOMMUNICATIONS
SERVICES IN SOUTH DAKOTA

Public Utilities Commission of the State of South Dakota

DATE	MEMORANDA
2/2 98	Filed and Rcketed;
2/5 98	T.C. Fax Filing;
5/20 98	Indemnity Bond;
6/19 98	Order Granting COA;
6/19 98	Docket Closed.

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SWIDLER
&
BERLIN
CHARTERED

TC98-015

RECEIVED

FEB 02 1998

January 29, 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

VIA OVERNIGHT DELIVERY

William Bullard
Executive Director
South Dakota Public Utilities Commission
500 E. Capitol
State Capitol Building, 1st Floor
Pierre, SD 57501

Re: Application for Certificate of Authority

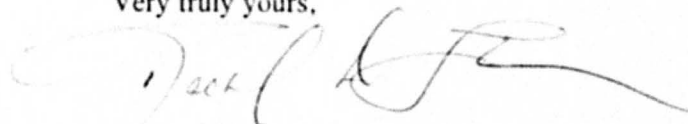
Dear Mr. Bullard:

Enclosed for filing on behalf of FaciliCom International, L.L.C. ("FCI") is an original and ten (10) copies of FCI's application for a Certificate of Authority to provide intrastate interexchange telecommunications services in the State of South Dakota and the filing fee of \$250.00.

Please date-stamp the enclosed extra copy of this letter and return it in the self-addressed, stamped envelope provided herein.

Should you have any questions concerning this filing, please do not hesitate to contact the undersigned.

Very truly yours,



Margaret M. Charles
Rachel D. Flam

Counsel for FaciliCom International, L.L.C.

Enclosure

cc: Linda Jacobsen
Eric Nastasi
Andrew D. Lipman (w/o enclosures)

BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

RECEIVED

FEB 02 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Application of

FaciliCom International, L.L.C.

For a Certificate of Authority to
Provide Intrastate Interexchange
Telecommunications Services
Within the State of South Dakota

Docket No. _____

PETITION FOR CERTIFICATE OF AUTHORITY

FaciliCom International, L.L.C. ("FCI" or "Petitioner"), by its undersigned counsel, hereby submits its Petition for a Certificate of Authority to provide intrastate interexchange telecommunications services pursuant to Section 49-31-3 of the South Dakota Codified Laws and the Rules of the Public Utilities Commission. In support thereof, Petitioner provides the following information as well as a proposed initial tariff:

1. The legal name of the Petitioner is FaciliCom International, L.L.C. Petitioner maintains its principal place of business at:

1401 New York Avenue, N.W., 8th Floor
Washington, D.C. 20005
Telephone: (202) 496-1100

2. Correspondence or communications pertaining to this application should be directed to

Petitioner's attorneys of record:

Margaret M. Charles, Esq.
Rachel D. Flam, Esq.
Swidler & Berlin, Chartered
3000 K Street, N.W., Suite 300
Washington, D.C. 20007-5116
Telephone: (202) 424-7500
Facsimile: (202) 424-7645

with a copy to:

Linda Jacobsen
Director of Regulatory Affairs
FaciliCom International, L.L.C.
1401 New York Avenue, N.W., 8th Floor
Washington, D.C. 20005
Telephone: (202) 496-1100
Facsimile: (202) 496-1109

Questions concerning the ongoing operations of Petitioner following certification should be directed to Linda Jacobsen at the above address and telephone number.

3. Petitioner is organized as a Delaware limited liability company. Copies of Petitioner's Certificate of Formation and Certificate of Authority to transact business within the State of South Dakota are attached hereto as Exhibit 1.

The name and address of Petitioner's registered agent in South Dakota is:

Corporation Service Company
503 South Pierre Street
Pierre, South Dakota 57501

The names, addresses, and telephone numbers of Petitioner's members and officers are as follows:

Walter Burmeister:	Member; President
Jay Sedwick:	Member; Vice President
Kirby Campbell:	Member; Vice President; Treasurer
Dru Sedwick:	Member; Vice President; Secretary
William Stewart:	Member
Bryan Cipoletti:	Member
Robert Reed:	Member
Anand Kumar:	Executive Vice President, Business Development
Jeffrey Guzy:	Vice President, Sales and Marketing
Christopher King:	Vice President, Finance and Administration
Henry Cohen:	Assistant Secretary

The above-referenced individuals can be reached at:

1401 New York Avenue, N.W., 8th Floor
 Washington, D.C. 20005
 Telephone: (202) 496-1100
 Facsimile: (202) 496-1109

Applicant is wholly owned by FaciliCom International, L.L.C., a Delaware holding company, which is, in turn, owned by:

Armstrong International Telecommunications, Inc. One Armstrong Place Butler, PA 16001	84.01%
FaciliCom Management Group c/o Epic Capital Group Two Gateway Center Pittsburgh, PA 15222-1402	15.99%

Applicant has no subsidiaries located in South Dakota.

4. Petitioner seeks to provide resold telecommunications services to subscribers to and from all points in the State of South Dakota and therefore seeks statewide authorization.

5. Description of Services: Petitioner intends to provide high quality intrastate interexchange service to customers through the resale of such services provided by certificated carriers. Petitioner will initially provide (i) dedicated access service to telecommunications carriers and commercial customers, and (ii) prepaid card service to and from all points within the State of South Dakota to residential and business customers, and may, at some time in the future, add resold direct-dialed message and credit card service offerings to business and residential customers, or other service offerings consistent with its business interests and subscriber demand. Petitioner's services will be available on a full-time basis, twenty-four hours a day, seven days a week. Petitioner intends to provide such interexchange services through the resale of services provided by other carriers' facilities and has no plan for constructing or installing facilities in South Dakota at this time. Customers will either be billed directly by Petitioner or its intermediary, or charges will be incurred on the subscriber's regular home or business telephone bill pursuant to billing and collection agreements established by Petitioner or its intermediary with the applicable telephone company. Petitioner's toll free number for customer inquiries is 1-800-272-4828. In addition, prepaid card service customers with inquiries or complaints may reach Petitioner through another toll-free telephone number, 1-800-380-2711. Petitioner will make prompt and reasonable investigations of complaints submitted in writing or in person.

6. Telecommunications Experience: Petitioner's officers are well qualified to execute its business plan, having extensive managerial, financial, and technical telecommunications experience. Descriptions of the telecommunications and managerial experience of Petitioner's key personnel are attached hereto as Exhibit 2.

7. Telecommunications Authorizations: Applicant is currently providing resold interexchange telecommunications services and/or authorized to provide such services either pursuant to certification, registration, tariff requirements or on an unregulated basis in states including Colorado, Florida, Illinois, Indiana, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, New York, North Carolina, Ohio, Texas, Utah, Virginia, and Wisconsin. Applicant also has pending applications for authority to provide similar services in states including Connecticut, Oregon and Pennsylvania and intends to apply, where necessary, in additional states nationwide. Applicant has not been denied authority in any jurisdiction in which it intends to provide service.

8. Petitioner is financially qualified to provide interexchange telecommunications services in the State. In particular, Petitioner has access to the financing and capital necessary to conduct its telecommunications operations as specified in this Petition. Petitioner will not be constructing its own facilities and will be utilizing its existing personnel, technology and financial resources to provide intrastate services. Accordingly, minimal, if any, additional investment will be needed to offer the proposed services. Petitioner's financial qualifications to provide interexchange telecommunications services are attached hereto as Exhibit 3.

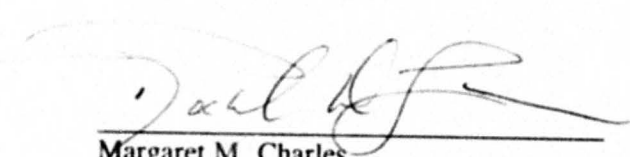
9. Attached hereto as Exhibit 4 is Petitioner's proposed tariff setting forth the proposed rates, charges, terms and conditions for the services described herein.

10. Information concerning Petitioner's proposed marketing plan is attached hereto as Exhibit 5.

11. Approval of this Petition will serve the public interest by creating greater competition in the interexchange marketplace and by providing consumers a greater choice of long distance services. Petitioner believes that increased alternatives in the long distance service market will provide South Dakota callers with the most competitive prices and widest arrangement of service and billing options possible.

WHEREFORE, FaciliCom International, L.L.C. requests that the South Dakota Public Utilities Commission grant the requested authority to resell intrastate telecommunications services in South Dakota.

Respectfully submitted,



Margaret M. Charles
Rachel D. Flam
SWIDLER & BERLIN, CHTD.
3000 K Street, N.W.
Suite 300
Washington, D.C. 20007-5116
Telephone: (202) 424-7500
Facsimile: (202) 424-7645

Counsel for FaciliCom International, L.L.C.

Dated: January 29, 1998

EXHIBITS

- | | |
|--------------|-------------------------------------------------------------------------------|
| EXHIBIT 1 | CERTIFICATE OF FORMATION AND
CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS |
| EXHIBIT 2 | MANAGEMENT QUALIFICATIONS |
| EXHIBIT 3 | FINANCIAL INFORMATION |
| EXHIBIT 4 | PROPOSED TARIFF |
| EXHIBIT 5 | MARKETING AND BUSINESS INFORMATION |
| VERIFICATION | |

EXHIBIT 1

**CERTIFICATE OF FORMATION AND
CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS**

NEXT

DOCUMENT (S)

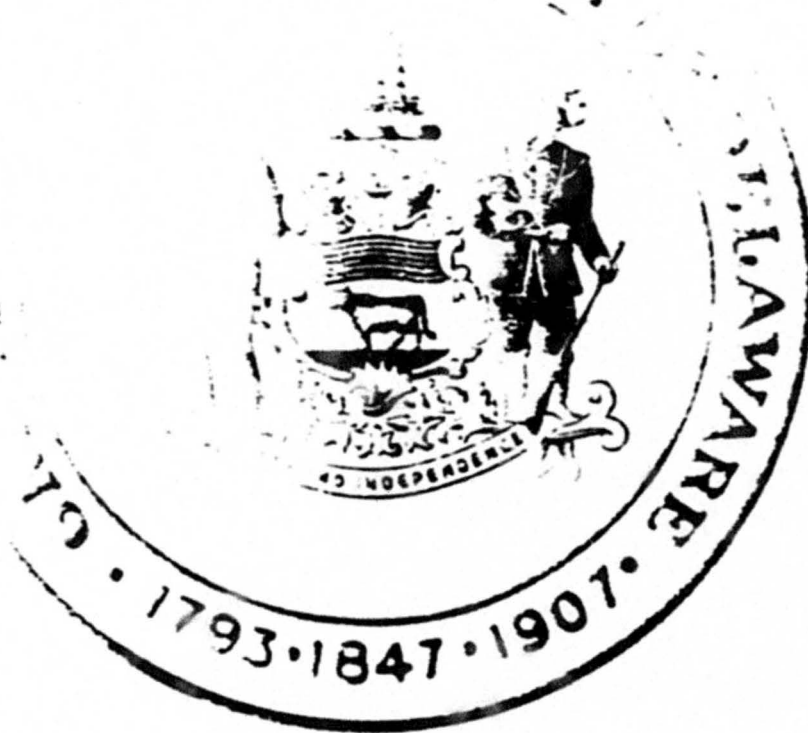
BEST IMAGE

POSSIBLE

State of Delaware
Office of the Secretary of State

PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF
DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT
COPY OF THE CERTIFICATE OF LIMITED LIABILITY COMPANY OF
"FACILICOM INTERNATIONAL, L.B.C." FILED IN THIS OFFICE ON THE
FIFTH DAY OF MAY, A.D. 1995, AT 9 O'CLOCK A.M.



2504594 8100
971099555

Edward J. Freel
Edward J. Freel, Secretary of State

AUTHENTICATION: 8401538
04-02-97
DATE:

CERTIFICATE OF FORMATION

OF

FACILICOM INTERNATIONAL, L.L.C.
A LIMITED LIABILITY COMPANY

FIRST: The name of the limited liability company is:

FACILICOM INTERNATIONAL, L.L.C.

SECOND: Its registered office in the State of Delaware is to be located at 1013 Centre Road, in the City of Wilmington, County of New Castle, 19805, and its registered agent at such address CORPORATION SERVICE COMPANY.

IN WITNESS WHEREOF, the undersigned, being the individual forming the Company, has executed, signed and acknowledged this Certificate of Formation this 5th day of May, A.D. 1995.

Frank Thomas
Authorized Person

State of South Dakota



OFFICE OF THE SECRETARY OF STATE

CERTIFICATE OF AUTHORITY

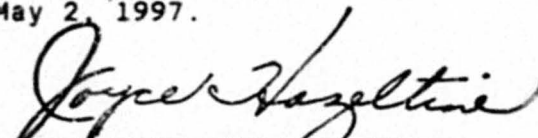
LIMITED LIABILITY COMPANY

I, JOYCE HAZELTINE, Secretary of State of the State of South Dakota, hereby certify that the Application for a Certificate of Authority of FACILICOM INTERNATIONAL, L.L.C. (DE) to transact business in this state duly signed and verified pursuant to the provisions of the South Dakota Limited Liability Company Act, 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 FACILICOM INTERNATIONAL, L.L.C.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at Pierre, the Capital, this May 2, 1997.




JOYCE HAZELTINE
Secretary of State

Secretary of State
State of South Dakota

Filed 2nd May 1997
**APPLICATION
FOR CERTIFICATE OF AUTHORITY
FOREIGN LIMITED LIABILITY COMPANY**

RECEIVED

MAY 24 1997

DEPT. OF STATE

1. The name of the foreign limited liability company FaciliCom International, L.L.C.

2. The state of formation Delaware

3. The date of formation May 5, 1995

4. The name and business address of the South Dakota registered agent Corporation Service Company,
503 South Pierre Street, Pierre, South Dakota 57501

5. The address of the office required to be maintained in the jurisdiction of its organization by the laws of that jurisdiction, or, if not so required, of the principal place of business:

1013 Centre Road, Wilmington, DE 19805

6. The capital amount of the limited liability company is \$ 100.00

The application must be signed by a manager, member or other authorizing agent in the presence of a notary public.

Kirby J. Campbell
(Signature by member or manager)

Kirby J. Campbell, Manager

(Title)

STATE OF Pennsylvania

COUNTY OF Butler

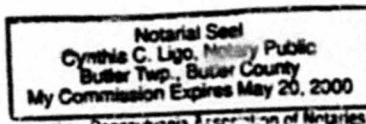
SS

I, Cynthia C. Ligo, a notary public, do hereby certify that on this 17th day of April 19 97, personally appeared before me Kirby J. Campbell who, being by me first duly sworn, declared that he/she is the Manager of FaciliCom International, L.L.C. that he/she signed the foregoing document as of the limited liability company and the statements therein contained are true.

My Commission Expires _____

Cynthia C. Ligo
Notary Public

(Notarial Seal)



CONSENT OF APPOINTMENT BY THE REGISTERED AGENT

I, Corporation Service Company, hereby give my consent to serve as the
(name of registered agent)

registered agent for FACILICOM INTERNATIONAL, I I C
(limited liability company)

Dated April 23 19 97

By:

Cecil K. Dole

(signature of registered agent)

FILING FEE SCHEDULE

* Filing fee must accompany the application. Make check payable to the Secretary of State.

Registering and issuing a certificate of authority in the case of a foreign limited liability company:

Capital of the limited liability company

Not in excess of \$50,000

\$50

50,001 to 100,000

\$100

in excess of \$100,000

\$100 for first \$100,000 plus

\$.50 for each additional \$1,000

FILING INSTRUCTIONS

- * Submit one original and one exact or photocopy of the application.
- * A registered agent and registered office must be continuously maintained in this state. Failure to continuously maintain a registered agent, or to contact the secretary of state's office to report a change in the registered agent and/or registered address will result in revocation of the certificate of authority.
- * AN ANNUAL TAX OF FIFTY DOLLARS (\$50) IS DUE AND PAYABLE EACH JANUARY 2ND. A PENALTY FEE OF AN ADDITIONAL \$50 SHALL BE ASSESSED IF NOT PAID BY FEBRUARY FIRST.

State of Delaware
Office of the Secretary of State

PAGE 1 RECEIVED
MAY 02 1997
S.D. SEC. OF STATE

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "FACILICOM INTERNATIONAL, L.L.C." IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-THIRD DAY OF APRIL, A.D. 1997.



Edward J. Freel

Edward J. Freel, Secretary of State

2504594 8300

971131624

AUTHENTICATION:

8433319

DATE:

04-23-97

EXHIBIT 2

MANAGERIAL QUALIFICATIONS

EXECUTIVE PROFILES

Walter J. Burnmeister, President and Founder of FaciliCom International (FCI), has over thirty years of experience in the telecommunications industry, encompassing international and business development, general management, information systems, network operations, network planning, general engineering, and sales.

Prior to forming FCI, Mr. Burnmeister was chairman and founder of the Telecommunications Management Group, Inc. (TMG) and its affiliated companies. At TMG, his responsibilities included overall management of business development, investment analysis, and telecommunications consulting activities in developing countries. In addition, Burnmeister organized investment groups and networking opportunities in several Central and South American countries.

Before founding the TMG Companies, Burnmeister was the vice president and chief financial officer for Bell Atlantic International. In this position, he was responsible for overseeing business development in Central and South America, the Middle East, and Africa, as well as managing the company's financial affairs. While with Bell Atlantic International, he won the bid for the northern half of ENTALL, the state-owned Argentinean telephone company. Burnmeister was also instrumental in the acquisition of many foreign telephone companies, negotiating multi-million dollar consulting contracts, and building an international partnership agreement.

In earlier years with Bell Atlantic, Burnmeister played a key role in the company's domestic business. He served as vice president in charge of the Bell of Pennsylvania and Diamond State Telephone sales organizations. He also supervised the Information Systems Operations for Bell Atlantic, developed a Data Center consolidation plan for all seven of their telephone companies, and headed the C&P Telephone Operations Staff.

Jeffrey J. Guzy, FCI's Vice President in charge of Sales, Marketing, and Product Development, is well known in international telecommunications circles. A senior executive and business development professional, Guzy has a proven ability to build entrepreneurial-based businesses through strategic alliances, teaming relationships, and market based partnerships.

Prior to joining FaciliCom, Guzy worked at Interferometrics, a scientific organization, to commercialize their Low Earth Orbit (LEO) satellite technology and establish global business partners. As vice president of Business Development, he established EyeTel International as the commercial arm of Interferometrics.

While director of Information Services at Bell Atlantic, Guzy was responsible for the international development of Interactive Multimedia (IMM). Mr. Guzy negotiated, secured, and managed the single largest 'Stargazer' contract for IMM technology with the Italian telephone company, Telecom Italia.

As vice president of Overseas Telecommunications Inc. (OTI), a start-up overseas common carrier, Guzy developed services to over 50 of the Fortune 100 multinational companies; hired and trained the initial sales force while establishing offices across the U.S.; and was involved in every aspect of the venture from selling service and earth stations to negotiating MCI's acquisition of OTI in 1990.

Prior to this work with OTI, Guzy was marketing director at Sprint International where he developed a domestic and international network in the United Kingdom that delivers broadband capabilities to both the consumer and business communities. Mr. Guzy was also responsible for initiating the International VSAT service.

Anand Kumar, FCI's Executive Vice President of International Relations and Business Development, has 25 years of experience in the telecommunications and electronics industries. Throughout his career, Kumar has been well known for his technological expertise and ability to create cohesive organizational structures to achieve financial performance.

Prior to joining FaciliCom, Kumar was the principal of Communications Strategy Group, a technology consulting firm serving clients in North America, Europe, and Asia.

Earlier, Kumar was the founder and executive in charge of Washington International Teleport, a privately held transport facility with more than 25 earth stations and an integrated wide area network. In this role, he was responsible for marketing strategies, developing business networks, increasing revenue and building cost-effective technical and customer bases.

Kumar's extensive background in the telecommunications industry stems from his long time experience with GTE and AT&T. While at GTE, Kumar organized the Satellite Marketing Group to develop and implement new services and market plans. At AT&T, he was responsible for developing techniques to identify new product and service offerings for a number of major market segments.

EXHIBIT 3

FINANCIAL QUALIFICATIONS



FACILICOM INTERNATIONAL, LLC AND SUBSIDIARIES

**Consolidated Financial Statements for the
Years Ended September 30, 1997 and 1996, and
Independent Auditors' Report**

FACILICOM INTERNATIONAL, LLC AND SUBSIDIARIES

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CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED SEPTEMBER 30, 1997 AND 1996:	
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Consolidated Statements of Operations	3
Consolidated Statements of Owners' Deficiency	4
Consolidated Statements of Cash Flows	5
Notes to Consolidated Financial Statements	6-14



INDEPENDENT AUDITORS' REPORT

To the Management Committee of
FaciliCom International, LLC:

We have audited the accompanying consolidated balance sheets of FaciliCom International, LLC and subsidiaries (the "Company") for the years ended September 30, 1997 and 1996, and the related consolidated statements of operations, owners' deficiency, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of FaciliCom International, LLC and subsidiaries for the years ended September 30, 1997 and 1996, and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.

Deloitte & Touche LLP
December 22, 1997

FACILICOM INTERNATIONAL, LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS SEPTEMBER 30, 1997 AND 1996 (in thousands)

ASSETS	1997	1996
CURRENT ASSETS:		
Cash	\$ 1,016	\$ 2,198
Accounts receivable	18,244	5,225
Prepaid expenses and other current assets	2,978	927
Total current assets	22,238	8,350
PROPERTY AND EQUIPMENT:		
Transmission and communications equipment	16,593	9,030
Transmission and communications equipment - leased	5,419	248
Construction in process	-	1,046
Furniture, fixtures and other	1,266	943
	23,278	11,267
Less accumulated depreciation and amortization	(3,034)	(1,123)
Net property and equipment	20,244	10,144
INTANGIBLE ASSETS	855	1,335
ADVANCE TO AFFILIATE	-	499
TOTAL ASSETS	\$ 43,337	\$ 20,328
LIABILITIES AND OWNERS' DEFICIENCY		
CURRENT LIABILITIES:		
Accounts payable and other current liabilities	\$ 30,849	\$ 12,928
Long-term obligations due within one year	1,616	601
Total current liabilities	32,465	13,529
LONG-TERM OBLIGATIONS	14,723	7,165
LOANS FROM OWNERS	6,250	2,029
OWNERS' DEFICIENCY:		
Class A initial capital	180	180
Class B initial capital	60	60
Excess capital contributions - Class A	16,296	10,176
Accumulated deficit	(27,321)	(12,566)
Foreign currency translation adjustment	684	(245)
Total owners' deficiency	(10,101)	(2,395)
TOTAL LIABILITIES AND OWNERS' DEFICIENCY	\$ 43,337	\$ 20,328

See notes to consolidated financial statements.

FACILICOM INTERNATIONAL, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS YEARS ENDED SEPTEMBER 30, 1997 AND 1996 (in thousands)

	1997	1996
REVENUES	\$ 70,187	\$ 11,891
COST OF REVENUES	<u>(65,718)</u>	<u>(12,742)</u>
GROSS MARGIN (DEFICIT)	4,469	(851)
SELLING, GENERAL AND ADMINISTRATIVE	(13,511)	(7,582)
DEPRECIATION AND AMORTIZATION	<u>(2,318)</u>	<u>(1,143)</u>
OPERATING LOSS	(11,360)	(9,576)
INTEREST EXPENSE	(1,336)	(312)
EXCHANGE (LOSS) GAIN	<u>(1,335)</u>	<u>226</u>
NET LOSS	<u>\$ (14,031)</u>	<u>\$ (9,662)</u>

See notes to consolidated financial statements.

FACILICOM INTERNATIONAL, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OWNERS' DEFICIENCY YEARS ENDED SEPTEMBER 30, 1997 AND 1996 (in thousands)

	Class A Initial Capital	Class B Initial Capital	Excess Capital Contributions - Class A	Foreign Currency Translation Adjustments	Accumulated Deficit	Total Owners' Deficiency
BALANCE, SEPTEMBER 30, 1995	\$ 180	\$ 60	\$ 2,594	\$ -	\$ (2,405)	\$ 429
Net loss	-	-	-	-	(9,662)	(9,662)
Contributions	-	-	7,083	-	-	7,083
Guaranteed return	-	-	-	-	(499)	(499)
Contribution to excess capital - guaranteed return	-	-	499	-	-	499
Foreign currency translation adjustment	-	-	-	(245)	-	(245)
BALANCE, SEPTEMBER 30, 1996	180	60	10,176	(245)	(12,566)	(2,395)
Net loss	-	-	-	-	(14,031)	(14,031)
Converted loans from owners	-	-	5,396	-	-	5,396
Guaranteed return	-	-	-	-	(724)	(724)
Contribution to excess capital - guaranteed return	-	-	724	-	-	724
Foreign currency translation adjustment	-	-	-	929	-	929
BALANCE, SEPTEMBER 30, 1997	<u>\$ 180</u>	<u>\$ 60</u>	<u>\$ 16,296</u>	<u>\$ 684</u>	<u>\$ (27,321)</u>	<u>\$ (10,101)</u>

See notes to consolidated financial statements.

FACILICOM INTERNATIONAL, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED SEPTEMBER 30, 1997 AND 1996 (in thousands)

	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:	\$ (14,031)	\$ (9,662)
Net loss		
Adjustments to reconcile net loss to net cash used in operating activities:	2,318	1,143
Depreciation and amortization	130	-
Loss on disposal of property and equipment		
Changes in operating assets and liabilities:	(13,019)	(4,356)
Accounts receivable	(2,051)	(770)
Prepaid expenses and other current assets	233	930
Intangible assets	18,292	8,731
Accounts payable and other current liabilities	-	(499)
Advance to affiliate		
	(8,128)	(4,483)
Net cash used in operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES -	(1,897)	(2,004)
Purchases of property and equipment		
	(1,897)	(2,004)
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES:	9,726	2,029
Advances from owners	-	7,083
Excess capital contributions	(1,812)	(540)
Payments of long-term debt		
	7,914	8,572
Net cash provided by financing activities	929	4
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(1,182)	2,089
(DECREASE) INCREASE IN CASH	2,198	109
CASH, BEGINNING OF PERIOD	\$ 1,016	\$ 2,198
CASH, END OF PERIOD		
SUPPLEMENTAL CASH FLOW INFORMATION -	\$ 747	\$ 201
Interest paid		

NONCASH TRANSACTIONS:

- FCI received \$480 in Tele8 convertible debentures in 1997 to satisfy an advance to affiliate, which reduced advance to affiliate and advances from owners.
- During 1997, the majority owner converted \$5,396 of loans and accrued interest into capital.
- FCI received property and equipment under capital leases and financing agreements, which increased property and equipment and long-term obligations \$10,385 and \$6,400 in 1997 and 1996, respectively.

See notes to consolidated financial statements.

FACILICOM INTERNATIONAL, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED SEPTEMBER 30, 1997 AND 1996

1. GENERAL

Organization - FaciliCom International, LLC ("FCI") is a Delaware limited liability company that was formed on May 5, 1995 to engage in various international telecommunications businesses. FCI is authorized by the Federal Communications Commission (the "FCC") to provide global facilities-based services as well as switched international services through resale of the services and facilities of other international carriers. In addition, FCI has world-wide authorization for private line resale of noninterconnected private line services and authorization to resell interconnected private lines for switched services to Canada, the United Kingdom, Sweden, and New Zealand. FCI is a majority-owned subsidiary of Armstrong International Telecommunications, Inc. ("Armstrong"), which is a wholly owned subsidiary of Armstrong Holdings, Inc. ("AHI").

On July 21, 1995, FCI acquired 66.5% of the outstanding capital stock of both Nordiska Tele8 AB ("Tele8") and FGC, Inc. ("FGC"). Subsequently, FCI acquired up to 99% of Tele8 and sold all of its interest in FGC (see Notes 8 and 13). Tele8 is a corporation organized under the laws of Sweden to provide national and international telecommunications services. FGC, a Delaware corporation, provides certain marketing services for Tele8 in the United States. These acquisitions were accounted for as purchase transactions with the purchase price being allocated to the assets and liabilities acquired based on their fair values as of the date of acquisition. The excess of the purchase price over the fair value of assets acquired was recorded as goodwill and is being amortized over five years.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. *Basis of Presentation* - The accompanying consolidated financial statements include the accounts of FCI and its majority-owned and wholly owned subsidiaries (together, the "Company"). All intercompany transactions and balances have been eliminated in consolidation. Because losses applicable to the minority interest exceed the minority interest in the equity capital, such losses are recorded by the Company.
- b. *Property and Equipment* - Property and equipment is stated at cost. Depreciation is provided for financial reporting purposes using the straight-line method. Depreciation expense includes the amortization of capital leases. The estimated useful lives of property and equipment are as follows:

Transmission and communications equipment	5 to 10 years
Transmission and communications equipment - leased	5 to 25 years
Furniture, fixtures and other	5 to 7 years

The costs of software and software upgrades purchased for internal use are expensed based upon the capitalization policy of the Company. Maintenance and repairs are expensed as incurred. Replacements and betterments are capitalized.

Depreciation expense for the years ended September 30, 1997 and 1996 was \$2,052,532 and \$863,078, respectively.

- c. *Intangible Assets* - Intangible assets, consisting primarily of goodwill, are amortized using the straight-line method over the following useful lives:

Organization costs	5 years
Licenses	5 years
Goodwill	5 years

Accumulated amortization for intangible assets was \$583,158 and \$317,690 at September 30, 1997 and 1996, respectively.

- d. *Revenues* - Revenues from long distance telecommunications services, which are based upon minutes of traffic processed at contracted fees, are recognized in the period the services are provided.
- e. *Income Taxes* - FCI is a limited liability company and is not subject to income tax.

Tele8 and FGC are corporations and FCI's wholly owned United Kingdom ("FCI-UK") subsidiary is a private limited company, and, as such, are subject to income taxes in the countries in which they operate. The Company accounts for these income taxes under the liability method in accordance with the provisions set forth in Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes," whereby deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. In assessing realization of deferred tax assets, the Company uses judgment in considering the relative impact of negative and positive evidence. The weight given to the potential effect of negative and positive evidence is commensurate with the extent to which it can be objectively verified. Based on the weight of evidence, both negative and positive, including the lack of historical earnings, if it is more likely than not that some portion or all of a deferred tax asset will not be realized, a valuation allowance is established.

- f. *Excess Capital Contributions* - Excess capital contributions are the amounts of capital an owner has contributed in excess of the owner's initial capital commitment. The owners are credited with a guaranteed return through September 30, 1997 for the use of their capital, and profits and losses are allocated, in accordance with the provisions in the Limited Liability Company Agreement. A guaranteed return has priority over other owner balances in a dividend distribution or liquidation. The guaranteed return is calculated as simple interest at a rate per annum equal to the lowest rate of interest available to Armstrong or any of its affiliates from time-to-time under any of their respective existing credit facilities. In connection with the capital contributions, the owners were deemed to have been issued 19,000,000 membership interest units.

- g. *Foreign Currency Translation* - For non-U.S. subsidiaries, the functional currency is the local currency. Assets and liabilities of those operations are translated into U.S. dollars using year-end exchange rates; income and expenses are translated using the average exchange rates for the reporting period. Translation adjustments are reported as a separate component of owners' deficiency. Exchange losses and gains resulting from foreign currency transactions are included in the results of operations based upon the provisions of SFAS No. 52, "Foreign Currency Translation."
- h. *Use of Estimates* - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.
- i. *Accounting for International Long Distance Traffic* - The Company records revenues from the sale of telecommunications services at the time of customer usage. The Company has entered into, and continues to enter into, operating agreements with telecommunications carriers in several foreign countries under which international long distance traffic is both delivered and received. Under these agreements, the foreign carriers are contractually obligated to adhere to the policy of the FCC, whereby traffic from the foreign country is routed to U.S. based international carriers, such as the Company, in the same proportion as traffic carried into the country. Mutually exchanged traffic between the Company and foreign carriers is settled through a formal settlement policy at an agreed upon rate. Although the Company can reasonably estimate the revenue it will receive under the FCC's proportional share policy, there is not a guarantee that there will be traffic delivered back to the United States or what impact changes in future settlement rates will have on net payments made and revenue received.
- j. *Reclassifications* - Certain amounts in the 1996 financial statements have been reclassified to conform with the presentation of the 1997 financial statements.

3. OPERATING DEFICIT AND MANAGEMENT'S PLANS

The Company had a net loss of approximately \$14 million for the year ended September 30, 1997. The owners of the Company have committed to provide, make available, or ensure the availability of the necessary cash or working capital sufficient to sustain the operations of the Company through September 30, 1998. Management's plans include obtaining additional financing for continued growth in new markets and existing markets and to increase sales volume to achieve profitable operations. Subsequent to September 30, 1997, the Company has continued to experience operating losses, and Armstrong has continued to finance the Company's cash flow needs through its Bridge Loan Agreement (see Note 7). In addition, management's plans include seeking debt financing through an offering of debentures.

4. LONG-TERM DEBT OBLIGATIONS

Long-Term Debt

On March 27, 1997, FCI entered into an Equipment Loan and Security Agreement with NTFC Capital Corporation ("NTFC") to finance up to \$5,000,000 for the purchase of transmissions and communications equipment. NTFC has advanced amounts exceeding \$5,000,000 although the original agreement has not been revised. Interest is payable quarterly and is calculated based upon the London Interbank Offering Rate ("LIBOR") plus 4%. Quarterly principal payments commence on June 30, 1999. The loan is collateralized by the related equipment purchased under such agreement. The loan requires maintenance of certain financial and nonfinancial covenants. FCI received a waiver of certain covenant violations. The outstanding balance at September 30, 1997 was \$7,116,482.

During 1995, FCI entered into an equipment financing agreement with Ericsson I.F.S. to purchase certain equipment. The original agreement was amended and restated on December 30, 1996, to increase the borrowing limit to \$7,000,000 and certain terms were further revised on June 12, 1997 and November 21, 1997. Interest is calculated based upon LIBOR plus 4% and is payable quarterly beginning April 1, 1997. The LIBOR rate at September 30, 1997 and 1996, respectively, was 5.8% and 5.41%. Quarterly principal payments commence on June 30, 1998. The loan is collateralized by the related equipment purchased under the financing agreement. The loan requires maintenance of certain financial and nonfinancial covenants. FCI received a waiver of certain covenant violations of the original and amended and restated loan agreements. The covenants were then modified. The outstanding balance at September 30, 1997 and 1996 was \$5,093,782 and \$4,327,188, respectively.

On November 30, 1995, Tele8 entered into a five year financing agreement to purchase undersea fiber optic cables from Teleglobe Cantat-3 Inc. and Telecom A/S. Interest is calculated based upon LIBOR plus 4.5%. Quarterly interest and principal payments began December 31, 1995. The loan is collateralized by the right of use of the undersea fiber optic cables. The outstanding balance at September 30, 1997 and 1996 was \$520,135 and \$709,275, respectively.

On March 15, 1996, Tele8 entered into another five year financing agreement to purchase undersea fiber optic cables from Teleglobe Cantat-3 Inc. and Telecom A/S. Interest is calculated based upon LIBOR plus 4.5%. Quarterly interest and principal payments began March 31, 1996. The loan is secured by the right of use of the undersea cables. The outstanding balance at September 30, 1997 and 1996 was \$613,965 and \$818,625, respectively.

Tele8 has other debt instruments that bear interest at various rates. At September 30, 1997 and 1996 \$545,000 and \$1,185,000, respectively, was payable to Ericsson I.F.S. for financed equipment and is due in annual installments through 2002. In addition to the amounts payable to Ericsson I.F.S., \$154,000 and \$566,550 was payable to other creditors at September 30, 1997 and 1996, respectively.

Capital Leases

The Company leases certain undersea fiber optic cables under agreements permitting the use of the cables over periods up to 25 years with payment requirements over periods not exceeding five years. Payments are made quarterly and interest is calculated at LIBOR plus 4% to 4.5%.

Future minimum payments on long-term debt and capital lease obligations at September 30, 1997 are as follows:

	Long-Term Debt	Capital Leases	Total
1998	\$ 1,042,978	\$ 572,924	\$ 1,615,902
1999	2,441,917	572,924	3,014,841
2000	3,284,177	567,924	3,852,101
2001	2,937,677	485,632	3,423,309
2002	2,937,677	96,254	3,033,931
Thereafter	1,398,938	-	1,398,938
	<u>\$14,043,364</u>	<u>\$ 2,295,658</u>	<u>\$16,339,022</u>

5. INCOME TAXES

A deferred tax asset of approximately \$3,130,000 and \$1,120,000 at September 30, 1997 and 1996, respectively, is principally related to the cumulative net operating loss carryforwards of Tele8 and FCI-UK totaling approximately \$11,100,000 and \$4,000,000 at September 30, 1997 and 1996, respectively, which do not expire under Swedish and United Kingdom tax laws. A valuation allowance has been established for the entire deferred tax asset.

The components of the income tax provision for the year ended September 30, 1997 and 1996 are as follows:

	1997	1996
Deferred tax asset	\$ (2,010,000)	\$ (1,120,000)
Valuation allowance	<u>2,010,000</u>	<u>1,120,000</u>
	<u>\$ -</u>	<u>\$ -</u>

6. OPERATING LEASES

The Company leases office facilities and certain fiber optic cables and switching facilities under noncancelable operating leases. Rental expense for the year ended September 30, 1997 and 1996 was \$889,380 and \$355,010, respectively.

Future minimum lease payments under noncancelable operating leases as of September 30, 1997 are as follows:

1998	\$ 1,521,465
1999	1,323,490
2000	478,904
2001	190,320
2002	97,680
	<hr/>
	\$ 3,611,859

7. BORROWINGS FROM OWNERS

At September 30, 1996, the Company had outstanding interest-bearing advances from Armstrong totaling \$1,549,000. On November 1, 1996, FCI entered into a Convertible Line of Credit Agreement with Armstrong. The outstanding advances were converted into borrowings under the line of credit agreement. Under such agreement, FCI had a \$15,000,000 credit facility of which \$5,000,000 was available in cash and \$10,000,000 was available for letter of credit needs. Armstrong had the right, at any time on or before October 31, 1999, to convert the entire principal amount of the cash loan into a maximum of 3.1% of additional ownership and convert the letter of credit balance outstanding into a maximum additional 4.44% ownership. In 1997, Armstrong converted the outstanding balance of \$5,396,000 under the cash portion of the agreement into an ownership interest.

At September 30, 1997, FCI has \$10,000,000 for letter of credit needs of which it has outstanding letters of credit of \$6,136,000 under the Convertible Line of Credit Agreement.

In 1997, FCI entered into a Bridge Loan Agreement with Armstrong in which FCI can borrow up to \$10,000,000. Interest is calculated based upon prime plus 1%. The prime rate was 8.5% at September 30, 1997. The loan is due on October 1, 1998. The outstanding balance at September 30, 1997 was \$6,250,000.

Additionally, as of September 30, 1996, Tele8 had issued convertible debentures in the amount of \$480,000 to a minority stockholder of both Tele8 and FGC (the "Minority Stockholder"). Such convertible debentures accrued interest at LIBOR plus 4%. Interest was payable annually on September 30, with the full principal amount due on September 30, 2003 (see Note 8).

FCI's total interest expense under the above borrowings was \$462,247 and \$25,527 for the years ended September 30, 1997 and 1996, respectively. At September 30, 1997, there was \$90,950 included in accounts payable and other current liabilities related to unpaid interest on borrowings owed to Armstrong.

8. OTHER RELATED PARTY TRANSACTIONS

As of September 30, 1996, FCI had an advance to the Minority Stockholder of \$499,000.

As of September 30, 1996, FCI and the Minority Stockholder held \$1,120,000 and \$480,000, respectively, of Tele8 debentures totaling \$1,600,000 which earned interest at LIBOR plus 4%. The holder of the debentures had the right to convert the outstanding principal balance into Tele8 common stock at a predetermined price ranging from \$200 to \$250 per share.

On December 23, 1996, the Minority Stockholder assigned its right, title and interest in the Tele8 convertible debentures to FCI to satisfy the outstanding advance due to FCI from the Minority Stockholder. On March 14, 1997, FCI converted all of its Tele8 convertible debentures into 7,400 shares of Tele8 common stock. On May 15, 1997, Tele8 issued 14,400 additional shares of common stock to FCI for consideration of \$3,600,000. Such transactions increased FCI's ownership in Tele8 to 89.6%.

In 1995, Tele8 Kontakt, a subsidiary of FCI at that time, was awarded a license agreement from the Swedish government for certain rights relating to communications systems and technology. During October 1996, FCI distributed its rights under such license agreement to its owners.

FCI has contracted with Armstrong, since its inception, for the performance of certain services by Armstrong for FCI, including but not limited to financial accounting, professional and billing services. In July 1997, two agreements with terms of five years each were entered into for such services. Expenses related to such contracted services of approximately \$439,000 and \$7,400 are included in selling, general and administrative expenses for the year ended September 30, 1997 and 1996, respectively. At September 30, 1997, there was approximately \$298,000 included in accounts payable and other current liabilities for unpaid amounts related to such contracted services.

9. BENEFIT PLANS

Tele8

Tele8 contributes to the Swedish state pension fund, social insurance, medical insurance and unemployment charters for its employees. Tele8's contribution of \$781,000 and \$563,003 for the years ended September 30, 1997 and 1996, respectively, represents approximately 40% of the employees' salaries for both periods and was expensed as incurred.

401(k)

Employees of FCI may participate in a salary reduction (401(k)) plan administered by Armstrong. All contributions represent employee salary reductions.

Performance Unit Plan

Certain employees and directors are eligible to participate in a Performance Unit Plan established by the Company, under which a maximum of 1,254,000 units may be granted. At September 30, 1997 and 1996, 484,500 and 152,000 units have been granted, respectively. Participants vest in their units over a period not to exceed two years and are entitled to receive cash compensation equivalent to the fair market value of the units at the time a participant retires provided the participant has 10 years of continuous service or, if earlier, upon the occurrence of certain events, including a change in control of the Company. The Company accrues to expense over the participant's service vesting period (10 years) amounts based on the market value of the unit at year end. Amounts charged to expense for this plan for the year ended September 30, 1997 was \$288,000. No amounts were expensed in prior years.

10. CONCENTRATION OF RISK

Financial instruments that potentially subject the Company to concentration of credit risk are accounts receivable. Four of the Company's customers accounted for approximately 31% and 50% of gross accounts receivable as of September 30, 1997 and 1996, respectively. The Company performs on-going credit evaluations of its customers but does not currently require collateral to support customer receivables. However, many of the Company's customers, including these four, are suppliers to whom the Company has accounts payable that mitigate this risk.

In addition, the Company is dependent upon certain suppliers for the provision of telecommunication services to its customers. The Company has not experienced, and does not expect, any disruption of such services.

Approximately 24% and 41% of the Company's revenues for the years ended September 30, 1997 and 1996, respectively, were derived from two customers each with percentages in excess of 10%.

11. COMMITMENTS

Equipment

At September 30, 1997, the Company had outstanding commitments to purchase certain switching equipment for approximately \$8.6 million. The Company continues to acquire additional equipment and to obtain financing for such commitments during fiscal year 1998.

12. CONTINGENCIES AND LITIGATION

The Company is involved in various claims and possible actions arising in the normal course of its business. Although the ultimate outcome of these claims cannot be ascertained at this time, it is the opinion of the Company's management, based on its knowledge of the facts and advice of counsel, that the resolution of such claims and actions will not have a material adverse effect on the Company's financial condition or results of operations.

In August 1997, the Company entered into a settlement agreement relating to litigation arising from a certain 1996 Tele8 international telephone services agreement and related billing, collection and factoring agreements with third parties. For the year ended September 30, 1996, selling, general and administrative expenses includes approximately \$708,000 of losses relating to the settlement of which \$500,000 represents a reserve on advances to a service company. In the event any amounts are remitted by the billing and collection agent, the Company will receive the first \$500,000 and will share any amounts thereafter with the other third parties. As of September 30, 1997, the Company has not received any amounts from the billing and collection agent.

13. SUBSEQUENT EVENTS

On October 23, 1997, FCI entered into a Stock Purchase Agreement, effective October 1, 1997, with the Minority Stockholder whereby FCI purchased all of the Minority Stockholders' interest in Tele8 for \$750,000 and sold all of its interest in FGC to the Minority Stockholder. As of October 23, 1997, FCI owns 99% of Tele8.

On December 22, 1997, the owners of FCI entered into an Investment and Shareholders Agreement ("Agreement"). Under the Agreement, the owners of FCI transferred all of their respective units in FCI and FCI (GP), LLC, a Delaware limited liability company, to FaciliCom International, Inc. ("FCI, Inc."), a Delaware Corporation, and additionally Armstrong contributed \$20,000,000 (in cash and assignment of indebtedness) to FCI, Inc., all in exchange for 225,741 shares of FCI, Inc.'s common stock. FCI, Inc. was incorporated on November 20, 1997, and has 300,000 authorized shares of common stock. FCI, Inc. is a corporation subject to income taxes and due to the exchange the results of operations of FCI, Inc. will be subject to income taxes. In addition, the Agreement provides for the adoption of stock compensation plans in the form of stock option plans and a phantom rights plan. All of the units granted under the Company's Performance Unit Plan (see Note 9) were exchanged for equivalent phantom rights with equivalent terms under the new phantom rights plan. No options have been authorized or granted under the stock option plans.

Since the reorganization was a consolidation of entities under common control, it will be accounted for by combining the historical accounts of the Company in a manner similar to a pooling of interest.

Also, the Agreement provides for the adoption of a tax sharing agreement with AHI and, commencing on December 22, 1997, FCI, Inc. joins in the filing of a consolidated federal income tax return with AHI and subsidiaries. Under the Agreement, FCI, Inc. is obligated to pay, with certain exceptions, its share of the consolidated tax liability to AHI and FCI, Inc. will not be paid by AHI for tax benefits realized in the consolidated tax return. At September 30, 1997, FCI had approximately \$1,226,000 of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for income tax purposes that, under the provisions of SFAS No. 109, would have amounted to approximately \$474,000 of deferred tax liabilities. Temporary differences existing at the date of the change in tax status are not expected to be significantly different.

* * * * *

EXHIBIT 4

PROPOSED TARIFF

TARIFF SCHEDULES

**APPLICABLE TO
COMMUNICATION SERVICES
IN THE STATE OF SOUTH DAKOTA**

Offered by:

FaciliCom International, L.L.C.

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services provided by FaciliCom International, L.L.C., ("FCI," "Company" or "Carrier") between one or more points in the State of South Dakota. This tariff is on file with the South Dakota Public Utility Commission, and copies may be inspected, during normal business hours, at Company's principal place of business: 1401 New York Avenue, N.W., 8th Floor, Washington, D.C. 20005.

Issued: January 30, 1998

Effective:

Issued by: Jeffrey Guzy, Vice President
FaciliCom International, L.L.C.
1401 New York Avenue, N.W., 8th Floor
Washington, D.C. 20005

CHECK SHEET

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

<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>
1	Original	21	Original
2	Original	22	Original
3	Original	23	Original
4	Original	24	Original
5	Original	25	Original
6	Original	26	Original
7	Original	27	Original
8	Original	28	Original
9	Original	29	Original
10	Original	30	Original
11	Original	31	Original
12	Original	32	Original
13	Original	33	Original
14	Original	34	Original
15	Original	35	Original
16	Original	36	Original
17	Original	37	Original
18	Original	38	Original
19	Original	39	Original
20	Original	40	Original
		41	Original

* All pages in this Tariff are new.

Issued: January 30, 1998

Effective:

Issued by: Jeffrey Guzy, Vice President
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1401 New York Avenue, N.W., 8th Floor
Washington, D.C. 20005

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SYMBOLS

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

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 Commission. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc. the Commission follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff page in effect.

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TARIFF FORMAT (cont'd)

- C. Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2.
 - 2.1.
 - 2.1.1.
 - 2.1.1.A.
 - 2.1.1.A.1.
 - 2.1.1.A.1.(a).
 - 2.1.1.A.1.(a).I.
 - 2.1.1.A.1.(a).I.(i).
 - 2.1.1.A.1.(a).I.(i).(1).
- D. Check Sheets - When a tariff filing is made with the Commission, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on the check sheet if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the Commission.

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SECTION 1. TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement from a local exchange telephone company or other common carrier, using either dedicated or switched access, which connects a Subscriber's location to Company's location or switching center.

Agent- A person, firm, company, corporation, or other entity who is authorized to distribute Calling Cards to Customers or Users on the Company's behalf.

Authorization Code - A numerical code, one or more of which may be assigned to a Subscriber, to enable Company to identify the origin of the service User so it may rate and bill the call. All authorization codes shall be the sole property of Company and no subscriber shall have any property or other right or interest in the use of any particular authorization code. Automatic numbering identification (ANI) may be used as or in connection with the authorization code.

Automatic Numbering Identification (ANI) - A type of signaling provided by a local exchange telephone company which automatically identifies the local exchange line from which a call originates.

Company, Carrier or FCI - Refers to FaciliCom International, L.L.C.

Central Office - A Local Exchange Carrier switching system where Local Exchange Carrier Customer station loops are terminated for purposes of interconnection to each other and to trunks.

Channel - The term "Channel" denotes a path for electrical transmission between two or more points, the path having a band width designed to carry voice grade transmission.

Commission - Refers to the South Dakota Public Utility Commission.

Common Carrier - A company or entity providing telecommunications services to the public.

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

Customer - The term "Customer" denotes the person, partnership, association, joint stock Company, trust, corporation, or governmental entity or any other entity, that is responsible for payment of charges and for compliance with this tariff. A "Carrier Customer" is a Customer which is a Common Carrier (as defined hereinabove).

Customer-Provided Facilities -The term "Customer-Provided Facilities" denotes all communications facilities provided by the customer and/or authorized user other than those provided by Company.

Dedicated Access - Dedicated access denotes switched outbound long distance traffic delivered to a Company Point of Presence ("POP") via dedicated facilities and terminated over the Company network.

Direct Dialed Call - The term "Direct Dialed Call" denotes a telephone call which is automatically completed and billed to the telephone number from which the call originated without the automatic or live assistance of an operator. This includes calls forwarded by call forwarding equipment.

Exchange - The term "Exchange" denotes a unit established by the Local Exchange Carrier for the administration of communications service in a specified area which usually embraces a city, town or village and its environs. It consists of one or more central offices together with the associated facilities used in furnishing communications service within that area. One or more designated exchanges comprise a given Local Access and Transport Area (LATA).

Holiday - New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day.

Local Access and Transport Area (LATA) - The term "Local Access Transport Area" denotes a geographical area established by the U.S. District Court for the District of Columbia in Civil Action No. 82-0192, within which a local exchange company provides communications services.

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

Local Exchange Carrier (LEC) - The term "Local Exchange Carrier" denotes any telephone company that has been granted a Certificate of Public Convenience and Necessity by a State Commission which provides local telephone service to Customers within a defined exchange.

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

Points of Presence - The term "Points of Presence" denotes the sites where Company provides a network interface with facilities provided by other Common Carriers, Local Exchange Carriers or Customers for access to the local area network.

Premises - The terms "Premises" denotes a building or buildings on contiguous property (except railroad rights-of-way, etc.) not separated by a public highway.

Service - All telecommunications services provided pursuant to this tariff.

Subscriber/Customer - The person or legal entity which enters into arrangements for Company's telecommunications services and is responsible for payment of Company's services.

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

User - The person(s) utilizing Company's services.

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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 Company for telecommunications between points within the State. Company's services are furnished subject to the availability of facilities and subject to the terms and conditions of this tariff.
- 2.1.2 Company's services are not part of a joint undertaking with any other entity providing telecommunications channels, facilities or services, but do involve the resale of long distance, 800 service, and calling card services of common carriers.
- 2.1.3 The rates and regulations contained in this tariff apply only to the services furnished by Company and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carrier for use in accessing the services of Company.
- 2.1.4 The Subscriber is entitled to limit the use of Company's services by Users at the Subscriber's facilities, and may use other common carriers in addition to or in lieu of Company.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.2 Use of Services

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

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.3 Liability of Company

- 2.3.1 Except as otherwise stated in this section, the liability of the Company for damages arising out of either: (A) the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these services, or (B) the failure to furnish its service, whether caused by acts or omission, shall be limited to the extension of allowances to the Customer for interruptions in service as set forth in Section 2.5
- 2.3.2 Except for the extension of allowances to the Customer for interruptions in service as set forth in Section 2.5, the Company shall not be liable to a Customer or third party for any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages, including, but not limited to, loss of revenue or profits, for any reason whatsoever, including, but not limited to, any act or omission, failure to perform, delay, interruption, failure to provide any service or any failure in or breakdown of facilities associated with the service.
- 2.3.3 The liability of the Company for errors in billing that result in overpayment by the Customer shall be limited to a credit equal to the dollar amount erroneously billed or, in the event that payment has been made and service has been discontinued, to a refund of the amount erroneously billed.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.3 Liability of Company (Cont'd)

2.3.4 The Company shall not be liable for any claims for loss or damages involving:

- A. Any act or omission of: (1) the Customer, (2) any other entity furnishing service, equipment or facilities for use in conjunction with services or facilities provided by the Company; or (3) common carriers or warehousemen;
- B. Any delay or failure of performance or equipment due to causes beyond the Company's control, including but not limited to, acts of God, fires, floods, earthquakes, hurricanes, or other catastrophes; national emergencies, insurrections, riots, wars or other civil commotions; strikes, lockouts, work stoppages or other labor difficulties; criminal actions taken against the Company; unavailability, failure or malfunction of equipment or facilities provided by the Customer or third parties; and any law, order, regulation or other action of any governing authority or agency thereof;
- C. Any unlawful or unauthorized use of the Company's facilities and services;

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.3 Liability of Company (Cont'd)

- D. Libel, slander, invasion of privacy or infringement of patents, trade secrets, or copyrights arising from or in connection with the transmission of communications by means of Company-provided facilities or services; or by means of the combination of Company-provided facilities or services with Customer-provided facilities or services;
- E. Breach in the privacy or security of communications transmitted over the Company's facilities;
- F. Changes in any of the facilities, operations or procedures of the Company that render any equipment, facilities or services provided by the Customer obsolete, or require modification or alteration of such equipment, facilities or services, or otherwise affect their use or performance, except where reasonable notice is required by the Company and is not provided to the Customer, in which event the Company's liability is limited as set forth in paragraph 2.3.1 of this Subsection 2.3.
- G. Defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.3 Liability of Company (Cont'd)

- H. Injury to property or injury or death to persons, including claims for payments made under Workers' Compensation law or under any plan for employee disability or death benefits, arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected, or to be connected to the Company's facilities;
- I. Any intentional, wrongful act of a Company employee when such act is not within the scope of the employee's responsibilities for the Company and/or is not authorized by the Company;
- J. Any representations made by Company employees that do not comport, or that are inconsistent, with the provisions of this Tariff.
- K. Any act or omission in connection with the provision of 911, E911, or similar services;
- L. Any noncompletion of calls due to network busy conditions;
- M. Any calls not actually attempted to be completed during any period that service is unavailable.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.3 Liability of Company (Cont'd)

2.3.5 The Company shall be indemnified, defended and held harmless by the Customer or end user from and against any and all claims, loss, demands, suits, expense, or other action or any liability whatsoever, including attorney fees, whether suffered, made, instituted, or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any Company or Customer equipment or facilities or service provided by the Company.

2.3.6 The Company does not guarantee nor make any warranty with respect to installations provided by it for use in an explosive atmosphere. The Company shall be indemnified, defended and held harmless by the Customer from and against any and all claims, loss, demands, suits, or other action, or any liability whatsoever, including attorney fees, whether suffered, made, instituted or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any equipment or facilities or the service.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.3 Liability of Company (Cont'd)

2.3.7 The Company assumes no responsibility for the availability or performance of any cable or satellite systems or related facilities under the control of other entities, or for other facilities provided by other entities used for service to the Customer, even if the Company has acted as the Customer's agent in arranging for such facilities or services. Such facilities are provided subject to such degree of protection or nonpreemptibility as may be provided by the other entities.

2.3.8 Any claim of whatever nature against the Company shall be deemed conclusively to have been waived unless presented in writing to the Company within thirty (30) days after the date of the occurrence that gave rise to the claim.

2.3.9 THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.4 Responsibilities of the Subscriber

- 2.4.1 The Subscriber is responsible for placing any necessary orders; for complying with tariff regulations; for the placement of any stickers or tent cards provided by Company or as required by law; and for assuring that Users comply with tariff regulations. The Subscriber shall ensure compliance with any applicable laws, regulations, orders or other requirements (as they exist from time to time) of any governmental entity relating to services provided or made available by the Subscriber to Users. The Subscriber is also responsible for the payment of charges for calls originated at the Subscriber's numbers which are not collect, third party, calling card, or credit card calls.
- 2.4.2 The Subscriber is responsible for charges incurred for special construction and/or special facilities which the Subscriber requests and which are ordered by Company on the Subscriber's behalf.
- 2.4.3 If required for the provision of Company's services, the Subscriber must provide any equipment space, supporting structure, conduit and electrical power without charge to Company.
- 2.4.4 The Subscriber is responsible for arranging access to its premises at times mutually agreeable to Company and the Subscriber when required for Company personnel to install, repair, maintain, program, inspect or remove equipment with the provision of Company's services.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.4 Responsibilities of the Subscriber (Cont'd)

2.4.5 The Subscriber shall ensure that the equipment and/or system is properly interfaced with Company facilities or services, that the signals emitted into Company's network are of the proper mode, bandwidth, power, and signal level for the intended use of the Subscriber and in compliance with the criteria set forth in this tariff, and that the signals do not damage equipment, injure personnel, or degrade service to other Subscribers. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, Company will permit such equipment to be connected with its channels without use of protective interface devices.

If the Subscriber fails to maintain the equipment and/or the system properly, as provided in Section 2.22 hereof, with resulting imminent harm to Company equipment, personnel, or the quality of service to other Subscribers, Company may, upon written notice, require the use of protective equipment at the Subscriber's expense, in the manner provided in Section 2.22.3 hereof. If this fails to produce satisfactory quality and safety, Company may, upon written notice, terminate the Subscriber's service.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.4 Responsibilities of the Subscriber (Cont'd)

2.4.6 The Subscriber must pay Company for replacement or repair of damage to the equipment or facilities of Company caused by negligence or willful act of the Subscriber, Users, or others, by improper use of the services, or by use of equipment provided by the Subscriber, Users, or others.

2.4.7 The Subscriber must pay for the loss through theft of any Company equipment installed at Subscriber's premises.

2.4.8 The Subscriber is responsible for payment of the charges set forth in this tariff.

2.4.9 The Subscriber is responsible for compliance with the applicable regulations set forth in this tariff.

2.4.10 The Subscriber shall indemnify and save Company harmless from all liability disclaimed by Company as specified in Section 2.3 above, arising in connection with the provision of service by Company, and shall protect and defend Company from any suits or claims against Company and shall pay all expenses and satisfy all judgments rendered against Company in connection herewith. Company shall notify the Subscriber of any suit or claim against Company of which it is aware.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.5 Allowances for Interruptions in Service

2.5.1 General

- A. A service is interrupted when it becomes unusable to the Customer, e.g., the Customer is unable to transmit or receive, because of a failure of a component furnished by the Company under this tariff.
- B. An interruption period begins when the Customer reports a service, facility or circuit to be inoperative and releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative.
- C. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, the service, facility or circuit is considered to be impaired but not interrupted. No credit allowances will be made for a service, facility or circuit considered by the Company to be impaired.

2.5.2 Limitations on Allowances

No credit allowance will be made for any interruption of service:

- A. due to the negligence of, or noncompliance with the provisions of this Tariff by, any person or entity other than the Company, including but not limited to the Customer or other common carriers connected to the service of the Company;

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SECTION 2 RULES AND REGULATIONS (Cont'd)

2.5 Allowances for Interruptions in Service (Cont'd)

2.5.2 Limitations on Allowances (Cont'd)

- B. due to the failure of power, equipment, systems, or services not provided by the Company;
- C. due to circumstances or causes beyond the control of the Company;
- D. during any period in which the Company is not given full and free access to its facilities and equipment for the purposes of investigating and correcting interruptions;
- F. during any period in which the Customer continues to use the service on an impaired basis;
- G. during any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
- H. that occurs or continues due to the Customer's failure to authorize replacement of any element of special construction; and
- I. that was not reported to the Company within thirty (30) days of the date that service was affected.

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SECTION 2. RULES AND REGULATIONS (Cont'd)2.5 Allowances for Interruptions in Service (Cont'd)2.5.3 Application of Credits for Interruptions of Switched Service

- A. Following the Service Commencement Date (as defined in Section 2.23 hereof), if the Customer reports an interruption or impairment of Service, Customer will receive a credit for Service billed for but not provided ("Credit"). Credit to the Customer shall not apply, however, in the event any Service interruption for impairment is caused or contributed to, directly or indirectly, by any act or omission of Customer or its employees, customers, affiliates, agents, representatives, invitees or licensees. In addition, no credit allowances will be made for (i) interruptions during any period which Company or its agents are denied access to the premises where access lines associated with Customer's Services are terminated; or (ii) interruptions not reported to Company's Customer Service Center within 24 hours of occurrence. For the purposes of this paragraph, an interruption reporting period begins when Customer reports an interruption or impairment of Service and ends upon the earlier to occur of (i) Customer's resumption of use of the Service; or (ii) when Service is operative again. If Customer elects to use another means of communication during the interruption reporting period, Customer must pay the charges for the alternate service used.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.5 Allowances for Interruptions in Service (Cont'd)

2.5.3 Application of Credits for Interruptions of Switched Service (Cont'd)

- B. Except as otherwise set forth herein, Customer's sole and exclusive remedy for any and all performance failures by Company which consist of or give rise to interruptions of Service are Credits to the extent available under this Section 2.5. Customer shall have no other remedy except its right to terminate the Service Agreement pursuant to Section 2.24 hereof.

2.6 Billing Arrangements

- 2.6.1 Charges for Services will be billed to Customer in a monthly (30-day) basis, in arrears, based on the User's actual usage.
- 2.6.2 Company will render bills monthly. Payment is due within thirty (30) days after date of Company's billing statement.
- 2.6.3 Company may impose a late payment charge not to exceed 1.5% on any bill not paid within thirty (30) days after date of Company's billing statement. Subscriber shall be responsible for all costs, including attorney's fees, incurred in the collection of unpaid charge or in any other action to enforce payments and/or obligations arising under this tariff.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.6 Billing Arrangements (Cont'd)

2.6.4 Except as otherwise limited by Regulation, Customer shall be responsible for payment of all charges, whether authorized or not, for any and all use of or access to Services provided to Users, including without limited any unauthorized, unlawful or fraudulent use or access.

2.7 Validation of Credit

Company reserves the right to validate the credit worthiness of Subscribers or Users in accordance with the rules of the South Dakota Public Utility Commission.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.8 Call Blocking

Notwithstanding any other provision of this tariff, the Company may block calls which (i) are made to certain countries, cities, or central offices ("NXX") exchanges, or (ii) make use of certain Authorization Codes, as the Company, in its sole opinion and discretion, deems reasonably necessary to prevent unlawful or fraudulent use of Services.

2.9 Advance Payments

The Company may, at its sole option and discretion, require that any Customer having a history of late payments for the Services or whose credit history either is unsatisfactory (in the Company's sole opinion) or is not established to the Company's reasonable satisfaction to make advance payments from time to time for future consumption of Services. The amount of each such advance payment will not exceed the lesser of (i) one (1) month's actual or estimated charges, or (ii) the highest amount permitted by any applicable Regulation. The Company may, at its sole option and discretion, accept personal guarantees, bank letters of credit or surety bonds in lieu of an advance payment. Advance payments will be applied to charges for Services in the same manner as other payments. A customer may be required to continue to make advance payments in accordance with this Section 2.9 until such time as its credit worthiness is established to the Company's reasonable satisfaction.

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SECTION 2. RULES AND REGULATIONS (Cont'd)**2.10 Customer Premises Equipment ("CPE")**

CPE attachment by the User is permitted under this Tariff. The Customer is responsible for ensuring that all such attached CPE must conform to the FCC's registration requirements set forth in Part 68 of the Code of Federal Regulations (as amended), and the Company may discontinue the provision of Services to any location where CPE fails to conform to such Regulations.

2.11 Title

Title to any and all equipment or facilities provided by Company under this Tariff will remain in the Company.

2.12 Contested Charges

All bills are presumed accurate, and shall be absolutely binding on the Customer unless the Customer's objection is received by Company in accordance with the provisions of 2.12.1 below.

- 2.12.1 If Customer in good faith disputes any portion of Company's invoice, Customer shall submit to Company within 30 days following the date of the invoice, full payment of the undisputed portion of the invoice and written documentation identifying and substantiating the disputed amount. If Customer does not report a dispute within the 30 day period, Customer shall have irrevocably waived its dispute rights for that invoice. Company and Customer agree to use their respective best efforts to resolve any dispute within fifteen (15) days after Company receives written notice of the dispute from Customer. Any disputed amounts resolved in favor of Customer shall be credited to Customer's account on the next invoice following resolution of the dispute. Any disputed amounts determined to be payable to Company shall be due within ten (10) days of the resolution of the dispute. If the Customer

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.12 Contested Charges (Cont'd)

withholds the disputed amount thereafter, or within the time required, fails to provide supporting information in writing which sets out a legitimate basis for disputing any charges, Customer's account shall be deemed to be past due and unpaid. In such event, Company shall be entitled to pursue any and all available legal remedies provided under the Service Agreement or under the law, including denial of Service.

- 2.12.2 If there is still a disagreement about the disputed amount after the procedures in Section 2.12.1 are followed, all Customers except Carrier Customers may file an appropriate complaint with the South Dakota Public Utility Commission. The address of the Commission is:

South Dakota Public Utility Commission
500 E. Capital
State Capital Building
Pierre, South Dakota 57501

If the Customer is a Carrier Customer operating under a Service Agreement with Company, all disputes shall be settled by binding arbitration in the manner provided in the such Service Agreement.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.12 Contested Charges (Cont'd)

2.12.3 Billing inquiries may be directed to the Company at its toll free number (800) 272-4828.

2.13 Billing Entity Conditions

When billing functions on behalf of 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.

2.14 Credit Approval and Deposits

Company's obligation to provide Service may be contingent upon credit approval by Company and Customer's acceptance of Company's initial and continuing credit approval procedures and policies. A deposit and/or irrevocable letter of credit or other form of security acceptable to Company may be required prior to commencement of Service, or, if after Service Commencement Date, within 48 hours following Company's request. After Service Commencement, a deposit or additional deposit may also be required if Customer's financial circumstances or payment history warrants or in light of Customer's actual usage when compared to projected usage levels upon which any initial security or assurance requirement was based.

If Service has been canceled or discontinued for any reason Customer's deposit shall be applied to all charges then due Company, including any late fees and cancellation charges applicable to the Service offering received by Customer. Company will refund the excess portion of the deposit if any, within thirty (30) days following settlement of Customer's account. The refunding or crediting of Customer's deposit in no way relieves Customer from complying with all terms and provisions contained in this tariff and the Service Agreement or from tendering payments when due.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.15 Taxes

All federal excise taxes, and state and local sales, use, and similar taxes, are billed (where applicable) as separate items and are not included in the quoted rates.

2.16 Minimum Call Completion Rate

Company will ensure an industry standard blocking rate between P.01 and P.02.

2.17 Promotions

Company may from time to time offer promotional services.

2.18 Uncompleted Calls/Wrong Number

Company will not knowingly charge for uncompleted calls or wrong numbers for Prepaid Card Service Customers. Upon verification that such a charge has been incurred, Company will credit the customer's bill.

2.19 Directory Assistance

The Company does not provide local directory assistance.

2.20 Operator Services

The Company does not provide operator services. All operator assisted calls, including collect calls, calling card calls, credit card calls, person-to-person calls, third party calls, and other related operator services will be routed to the Company's underlying Common Carrier.

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SECTION 2. RULES AND REGULATIONS (Cont'd)2.21 Application for Service

Customers wishing to subscribe to Company's service will be required to execute a written Service Order and a Service Agreement which will contain or reference a specific description of the Service ordered, the terms and conditions, and the rates to be charged in accordance with the applicable provisions of this tariff. The Service Order form must contain the name(s) of the Customer(s) using the Service. Customer will also be required to execute any other documents as may be reasonably requested by Company in order to provide Service. In the event the Service Order, the Service Agreement, and this tariff are inconsistent, the tariff shall prevail. Traffic must commence within 45 days of Service Commencement Date (as defined in Section 2.23) or Company may cancel all circuit(s) interconnection upon five (5) working days advance written notice, without any liability or obligation whatsoever.

2.22 Provision of Equipment and Facilities

2.22.1 Interconnection of Facilities

Customer is responsible for arranging and the expense of installing and operating the interconnection between Customer's network and Company's network at Company's Point of Presence in compliance with Company's network interface procedures. At Customer's request, Company will coordinate interconnection and bill customer for installation and operation of interconnection. Customer's obligation to accept and pay for non-usage sensitive charges for Service shall be binding.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.22 Provision of Equipment and Facilities (Cont'd)

2.22.1 Interconnection of Facilities (Cont'd)

Company shall not be responsible for the installation, operation or maintenance of any Customer-provided communications equipment. Where such equipment is connected to Service furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of services under this tariff and to the maintenance and operation of such Services in the proper manner; subject to this responsibility, the Company shall not be responsible for (1) the through transmission of signals generated by Customer-provided equipment or for the quality of, or defects in, such transmission; or (2) the reception of signals by Customer-provided equipment; or (3) network control signaling where such signaling is performed by Customer-provided network control signaling equipment.

In order to protect the Company's facilities and personnel and the services furnished to other Customers by the Company from potentially harmful effects, the signals applied to the Company's Services shall be such as not to cause damage to the facilities of the Company. Any special interface equipment necessary to achieve compatibility between facilities of the Company and the channels or facilities of others shall be provided at the Customer's expense.

The Customer will be liable for damages to the facilities of the Company caused by the negligence or willful acts of any officers, employees, agents, or contractors of the Customer.

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SECTION 2. RULES AND REGULATIONS (Cont'd)

2.22 Provision of Equipment and Facilities (Cont'd)

2.22.2 Customers Premises Provisions

The Customer shall provide the personnel, power and space required to operate all facilities and associated equipment installed on the premises of the Customer.

Except as otherwise indicated, Customer-provided station equipment at the Customer's premises for use in connection with the Service of the Company shall be so constructed, maintained and operated to work satisfactorily with the facilities of the Company.

The Customer shall be responsible for providing Company personnel access to the premises of the Customer at any reasonable hour for the purpose of testing the facilities or equipment of the Company.

2.22.3 Inspections

The Company may, upon suitable notification to the Customer and at a reasonable time, make such tests and inspections as may be necessary to determine that the requirements regarding equipment and interconnection are being met in the installation, operation and maintenance of Customer-provided equipment and in the wiring of the connection of Customer channels to Company-owned facilities.

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SECTION 2. RULES AND REGULATIONS (Cont'd)**2.22 Provision of Equipment and Facilities (Cont'd)****2.22.3 Inspections (Cont'd)**

If the protective requirements in connection with Customer-provided equipment are not being complied with, the Company may take such action as is necessary to protect its facilities and personnel, and will promptly notify the Customer in writing of the need for protective action. In the event that the Customer fails to advise the Company within 12 hours after such notice that corrective action has been taken, the Company may take whatever additional action is deemed necessary, including the termination of Service, to protect its facilities and personnel from harm. Upon reasonable request, the company will provide the customer with a statement of technical parameters which the Customer's equipment must meet.

2.23 Service Commencement Date

The Service Commencement Date (also Service Activation or Start Date), is the date that facilities are first made available to Customer for Service. In the event that either Customer or Company anticipates that the Service Commencement Date may be delayed, they shall notify the other party immediately of this and the circumstances relating to the delay, and enter into discussions to establish a new Service Commencement Date, and amend such other terms of the Service Order as may be necessary.

Issued: January 30, 1998

Effective:

Issued by: Jeffrey Guzy, Vice President
FaciliCom International, L.L.C.
1401 New York Avenue, N.W., 8th Floor
Washington, D.C. 20005

SECTION 2. RULES AND REGULATIONS (Cont'd)2.24 Term of Service

The term of the Service shall be the term specified in the Service Agreement, which term shall be one (1) year after the Effective Date (as defined in the Service Agreement). Such term is automatically renewable for subsequent one (1) year periods unless terminated by Customer by delivering to Company written notice of such termination, in the manner described in the Service Agreement, at least sixty (60) days prior to the effective date of such cancellation.

2.25 Compliance

The Company and Customer shall (and Customer shall cause User to) comply with all applicable Regulations.

2.26 Assignment

The obligations set forth in this tariff shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted Assignees, provided, however, that the Customer shall not assign or transfer the use of the Company's Services without the prior written consent of the Company, which shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, Customer may, on notice to Company but without its consent, make an assignment to a successor, affiliate, subsidiary, or to an entity controlling or under the same control as Customer. In the event of assignment as permitted herein, the new Customer shall undertake in writing to the other the performance and liability for the obligations, duties, and interests to which it is accountable as a succeeding party under this tariff. However, any permitted assignment or transfer of the Company's Service shall not relieve or discharge any Customer from remaining jointly and severally liable with the new Customer for any obligations existing at the time of transfer or assignment.

Issued: January 30, 1998

Effective:

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Washington, D.C. 20005

SECTION 3. EXPLANATION OF RATES

The regulations set forth in this section explain how to apply the rate tables associated with the various service offerings described in Section 4, following.

3.1 Timing of Calls

Billing for calls placed over the Company's network is based in part on the duration of the call. Timing of each call begins as specified below, and ends when the called party hangs up.

- (a) All Other Calls - Timing begins when the called station is answered, as determined by standard industry methods generally in use for ascertaining answer, including hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. Timing ends when the called party hangs up.

3.2 Computation of Charges

- A. The rates for Company's interexchange Service will depend upon the duration of the call and the Service plan selected by the Customer. Rates apply seven (7) days a week and are not affected by the time period in which the call is placed. Rates are quoted per minute. Rates applicable on holidays are the same as those applicable for all other days of the year. Billing is based on an initial thirty (30) second period and thereafter in six (6) second increments or fractions thereof rounded up to the next increment. Third party non-usage recurring charges billed to Company relevant to Customer's use of local serving arrangement with local exchange company are passed directly on to Customer and may be subject to upward adjustment from time to time pursuant to tariff. In addition, any non-recurring third party charges which may be billed to Company relative to interconnection shall be passed directly on to Customer.

Issued: January 30, 1998

Effective:

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1401 New York Avenue, N.W., 8th Floor
Washington, D.C. 20005

SECTION 3. EXPLANATION OF RATES (Cont'd)3.2 Computation of Charges (Cont'd)

- B. Where answer supervision is available, the time of a call begins when the called station is answered, as determined by the standard industry methods selected by the applicable underlying Common Carrier. The Company will not knowingly bill any Customer for unanswered calls. Upon the Customer's request, the Company shall promptly refund or credit, as the case may be, payments or charges for any unanswered call inadvertently billed due to the unavailability of Feature Group D or to the LEC's failure to provide answer supervision. Where answer supervision is not available, any call for which the billed duration exceeds one minute shall be presumed to have been answered.

3.3 Dedicated Access Rates

Company's Dedicated Access Rates may be found in Section 4, paragraphs 4.1 and 4.2, and are offered to all dedicated access Customers of Company. Company may modify its rates to any current Customer upon seven (7) calendar days advance written notice. In the event there are changes in rates caused by Company's carriers or any legislation affecting rates, and they are implemented in a period less than 7 calendar days, then Customer shall be responsible for any additional charges based on the change of rates. Company shall notify Customer promptly of any such change.

Dedicated access circuits may be provided and billed by the local exchange company (LEC). Dedicated access channels may be purchased from carriers other than the LEC only in accordance with Commission rules or if the special access channel is jurisdictionally interstate. Charges for the dedicated access channel are determined by the access provider.

Issued: January 30, 1998

Effective:

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FaciliCom International, L.L.C.
1401 New York Avenue, N.W., 8th Floor
Washington, D.C. 20005

SECTION 3. EXPLANATION OF RATES (Cont'd)

3.4 Special Promotional Offerings

From time to time, the Company may offer its Customers special discounts and/or Service modifications. Such offerings may be limited to certain dates, locations and Service. Any promotions, if offered, shall receive prior approval by the Commission.

Issued: January 30, 1998

Effective:

Issued by: Jeffrey Guzy, Vice President
FaciliCom International, L.L.C.
1401 New York Avenue, N.W., 8th Floor
Washington, D.C. 20005

SECTION 4. RATE SCHEDULE4.1 Dedicated Access Carrier Service

	<u>Per Call</u>	<u>Non-Recurring Charge</u>
Intrastate Calls	\$0.15/min.	\$250.00

4.2 Dedicated Access Commercial Service

	<u>Per Call</u>	<u>Non-Recurring Charge</u>
Intrastate Calls	\$0.18/min.	\$250.00

Issued: January 30, 1998

Effective:

Issued by: Jeffrey Guzy, Vice President
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1401 New York Avenue, N.W., 8th Floor
Washington, D.C. 20005

SECTION 4. RATE SCHEDULE (Cont'd)4.3 Prepaid Card Services4.3.1 Description of Services

Prepaid Card Service is an international switched service that enables an end user to place calls charged to prepaid phone cards issued by the Company. The card holder dials a toll free number, enters their card number, and hears the balance available on their card. When the card holder places their call, the card is debited for the amount of the call. Depending on the Service selected, operator assistance or automatic voice prompting is available in multiple languages.

Company is not liable or responsible for theft, loss or unauthorized use of cards or card numbers. Company will not refund or issue credit on unused minutes (or units) of the Prepaid Card. Customer(s) of Prepaid Card Service is solely responsible for payment of all applicable federal, state or local use, excise, sales or privilege taxes, duties or any similar fees that may be assessed by any governmental body or regulatory authority in connection with Service. Prepaid Card Service may be made available from time to time with certain promotional offerings. These promotional offerings may apply to certain special or limited editions of cards and could be limited to dates, times and card availability.

4.3.2 Issuance of Prepaid Cards

Company will issue Prepaid Cards in increments of \$25.00 denominations. Intrastate calls can be placed at the rates specified in Section 4.3.5 below. At the time of card issuance, Customers will receive a rate schedule specifying the per minute rates to all available destinations.

Issued: January 30, 1998

Effective:

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FaciliCom International, L.L.C.
1401 New York Avenue, N.W., 8th Floor
Washington, D.C. 20005

SECTION 4. RATE SCHEDULE (Cont'd)

4.3 Prepaid Card Services (Cont'd)

4.3.3 Availability

The Prepaid Card Service is available to Customers twenty-four (24) hours a day, seven (7) day a week. Card availability is limited and shall be handled on a first come, first served basis. Purchases of the Prepaid Card may be made by major credit card. Credit card check verification will be done to ensure available credit.

Prepaid Card Service can be accessed through touch-tone telephones only. "900" calls cannot be made on the Prepaid Card.

4.3.4 Card Depletion and Renewal

Each time the card is used, the end-user hears a message stating the amount of minutes remaining on the card. Prior to expiration, the system will inform the users on how to renew the card by calling a special Customer Service toll free number. Cards may be renewed in minimum increments of \$25.00, not to exceed a maximum amount of \$250.00 per week.

Issued: January 30, 1998

Effective:

Issued by: Jeffrey Guzy, Vice President
FaciliCom International, L.L.C.
1401 New York Avenue, N.W., 8th Floor
Washington, D.C. 20005

SECTION 4. RATE SCHEDULE

4.3 Prepaid Card Services (Cont'd)

4.3.5 Rates

A. Standard Usage Charges

Per minute of use

Standard Rate

\$0.20

199643.1

Issued: January 30, 1998

Effective:

Issued by: Jeffrey Guzy, Vice President
FaciliCom International, L.L.C.
1401 New York Avenue, N.W., 8th Floor
Washington, D.C. 20005

EXHIBIT 5

MARKETING AND BUSINESS INFORMATION

MARKETING AND BUSINESS INFORMATION

FCI will market its dedicated access services to commercial and carrier customers, and will market its prepaid card service to commercial and individual customers. FCI has not finalized its marketing plan at this time. FCI expects that initial marketing vehicles may include direct mail and limited printed advertising. FCI has no current plans to deploy a sales force within the region, but will assess whether and to what extent to deploy such a force as business develops. Since FCI's marketing plan has not been finalized, FCI does not have any sample promotional material.

VERIFICATION

I, Jeffrey J. Guey, am an officer of the Applicant in the subject proceeding, and am authorized to make this verification on their behalf. I have read the foregoing information and know the contents thereof. The statements made in the foregoing document are true of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct, this ____ day of December, 1998.

By: _____

Name: _____

Title: _____

Subscribed and sworn to before me this 7th day of December, 1998.

Sheron E. Bowman
Notary Public

SHERON E. BOWMAN

My Commission expires: Notary Public, District of Columbia
My Commission Expires October 14, 2001



THE ARMSTRONG GROUP OF COMPANIES

One Armstrong Place • Butler, PA 16001-1950

8-12
430

CHECK NO

480190

Integra Bank

INTEGRA BANK/PITTSBURGH
Bon Air • Butler, PA 16001

PAY

DATE	AMOUNT
1/22/98	*****250.00

TO THE
ORDER
OF

SOUTH DAKOTA PUBLIC UTILITIES CON.
500 E. CAPITOL
STATE CAPITOL BLDG.
PIERRE, SD 57501

Jay L Sedwick

⑈480190⑈ ⑆043000122⑆ 62⑈115300⑈

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:

01/30/98 through 02/05/98

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

DOCKET NUMBER	TITLE/STAFF/SYNOPSIS	DATE FILED	INTERVENTION DEADLINE
REQUEST FOR CERTIFICATE OF AUTHORITY			
TC98-015	Application by FaciliCom International, L.L.C. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/CH) "Petitioner will initially provide (i) dedicated access service to telecommunications carriers and commercial customers, and (ii) prepaid card service to and from all points within the state of South Dakota to residential and business customers, and may, at sometime in the future, add resold direct-dialed message and credit card service offerings to business and residential customers, or other service offerings consistent with its business interests and subscriber demand."	02/02/98	02/20/98
FORMAL COMPLAINT FILED			
TC98-016	Keith Glanzer vs U S WEST Communications. "We purchased a computer for home and business use in August of 1997/ At the same time we signed up for internet service for the information available and mail. Upon several attempts it was discovered that internet use was not possible over our phone line with U S WEST. U S WEST technicians checked our line and said it was fairly good considering our location. We also found out that a standard phone line does not have a guarantee data rate. On Oct. 28, 1997, we ordered an ISDN line which the U S WEST salesperson told us was available. After repeated calls U S WEST told us on Jan. 1, 1998, that no ISDN line could be provided to us. I am a Pioneer Seed Salesperson and during this time Pioneer has the sales staff migrated to laptop PCs with on line communication with Pioneer. After receiving training and the laptop it was discovered (after several days of customer support with Pioneer) that it was impossible to utilize this system due to our poor phone line. At this point in time U S WEST seems unwilling to upgrade the Slick 40 serving our area or improve the cable plant. Consequently our need for a good quality phone line seems impossible to achieve in U S WEST service area. I would ask the PUC that they would apply pressure to U S WEST to improve our phone line so that we might have acceptable levels of data transmission." (Staff: SW/KC)	01/30/98	NA

Important Notice: The Commission is compiling a list of internet addresses. If you have an internet address please notify the Commission by E-mailing it to Terry Norum at terryn@puc.state.sd.us. Faxing the address to the Commission at: 605-773-3809

May 19, 1998

VIA OVERNIGHT DELIVERY

Mr. William Bullard, Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, South Dakota 57501

RECEIVED
MAY 20 1998
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Re: Application of FaciliCom International, L.L.C. for a Certificate of Authority to
Provided Interstate Interexchange Telecommunications Services Within the State of
South Dakota (Docket No. TC 98-015)


Dear Mr. Bullard:

Enclosed for filing on behalf of FaciliCom International, L.L.C. ("FCI"), are an original and ten (10) copies of FCI's Surety Bond in the amount of Twenty-five Thousand Dollars (\$25,000.00). This filing is made pursuant to Ms. Tammy Stangohr's March 9, 1998 letter in order to allow FCI to offer prepaid calling cards and to collect deposits and advance payments.

Please date-stamp the enclosed extra copy of this filing and return it to the undersigned in the self-addressed stamped envelope provided herein. Should you have any questions concerning this filing, please do not hesitate to contact us.

Very truly yours,

*Original Bond in
Hildine's bottom
desk drawer.*


Priscilla A. Whitehead
Rachel D. Flam

Counsel for FaciliCom International, L.L.C.

Enclosure

cc: Tammy Stangohr (SD PUC)
Linda Jacobsen (w/o enclosure)
Eileen L. Jordan

238629.1

**LICENSE OR
PERMIT BOND**

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
Hartford, Connecticut 06183

KNOW ALL MEN BY THESE PRESENTS:

THAT WE, FaciliCom International

, as Principal,
and TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, a corporation duly incorporated under the laws of
the State of Connecticut, and authorized to do business in the state of All States, as Surety, are held
and firmly bound unto State of South Dakota, Public Utilities Commission
in the penal sum of Twenty Five Thousand and 00/100 (\$ 25,000.00) Dollars, for the
payment of which we hereby bind ourselves, or heirs, executors and administrators, jointly and severally by these presents.

THE CONDITIONS OF THIS BOND ARE SUCH, that the said Principal has applied for a license as/for
provider of inter-exchange telecommunication services in accordance with the requirements of the
ordinance

of said State of South Dakota, Public Utilities Commission, and has agreed to hold said
State of South Dakota, Public Utilities Commission harmless from any damage by reason of his/her
engaging in said business

NOW, THEREFORE, if said Principal shall faithfully perform all the duties of provider of inter-exchange telecommunication services
according to the requirements of the ordinance of said
State of South Dakota, Public Utilities Commission, and protect said State of South Dakota, Public Utilities Commission
from any damage as hereinbefore stated, then this obligation shall be null and void; otherwise
to remain in full force and effect.

This bond may be terminated as to future acts of the Principal upon thirty (30) days written notice by the Surety;
said notice to be sent to State of South Dakota, Public Utilities Commission
of the aforesaid

by certified mail.

Provided, However, that this bond may be continued at the option of the Surety by the issuance of a non-cumulative
Continuation Certificate.

This bond becomes effective on the 21st April, 1998, for a period ending on
the 21st day of April, 1999.

DATED: April 21, 1998

FaciliCom International

Principal

By

Title

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

By

JoAnn C. Wahrenberger, Attorney-in-Fact

S-2151-A (07-97)

Countersigned:

Nick Gusso, SD Licensed Resident Agent

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
Hartford, Connecticut 06183-9062

POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL MEN BY THESE PRESENTS, THAT TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, a corporation duly organized under the laws of the State of Connecticut, and having its principal office in the City of Hartford, County of Hartford, State of Connecticut, hath made, constituted and appointed, and does by these presents make, constitute and Thomas M. Kunkel, James M. Hasson, Douglas E. Bender, Edward R. Dlugos, Michael D. Hickey, Eric M. Broich, Paula A. Oiler, Julia A. Morek, Orysia Ligus, Anthony P. Lekse, Aaron T. Ort, David A. Walla, David L. Brown, Judith M. Kern, James E. Hudson, Karen L. Lieberg, Mary Jane Schopp, Rick A. Gasiorowski, Mark S. Costello, James Rogus, Kathleen A. Black, JoAnn C. Wahrenberger, Robert S. Abbott, Peter J. O'Connell, J. R. Powers, Theresa M. Maccarone, Carol M. Garrett, Corry L. Spampinato, Theresa A. Svigel, Benjamin J. Pachla or Kathleen K. Lancaster * *

of Cleveland and Cincinnati, OH, Pittsburgh, PA, Rochester, NY, its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, or, if the following line be filled in, within the area there designated

the following instrument(s):

by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking and any and all consents incident thereto

and to bind TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This appointment is made under and by authority of the following Standing Resolutions of said Company, which Resolutions are now in full force and effect:

VOTED: That each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Group Executive, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, may from time to time appoint Resident Vice Presidents, Resident Assistant Secretaries, Attorneys-in-Fact, and Agents to act for and on behalf of the Company and may give any such appointee such authority as his certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors may at any time remove any such appointee and revoke the power and authority given him or her.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the Chairman, the Vice Chairman, the President, an Executive Vice President, a Group Executive, a Senior Vice President, a Vice President, an Assistant Vice President or by a Resident Vice President, pursuant to the power prescribed in the certificate of authority of such Resident Vice President, and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary or by a Resident Assistant Secretary, pursuant to the power prescribed in the certificate of authority of such Resident Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact pursuant to the power prescribed in his or their certificate or certificates of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile under and by authority of the following Standing Resolution voted by the Board of Directors of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, which Resolution is now in full force and effect:

VOTED: That the signature of each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Group Executive, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA has caused this instrument to be signed by its Senior Vice President, and its corporate seal to be hereto affixed this 19th day of November, 1997.

STATE OF CONNECTICUT

SS. Hartford

COUNTY OF HARTFORD



TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

By

A handwritten signature of George W. Thompson in black ink.

George W. Thompson
Senior Vice President

On this 19th day of November, 1997, before me personally came **GEORGE W. THOMPSON** to me known, who, being by me duly sworn, did depose and say: that he/she is **Senior Vice President** of **TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA**, the corporation described in and which executed the above instrument; that he/she knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; and that he/she executed the said instrument on behalf of the corporation by authority of his/her office under the Standing Resolutions thereof.



A handwritten signature of Marie C. Tetreault in black ink.

My commission expires June 30, 2001 Notary Public
Marie C. Tetreault

CERTIFICATE

I, the undersigned, Assistant Secretary of **TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA**, a stock corporation of the State of Connecticut, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney and Certificate of Authority remains in full force and has not been revoked; and furthermore, that the Standing Resolutions of the Board of Directors, as set forth in the Certificate of Authority, are now in force.

Signed and Sealed at the Home Office of the Company, in the City of Hartford, State of Connecticut. Dated this
21st day of April, 19 98.



By

A handwritten signature of Rose Gonsoulin in black ink.

Rose Gonsoulin
Assistant Secretary

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

IN THE MATTER OF THE APPLICATION OF)
FACILICOM INTERNATIONAL, L.L.C. FOR A)
CERTIFICATE OF AUTHORITY TO PROVIDE)
TELECOMMUNICATIONS SERVICES IN)
SOUTH DAKOTA)

ORDER GRANTING
CERTIFICATE OF
AUTHORITY

TC98-015

On February 2, 1998, the Public Utilities Commission (Commission), in accordance with SDCL 49-31-3 and ARSD 20:10:24:02, received an application for a certificate of authority from FaciliCom International, L.L.C. (FCI).

FCI proposes to offer intrastate interexchange service to customers through resale of such services. Those services will include dedicated access service to telecommunications carriers and commercial customers and prepaid card service to and from all points in South Dakota. Future offerings may include direct-dialed message and credit card service offerings. A proposed tariff was filed by FCI. The Commission has classified long distance service as fully competitive.

On February 5, 1998, the Commission electronically transmitted notice of the filing and the intervention deadline of February 20, 1998, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled June 11, 1998, meeting, the Commission considered FCI's request for a certificate of authority. Commission Staff recommended granting a certificate of authority.

The Commission finds that it has jurisdiction over this matter pursuant to Chapter 49-31, specifically 49-31-3 and ARSD 20:10:24:02 and 20:10:24:03. The Commission finds that FCI has met the legal requirements established for the granting of a certificate of authority. FCI 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 FCI's application for a certificate of authority. As the Commission's final decision in this matter, it is therefore

ORDERED, that FCI's application for a certificate of authority is hereby granted. It is

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

Dated at Pierre, South Dakota, this 19th day of June, 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 Heldrick Kaebo

Date 6/19/98

(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 June 11, 1998
Docket No. TC98-015

This is to certify that

FACILICOM INTERNATIONAL, L.L.C.

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 19th day of June, 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION:



James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner