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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

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Telephone: (770) 232-9200
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July 1, 1998

VIA AIRBORNE EXPRESS

Mr. William Bullard
Executive Director
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501-5070
(605) 773-3201

Re: U.S. Network Services, Inc.

Dear Mr. Bullard:

Enclosed please find one original and ten (10) copies of U.S. Network Services, Inc.'s Application for Registration of a Telecommunications Company.

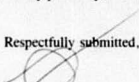
Please note that Exhibit A, the Certificate of Authority from the Secretary of State, is not attached. We have applied for the certificate and will forward a copy to the commission upon receipt.

In order to expedite the processing of this application, I would like to suggest that all requests for information by the analyst be made by either telephone or facsimile. I will make every effort to respond on the day of the request.

I have also enclosed a check in the amount of \$250.00 payable to the "South Dakota Public Utilities Commission" for the filing fee, and an extra copy of this cover letter to be date stamped and returned to me in the enclosed self-addressed prepaid envelope.

If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me.

Respectfully submitted,


Lance J.M. Steinhart
Attorney for U.S. Network Services, Inc.

Enclosures
cc: Don Reese

APPLICATION FOR REGISTRATION
OF U.S. NETWORK SERVICES, INC.
FILED WITH THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE)
APPLICATION OF)
U.S. NETWORK SERVICES, INC.)
FOR AN ORDER) Docket No. _____
AUTHORIZING THE REGISTRATION)
OF APPLICANT AS A)
TELECOMMUNICATIONS COMPANY)

APPLICATION

Application is hereby made to the South Dakota Public Utilities Commission for an Order authorizing U.S. Network Services, Inc. ("Applicant") to register as a telecommunications company within the State of South Dakota. The following information is furnished in support thereof:

1. Name, Address and Telephone Number of Applicant

U.S. Network Services, Inc.
2722 Eastlake Avenue East
Seattle, Washington 89102
206-505-5500/Phone

The Applicant will provide services under the name U.S. Network Services, Inc.

All inquiries regarding regulatory matters should be addressed to:

Lance J.M. Steinhart, Esq.
6455 East Johns Crossing, Suite 285
Duluth, Georgia 30097
(770) 232-9200
(770) 232-9208 (Fax)

All inquiries regarding complaints against the company should be addressed to:

Don Reese
2722 Eastlake Avenue East
Seattle, Washington 89102
877-659-6742

2. Registered Agent

The name and address of the Applicant's registered agent are:

National Registered Agents, Inc.
300 South Phillips Avenue, Ste. 300
Sioux Falls, SD 57102

3. Description of the Applicant

Applicant was incorporated in the State of Delaware on June 2, 1998. Its duration is perpetual. Applicant has applied for authority to transact business as a foreign corporation in the State of South Dakota and will file a copy of its Certificate of Authority as Exhibit A upon receipt. A copy of the Applicant's Articles of Incorporation is attached as Exhibit B hereto.

4. Facilities

Applicant does not own or maintain any transmission facilities or switching equipment in the State of South Dakota. The Applicant intends to provide services through Frontier's underlying network.

5. **Stockholders**

The names and addresses of all 5% or greater stockholders of Applicant are as follows:

Name and Address	Shares Owned	Percentage of all Shares Issued and Outstanding and Voting Control
Ian K. Eisenberg 2722 Eastlake Avenue East Seattle, Washington 89102	950	95%
Danny McGinnis 2722 Eastlake Avenue East Seattle, Washington 89102	50	5%

6. **Officers and Directors**

The name and address of the officers and directors of Applicant are as follows:

OFFICERS/DIRECTORS:

Ian K. Eisenberg	President/Director
Don Reese	Secretary

All of the above officers can be reached at U.S. Network Services, Inc., 2722 Eastlake Avenue East, Seattle, Washington 89102, 206-505-5500/Phone.

7. Corporate Ownership

The name and address of any corporation, association or similar organization holding a five percent (5%) or greater ownership in the Applicant is as follows:

None.

8. Subsidiaries owned or controlled by Applicant

None

9. Description of Services

Applicant is a reseller which intends to offer 1+ and 101XXXX direct dialing, 800/888 inbound toll-free, and travel card service through the resale of telephone services provided by facilities-based interexchange carriers. As a reseller, Applicant has no points of presence in the State of South Dakota, thus Applicant neither owns, leases, nor operates any switching, transmission, or other physical facilities in the State of South Dakota, and no such facilities will be used by Applicant in providing service in the State of South Dakota. Rather, Applicant will be engaged in reselling services provided by facilities-based carriers within the State of South Dakota. Upon receiving certification, Applicant intends to provide services throughout the State of South Dakota.

Applicant intends to provide these services to customers on a jurisdictionally interstate basis subject to the FCC's jurisdiction and Applicant intends to provide these services on jurisdictionally intrastate basis pursuant to certification, registration or tariff requirements, or on an unregulated basis,

in all fifty states except Alaska, subject to the jurisdiction of various public service and utilities commissions. Applicant is currently in the process of obtaining all required authorizations from the FCC and the state regulatory agencies. Applicant is currently authorized to provide service in Colorado, Iowa, Michigan, Montana, New Jersey, Pennsylvania, Texas, Utah, Virginia and Wyoming. The Applicant has never been denied registration or certification in any state.

Applicant intends to provide high quality service, with an industry standard blocking rate less than P.01. Its services will be available on a full-time basis, twenty-four hours a day, seven days a week, to customers within the geographic boundaries of the State of South Dakota.

11. Customer Billings and Customer Service

The Applicant intends to direct bill customers utilizing real-time completed call detail information from Applicant's underlying carriers. Applicant's toll-free number will be on all invoices and customer service will be provided in-house by the Applicant.

12. Description of Marketing

Applicant intends to market its services to primarily to businesses and call centers. Applicant's initial target market will be the Western United States. All sales personnel will have telecommunications service experience. Applicant will market through direct sales in the form of direct mail and print ads. Applicant does not intend to engage in multilevel marketing. No marketing materials are available at this time.

11. Financial Qualifications

Applicant is financially qualified to provide intrastate interexchange telecommunications services within South Dakota. In particular, Applicant has adequate access to the capital necessary to fulfill any obligations it may undertake with respect to the provision of intrastate telecommunications services in the State of South Dakota. See Exhibit C which is attached hereto, Applicant's Balance Sheet as of June 30, 1998, which demonstrates that Applicant has the financial ability to provide the services that it proposes to offer.


12. Tariff

A copy of Applicant's proposed tariff is attached as Exhibit D hereto.

WHEREFORE, the undersigned Applicant requests that the South Dakota Public Utilities Commission enter an order granting this application.

DATED this 15th day of July, 1998.

U.S. Network Services, Inc.

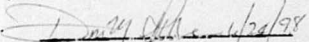
By: 
Lance J.M. Steinhart, Its Counsel

6455 East Johns Crossing
Suite 285
Duluth, Georgia 30097
(770) 232-9200

STATE OF Washington


COUNTY OF King

Don Reese, being first duly sworn, deposes and says that he is the Secretary of U.S. Network Services, Inc., the Applicant in the proceeding entitled above, that he has read the foregoing application and knows the contents thereof; that the same are true of his knowledge, except as to matters which are therein stated on information or belief, and to those matters he believes them to be true.



Don Reese

Subscribed and sworn to before this 22nd day of July, 1998.



Notary Public

My Commission expires: 1/27/02

SD

LIST OF EXHIBITS

- A - CERTIFICATE OF AUTHORITY
- B - ARTICLES OF INCORPORATION
- C - FINANCIAL INFORMATION
- D - PROPOSED TARIFF

EXHIBIT A - CERTIFICATE OF AUTHORITY

EXHIBIT B - ARTICLES OF INCORPORATION

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 06/02/1998
98121107 - 2902754

- WIL

CERTIFICATE OF INCORPORATION
OF
U.S. NETWORK SERVICES, INC.

FIRST. The name of this corporation shall be:

U.S. NETWORK SERVICES, INC.

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 is CORPORATE AGENTS, INC.

THIRD. The purpose or purposes of the corporation shall be: To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH. The total number of shares of stock which this corporation is authorized to issue is:

One Thousand (1,000) shares without par value.

FIFTH. The name and mailing address of the incorporator is as follows:

Jennifer Kaczmarczyk
Corporate Agents, Inc.
1013 Centre Road
Wilmington, DE 19805

SIXTH. The Board of Directors shall have the power to adopt, amend or repeal the by-laws.

IN WITNESS WHEREOF, The undersigned, being the incorporator hereinbefore named, has executed, signed and acknowledged this certificate of incorporation this second day of June, A.D. 1998.

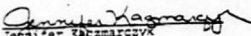

Jennifer Kaczmarczyk
Incorporator

EXHIBIT C - FINANCIAL INFORMATION

U.S. NETWORK SERVICES, INC.
BALANCE SHEET
FOR PERIOD ENDING 06/30/98

CURRENT ASSETS :		
CASH	221,000.00	
ACCOUNT RECEIVABLE		
	<hr/>	
TOTAL CURRENT ASSETS :		\$ 221,000.00
OTHER ASSETS		
ELECTRONIC EQUIPMENT		
ACC. DEPR. ELECT. EQUIPT.		
ORGANIZATION COSTS		
ACC. DEPR. ORGANIZATION		
DEPOSIT		
	<hr/>	
TOTAL OTHER ASSETS		\$.
		<hr/>
TOTAL ASSETS		<u>\$ 221,000.00</u>
LIABILITIES AND EQUITY		
NOTE PAYABLE	0.00	
	<hr/>	
TOTAL PAYABLE		\$.
STOCKHOLDERS EQUITY :		
COMMON STOCK - EISENBERG	950.00	
COMMON STOCK - MCGINNIS	50.00	
RETAINED EARNINGS	0.00	
CAPITAL CONTRIBUTION - EISENBERG	209,000.00	
CAPITAL CONTRIBUTION - MCGINNIS	11,000.00	
NET PROFIT	0.00	
	<hr/>	
TOTAL STOCKHOLDERS EQUITY		\$ 221,000.00
		<hr/>
TOTAL LIABILITIES AND EQUITY		<u>\$ 221,000.00</u>

EXHIBIT D - PROPOSED TARIFF

U.S. NETWORK SERVICES, INC.

ORIGINAL SHEET 1

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

TITLE SHEET

SOUTH DAKOTA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service or facilities for Telecommunications Services furnished by U.S. Network Services, Inc. ("USNet"), with principal offices at 2722 Eastlake Avenue East, Seattle, Washington 98102. This tariff applies for services furnished within the State of South Dakota. This tariff is on file with the South Dakota Public Utilities Commission, and copies may be inspected, during normal business hours, at the company's principal place of business.

ISSUED: July 1, 1998

ISSUED BY:

Don Reese

2722 Eastlake Avenue East
Seattle, Washington 98102

EFFECTIVE: , 1998

U.S. NETWORK SERVICES, INC.

ORIGINAL SHEET 2

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

RESERVED FOR FUTURE USE

ISSUED: July 1, 1998

EFFECTIVE: , 1998

ISSUED BY:

Don Reese
2722 Eastlake Avenue East
Seattle, Washington 89102

TELECOMMUNICATIONS SERVICES TARIFFCHECK SHEET

Sheets 1 through 30 inclusive 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 sheet.

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

* New or Revised Sheet

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2722 Eastlake Avenue East
Seattle, Washington 98102

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TELECOMMUNICATIONS SERVICES TARIFFTARIFF 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 pages 11 and 12 would be page 11.1.

B. Sheet Revision Numbers: Revision numbers also appear in the upper right corner of each sheet where applicable. These numbers are used to indicate the most current page version on file with the Commission. For example, 4th Revised Sheet 13 cancels 3rd Revised Sheet 13. Consult the Check Sheet for the sheets currently in effect.

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.(1)
- 2.1.1.A.1.(a).I.(1).(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 sheets 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 this sheet if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some sheets). The tariff user should refer to the latest Check Sheet to find out if a particular sheet is the most current on Commission file.

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Seattle, Washington 98102

TELECOMMUNICATIONS SERVICES TARIFF

SYMBOLS

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

- (C) to signify change in regulation
- (D) to signify a deletion
- (I) to signify a rate increase
- (L) to signify material relocated in the tariff
- (N) to signify a new rate or regulation
- (R) to signify a rate reduction
- (T) to signify a change in text, but no change in rate or regulation

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TELECOMMUNICATIONS SERVICES TARIFFSECTION 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 Customer's location to USNet's location or switching center.

Authorization Code - A numerical code, one or more of which may be assigned to a Customer, to enable USNet to identify the origin of the Customer so it may rate and bill the call. Automatic number identification (ANI) is used as the authorization code wherever possible.

Commission - Used throughout this tariff to mean the South Dakota Public Utilities Commission.

Customer - The person, firm, corporation or other legal entity which orders the services of USNet and is responsible for the payment of charges and for compliance with the Company's tariff regulations.

Company or USNet - Used throughout this tariff to mean U.S. Network Services, Inc., a Delaware Corporation.

Holiday - New Year's Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Holidays shall be billed at the evening rate from 8 a.m. to 11 p.m. After 11 p.m., the lower night rate shall go into effect.

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U.S. NETWORK SERVICES, INC.

ORIGINAL SHEET 8
SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

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

Underlying Carrier - The telecommunications carrier whose network facilities provide the technical capability and capacity necessary for the transmission and reception of Customer telecommunications traffic.

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Seattle, Washington 98102

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TELECOMMUNICATIONS SERVICES TARIFFSECTION 2 - RULES AND REGULATIONS2.1 Undertaking of the Company

This tariff contains the regulations and rates applicable to intrastate resale telecommunications services provided by USNet for telecommunications between points within the State of South Dakota. Resale services are furnished subject to the availability of facilities and subject to the terms and conditions of this tariff in compliance with limitations set forth in the Commission's rules. The Company's services are provided on a statewide basis and are not intended to be limited geographically. The Company offers service to all those who desire to purchase service from the Company consistent with all of the provisions of this tariff. Customers interested in the Company's services shall file a service application with the Company which fully identifies the Customer, the services requested and other information requested by the Company. The Company reserves the right to examine the credit record and check the references of all applicants and Customers. The Company may examine the credit profile/record of any applicant prior to accepting the service order. The service application shall not in itself obligate the Company to provide services or to continue to provide service if a later check of applicant's credit record is, in the opinion of the Company, contrary to the best interest of the Company. The Company may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the Customer, to allow connection of a Customer's location to a service provided by the Company. The Customer shall be responsible for all charges due for such service arrangement. The Company does not own any switching, transmission or other physical facilities in South Dakota.

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- 2.1.1 The services provided by USNet are not part of a joint undertaking with any other entity providing telecommunications channels, facilities, or services, but may involve the resale of the Message Toll Services (MTS) and Wide Area Telecommunications Services (WATS) of underlying common carriers subject to the jurisdiction of this Commission.
- 2.1.2 The rates and regulations contained in this tariff apply only to the resale services furnished by USNet and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carriers for use in accessing the services of USNet.
- 2.1.3 The Company reserves the right to limit the length of communications, to discontinue furnishing services, or limit the use of service necessitated by conditions beyond its control, including, without limitation: lack of satellite or other transmission medium capacity; the revision, alteration or repricing of the Underlying Carrier's tariffed offerings; or when the use of service becomes or is in violation of the law or the provisions of this tariff.

2.2 Use of Services

- 2.2.1 USNet'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, subject to any limitations set forth in this Section 2.2.
- 2.2.2 The use of USNet'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.

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TELECOMMUNICATIONS SERVICES TARIFF

- 2.2.3 The use of USNet'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 USNet's services are available for use twenty-four hours per day, seven days per week.
- 2.2.5 USNet does not transmit messages, but the services may be used for that purpose.
- 2.2.6 USNet's services may be denied for nonpayment of charges or for other violations of this tariff.
- 2.2.7 Customers shall not use the service provided under this tariff for any unlawful purpose.
- 2.2.8 The Customer is responsible for notifying the Company immediately of any unauthorized use of services.

2.3 Liability of the Company

- 2.3.1 The Company shall not be liable for any claim, loss, expense or damage for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff, if caused by the Underlying Carrier, an act of God, fire, war, civil disturbance, act of government, or due to any other causes beyond the Company's control.
- 2.3.2 The Company shall not be liable for, and shall be fully indemnified and held harmless by the Customer against any claim, loss, expense, or damage for defamation, libel, slander, invasion, infringement of copyright or patent, unauthorized use of any trademark, trade name or service mark, proprietary or creative right, or any other injury to any person, property or entity arising out of the material, data or information transmitted.

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2722 Eastlake Avenue East
Seattle, Washington 89102

TELECOMMUNICATIONS SERVICES TARIFF

- 2.3.3 No agent or employee of any other carrier or entity shall be deemed to be an agent or employee of the Company.
- 2.3.4 The Company's liability for damages, resulting in whole or in part from or arising in connection with the furnishing of service under this tariff, including but not limited to mistakes, omissions, interruptions, delays, errors, or other defects or misrepresentations shall not exceed an amount equal to the charges provided for under this tariff for the long distance call for the period during which the call was affected. No other liability in any event shall attach to the Company.
- 2.3.5 The Company shall not be liable for and shall be indemnified and saved harmless by any Customer or by any other entity from any and all loss, claims, demands, suits, or other action or any liability whatsoever, whether suffered, made, instituted, or asserted by any Customer or any other entity for any personal injury to, or death of, any person or persons, and for any loss, damage, defacement or destruction of the premises of any Customer or any other entity or any other property whether owned or controlled by the Customer or others.
- 2.3.6 The Company shall not be liable for any indirect, special, incidental, or consequential damages under this tariff including, but not limited to, loss of revenue or profits, for any reason whatsoever, including the breakdown of facilities associated with the service, or for any mistakes, omissions, delays, errors, or defects in transmission occurring during the course of furnishing service.

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2722 Eastlake Avenue East
Seattle, Washington 98102

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TELECOMMUNICATIONS SERVICES TARIFF

- 2.3.7 The remedies set forth herein are exclusive and in lieu of all other warranties and remedies, whether express, implied, or statutory, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- 2.4 Responsibilities of the Customer
- 2.4.1 The Customer is responsible for placing any necessary orders and complying with tariff regulations. The Customer is also responsible for the payment of charges for services provided under this tariff.
- 2.4.2 The Customer is responsible for charges incurred for special construction and/or special facilities which the Customer requests and which are ordered by USNet on the Customer's behalf.
- 2.4.3 If required for the provision of USNet's services, the Customer must provide any equipment space, supporting structure, conduit and electrical power without charge to USNet.
- 2.4.4 The Customer is responsible for arranging access to its premises at times mutually agreeable to USNet and the Customer when required for USNet personnel to install, repair, maintain, program, inspect or remove equipment associated with the provision of USNet's services.
- 2.4.5 The Customer shall cause the temperature and relative humidity in the equipment space provided by Customer for the installation of USNet's equipment to be maintained within the range normally provided for the operation of microcomputers.

ISSUED: July 1, 1998
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- 2.4.6 The Customer shall ensure that the equipment and/or system is properly interfaced with USNet's facilities or services, that the signals emitted into USNet's network are of the proper mode, bandwidth, power and signal level for the intended use of the subscriber and in compliance with criteria set forth in this tariff, and that the signals do not damage equipment, injure personnel, or degrade service to other Customers. 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, USNet will permit such equipment to be connected with its channels without the use of protective interface devices. If the Customer fails to maintain the equipment and/or the system properly, with resulting imminent harm to USNet equipment, personnel or the quality of service to other Customers, USNet may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, USNet may, upon written notice, terminate the Customer's service.
- 2.4.7 The Customer must pay USNet for replacement or repair of damage to the equipment or facilities of USNet caused by negligence or willful act of the Customer or others, by improper use of the services, or by use of equipment provided by Customer or others.
- 2.4.8 The Customer must pay for the loss through theft of any USNet equipment installed at Customer's premises.
- 2.4.9 If USNet installs equipment at Customer's premises, the Customer shall be responsible for payment of any applicable installation charge.

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ISSUED BY:

Don Reese
2722 Eastlake Avenue East
Seattle, Washington 98102

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TELECOMMUNICATIONS SERVICES TARIFF

- 2.4.10 The Customer must use the services offered in this tariff in a manner consistent with the terms of this tariff and the policies and regulations of all state, federal and local authorities having jurisdiction over the service.

2.5 Cancellation or Interruption of Services

- 2.5.1 Without incurring liability, upon five (5) working days' (defined as any day on which the company's business office is open and the U.S. Mail is delivered) written notice to the Customer, USNet may immediately discontinue services to a Customer or may withhold the provision of ordered or contracted services:
- 2.5.1.A For nonpayment of any sum due USNet for more than thirty (30) days after issuance of the bill for the amount due,
- 2.5.1.B For violation of any of the provisions of this tariff,
- 2.5.1.C For violation of any law, rule, regulation, policy of any governing authority having jurisdiction over USNet's services, or
- 2.5.1.D By reason of any order or decision of a court, public service commission or federal regulatory body or other governing authority prohibiting USNet from furnishing its services.

ISSUED: July 1, 1998

EFFECTIVE: , 1998

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2722 Eastlake Avenue East
Seattle, Washington 98102

TELECOMMUNICATIONS SERVICES TARIFF

- 2.5.2 Without incurring liability, USNet may interrupt the provision of services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of Customer and USNet's equipment and facilities and may continue such interruption until any items of noncompliance or improper equipment operation so identified are rectified.
- 2.5.3 Service may be discontinued by USNet without notice to the Customer, by blocking traffic to certain countries, cities or NXX exchanges, or by blocking calls using certain Customer authorization codes, when USNet deems it necessary to take such action to prevent unlawful use of its service. USNet will restore service as soon as it can be provided without undue risk, and will, upon request by the Customer affected, assign a new authorization code to replace the one that has been deactivated.
- 2.5.4 The Customer may terminate service upon thirty (30) days written notice for the Company's standard month to month contract. Customer will be liable for all usage on any of the Company's service offerings until the Customer actually leaves the service. Customers will continue to have Company usage until the Customer notifies its local exchange carrier and changes its long distance carrier. Until the Customer so notifies its local exchange carrier, it shall continue to generate and be responsible for long distance usage.

ISSUED: July 1, 1998

ISSUED BY:

Don Reese

2722 Eastlake Avenue East
Seattle, Washington 98102

EFFECTIVE: , 1998

TELECOMMUNICATIONS SERVICES TARIFF2.6 Credit Allowance

- 2.6.1 Credit allowance for the interruption of service which is not due to the Company's testing or adjusting, negligence of the Customer, or to the failure of channels or equipment provided by the Customer, are subject to the general liability provisions set forth in 2.3 herein. It shall be the obligation of the Customer to notify the Company immediately of any interruption in service for which a credit allowance is desired. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission by the Customer within his control, or is not in wiring or equipment, if any, furnished by the Customer and connected to the Company's facilities.
- 2.6.2 No credit is allowed in the event that service must be interrupted in order to provide routine service quality or related investigations.
- 2.6.3 Credit for failure of service shall be allowed only when such failure is caused by or occurs due to causes within the control of the Company or in the event that the Company is entitled to a credit for the failure of the facilities of the Company's Underlying Carrier used to furnish service.
- 2.6.4 Credit for interruption shall commence after the Customer notifies the Company of the interruption or when the Company becomes aware thereof, and ceases when service has been restored.
- 2.6.5 For purposes of credit computation, every month shall be considered to have 720 hours.

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TELECOMMUNICATIONS SERVICES TARIFF

- 2.6.6 No credit shall be allowed for an interruption of a continuous duration of less than two hours.
- 2.6.7 The Customer shall be credited for an interruption of two hours or more at the rate of 1/720th of the monthly charge for the facilities affected for each hour or major fraction thereof that the interruption continues.

Credit Formula:

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

"A" - outage time in hours

"B" - monthly charge for affected activity

2.7 Restoration of Service

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

2.8 Deposit

The Company does not require deposits to commence service.

2.9 Advance Payments

USNet does not require advance payments.

ISSUED: July 1, 1998

EFFECTIVE: , 1998

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TELECOMMUNICATIONS SERVICES TARIFF2.10 Payment and Billing

- 2.10.1 Service is provided and billed on a billing cycle basis, beginning on the date that service becomes effective. Billing is payable upon receipt. A late fee will be assessed on unpaid amounts 30 days after rendition of bills.
- 2.10.2 The customer is responsible for payment of all charges for services furnished to the Customer, as well as to all persons using the Customer's codes, exchange lines, facilities, or equipment, with or without the knowledge or consent of the Customer. The security of the Customer's Authorization Codes, subscribed exchange lines, and direct connect facilities is the responsibility of the Customer. All calls placed using direct connect facilities, subscribed exchange lines, or Authorization Codes will be billed to and must be paid by the Customer. Recurring charges and non-recurring charges are billed in advance. Charges based on actual usage during a month and any accrued interest will be billed monthly in arrears.
- 2.10.3 All bills are presumed accurate, and shall be binding on the customer unless objection is received by the Company in writing within 30 days after such bills are rendered. No credits, refunds, or adjustments shall be granted if demand therefore is not received by the Company in writing within such 30 day period.

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2.11 Collection Costs

In the event Company is required to initiate legal proceedings to collect any amounts due to Company for regulated or non-regulated services, equipment or facilities, or to enforce any judgment obtained against a Customer, or for the enforcement of any other provision of this tariff or applicable law, Customer shall, in addition to all amounts due, be liable to Company for all reasonable costs incurred by Company in such proceedings and enforcement actions, including reasonable attorneys' fees, collection agency fees or payments, and court costs. In any such proceeding, the amount of collection costs, including attorneys' fees, due to the Company, will be determined by the court.

2.12 Taxes

All federal, state and local taxes, assessments, surcharges, or fees, including sales taxes, use taxes, gross receipts taxes, and municipal utilities taxes, are billed as separate line items and are not included in the rates quoted herein.

2.13 Late Charge

A late fee of 1.5% per month or the amount otherwise authorized by law, whichever is lower, will be charged on any past due balances.

2.14 Returned Check Charge

A fee of \$20.00 will be charged whenever a check or draft presented for payment for service is not accepted by the institution on which it is written.

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Don Reese
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TELECOMMUNICATIONS SERVICES TARIFFSECTION 3 - DESCRIPTION OF SERVICE3.1 Computation of Charges

- 3.1.1 The total charge for each completed call may be a variable measured charge dependent on the duration, distance and time of day of the call. The total charge for each completed call may also be dependent only on the duration of the call, i.e. a statewide flat rate per minute charge. The variable measured charge is specified as a rate per minute which is applied to each minute. All toll-free calls are measured in six second increments with a 30 second minimum per call. All 1+ and calling card calls are measured in one minute increments. All calls are rounded up to the next whole increment.
- 3.1.2 Where mileage bands appear in a rate table, rates for all calls are based upon the airline distance between the originating and terminating points of the call, as determined by the vertical and horizontal coordinates associated with the exchange (the area code and three digit central office code) associated with the originating and terminating telephone numbers. If the Customer obtains access to the Company's network by a dedicated access circuit, that circuit will be assigned an exchange for rating purposes based upon the Customer's main telephone number at the location where the dedicated access circuit terminates. The vertical and horizontal (V & H) coordinates for each exchange and the airline distance between them will be determined according to industry standards.

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TELECOMMUNICATIONS SERVICES TARIFF

- 3.1.3 Timing begins when the called station is answered and two way communication is possible, 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. Recognition of answer supervision is the responsibility of the Underlying Carrier. Timing for each call ends when either party hangs up. USNet will not bill for uncompleted calls.

3.2 Customer Complaints and/or Billing Disputes

Customer inquiries or complaints regarding service or accounting may be made in writing or by telephone to the Company at:

2722 Eastlake Avenue East
Seattle, Washington 98102
(877) 659-6742

Any objection to billed charges should be reported promptly to USNet. Adjustments to Customers' bills shall be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise be appropriate. Where overbilling of a subscriber occurs, due either to Company or subscriber error, no liability exists which will require the Company to pay any interest, dividend or other compensation on the amount overbilled.

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TELECOMMUNICATIONS SERVICES TARIFF

The Company will respond within seventy two (72) hours of receipt of an inquiry. If the Customer is dissatisfied with the Company's response to a complaint or inquiry, the Customer may file the Commission for resolution of the conflict. The South Dakota Public Utilities Commission can be reached at:

500 East Capitol
Pierre, SD 57501-5070
(605) 773-3201
(800) 332-1782

If a Customer accumulates more than One Dollar of undisputed delinquent USNet 800 Service charges, the USNet Resp. Org. reserves the right not to honor that Customer's request for a Resp. Org. change until such undisputed charges are paid in full.

3.3 Level of Service

A Customer can expect end to end network availability of not less than 99% at all times for all services.

3.4 Billing Entity Conditions

When billing functions on behalf of USNet or its intermediary are performed by local exchange telephone companies or others, the payment of charge conditions and regulations of such companies and any regulations imposed upon these companies by regulatory bodies having jurisdiction apply. USNet's name and toll-free telephone number will appear on the Customer's bill.

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TELECOMMUNICATIONS SERVICES TARIFF**3.5 Service Offerings**

3.5.1 1+ Dialing

The customer utilizes "1+" dialing, or "101XXXX" dialing followed by "1 + ten digits" for interLATA calls, or dials "101XXXX" followed by "1 + 7 digits" or "1 + 10 digits" for intraLATA calls.

3.5.2 Travel Cards

The Customer utilizes an 11 digit "toll-free" access number established by the Company to access a terminal. Upon receiving a voice prompt, the Customer uses push button dialing to enter an identification code assigned by the Company, and the ten digit number of the called party.

3.5.3 800 Service (Toll-Free)

This service is inbound calling only where an 800, 888 or other toll-free prefix number rings into a Customer's premise routed to a specific telephone number or terminated over a dedicated facility.

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U.S. NETWORK SERVICES, INC.

ORIGINAL SHEET 25

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

3.5.4 Reserved for Future Use

ISSUED: July 1, 1998

ISSUED BY:

Don Reese
2722 Eastlake Avenue East
Seattle, Washington 98102

EFFECTIVE: , 1998

U.S. NETWORK SERVICES, INC.

ORIGINAL SHEET 26

SOUTH DAKOTA PUC TARIFF NO. 1

TELECOMMUNICATIONS SERVICES TARIFF

Reserved for Future Use

ISSUED: July 1, 1998
ISSUED BY:

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EFFECTIVE: , 1998

TELECOMMUNICATIONS SERVICES TARIFF

3.5.5 Directory Assistance.

Access to long distance directory assistance is obtained by dialing 1 + 555-1212 for listings within the originating area code and 1 + (area code) + 555-1212 for other listings. When more than one number is requested in a single call, a charge will apply for each number requested. A charge will be applicable for each number requested, whether or not the number is listed or published.

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TELECOMMUNICATIONS SERVICES TARIFF

- 3.5.6 Specialized Pricing Arrangements.
- Customized service packages and competitive pricing packages at negotiated rates may be furnished on a case-by-case basis in response to requests by Customers to the Company for proposals or for competitive bids. Service offered under this tariff provision will be filed with the Commission. Specialized rates or charges will be made available to similarly situated Customers on a non-discriminatory basis.
- 3.5.7 Emergency Call Handling Procedures
- Emergency "911" calls are not routed to company, but are completed through the local network at no charge.
- 3.5.8 Promotional Offerings
- The Company may, from time to time, make promotional offerings to enhance the marketing of its services. These offerings may be limited to certain dates, times and locations. The Company will notify the Commission of such offerings as required by Commission rules and regulations.

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Seattle, Washington 98102

TELECOMMUNICATIONS SERVICES TARIFFSECTION 4 - RATES4.1 1- Dialing

\$0.15 per minute

A \$5 per month service charge applies.

4.2 Travel Cards

\$0.25 per minute

A \$0.20 per call service charge applies.

4.3 Toll Free

Switched: \$0.10 per minute

A \$10 per month per number service charge applies.

Dedicated:

Minutes per monthRate per minute

1 to 249,999

\$0.060

250,000 to 1,000,000

\$0.055

over 1,000,000

\$0.050

4.4 Reserved for Future Use4.5 Directory Assistance

\$.95

4.6 Returned Check Charge

\$20.00

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ISSUED BY:

Don Reese

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EFFECTIVE: , 1998

TELECOMMUNICATIONS SERVICES TARIFF**4.7 Rate Periods**

	Monday - Friday	Sat.	Sun.
8 a.m. to 5 p.m.*	Daytime Rate Period		Evening Rate Period
5 p.m. to 11 p.m.*	Evening Rate Period		
11 p.m. to 8 a.m.*	Night/Weekend Rate Period		

* To, but not including
When a message spans more than one rate period, total charges for the minutes in each rate period are calculated and the results for each rate period are totaled to obtain the total message charge. If the calculation results in a fractional charge, the amount will be rounded down to the lower cent.

4.8 Payphone Dial Around Surcharge

A dial around surcharge of \$.35 per call will be added to any completed INTRASTATE toll access code and subscriber 800/888 type calls placed from a public or semi-public payphone.

4.9 Universal Service Fund Assessment & Presubscribed Interexchange Carrier Charge

The Customer will be assessed a monthly federal Universal Service Fund Contribution charge on all telecommunications services, which in no event shall be less than the prevailing contribution percentage rate charged the Company on intrastate traffic by the Universal Service Administrative Company (or any successor). A Presubscribed Interexchange Carrier Charge ("PICC") applies on a monthly basis to all Customer monthly bills at the prevailing rate.

ISSUED: July 1, 1998
ISSUED BY:

Don Reese
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Seattle, Washington 98102

EFFECTIVE: , 1998

8557

U.S. NETWORK SERVICES

2200 SIXTH AVENUE, SUITE 600
SEATTLE, WA 98121
(206) 505-5540

SEAFIRST BANK
QUEEN ANNE BRANCH 508
SEATTLE, WA 98119
19-2-1250

DATE

AMOUNT

06-17-98

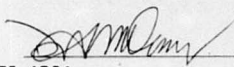
\$250.00

PAY

THE SUM Two Hundred Fifty and 00/100

TO THE
ORDER

OF SO DAKOTA PUBLIC UTILITIES COM



⑈008557⑈ ⑆⑆25000024⑆ 4198 107⑈

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:

07/03/98 through 07/09/98

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			
TC98-126	Application by Network Services, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/CH) "The Applicant proposes to offer 1+ and 101XXXX direct dialing, 800/888 inbound toll-free, and travel card service through the resale of telephone services provided by facilities-based interexchange carriers."	07/06/98	07/24/98
FORMAL COMPLAINT FILED			
TC98-127	In the Matter of the Complaint filed by Tel-Save, Inc., against U S WEST Communications, Inc., regarding Violation of Sections 201(b) and 202 of the Communications Act of 1934, as amended, and Violation of S.D. Codified Laws Section 49-31-11. (Staff: HB/KC) Tel-Save requests that the Commission order U S WEST to cease and desist from imposing unreasonable requirements on lifting of customer PIC freezes, requiring that U S WEST accept e-mailed requests to lift PIC freezes, both directly from end-user customers and as forwarded by TSI, and providing such other and further relief as the Commission deems necessary and appropriate.	07/06/98	
TC98-128	Paul Malsom vs U S WEST Communications. "My complaint is toward U S WEST Communications. I am no longer a customer of U S WEST. My telephone service is with McLeodUSA. The problem is McLeodUSA just rents the telephone line from U S WEST. U S WEST does all of the repairs and service work on the lines and weather boards. My problems have been occurring for approximately ten years. My phone is out of service quite often. I lose my service almost once a month. Moisture seems to be the biggest problem. When the phone is out, it usually is two days before service is restored. Recently my phone will ring once, then stop. When you pick up the phone, nobody is there. This occurs sometimes often during the day or night. My phone almost always has some static in the background. I am an internet customer also. When the static is high, I cannot connect. Also the static disconnects me quite often. As a farmer, the internet is very important to my business. I use the internet to keep track of markets and weather conditions. I am also concerned about what would happen in case of a farm accident or an emergency. We live 25 miles from the nearest hospital. If our phone is out, we have no way to contact emergency help. Usually when our phone is out, the neighbors' is also out of service. From what I understand, my phone system is outdated. The lines' insulation is also brittle and weathered. The system that I have is not capable of caller ID. I feel if other customers in our area can get that option, I should also be able to." The complainant requested the following relief: "I think U S WEST should update our phone system. Whatever it takes to solve our phone problems and make it more reliable. Possibly new lines and new switching systems. We are still on an old party line type system." (Staff: LH/EM)	07/07/98	

You may receive this listing and other PUC publications via our website or via internet e-mail. You may subscribe to the PUC mailing list at <http://www.state.sd.us/state/executive/puc/puc.htm>

TC 98-126

Lance J.M. Steinhart
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6455 East Johns Crossing
Suite 285
Duluth, Georgia 30097

Also Admitted in New York
and Maryland

Telephone: (770) 232-9200
Facsimile: (770) 232-9208

July 27, 1998

VIA AIRBORNE EXPRESS

Mr. William Bullard
Executive Director
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501-5070
(605) 773-3201

RECEIVED
JUL 29 1998
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Re: U.S. Network Services, Inc.


Dear Mr. Bullard:

Enclosed please find for filing eleven (11) copies of Exhibit A, U.S. Network Services, Inc.'s Certificate of Authority issued by the Secretary of State.

I have also enclosed an extra copy of this cover letter to be date stamped and returned to me in the enclosed self-addressed prepaid envelope.

If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me. Thank you.

Respectfully submitted,


Lynn Burlingame
Assistant to Lance J.M. Steinhart
Attorney for U.S. Network Services, Inc.

Enclosures
cc: Don Reese

State of South Dakota



OFFICE OF THE SECRETARY OF STATE

CERTIFICATE OF AUTHORITY

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

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



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at Pierre, the Capital, this July 23, 1998.

A handwritten signature in cursive script that reads "Joyce Hazeltine".

JOYCE HAZELTINE
Secretary of State

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

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

ORDER GRANTING
CERTIFICATE OF
AUTHORITY

TC98-126

On July 6, 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 U.S. Network Services, Inc. (USNS).

USNS proposes to offer within the state of South Dakota 1+ and 101XXXX direct dialing, 800/888 inbound toll-free, and travel card services through the resale of telephone services provided by facilities-based interexchange carriers. A proposed tariff was filed by USNS. The Commission has classified long distance service as fully competitive.

On July 9, 1998, the Commission electronically transmitted notice of the filing and the intervention deadline of July 24, 1998, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled August 4, 1998, meeting, the Commission considered USNS' request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to the condition that USNS not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission.

The Commission finds that it has jurisdiction over this matter pursuant to Chapter 49-31, specifically 49-31-3 and ARSD 20:10 24 02 and 20:10 24 03. The Commission finds that USNS has met the legal requirements established for the granting of a certificate of authority. USNS 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 USNS' application for a certificate of authority, subject to the condition that USNS not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. As the Commission's final decision in this matter, it is therefore

ORDERED, that USNS' application for a certificate of authority is hereby granted, effective September 6, 1998, subject to the condition that USNS not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. It is

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

Dated at Pierre, South Dakota, this 14th day of August, 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

Date

(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 August 4, 1998, effective September 6, 1998
Docket No. TC98-126

This is to certify that

U.S. NETWORK SERVICES, INC.

is authorized to provide telecommunications services in South Dakota.

This certificate is issued in accordance with SDCL 49-31-3 and ARSD 20:10 24.02, and is subject to all of the conditions and limitations contained in the rules and statutes governing its conduct of offering telecommunications services.

Dated at Pierre, South Dakota, this 14th day of August, 1998

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION:**



James A. Burg

JAMES A. BURG, Chairman

Pam Nelson

PAM NELSON, Commissioner

Laska Schoenfelder

LASKA SCHOENFELDER, Commissioner