

1-800-RECONEX

Because Everybody Needs A Phone™

August 4, 2003

Commission Secretary
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

RECEIVED
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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

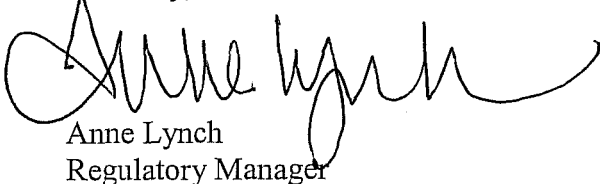
Re: Application for a Certificate of Authority

Commission Secretary:

Enclosed please find an Application for a Certificate of Authority for 1-800-RECONEX, Inc., d/b/a USTel to provide Long Distance Telecommunications Service within the State of South Dakota.

If you have any questions or need any further information, please do not hesitate to contact me at 503-982-5572 or anne.lynch@reconex.com. I will be out of the office on August 6, 7, and 8. If you need any thing within that time, please contact Jennifer Sikes, our Paralegal at 503-982-5585 or jennifer.sikes@reconex.com.

Sincerely,



Anne Lynch
Regulatory Manager

2. Exhibits and Supplemental Information

a. Exact Legal Name:

1-800-RECONEX, Inc.

b. Reconex's principal place of business is:

2500 Industrial Avenue
Hubbard, Oregon 97032
503-982-8000

c. Reconex is a corporation duly organized and existing under the laws of the State of Oregon. Please see Reconex's Certificate of Good Standing and Articles of Incorporation for the State of Oregon, attached hereto as Exhibits "A" and "B".

d. Applicant has been granted a Business License from the South Dakota Secretary of State's Office, attached hereto as Exhibit "C".

e. Applicant's Corporate Officers are attached hereto as Exhibit "D"

3. Correspondence and Communications

a. all communications and correspondence regarding this Application should be addressed to:

Anne Lynch
Regulatory Manager
1-800-Reconex, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032
503-982-5572 (telephone)
503-982-6077 (facsimile)
anne.lynch@reconex.com

4. Contact for Regulatory and Legal Matters

Regulatory: Anne Lynch
Regulatory Manager
1-800-Reconex, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032
503-982-5572 (telephone)
503-982-6077 (facsimile)
anne.lynch@reconex.com

Legal: William Braun
General Counsel
1-800-Reconex, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032
503-982-5573 (telephone)
503-982-6077 (facsimile)
bill.braun@reconex.com

5. Technical and Managerial Expertise

Although Reconex relies upon the technical expertise of its underlying carrier, individuals with considerable telecommunications and business management experience manage the company. Below please find the biographies of Reconex's senior management team.

Dave Griffie: President & CEO

Mr. Griffie joined 1-800-RECONEX in 2000. Mr. Griffie co-founded U.S. Digitel, Inc., in 1997 and held the position of President from 1997 to 2000 when the company was sold. He installed and networked eight NACT digital switches whose combined capacity totaled 10,752 voice ports and grew the company to \$80,000,000.00 in annualized revenue. From 1996 to 1997, Mr. Griffie was Vice President of Operations for Total World Telecom, Inc., where his group installed, networked and made operational, four digital switches, bringing the network total to nine switches. In early 1997 Total World Telecom, Inc., aggressively entered into the debit card business and Mr. Griffie's group installed and activated two CPDI debit card platforms, each providing over eighty DS1's of capacity. From 1990 to 1996, Mr. Griffie was the Executive Vice President and Chief Operating Officer for Call America/Uni-Net, Inc. From January 1990 to September 1993 revenues were increased by 400%, cost of sales were lowered to provide a 40% gross margin while attrition and bad debt were reduced to below 2%. From 1986 to 1989 Mr. Griffie was the Vice President of Operations for Tele-Fibernet Corporation. During his tenure at Tele-Fibernet, he converted their network from two analog switches to four networked digital switches and built an East Coast network from Florida to Massachusetts and extended that network west into over 70 metropolitan areas. In 1988 Mr. Griffie's group installed an Operator Service Center that employed over 200 operators on 32 operator positions. From 1969 to 1986 Mr. Griffie worked for Indiana Bell/Southwestern Bell where he received technical and management training that constituted over one hundred weeks of intensive classroom and laboratory training. Mr. Griffie attended Indiana University and Purdue University.

Joe Brandes: Senior Vice President

Mr. Brandes joined 1-800-RECONEX in 1996. From 1990 to 1996 he was President of ProVision, Inc., a consumer products company manufacturing, marketing, and distributing golf products internationally. From 1987 to 1990, Mr. Brandes was Vice President of Marketing for O'Callahan's Restaurants, Inc., a \$9M multiple unit food and

beverage operation. From 1978 to 1987, Mr. Brandes was Director of Marketing Operations and Distribution for Floating Point Systems, a \$150M scientific computer company. From 1972 to 1978 he served as controller for several business units including Wood Products, Heavy Equipment Manufacturing, and Retail Home Improvement with Columbia Corporation, a diversified \$175M company. Mr. Brandes holds a BS in Finance from the University of Oregon and an MBA from the University of Portland.

William E. Braun: Vice President/General Counsel

Mr. Braun joined 1-800-RECONEX in 1997. Mr. Braun is an attorney licensed to practice in the states of Oregon and California. As an attorney for the past 20 years, he has served in a litigation and advisory capacity for private firms, corporations and governmental entities. Mr. Braun holds a BA in Political Science from California State University, Long Beach and JD from Northwestern School of Law of Lewis and Clark College. He is a member of the American Bar Association, the Oregon Bar Association, the California Bar Association, and the Federal Communications Bar Association.

William R. Conner: Vice President of Information Technology

Mr. Conner joined 1-800-RECONEX in July 2000 with over 27 years experience in the telecommunications and information technology field. Prior to joining 1-800-RECONEX, Mr. Conner served as the Strategic Manager for a \$1.5B international telecommunication consulting firm. Mr. Conner has also lead the quality control process for Wang Communications, a subsidiary of Wang Laboratories; served as the Chief Architect for the renovation of all technology at PNG, a major energy company in Pennsylvania; and served as the Senior Manager of Engineering for a major division of MCI in Washington D.C. Mr. Conner holds a BS in Electrical Engineering and served ten years in the U.S. Marine Corps.

Michael Mallick Jr.: Corporate Controller

Mr. Mallick joined 1-800-RECONEX in May 2000. Prior to joining 1-800-RECONEX, Mr. Mallick served as a Business Analyst and Assistant Controller for Summit Design Inc., a publicly traded multinational software development firm. From 1994 to 1999 Mr. Mallick served in various financial management positions, primarily in the high technology industry. Mr. Mallick holds a BS in Accounting from Portland State University.

Applicant possesses the managerial qualifications to provide long distance services within the State of South Dakota.

6. Financial

For the Commission's review we are attaching, hereto as Exhibit "E", Reconex's most current income statement to demonstrate that Reconex possesses the financial ability to provide subscriber with comprehensive local and long distance exchange telecommunications service throughout the State of South Dakota.

Reconex respectfully requests that the Commission maintain the confidential nature of the financial documents contained in Exhibit "E" to this Application.

7. Tariff

A proposed tariff reflecting services to be offered, including rates and regulations applicable to each service is submitted hereto as Exhibit "F".

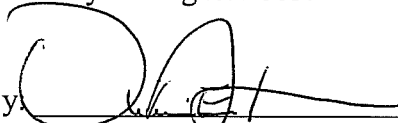
8. Public Interest

Certification of Applicant will provide South Dakota consumers with an additional potential choice among long distance carriers. As the number of competitors increase, so does the incentive for each provider to offer unique service and service packages, at competitive prices, in the marketplace. In such a competitive marketplace, no provider will survive unless it provides high quality customer and technical services. Applicant believes, given the resources outlined in this Application, that it has the qualifications necessary to offer quality customer and technical support to its South Dakota subscribers.

WHEREFORE, Applicant, 1-800-RECONEX, Inc., respectfully requests that the Commission enter an Order issuing a Certificate of Authority to provide long distance services within the State of South Dakota and grant other such relief as the Commission deems necessary and appropriate.

Dated at Hubbard, Oregon, this 5th day of August 2003.

By



William Braun

Corporate Secretary/V.P./General Counsel
1-800-RECONEX, Inc.

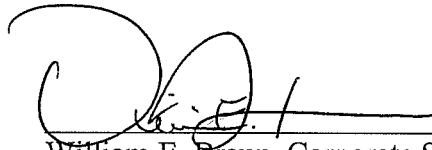
VERIFICATION

This application shall be verified under oath

OATH

State of Oregon)
) ss
County of Marion)

William E. Braun makes oath and says that he is the Corporate Secretary/General Counsel of 1-800-RECONEX, Inc., and that he has examined the foregoing application and that to the best of his knowledge, information, and belief, all statements of fact contained in this said application are true, and the said application is a correct statement of the business and affairs of the above-named applicant in respect to each and every matter set forth therein.



William E. Braun, Corporate Secretary/V.P./General

Counsel

Subscribed and sworn to before me, a Notary Public

Anne Lynch, Notary

In the State and County above named, this 5th day of August 2003.

EXHIBIT

“A”

CERTIFICATE

State of Oregon

OFFICE OF THE SECRETARY OF STATE
Corporation Division

I, **BILL BRADBURY**, Secretary of State of Oregon, and Custodian of the Seal of said State, do hereby certify:

1-800-RECONEX, INC.

was

incorporated

under the Oregon

Business Corporation Act

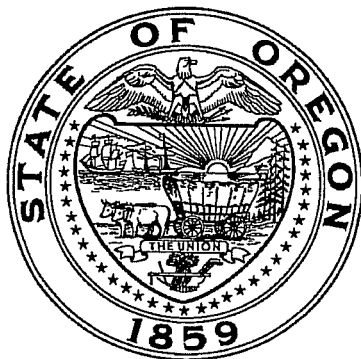
on

March 5, 1998

and is active on the records of the Corporation Division as of the date of this certificate.

In Testimony Whereof, I have hereunto set my hand and affixed hereto the Seal of the State of Oregon.

BILL BRADBURY, Secretary of State



By

Marilyn R. Smith

Marilyn R. Smith

August 1, 2003

EXHIBIT
“B”

62/283-85

ARTICLES OF INCORPORATION

OF

1-800-RECONEX, Inc.

FILED

MAR 05 1998

OREGON
SECRETARY OF STATE

The undersigned individual of the age of eighteen years or more, acting as incorporator under the Oregon Business Corporation Act, adopts the following articles of incorporation:

ARTICLE I.

CORPORATION NAME

The name of the corporation is 1-800-RECONEX, Inc.

ARTICLE II.

STOCK

A. The aggregate number of shares which the corporation shall have authority to issue shall consist of 10,000,000 shares of common stock ("Common Stock"), \$0.01 par value and 1,000,000 shares of preferred stock ("Preferred Stock"), \$0.01 par value.

B. The Board of Directors is hereby authorized to fix or alter the rights, preferences, privileges and restrictions granted to or imposed upon additional series of Preferred Stock, and the number of shares constituting any such series and the designation thereof, or of any of them. Subject to compliance with applicable protective voting rights which have been or may be granted to the Preferred Stock or series thereof by law or in Articles of Amendment adopted by the Board of Directors ("Protective Provisions"), but notwithstanding any other rights of the Preferred Stock or any series thereof, the rights, privileges, preferences and restrictions of any such additional series may be subordinated to, made pari passu with (including, without limitation, inclusion in provisions with respect to liquidation and acquisition preferences, redemption and/or approval of matters by vote or written consent), or made senior to any of those of any present or future class or series of Preferred or Common Stock. Subject to compliance with applicable Protective Provisions, the Board of Directors is also authorized to increase or decrease the number of shares of any series, prior or subsequent to the issue of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be so decreased, the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

ARTICLE III.

REGISTERED AGENT

The address of the initial registered office of the corporation is Ater Wynne Hewitt Dodson & Skerritt, LLP, 222 S.W. Columbia, Suite 1800, Portland, Oregon 97201 and the name of the initial registered agent of the corporation at such address is AW Services, Inc. The mailing address of the corporation for notices is c/o Ater Wynne Hewitt Dodson & Skerritt, LLP, 222 S.W. Columbia, Suite 1800, Portland, Oregon 97201.

ARTICLE IV.

INCORPORATOR

The name and address of the incorporator are: Jack W. Schifferdecker, Jr., Ater Wynne Hewitt Dodson & Skerritt, LLP, 222 S.W. Columbia, Suite 1800, Portland, Oregon 97201.

ARTICLE V.

DIRECTOR LIABILITY

No director of the corporation shall be personally liable to the corporation or its shareholders for monetary damages for conduct as a director; provided that this Article V shall not eliminate the liability of a director for any act or omission for which such elimination of liability is not permitted under the Oregon Business Corporation Act. No amendment to the Oregon Business Corporation Act that further limits the acts or omissions for which elimination of liability is permitted shall affect the liability of a director for any act or omission that occurs prior to the effective date of such amendment.

ARTICLE VI.

INDEMNIFICATION

A. Indemnification. The corporation shall indemnify to the fullest extent not prohibited by law any Person who was or is a party or is threatened to be made a party to any Proceeding against all expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by the Person in connection with such Proceeding. Notwithstanding the foregoing, the corporation shall not indemnify any Person from or on account of acts or omissions of such Person of a type for which liability could not be eliminated for a director under ORS 60.047(2)(d).

B. Advancement of Expenses. Expenses incurred by a Person in defending a Proceeding shall in all cases be paid by the corporation in advance of the final disposition of such Proceeding at the written request of such Person, if the Person:

1. furnishes the corporation a written affirmation of the Person's good faith belief that such Person has met the standard of conduct described in the Oregon Business Corporation Act or is entitled to be indemnified by the corporation under any other indemnification rights granted by the corporation to such Person; and

2. furnishes the corporation a written undertaking to repay such advance to the extent it is ultimately determined by a court that such Person is not entitled to be indemnified by the corporation under this Article or under any other indemnification rights granted by the corporation to such Person.

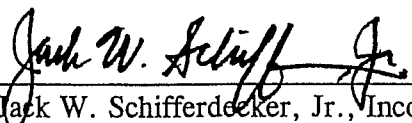
Such advances shall be made without regard to the Person's ability to repay such advances and without regard to the Person's ultimate entitlement to indemnification under this Article or otherwise.

C. Definition of "Proceeding" and "Person". The term "Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether brought in the right of the corporation or otherwise and whether of a civil, criminal, administrative, or investigative nature, in which an individual may be or may have been involved as a party or otherwise by reason of the fact that the individual is or was a director or officer of the corporation or a fiduciary within the meaning of the Employee Retirement Income Security Act of 1974 with respect to any employee benefit plan of the corporation, or is or was serving at the request of the corporation as a director, officer, or fiduciary of an employee benefit plan of another corporation, partnership, joint venture, trust, or other enterprise, whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification or advancement of expenses can be provided under this Article. The term "Person" means any individual serving in a capacity described in this Paragraph.

D. Non-Exclusivity and Continuity of Rights. This Article: (i) shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, agreement, general or specific action of the board of directors, vote of stockholders or otherwise, both as to action in the official capacity of the Person indemnified and as to action in another capacity while holding office, (ii) shall continue as to a Person who has ceased to be a director or officer, (iii) shall inure to the benefit of the heirs, executors, and administrators of such Person, and (iv) shall extend to all claims for indemnification or advancement of expenses made after the adoption of this Article.

E. Amendments. Any repeal of this Article shall only be prospective and no repeal or modification hereof shall adversely affect the rights under this Article in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any Proceeding.

Date: March 2, 1998



Jack W. Schifferdecker, Jr., Incorporator

FILED

MAR 15 1999

OREGON
SECRETARY OF STATE

**CERTIFICATE ACCOMPANYING
AMENDMENT TO ARTICLES OF INCORPORATION
OF 1-800-RECONEX, INC.
DESIGNATING SERIES A PREFERRED STOCK**

Pursuant to ORS 60.447, 1-800-RECONEX, Inc. (the "Corporation") submits for filing this certificate, together with the Corporation's Amendment to its Articles of Incorporation (the "Amendment"). The Corporation hereby certifies that:

1. The name of the Corporation, prior to the filing of the attached Amendment is 1-800-RECONEX, Inc.
2. A copy of the Amendment is attached hereto.
3. The Amendment was adopted by a designation of the Board of Directors of the Corporation pursuant to ORS 60.134 and the Amendment does not require shareholder approval.
4. The date of adoption of the Amendment was March 6, 1998.

1-800-RECONEX, INC.

By: _____

Todd M. Meislahn, President

Person to contact about this filing:

Jack W. Schifferdecker, Jr.
(503) 226-8614 (direct dial)

**AMENDMENT TO ARTICLES OF INCORPORATION
OF 1-800-RECONEX, INC.
DESIGNATING SERIES A PREFERRED STOCK**

The Board of Directors of 1-800-RECONEX, Inc., an Oregon corporation ("Corporation"), under authority of Article II. B of the Corporation's Articles of Incorporation, and pursuant to an action of the Board of Directors authorizing the creation of shares of Series A Preferred Stock hereby establishes the preferences, limitations, conversion features and relative rights of the Series A Preferred Stock as follows:

1. Series Designation. The Corporation shall be authorized to issue 370,000 shares of Series A Preferred Stock, to be known as the ("Series A Preferred Stock").

2. Dividend Provisions.

2.1 The holders of the Series A Preferred Stock shall be entitled to receive dividends at the rate of \$0.14526 per share (i.e. 9% of the original issue price of \$1.614 for the Series A Preferred Stock) (as adjusted for any stock dividends, combinations or splits with respect to such shares) per annum payable out of funds legally available therefor. Dividends shall accrue on each share of Series A Preferred Stock from the date of issue of such share, and shall accrue from day to day, whether or not earned. Dividends on each share of Series A Preferred Stock shall accumulate from the date of issue of such share. Any accumulation of dividends on the Series A Preferred Stock shall not bear interest. Dividends on the Series A Preferred Stock shall be payable in cash and shall be due and payable quarterly in arrears on March 31, June 30, September 30 and December 31 each year; provided, however, that for the first 18 months following the date of issue of the Series A Preferred Stock, the Corporation shall have the option to (i) pay or defer payment of the dividends, and (ii) pay the dividends in cash or in shares of Series A Preferred Stock valued for purposes of the dividend payment at a price equal to the Liquidation Price as defined in Section 3.1 below.

2.2 No dividends (other than a dividend payable solely in Common Stock or other securities and rights convertible into or entitling the holder thereof to receive, directly or indirectly, additional shares of Common Stock) shall be paid on any Common Stock during any fiscal year until full dividends on the Series A Preferred Stock for all past dividend periods and the then current dividend period shall have been paid or declared and set apart during that fiscal year and any prior year in which dividends accumulated but remain unpaid.

2.3 No dividends shall be paid on or declared and set apart for any share of Common Stock unless a dividend (including the amount of any dividends required to be paid under Section 2.1 above) is paid with respect to all outstanding shares of Series A Preferred Stock equal to or greater than the aggregate amount of such dividends for all

shares of Common Stock into which each such share of Series A Preferred Stock could then be converted.

3. Liquidation Preference.

3.1 Preferred Stock. In the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary, the holders of Series A Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the sum of (i) \$1.614 for each outstanding share of Series A Preferred Stock, and (ii) an amount equal to all accrued but unpaid dividends on such share, which sum shall be the "Liquidation Price." If upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series A Preferred Stock shall be insufficient to permit the payment to such holders of the Liquidation Price, then the entire assets and funds of the Corporation legally available for distribution shall be distributed ratably among the holders of the Series A Preferred Stock in proportion to the preferential amount each such holder is otherwise entitled to receive, but in no event may such holder receive in excess of the preferential amount established for such series.

3.2 Common Stock. Upon the completion of the distributions of the Liquidation Price, and the completion of any requisite distributions to the holders of any other series or class of stock entitled to preference over the Common Stock in liquidation, the entire remaining assets and funds of the Corporation legally available for distribution, if any, shall be distributed among the holders of the Common Stock in proportion to the shares of Common Stock then held by them.

3.3 Treatment of Reorganizations, Consolidations, Mergers, and Sales of Assets. A reorganization, a consolidation or merger of the Corporation (other than for the sole purpose of reincorporating) or sale of all or substantially all of the assets of the Corporation shall be regarded as a liquidation, dissolution or winding up of the affairs of the Corporation within the meaning of this Section 3; provided, however, that, in any such event, each holder of Series A Preferred Stock shall have the right to elect the benefits of the provisions of Section 5 hereof in lieu of receiving payment pursuant to this Section 3.

3.4 Noncash Distributions. Whenever the distribution provided for in this Section 3 shall be payable in securities or property other than cash, the value of such distribution shall be the fair market value of such securities or other property as determined in good faith by the Board of Directors.

4. Conversion. The holders of the Series A Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

4.1 Right to Convert. Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such

share, at the office of the Corporation or any transfer agent for the Series A Preferred Stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the \$1.614 by the Conversion Price (as defined in the following sentence) at the time in effect for such share. The price at which shares of Common Stock shall be issued upon conversion of shares of the Series A Preferred Stock (the "Conversion Price") shall initially be the \$1.614; provided, however, that the Conversion Price for the Series A Preferred Stock shall be subject to adjustment as set forth in Section 4.4.

4.2 Automatic Conversion. Each share of Series A Preferred Stock shall automatically be converted into shares of Common Stock at the then-effective Conversion Price immediately prior to the consummation of the Corporation's public sale of its Common Stock in a firm commitment, underwritten public offering registered under the Securities Act of 1933, as amended (the "Securities Act") at a per share issue price equal to or greater than 150% of the Conversion Price then in effect (as adjusted for stock splits, stock dividends, combinations of shares or similar recapitalization events) and resulting in aggregate proceeds to the Corporation and/or any selling shareholders (before deduction for underwriter's discounts and expenses relating to the issuance, including without limitation fees of the Corporation's counsel) of at least \$10 million.

4.3 Mechanics of Conversion. Before any holder of Series A Preferred Stock shall be entitled to convert the same into shares of Common Stock, he shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for the Series A Preferred Stock, and shall give written notice by mail, postage prepaid, to the Corporation at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for shares of Common Stock are to be issued. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series A Preferred Stock, or to the nominee or nominees of such holder, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Series A Preferred Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock as of such date. If the conversion is in connection with an underwritten offer of securities registered pursuant to the Securities Act, the conversion may, at the option of any holder tendering Series A Preferred Stock for conversion, be conditioned upon the closing with the underwriter of the sale of securities pursuant to such offering, in which event the person(s) entitled to receive the Common Stock issuable upon such conversion of the Series A Preferred Stock shall not be deemed to have converted such Series A Preferred Stock until immediately prior to the closing of such sale of securities.

4.4 Adjustments to Conversion Price for Certain Diluting Issues.

4.4.1 Special Definitions. For purposes of this Section 4.4, the following definitions apply:

(a) "*Options*" shall mean rights, options, or warrants to subscribe for, purchase or otherwise acquire Common Stock, Series A Preferred Stock, or Convertible Securities (defined below).

(b) "*Original Issue Date*" shall mean the date on which a share of Series A Preferred Stock was first issued.

(c) "*Convertible Securities*" shall mean any evidences of indebtedness, shares (other than Common Stock and Series A Preferred Stock) or other securities convertible into or exchangeable for Common Stock.

(d) "*Additional Shares of Common Stock*" shall mean all shares of Common Stock issued (or, pursuant to Section 4.4.3, deemed to be issued) by the Corporation after the Original Issue Date, other than shares of Common Stock issued or issuable:

(i) upon conversion of shares of Series A Preferred Stock;

(ii) to officers, directors, or employees of, or consultants to, the corporation pursuant to stock option or stock purchase plans or agreements on terms approved by the Board of Directors, but not exceeding 416,667 shares of Common Stock (net of any repurchases of such shares or cancellations or expirations of options), subject to adjustment for all subdivisions and combinations;

(iii) as a dividend or distribution on Series A Preferred Stock;

(iv) upon exercise or conversion of outstanding options or warrants, respectively; or

(v) for which adjustment of the Series A Conversion Price is made pursuant to Section 5.

4.4.2 No Adjustment of Conversion Price. Any provision herein to the contrary notwithstanding, no adjustment in the Conversion Price shall be made in respect of the issuance of Additional Shares of Common Stock unless the consideration per share (determined pursuant to Section 4.4.5 hereof) for an Additional Share of Common Stock issued or deemed to be issued by the Corporation is less than the Conversion Price in effect on the date of, and immediately prior to, such issue.

4.4.3 Deemed Issue of Additional Shares of Common Stock. In the event the Corporation at any time or from time to time after the Original Issue Date shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any class of securities then entitled to receive any such Options or Convertible Securities, then the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein designed to protect against dilution) of Common Stock issuable upon the exercise of such Options or, in the case of Convertible Securities and Options for Convertible Securities or for Series A Preferred Stock, the conversion or exchange of such Convertible Securities or Series A Preferred Stock, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date, provided that in any such case in which Additional Shares of Common Stock are deemed to be issued:

(a) no further adjustments in the Series A Conversion Price shall be made upon the subsequent issue of such Convertible Securities, or Series A Preferred Stock or shares of Common Stock upon the exercise of such Options or conversion or exchange of such Convertible Securities or Series A Preferred Stock;

(b) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase or decrease in the consideration payable to the Corporation, or decrease or increase in the number of shares of Common Stock issuable, upon the exercise, conversion or exchange thereof, the Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon any such increase or decrease become effective, be recomputed to reflect such increase or decrease insofar as it affects such Options or the rights of conversion or exchange under such Convertible Securities (provided, however, that no such adjustment of the Conversion Price shall affect Common Stock previously issued upon conversion of the Series A Preferred Stock);

(c) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities which shall not have been exercised, the Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon such expiration, be recomputed as if:

(i) in the case of Convertible Securities or Options for Common Stock the only Additional Shares of Common Stock issued were the shares of Common Stock, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was the consideration actually received by the Corporation for the issue of all such Options, whether or not exercised, plus the consideration actually received by the Corporation upon such exercise, or for the issue of all such Convertible Securities which

were actually converted or exchanged, plus the additional consideration, if any, actually received by the Corporation upon such conversion or exchange; and

(ii) in the case of Options for Convertible Securities or Series A Preferred Stock only the Convertible Securities or Series A Preferred Stock, if any, actually issued upon the exercise thereof were issued at the time of issue of such Options, and the consideration received by the Corporation for the Additional Shares of Common Stock deemed to have been then issued was the consideration actually received by the Corporation for the issue of all such Options, whether or not exercised, plus the consideration deemed to have been received by the Corporation (determined pursuant to Section 4.4) upon the issue of the Convertible Securities or Series A Preferred Stock with respect to such Options were actually exercised;

(d) no readjustment pursuant to clause 4.4.3(c)(i) or 4.4.3(c)(ii) above shall have the effect of increasing the Conversion Price to an amount which exceeds the lower of (a) Conversion Price on the original adjustment date, or (b) the Conversion Price that would have resulted from any issuance of Additional Shares of Common Stock between the original adjustment date and such readjustment date;

(e) in the case of any Options which expire by their terms not more than 30 days after the date of issue thereof, no adjustment of the Conversion Price shall be made until the expiration or exercise of all such Options, whereupon such adjustment shall be made in the same manner provided in clause 4.4.3(c) above.

4.4.4. Adjustment of Conversion Price Upon Issuance of Additional Shares of Common Stock. In the event the Corporation, at any time after the Original Issue Date shall issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Section 4.4.3) without consideration or for a consideration per share less than the Conversion Price in effect on the date of and immediately prior to such issue, then and in such event, the Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest cent) determined by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of shares of Common Stock which the aggregate consideration received by the Corporation for the total number of Additional Shares of Common Stock so issued would purchase at such Conversion Price in effect immediately prior to such issuance, and the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of such Additional Shares of Common Stock so issued. For the purpose of the above calculation, the number of shares of Common Stock outstanding immediately prior to such issue shall be calculated on a fully diluted basis, as if all shares of Series A Preferred Stock and all Convertible Securities had been fully converted into shares of Common Stock immediately prior to such issuance and any outstanding warrants, options or other rights for the purchase of shares of stock or convertible securities had been fully exercised immediately prior to such issuance (and the

resulting securities fully converted into shares of Common Stock, if so convertible) as of such date, but not including in such calculation any additional shares of Common Stock issuable with respect to shares of Series A Preferred Stock, Convertible Securities, or outstanding options, warrants or other rights for the purchase of shares of stock or convertible securities, solely as a result of the adjustment of the Conversion Price (or other conversion ratios) resulting from the issuance of the Additional Shares of Common Stock causing the adjustment in question.

4.4.5 Determination of Consideration. For purposes of this Section 4.4, the consideration received by the Corporation for the issue of any Additional Shares of Common Stock shall be computed as follows:

(a) *Cash and Property*. Such consideration shall:

(i) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation excluding amounts paid or payable for accrued interest or accrued dividends;

(ii) insofar as it consists of property other than cash, be computed at the fair value thereof at the time of such issue, as determined in good faith by the Board of Directors; and

(iii) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses 4.4.5(a)(i) and 4.4.5(a)(ii) above, as determined in good faith by the Board of Directors.

(b) *Options and Convertible Securities*. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Section 4.4.3, relating to Options and Convertible Securities shall be determined by dividing:

(i) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein designed to protect against dilution) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities or Series A Preferred Stock, the exercise of such Options for Convertible Securities or Series A Preferred Stock and the conversion or exchange of such Convertible Securities or Series A Preferred Stock by

(ii) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein designed to protect against the dilution) issuable upon the exercise of such Options or conversion or exchange of such Convertible Securities.

4.5 Adjustments to Conversion Prices for Stock Dividends and for Combinations or Subdivisions of Common Stock. In the event that the Corporation at any time or from time to time after the Original Issue Date shall declare or pay, without consideration, any dividend on the Common Stock payable in Common Stock or in any right to acquire Common Stock for no consideration, or shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by stock split, reclassification or otherwise than by payment of a dividend in Common Stock or in any right to acquire Common Stock), or in the event the outstanding shares of Common stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, then the Conversion Price for any series of Preferred Stock in effect immediately prior to such event shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate. In the event that the Corporation shall declare or pay, without consideration, any dividend on the Common Stock payable in any right to acquire Common Stock for no consideration, then the Corporation shall be deemed to have made a dividend payable in Common Stock in an amount of shares equal to the maximum number of shares issuable upon exercise of such rights to acquire Common Stock.

4.6 Adjustments for Reclassification and Reorganization. If the Common Stock issuable upon conversion of the Series A Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for in Section 4.5 above or a merger or other reorganization referred to in Section 3.3 above), the Conversion Price then in effect shall, concurrently with the effectiveness of such reorganization or reclassification, be proportionately adjusted so that the Series A Preferred Stock shall be convertible into, in lieu of the number of shares of Common Stock which the holders would otherwise have been entitled to receive, a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to receipt by the holders upon conversion of the Series A Preferred Stock immediately before that change.

4.7 No Impairment. The Corporation will not, by amendment of its Articles of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 4 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of the Series A Preferred Stock against impairment.

4.8 Certificates as to Adjustments. Upon the occurrence of each adjustment or readjustment of any Conversion Price pursuant to this Section 4, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series A Preferred Stock a certificate executed by the Corporation's President or Chief Financial Officer setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any holder of Series A Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price at the time in effect, and (iii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of the Series A Preferred Stock.

4.9 Notices of Record Date. In the event that the Corporation shall propose at any time: (i) to declare any dividend or distribution upon its Common Stock, whether in cash, property, stock or other securities, whether or not a regular cash dividend and whether or not out of earnings or earned surplus; (ii) to offer for subscription pro rata to the holders of any class or series of its stock any additional shares of stock of any class or series or other rights; (iii) to effect any reclassification or recapitalization of its Common Stock outstanding involving a change in the Common Stock; or (iv) to merge or consolidate with or into any other corporation, or sell, lease or convey all or substantially all of its assets, or to liquidate, dissolve or wind up; then, in connection with each such event, the Corporation shall send to the holders of Series A Preferred Stock (A) at least twenty (20) days' prior written notice of the date on which a record shall be taken for such dividend, distribution or subscription rights (and specifying the date on which the holders of Common Stock shall be entitled thereto) or for determining rights to vote, if any, in respect of the matters referred to in (iii) and (iv) above; and (B) in the case of the matters referred to in (iii) and (iv) above, at least twenty (20) days' prior written notice of the date when the same shall take place (and specifying the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon the occurrence of such event).

4.10 Issue Taxes. The Corporation shall pay any and all issue and other taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of Series A Preferred Stock pursuant hereto; provided, however, that the Corporation shall not be obligated to pay any transfer taxes resulting from any transfer requested by any holder in connection with any such conversion.

4.11 Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series A Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series A Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not

be sufficient to effect the conversion of all then outstanding shares of the Series A Preferred Stock, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to this Certificate.

4.12 Fractional Shares. No fractional share shall be issued upon the conversion of any share or shares of Series A Preferred Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series A Preferred Stock by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after the aforementioned aggregation, the conversion would result in the issuance of a fraction of a share of Common Stock, the Corporation shall, in lieu of issuing any fractional share, pay the holder otherwise entitled to such fraction a sum in cash equal to the fair market value of such fraction on the date of conversion (as determined in good faith by the Board of Directors).

4.13 Notices. Any notice required by the provisions of this Section 4 to be given to the holders of shares of Series A Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, or if sent by facsimile or delivered personally by hand or by nationally recognized courier and addressed to each holder of record at such holder's address or facsimile number appearing in the records of the Corporation.

5. Capital Reorganization, Merger or Sale of Assets.

5.1 If at any time or from time to time there shall be a capital reorganization of the Common Stock (other than a subdivision, combination, reclassification or exchange of shares provided for in Section 4) or a merger or consolidation of the Corporation with or into another corporation (other than for the sole purpose of reincorporating) or the sale of all or substantially all of the Corporation's properties and assets to any other person, then, as a part of such reorganization, merger, consolidation or sale, provision shall be made so that the holders of the Series A Preferred Stock shall thereafter be entitled to receive upon conversion of the Series A Preferred Stock, the number of shares of stock or other securities or property of the Corporation, or of the successor corporation resulting from such reorganization, merger, consolidation or sale, to which a holder of the same number of shares of Common Stock issuable to the holders of the Series A Preferred Stock upon conversion would have been entitled on such capital reorganization, merger, consolidation or sale. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 5 with respect to the rights of the holders of the Series A Preferred Stock after the reorganization, merger, consolidation or sale to the end that the provisions of this Section 5 (including adjustment of the Conversion Price and the number of shares issuable upon conversion of the Series A Preferred Stock) shall be applicable after that event in as nearly equivalent a manner as may be possible.

5.2 Each holder of Series A Preferred Stock, upon the occurrence of a capital reorganization, merger or consolidation of the Corporation, or the sale of all or substantially all the Corporation's assets and properties as such events are more fully set forth in Section 5.1, shall have the option of electing treatment of such holder's shares of Series A Preferred Stock under either Sections 4 and 5.1 or under Section 3 hereof, notice of which election shall be submitted in writing to the Corporation at its principal offices no later than twenty (20) days before the effective date of such sale.

5.3 The provisions of this Section 5 are in addition to the protective provisions of Section 7 hereof.

6. Voting Rights. The holder of each share of Series A Preferred Stock shall have the right to one vote for each whole share of Common Stock into which such share of Series A Preferred Stock could then be converted, and with respect to such vote, such holder shall have full voting rights and powers equal to the voting rights and powers of the holders of Common Stock, and shall be entitled, notwithstanding any provision hereof, to notice of any shareholders' meeting of the Corporation, and shall vote, together with holders of Common Stock as one voting group and one class with respect to any question upon which holders of Common Stock have the right to vote, except as otherwise provided in Section 7.1 below and unless the Oregon Business Corporation Act requires the holders of Series A Preferred Stock to vote as separate voting groups on any such matter submitted to the shareholders for a vote, and subject always to the provisions of any valid and effective voting agreement between the shareholders of the Corporation.

7. Protective Provisions.

7.1 Actions Requiring Approval of Series A Preferred Stock, Voting as a Separate Voting Group. So long as not less than 75,000 shares of Series A Preferred Stock are outstanding (as adjusted for any stock dividends, combinations or splits with respect to such shares), the Corporation shall not, without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding shares of Series A Preferred Stock:

7.1.1 Increase the authorized number of shares of Series A Preferred Stock; or

7.1.2 Create any new class or series of stock or any other securities convertible into equity securities of the Corporation having a preference over, or being on a parity with, the Series A Preferred Stock with respect to voting, dividends or upon liquidation.

7.1.3 Effect any sale, lease, assignment, transfer, or other conveyance of all or substantially all of the assets or stock of the Corporation or any of its subsidiaries,

or any consolidation or merger involving the Corporation or any of its subsidiaries, or any reclassification or other change of stock, or any recapitalization of the Corporation;

7.1.4 Amend its Articles of Incorporation or Bylaws, except any amendment which would not materially alter or effect the rights of the holders of the Series A Preferred Stock; or

7.1.5 Liquidate, dissolve or wind up the affairs of the Corporation.

8: No Reissuance of Series A Preferred Stock. No share or shares of Series A Preferred Stock acquired by the Corporation by reason of redemption, purchase, conversion, or otherwise shall be reissued, and all such shares shall be canceled, retired and eliminated from the shares which the Corporation shall be authorized to issue.

9. Residual Rights of Common Stock. Upon the authorization and issuance of the Series A Preferred Stock, the Common Stock of the Corporation shall, subject to the rights, if any, of the holders of any class or series of stock of Corporation from time to time issued and outstanding, have the following rights:

9.1 Dividend Rights. Subject to the prior rights of holders of all classes of stock at the time outstanding having prior rights as to dividends, including without limitation the rights of the holders of Series A Preferred Stock to be paid any accrued but unpaid dividends with respect to such stock, the holders of the Common Stock shall be entitled to receive, when and as declared by the Board of Directors, out of any assets of the Corporation legally available therefor, such dividends as may be declared from time to time by the Board of Directors.

9.2 Liquidation Rights. Upon the liquidation, dissolution or winding up of the Corporation, the assets of the Corporation shall be distributed as provided in Section 3.

9.3 Voting Rights. The holders of shares of Common Stock shall have the right to one vote for each share of Common Stock issued and outstanding, and shall be entitled to notice of any shareholders' meeting of the Corporation, and shall be entitled to vote upon all matters submitted to the shareholders of the Corporation for a vote.

Secretary of State
Corporation Division
255 Capitol St. NE, Suite 151
Salem, OR 97310-1327

Check the appropriate box below:

For office use only

- BUSINESS/PROFESSIONAL CORPORATION
(Complete only 1,2,3,4,6,7)
- NONPROFIT CORPORATION
(Complete only 1,2,3,5,6,7)

FILED

AUG 14 2000

**OREGON
SECRETARY OF STATE**



Registry Number: 621283-85

Use Additional Sheet If Necessary
Use Type or Print Legibly in Black Ink

NAME OF CORPORATION PRIOR TO AMENDMENT 1-800-RECONEX, Inc.

STATE THE ARTICLE NUMBER(S) AND SET FORTH THE ARTICLE(S) AS IT IS AMENDED TO READ. (Attach a separate sheet if necessary.)

See Exhibit A attached hereto

THE AMENDMENT WAS ADOPTED ON: August 14, 2000

(If more than one amendment was adopted, identify the date of adoption of each amendment.)

BUSINESS/PROFESSIONAL CORPORATION ONLY

4) CHECK THE APPROPRIATE STATEMENT

Shareholder action was required to adopt the amendment(s).
The vote was as follows:

Class or series of shares	Number of shares outstanding	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST
Common	3,556,421	3,556,421	3,556,421	0
Class A Pref.	309,756	309,756	309,756	0

Shareholder action was not required to adopt the amendment(s). The amendment(s) was adopted by the board of directors without shareholder action.

The corporation has not issued any shares of stock. Shareholder action was not required to adopt the amendment(s). The amendment(s) was adopted by the incorporators or by the board of directors.

NONPROFIT CORPORATION ONLY

5) CHECK THE APPROPRIATE STATEMENT

Membership approval was not required. The amendment(s) was approved by a sufficient vote of the board of directors or incorporators.

Membership approval was required. The membership vote was as follows:

Classes entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

EXECUTION
Printed Name

William E. Braun

Signature

Title

Vice President/General Counsel

CONTACT NAME

William E. Braun

DAYTIME PHONE NUMBER

(503) 982-5573

FEES

Make check for \$10 payable to "Corporation Division."

NOTE: Filing fees may be paid with VISA or Master Card. The card number and expiration date should be submitted on a separate sheet for your protection.

EXHIBIT A

SECOND AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
1-800-RECONEX, INC.

Article II, Section A, of the Articles of Incorporation is hereby amended, in its entirety, as follows:

ARTICLE II.

STOCK

A. The aggregate number of shares which the corporation shall have the authority to issue shall consist of 15,000,000 shares of common stock ("Common Stock"), \$0.01 par value and 1,000,000 shares of preferred stock ("Preferred Stock"), \$0.01 par value.

EXHIBIT
“C”

State of South Dakota



OFFICE OF THE SECRETARY OF STATE

CERTIFICATE OF AUTHORITY

I, JOYCE HAZELTINE, Secretary of State of the State of South Dakota, hereby certify that duplicate of the Application for a Certificate of Authority of 1-800-RECONEX, INC. (OR) 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.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at Pierre, the Capital, this November 9, 1998.



Joyce Hazeltine
JOYCE HAZELTINE
Secretary of State

EXHIBIT
“D”

**1-800-RECONEX, Inc., d/b/a USTel
Corporate Officers:**

Mr. Dave Griffee, President/CEO
2500 Industrial Avenue, Hubbard, Oregon 97032
503-982-8000

Mr. Joe Brandes, Vice President
2500 Industrial Avenue, Hubbard, Oregon 97032
503-982-8000

Mr. William Braun, Corporate Secretary
2500 Industrial Avenue, Hubbard, Oregon 97032
503-982-8000

EXHIBIT
“E”

EXHIBIT
“F”

1-800-RECONEX, Inc.

also d/b/a USTel

INTRASTATE INTEREXCHANGE TELECOMMUNICATIONS SERVICES

Regulations and rates applying to intrastate interexchange telecommunications services within 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 the Company's principal place of business, 2500 Industrial Avenue, Hubbard, Oregon 97032. This tariff complies with South Dakota Public Utility Commission rules and South Dakota statutes applicable to the Company.

Issued: August 11, 2003

Issued by: Anne Lynch
Regulatory Manager
2500 Industrial Avenue
Hubbard, Oregon 97032

Effective: September 11, 2003

CHECK SHEET

Pages 1 through 25, inclusive of this Tariff are effective as of the date shown. Revised sheets as named below contain all changes from the original tariff that are in effect on the date thereof.

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3	Original
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TARIFF FORMAT SHEET

1. Page Numbering. Page numbers appear in the upper-right corner of the page. Pages are numbered sequentially. New pages may occasionally be added to the tariff. When a new page is added, the page appears as a decimal. For example, a new page added between pages 34 and 35 would be 34.1.
2. Page Revisions Numbers. Page Revision Numbers also appear in the upper-right corner of the page. These numbers are used to determine the most current page revision on file with the Public Utility Commission of South Dakota. For example, the fourth revised Page 34 cancels the third revised Page 34. Because of deferrals, notice periods, *etc.*, the most current page number on file with the Commission is not always the tariff page in effect. Business Customers should consult with check sheet for the page currently in effect.
3. Paragraph Numbering Sequence. There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level of coding.
 - 1.
 - 1.1.
 - 1.1.1.
 - 1.1.1.A.
 - 1.1.1.A.1.
 - 1.1.A.1.(a)
 - 1.1.1.A.1.(a)(I)
 - 1.1.1.A.1.(a)(I)(i)
 - 1.1.1.A.1.(a)(I)(i)(1)
4. Check List of Effective Pages. When a tariff filing is made with the Commission, an updated Check List of Effective Pages ("Check List") accompanies the tariff filing. The Check List lists the pages contained in the tariff, with a cross-reference to the current revision number. When new pages are added, the Check List 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 List if these are the only changes made to it (i.e., the format, *etc.*). Customers should refer to the latest Check List to find out if a particular page is the most current page on file with the Commission.
5. Symbols Used in This Tariff.

(AT)	To signify addition to text.
(C)	To signify a correction.
(CP)	To signify a change in practice.
(CR)	To signify a change in rate.
(CT)	To signify a change in Text.
(DR)	To signify a discontinued rate.
(FC)	To signify a change in format lettering or numbering.
(MT)	To signify moved text.
(NR)	To signify a new rate.
(RT)	To signify a removal of text.

APPLICATION OF TARIFF

This tariff sets forth the service offerings, rates, terms and conditions applicable to the furnishing of local exchange telecommunications services by 1-800-RECONEX, Inc, also d/b/a USTel, hereinafter referred to as the "Company" or "USTel", to end-user customers within the State of South Dakota.

Issued: August 11, 2003

Issued by: Anne Lynch
Regulatory Manager
2500 Industrial Avenue
Hubbard, Oregon 97032

Effective: September 11, 2003

SECTION 1 - DEFINITIONS

Alternative Local Exchange Carrier ("ALEC") or Competitive Local Exchange Carrier ("CLEC") - means any entity or person providing local exchange services in competition with an ILEC or LEC.

Business Hours - The phrase "business hours" means the time after 6.00 A.M. and before 6.00 P.M., Monday through Friday and after 7:00 A.M. and before 3:30 P.M. on Saturday excluding holidays.

Business Office - The phrase "business office" means the primary location where the business operations of USTel are performed and where a copy of USTel's tariff is made available for public inspection. The address of the business office is 2500 Industrial Avenue, Hubbard, Oregon 97032.

Called Station - The terminating point of a call (*i.e.*, the called number).

Calling Station - The originating point of a call (*i.e.*, the calling number).

Calling Area - A specific geographic area so designated for the purpose of applying a specified rate structure.

Carrier - The term "Carrier" means 1-800-RECONEX, Inc. also d/b/a USTel.

Central Office - A Local Exchange Carrier's office where a Customer's lines are terminated for the purpose of offering local telephone service and to connect with interexchange carriers.

Competitive Local Exchange Carrier ("CLEC") or Alternative Local Exchange Carrier ("ALEC") - means any entity or person providing local exchange services in competition with an ILEC or LEC.

Commission - South Dakota Public Utility Commission

Company - The term "Company" means 1-800-RECONEX, Inc. also d/b/a USTel

Customer - The person, firm, company, corporation, or other entity, having a communications requirement of its own that is responsible for the payment of charges and for compliance with this Tariff. See "End User".

SECTION 1 - DEFINITIONS

Customer-Provided Equipment - Telecommunications equipment provided by a Customer used to originate calls using USTel's service located at the originating location.

Delinquent or Delinquency - An account for which payment has not been made in full on or before the last day for timely payment.

End User - The ultimate user of the telecommunications services and who orders service and is responsible for payment of charges due in compliance with the Company's price list regulations. See "Customer".

Exchange Area - A geographically defined area wherein the telephone industry through the use of maps or legal descriptions sets down specified area where individual telephone exchange companies hold themselves out to provide communications services.

Facility (or Facilities) - Any item or items of communications plant or equipment used to provide or connect to USTel Services.

FCC - Federal Communications Commission.

Incumbent Local Exchange Carrier ("ILEC") or Local Exchange Carrier ("LEG") - is any local exchange carrier that was as of February 8, 1996 deemed to be a member of the Exchange Carrier Association as set forth in 47 C.F.R. 69.601(b) of the FCC's regulations.

Incomplete Call - Any call where voice transmission between the calling party and the called station is not established (*i.e.*, busy, no answer, etc.).

Interexchange Carrier (IXC) - A common carrier that provides long distance domestic and international communication services to the public.

Local Access Transport Area ("LATA") - The phrase "Local Access Transport Area" means a geographical area established by the U.S. District Court for the District of Columbia in United States v. Western Electric Co., Inc., 552 F. Supp. 131 (D.D.C. 1982), within which a local exchange company provides communication services.

SECTION 1 - DEFINITIONS

Local Exchange Company ("LEC") - A company that furnishes local exchange telephone services.

Local Exchange Service - is an arrangement which connects the residential End User's location to the LEC's network switching center, thereby allowing End User to transmit and receive local calls within the End User's local calling area, or mandatory expanded area service (EAS) area, as defined by State commissions or, if not defined by State commission, then defined in the LEC's State Tariffs.

Location - A physical premise to or from which USTel provides Service.

NXX - The designation for the first three digits of a local telephone number where N represents 2-9 and X represents 0-9.

NPA - An area code, otherwise called numbering plan area.

Other Common Carrier - The term "other common carrier" denotes a specialized or other type of common carrier authorized by the Federal Communications Commission to provide domestic or international communications services.

Premises - A building or buildings on contiguous property (except railroad rights-of-way, etc.).

Primary Interexchange Carrier (PIC) - The interexchange carrier to which a switched access line is presubscribed.

Regular Billing - A standard bill sent in the normal monthly USTel billing cycle. This billing consists of one bill for each account assigned to the Customer with explanatory detail showing the derivation of the charges.

Residential Service - The phrase "residential service" means telecommunication services used primarily as nonbusiness service.

Services - USTel's regulated common carrier communications services provided under this Tariff.

Special Access Origination/Termination - Where originating or terminating access between the Customer and the interexchange carrier is provided on dedicated circuits. The Local Access Provider (eg. LEC) provides these dedicated circuits from the Customer's location to the Company's point of presence. The rates and charges for dedicated circuits are determined by the access provider and the Customer is responsible for payments of these charges to the provider.

Subscriber - The term "Customer" is synonymous with the term "subscriber".

Switch - The term "switch" denotes an electronic device that is used to provide circuit sharing, routing, and control.

Timely Payment - A payment on a Customer's account made on or before the due date.

Underlying Carrier - A provider of interstate and intraLATA telecommunications services from whom USTel acquires services that it resells to Customers

SECTION 2 - RULES AND REGULATIONS

2.1. Undertaking of USTel

- 2.1.1. USTel undertakes to provide local exchange telecommunications services within the State of South Dakota on the terms and conditions and at the rates and charges specified herein.
- 2.1.2. USTel installs, operates and maintains the communication services provided hereunder in accordance with the terms and conditions set forth under this Tariff. It 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 the USTel network. The Customer shall be responsible for all charges due for such service arrangements.
- 2.1.3. USTel's Services and facilities are available twenty-four (24) hours per day, seven (7) days per week.

2.2. Use of Service

- 2.2.1. Services provided under this Tariff may be used only for the transmission of communications in a manner consistent with the terms of this Tariff and regulations of the Federal Communications Commission.
- 2.2.2. Services provided under this Tariff shall not be used for unlawful purposes. Service will not be furnished if any law enforcement agency, acting within its jurisdiction, advises that such services are being used in violation of the law.

2.3. Limitations

- 2.3.1. Service is offered subject to the availability of the necessary facilities or equipment, or both facilities and equipment, and subject to the provisions of this Tariff. The obligation of USTel to provide Service is dependent upon its ability to procure, construct, and maintain facilities that are required to meet the Customer's order for Service. USTel will make all reasonable efforts to secure the necessary facilities.
- 2.3.2. USTel reserve the right to limit or to allocate the use of existing facilities, or to additional facilities offered by USTel, when necessary because of lack of facilities, relevant resources, or due to causes beyond USTel's control. In addition, USTel reserves the right to discontinue Service when the Customer is using the Service in violation of law or the provisions of this Tariff.
- 2.3.3. USTel does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission nor for failure to establish connections.
- 2.3.4. USTel reserves the right to refuse service to Customers due to insufficient or invalid charging information.
- 2.3.5. USTel may immediately and without notice block access to its network from particular phone numbers where USTel is experiencing significant amounts of toll fraud, or usage of Services in an amount that USTel deems excessive.
- 2.3.6. USTel may block calls that are made to certain cities or central office exchanges, or use certain Authorization Codes as USTel, in its sole discretion, deems reasonably necessary to prevent unlawful or fraudulent use of Service.

SECTION 2 - RULES AND REGULATIONS**2.3. Limitations (cont'd)**

2.3.6. USTel will use reasonable efforts to maintain only the facilities and equipment that it furnishes to the Customer. USTel may substitute, change, or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided the Customer. USTel shall have the right to make necessary repairs or changes in its facilities at any time and will have the right to suspend or interrupt service temporarily for the purpose of making the necessary repairs or changes in its system. When such suspension or interruption of service for any appreciable period is necessary, USTel will give the Customers who may be affected reasonable notice thereof as circumstances will permit, and will prosecute the work with reasonable diligence, and if practicable at time that will cause the least inconvenience. When USTel is repairing or changing its facilities, it shall take appropriate precautions to avoid unnecessary interruptions of Customer's service.

2.4 Liabilities of USTel

- 2.4.1. USTel's liability for damages arising out of mistakes, omissions, interruptions, delays, errors, or defects in the installation, provision, termination, maintenance, repair, or restoration occurring in the course of furnishing service, channels, or other facilities, and not caused by the negligence of the subscribers, commences upon activation of service. In no event does USTel's liability exceed an amount equivalent to the proportionate charge to the Customer for the period of service during which such mistakes, omissions, interruptions, delays, errors or defects occur. For the purposes of computing such amount, a month is considered to have thirty (30) days. Credit will be calculated pursuant to Section 2.9 of this Tariff.
- 2.4.2. When the facilities of other carriers are used in establishing connections to points not reached by USTel's facilities, USTel is not liable for any act or omission of the other carrier(s). The Customer will indemnify and save harmless USTel from any third-party claims for such damages referred to in Section 2.4.1.
- 2.4.3. In no event will USTel be responsible for consequential damages or lost profits suffered by a Customer as a result of interrupted or unsatisfactory service. USTel will not be liable for claims or damages resulting from or caused by: (i) Customer's fault, negligence or failure to perform Customer's responsibilities; (ii) claims against Customer by another party; (iii) any act or omission of any other party; or (iv) equipment or service furnished by a third party.
- 2.4.4. USTel does not guarantee or make any warranty with respect to any equipment provided by it or leased on the Customer's behalf where such equipment is used in locations containing an atmosphere which is explosive, prone to fire, dangerous or otherwise unsuitable for such equipment. The Customer shall indemnify and hold USTel harmless from any and all loss, claims, demands, suits or other actions, or any liabilities whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or persons, for any personal injury or death of any person or persons, and for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of such equipment so used.

SECTION 2 - RULES AND REGULATIONS**2.4. Liabilities of USTel (cont'd)**

- 2.4.5. USTel is not liable for any defacement of, or damage to, the premises of a Customer resulting from the furnishing of services or the attachment of equipment, instruments, apparatus, and associated wiring furnished by USTel on such Customer's premises or by the installation or removal thereof, when such defacement or damage is not the result of USTel negligence. No agents or employees of other participating carriers shall be deemed to be agents or employees of USTel without written authorization. The Customer will indemnify and save harmless USTel from any claims of the owner of the Customer's premises or other third party claims for such damages.
- 2.4.6. USTel and Customer shall be excused from performance under this Tariff and under the application for service for any period, and to the extent that the party is prevented from performing any service pursuant hereto, in whole or in part, as a result of delays caused by the other party or an Act of God, governmental agency, war, civil disturbance, court order, lockouts or work stoppages or other labor difficulties, third party nonperformance (including the failure of performance for reasons beyond the control of common carriers, interexchange carriers, local exchange carriers, suppliers and subcontractors), or other cause beyond its reasonable control, including failures or fluctuations in electrical equipment, and such nonperformance shall not be deemed a violation of this Tariff or of the application for service or grounds for termination of service. Both parties retain all rights of recourse against any third parties for any failures which may create a force majeure condition for the other party.
- 2.4.7. USTel is not liable for any damages, including toll usage charges, the Customer may incur as a result of the unauthorized use of its telephone facilities. This unauthorized use of the Customer's facilities includes, but is not limited to, the placement of calls from the Customer's premises, and the placement of calls through Customer-provided equipment that are transmitted or carried on the USTel network.
- 2.4.8. Where there is a connection via Customer-provided terminal equipment or Customer-provided communications systems, the point of demarcation shall be defined as the USTel facility that provides interconnection. USTel shall not be held liable for Customer-provided access media or equipment. Any maintenance service or equipment arrangements shall be addressed on an individual case basis.
- 2.4.9. USTel will not be responsible if any changes in its service cause hardware or software not provided by USTel to become obsolete, require modification or alternation, or otherwise affect the performance of such hardware or software.
- 2.4.10. The Company shall use reasonable efforts to make services available by the estimated service date. The Company shall not be liable for any damages whatsoever resulting from delays in meeting the estimated service date due to delays resulting from normal installation procedures. Such delays shall include, but not be limited to delays in obtaining necessary regulatory approvals for construction, delays in obtaining right-of-way approvals, delays in actual construction work being done by our vendor(s), and any delays due to any LEC where the Company is relying solely upon such LEC to meet such estimated due date which is beyond the Company's control.

SECTION 2 - RULES AND REGULATIONS**2.4. Liabilities of USTel (cont'd)**

- 2.4.11. With respect to the services, materials and equipment provided hereunder, USTel makes no promises, agreements, understandings, representations or warranties, express or implied, and hereby expressly disclaims all warranties, express or implied, not stated in this Tariff, and in particular disclaims all warranties of merchantability and fitness for a particular purpose.
- 2.4.12. For errors or omissions in listings in alphabetical telephone directories and information records furnished without additional charge, the Company shall have no liability.

Subject to the provision of Section 2.4 of this Tariff, the Company shall allow, for errors or omissions in alphabetical telephone directories (excluding the use of bold face type), or in information records, an amount within the following limits:

1. For listings in alphabetical telephone directories furnished at additional charge, as set forth herein, an amount not in excess of the charge for that listing during the effective life of the directory in which the error or omission occurred.
2. For listings in the information records furnished at additional charge, as set forth herein, an amount not in excess of the charge for the listing during the period of omission or error.

2.5. Responsibilities of the Customer

- 2.5.1. The Customer must initiate a service order pursuant to Section 2.6 of this Tariff.
- 2.5.2. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the facilities or equipment installed by USTel, except upon the written consent of USTel. The equipment USTel provides or installs at the Customer premises for use in connection with the service USTel offers shall not be used for any purpose other than for which it was provided.
- 2.5.3. The Customer shall ensure that the equipment and/or system is properly interfaced with USTel's facilities or service. 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, USTel will permit such equipment to be connected with its channels without the use of protective interface devices.
- 2.5.4. The Customer shall be responsible for securing its telephone equipment against being used to place fraudulent calls using USTel's service. The Customer shall be responsible for payment of all applicable charges for services provided by USTel and charged to the Customer's accounts, even where those calls are originated by fraudulent means either from Customer's premises or from remote locations.
- 2.5.5. USTel shall be indemnified and held harmless by the Customer against claims of libel, slander, or the infringement of copyright, or for the unauthorized use of any trademark, trade name, or service mark, arising from the material transmitted over USTel's service, against claims for infringement of patents arising from, combining with, or using in connection with, service, USTel's apparatus and systems of the Customer; against all other claims arising out of any act or omission of the member in connection with USTel's service. The Customer shall be liable for:

SECTION 2 - RULES AND REGULATIONS**2.5. Responsibilities of the Customer (cont'd)**

- 2.5.5.A. Loss due to theft, fire, flood, or other destruction of USTel's equipment or facilities on Customer's premises.
 - 2.5.5.B. Reimbursing USTel for damages to facilities or equipment caused by the negligence or willful acts of the Customer's officers, employees, agents or contractors.
 - 2.5.5.C. Charges incurred with interconnect or local operating companies for service or service calls made to the Customer's premises or on the Customer's leased or owned telephonic equipment unless USTel specifically authorizes said visit or repairs in advance of the occurrence and USTel agrees in advance to accept the liability for said repairs or visit.
 - 2.5.5.D. Payment for all USTel service charges incurred through usage or direct action on the part of the Customer.
- 2.5.6. The Customer may be required to verify in writing that it is duly authorized to order service at all locations designated by the Customer for service, and assumes financial responsibility for all locations designated by the Customer to receive USTel's services. If the verification (i.e., a letter of authorization) cannot be produced within five (5) calendar days of the request, the presubscription of the Customer's locations are considered unauthorized.
- 2.5.7. The Customer shall not use the USTel name, logo or trademark in any promotional materials, contracts, Tariffs, service bills, etc., without expressed written authorization from USTel. The Customer shall not use the USTel name, logo or trademark in any pre-sale activities. The Customer is prohibited from using USTel's name or trademark on any of the Customer's products or services.
- 2.5.8. Customer may not assign or transfer any of its rights or services ordered without the prior written consent of USTel. USTel may assign any service orders to its parent company or any affiliate. USTel will notify Customers of any such assignment.

2.6 Application for Service

- 2.6.1. Applicants wishing to obtain service must initiate a service order which may include the Customer's authorization for USTel to instruct other carriers and vendors and the appropriate LEC to provide certain services on the Customer's behalf. USTel will obtain the proper authorization from the Customer where necessary, pursuant to Commission regulations. Applications for initial or additional service made verbally or in writing become a contract upon the establishment of the service or facility.
- 2.6.2. An Application for Service may be changed by Customer upon written notice to USTel, subject to acceptance and confirmation by USTel, provided that a charge shall apply to any change when the request is received by USTel after notification by USTel of the acceptance and confirmation. Such charge shall be the sum of the charges and costs for access facilities and other services and features and the lesser of (i) the monthly recurring rate for each service component that has been canceled as a result of the change times the appropriate minimum service period, plus the applicable installation or non-recurring charges, and (ii) the costs incurred by USTel in accommodating each change, less net salvage. The costs incurred by USTel will include the direct and indirect cost of facilities specifically provided or used, the costs of installation, including design preparation, engineering, supply expense, labor and supervision, general and administrative, and any other costs resulting from the preparation, installation and removal effort.

SECTION 2 - RULES AND REGULATIONS

2.6. Application for Service (cont'd)

2.6.3. Where the Customer or applicant cancels an Application for Service prior to the start of installation of service, lease of network elements, or prior to the start of special construction, no charge applies. Where installation of service has been started prior to the cancellation, a cancellation charge equal to the costs incurred by USTel shall apply, but in no case shall such charge exceed the charge for the minimum period of the service ordered, including applicable installation charges, if any. The costs incurred by USTel will include the direct and indirect costs of facilities specifically leased, provided or used; the cost of installation, including design preparation, engineering, supply expense, labor and supervision, general and administrative, and any other costs resulting from the preparation, installation and removal effort.

2.7. Establishing Credit, Deposits and Advance Payments

2.7.1. Credit Requirement

2.7.1.A. USTel may require an applicant for service to satisfactorily establish credit, pursuant to applicable Commission rules and regulations, but such establishment of credit shall not relieve the end-user from complying with USTel's policy regarding the prompt payment of bills.

2.7.1 .B. For the purposes of this rule, "applicant" is to be defined as a person who applies for service for the first time or reapplies at a new or existing location after a previous discontinuance of service; "customer" is defined as someone who is currently receiving service.

2.7.2. Reestablishment of Credit

Any applicant who previously has been an end-user of USTel and whose service has been discontinued for nonpayment of bills shall be required, before service is rendered, to pay all amounts due USTel or execute a deferred payment agreement.

2.7.3. Deposits and Interest

The Company may require a deposit before providing service, or at any time after service as commenced, upon reasonable prior notice. If the requested deposit is not paid, the Company may immediately terminate service. The deposit will not exceed applicable installation plus minimum usage charges, if any, plus up to three months estimated usage charges.

For the period the deposit is held by the Company, the customer will receive simple interest which will accrue on the deposit at the appropriate rate, per annum, established by the appropriate legal authority within the state. The deposit and accrued interest are refundable at the time of termination of service. The Company, in its sole discretion, may refund the deposit and interest thereon to customer at any time prior to termination, in which event the customer may elect to apply the deposit and interest to future invoices or receive a payment. The Company reserves the right to apply the customer's deposit and accumulated interest against the customer's unpaid balance at any time.

2.8. Billing and Payment Procedures

2.8.1. A. USTel shall render a bill during each billing period to every customer. The billing period shall be monthly.

SECTION 2 - RULES AND REGULATIONS**2.8. Billing and Payment Procedures (cont'd)**

- B. At a minimum, each residential customer bill rendered by the Company shall clearly state all of the following information:
1. the beginning and ending dates of the billing period
 2. the due date
 3. any previous balance
 4. the telephone number for which the bill is rendered
 5. the amount for basic local exchange service and regulated toll service
 6. an itemization of all taxes due
 7. the total amount due
 8. the statement that rate schedules for basic local exchange service are available and will be mailed by the Company upon request at no cost to the customer
 9. the address and telephone number of the Company, designating where the customer may initiate an inquiry or informal complaint regarding the bill as rendered or the service provided
- C. Not later than 15 days after the completion of an order for new service, USTel provides each residential customer an insert or other written notice which contains an itemized account of the charges for the equipment and service for which the customer has contracted.
- D. A residential customer shall have the right, within one billing period of receiving a bill for new services or changed services, to cancel, reduce, or modify a service or a portion of a service without further service charge.
- 2.8.1. The Customer is responsible for the payment of all charges for facilities and services furnished by USTel to the Customer and to all Users authorized by the Customer, regardless of whether those services are used by the Customer itself or are resold to or shared with other persons.
- 2.8.2. For billing of monthly charges, service is considered to be established upon the day in which USTel notifies the Customer of installation and testing of the Customer's services.
- 2.8.3. Usage charges will be billed monthly in arrears. Customer will be billed for all usage accrued beginning immediately upon access to the service. Customers will be billed for usage occurring during their specific 30-day billing cycle, which for purposes of computing charges shall be considered a month. The rates charged to a Customer will be the rates in effect on the first day of the Customer's billing cycle.
- 2.8.4. Monthly charges for all access service components, provided hereunder, are billed in advance of service and reflect the rates in effect as of the date of the invoice. A Customer's first invoice may contain charges from previous periods for service provided from the date of installation through the current invoice period.

SECTION 2 - RULES AND REGULATIONS

2.8. Billing and Payment Procedures (cont'd)

- 2.8.5. Bills are due and payable as specified on the bill. Bills may be paid by mail or in person at the business office of USTel or an agency authorized to receive such payment. All charges for service are payable only in United States currency. Payment may be made by cash, check, money order, cashier's check, or certain major credit cards. Customer payments are considered prompt when received by USTel or its agent by the due date on the bill. Amounts not paid within twenty (20) days after the mail date of invoice will be considered past due. In the event that a postmark on a customer's payment received after the due date is not discernible, a three day mailing period will be presumed. If the last calendar day for remittance falls on a Sunday, legal holiday, or other day when the offices of USTel are not open to the general public, the final payment date shall be extended through the next business day. If USTel becomes concerned at any time about the ability of a Customer to pay its bills, USTel may require that the Customer pay its bills and make such payments in cash or the equivalent of cash.
- 2.8.6. Any disputed charge may be brought to USTel's attention by verbal or written notification. In the case of a billing dispute between the Customer and USTel that cannot be settled to their mutual satisfaction, the undisputed portion and subsequent bills must be paid on a timely basis, or the service may be subject to disconnection. The Customer may request an in-depth investigation into the disputed amount and a review by a USTel manager. During the period that the disputed amount is under investigation, USTel shall not pursue any collection procedures or assess late fees with regard to the disputed amount. The Customer shall be required to pay the undisputed part of the bill, and if not paid, USTel may discontinue service. In the event the dispute is not resolved, USTel shall inform the customer that the customer has the option to pursue the matter with the South Dakota Public Utility Commission.
- 2.8.7. The Customer is responsible to pay USTel for all toll calls or other third party charges resulting from the origination of calls to points outside the local exchange and for charges or calls billed to the Customer's number.
- 2.8.8. USTel may assess up to a twenty-five dollar (\$25) charge for each returned check or credit card charge back.

If service is suspended/disconnected by USTel in accordance with the provisions of the Tariff and later restored, restoration of service will be subject to all applicable installation charges if service was disconnected, or a reconnect fee if service was suspended.

When a customer is unable to pay a charge in full when due, USTel shall permit the customer to enter into an initial settlement agreement under which the charge may be paid as mutually agreed by both USTel and the customer. A copy of the settlement agreement shall be delivered or mailed to the customer upon request by the customer. Settlement agreements are only set up at the request of the customer. Settlement agreements are intended to function as a short-term solution and will be reviewed and approved on an individual case basis.

SECTION 2 - RULES AND REGULATIONS

2.9. Interruption of Service

2.9.1. Credit allowance for the interruption of service that is not due to USTel'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 herein. It shall be the obligation of the Customer to notify USTel immediately of any interruption in service for which a credit allowance is desired. Before giving such notice, the Customer or end-user shall ascertain that the trouble is not being caused by any action or omission by the Customer within his or her control, or is not in wiring or equipment, if any, furnished by the Customer and connected to USTel's facilities. An adjustment or refund shall be made:

1. Automatically, if the service interruption lasts for more than forty-eight (48) hours after being reported to the company and the adjustment or refund exceeds \$1.00 in amount; and
2. Upon subscriber oral or written request, if the service interruption lasts twenty-four (24) to forty-eight (48) hours after being reported to the company and the adjustment or refund exceeds \$1.00 in amount.

2.9.2. For purposes of credit computation, every month shall be considered to have 720 hours.

2.9.3. The Customer shall be credited for an interruption 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:

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

"A" - outage time in hours

"B" - total monthly charge for affected facility

2.9.4. If written notice of a dispute as to charges is not received by the Company within 180 days of the date a bill is issued, such charges shall be deemed to be correct and binding on the Customer.

2.10. 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.

2.11. Disconnection of Service by Customer

2.11.1. By giving notice, Customer may disconnect service at any time following its minimum service requirement(s).

2.11.2. The Customer will be responsible for all charges until the disconnect is effected. For nonusage sensitive charges, Customer will be liable for the entire monthly recurring charge during the month Customer's service terminates. If the Customer disconnects service prior to the end of a term plan, the termination liabilities associated with the term plan will apply.

SECTION 2 - RULES AND REGULATIONS

2.12. Cancellation for Cause

- 2.12.1 The Company may shut off service or cancel an application for service, pursuant to applicable Commission rules, without incurring any liability for any of the following reasons:
- A. Nonpayment of a delinquent account for basic local exchange service.
 - B. Nonpayment of a delinquent account with a delinquent balance of \$150 or more for basic local exchange service and regulated toll service in the name of the customer.
 - C. Maintaining a delinquent balance of \$125 or more for three consecutive months for basic local exchange service and regulated toll service.
 - D. Unauthorized tampering or interference with facilities and equipment owned by a provider of basic local exchange service that are situated on or about the customer's premises.
 - E. Refusal to grant access at reasonable times to equipment installed upon the premises of the customer for the purpose of inspection, maintenance, or replacement.
 - F. Misrepresentation of the customer's identity for the purpose of obtaining basic local exchange service.
 - G. In cases of bankruptcy, receivership, abandonment of service, or abnormal toll usage not covered adequately by a security deposit if necessary to protect the Company's revenues.
 - H. Any other unauthorized use or interference with basic local exchange service, including improper use of a party line service by denying other customers on the line an equitable proportionate use of the service.
 - H. A violation of a tariff provision of the provider of basic local exchange service that is on file with or approved by the Commission that adversely affects the safety of the customer or other persons or the integrity of the provider's basic local exchange system.
 - I. Failure to pay deposit required in Section 2.7.3 when warranted by the Company to protect its revenue.
- 2.12.2 Service may be shut off during normal business hours on or after the date specified in the notice of shutoff. Service shall not be shut off on a day when the offices of the Company are not available to facilitate reconnection of service or on a day immediately preceding such a day.
- 2.12.3 Service shall not be shut off unless written notice by first-class mail is sent or delivered to the customer at least 5 days prior to the date of the proposed shutoff. If a shutoff of service is sought for nonpayment of a delinquent account, then a notice of shutoff will not be sent before the time the account becomes delinquent. Service of notice by mail is complete upon mailing, unless proven otherwise by the customer. The Company will maintain an accurate record of the date of mailing. The Company is responsible for the accurate and timely notice of shutoff.
- 2.12.4 A notice of shutoff of service shall not be issued if a customer has a pending formal complaint before the commission concerning the bill upon which the notice is based.
- 2.12.5 Basic local exchange service shall not be shut off while a complaint related to the reason for the shutoff is pending.

SECTION 2 - RULES AND REGULATIONS

2.12. Cancellation for Cause (Cont'd)

- 2.12.6 Reserved for future use
- 2.12.7 After basic local exchange service has been shut off to a customer, the Company will restore service promptly, but not later than 1 working day after the customer's request, when the cause for the shutoff of service has been cured or credit arrangements satisfactory to the Company have been made.
- 2.12.8 Any payments required for service restoration may be made by the customer in any reasonable manner. Payment by personal check may be refused by the provider if the customer has tendered payment in this manner and the check has been dishonored during the last 3 years, excluding bank error.
- 2.12.9 Before restoring service, the Company at its option may require one or more of the following: (a) payment of the total amount due on all of the customer's delinquent and shutoff accounts for basic local exchange service and regulated toll service owed to the Company; (b) an arrangement or settlement agreement requiring the payment of all amounts owed to the Company for basic local exchange service and regulated toll service; (c) payment of an amount provided by tariff for basic local exchange service restoration (d) a deposit as outlined in 2.7.3.
- 2.12.10 USTel Notices of Shutoff shall contain the following information:
- A. the name and the billing address of the customer and, to the extent possible, the address of the service, if different
 - B. a clear and concise statement of the reason for the proposed shutoff of service
 - C. the date after which service will be subject to shutoff without further notice unless the customer takes appropriate action
 - D. the right of the customer to file a formal complaint with the commission if the dispute cannot be otherwise resolved and a statement that the customer must pay to the provider of basic local exchange service that portion of the bill for basic local exchange service and regulated toll service that is not in dispute within 3 days of the date that the formal complaint is filed
 - E. a statement that service will not be shut off pending the resolution of a formal complaint that is filed and prosecuted in conformity with all applicable statutes, rules, regulations, and orders of the commission
 - F. the telephone number and address of the Company where the customer may make inquiry or enter into a settlement agreement.

SECTION 2 - RULES AND REGULATIONS**2.13. Notice and Communication**

- 2.13.1. The Customer shall designate on the Application for Service an address to which USTel shall mail or deliver all notices and other communications, except that USTel may also designate a separate address to which USTel's bills for service shall be mailed.
- 2.13.2. USTel shall designate on the Application for Service an address to which the Customer shall mail or deliver all notices and other communications, except that USTel may designate a separate address on each bill for service to which the Customer shall mail payment on that bill.
- 2.13.3. All notices or other communications required to be given pursuant to this Tariff shall be made in writing to USTel at P.O. Box 40, Hubbard, Oregon 97032 or by calling (503) 982-8000. Notices and other communications of either party, and all bills mailed by USTel, shall be presumed to have been delivered to the other party on the third business day following placement of the notice, communication or bill with the U. S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.
- 2.13.4. USTel or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

2.14. Taxes, Surcharges and Utility Fees

Customer is responsible for the payment of all federal, state and local taxes, surcharges, utility fees, or other similar fees (*i.e.*, gross receipts tax, sales tax, municipal utilities tax, 911 surcharges or fees) that may be levied by a governing body or bodies in conjunction with or as a result of the service furnished under this Tariff. These charges will appear as separate line items on the Customer's bill and are not included in the rates contained in this Tariff. There shall be added to the Customer's bill for service, an additional charge equal to the pro rata share of any occupation, franchise, business, license, excise privilege or other similar charge or tax, now or hereafter imposed upon the gross receipts or revenue of USTel by any municipal taxing body or municipal authority whether by statute, ordinance, law or otherwise, and whether presently due or to hereafter become due. The charge applicable to each Customer will appear as a separate line item on the Customer's regular monthly bill and shall be determined on a basis equal to the tax levied by each municipal taxing body or municipal authority.

2.15. Customer Billing Inquiries

Any customer who has a question regarding his/her telephone bill may contact USTel toll free at (800) 418-6020, or at 2500 Industrial Avenue, Hubbard, Oregon 97032.

2.16. Reserved for future use

SECTION 3 - DESCRIPTION OF SERVICES**3.1 General**

The Company provides intrastate, interexchange:" services, including direct-dialed messages telecommunications services and 800/888/877/866 Service to residential and business customers who also subscribe to the Company's Local Exchange Telecommunications Services, as described in South Dakota P.S.C. Tariff No. 4. Each service is offered independently of the other and is offered via USTel's facilities, conventional network elements purchased from other local or inter-exchange carriers, or via resale of facilities of other local or inter-exchange carriers for the transmission of one-way or two-way communications, unless otherwise noted. Calls are rated based on the duration of the call. Services are available twenty-four (24) hours a day, seven (7) days a week.

3.2 Charges Based on Duration of Use

Where charges for a service are specified based on the duration of use, such as the duration of a telephone call, the following rules apply:

- 3.2.1 Calls are measured in duration increments identified for each service. All calls which are fractions of a measurement increment are rounded up to the next whole unit
- 3.2.2 Timing on completed calls begins when the call is answered by the called party. Answering is determined by hardware answer supervision in all cases where this signaling is provided by the terminating local carrier and any intermediate carrier(s).
- 3.2.3 Timing terminates on all calls when the calling party hangs up or the Company's network receives an on-hook signal from the terminating carrier.
- 3.2.4 Calls originating in one time period and terminating in another will be billed in proportion to the rates in effect during different segments of the call.
- 3.2.5 All times refer to local times.
- 3.2.6 Rates are not distance sensitive. As such, unless otherwise indicated, mileage bands are not applicable to the services offered.
- 3.2.7 Unless otherwise indicated, rates do not vary depending upon day or the time of day (Day, Evening, and Night/Weekend).
- 3.2.8 Each call is rated and billed in whole cents. Any rated call with a fraction of a cent less than \$0.004 will be rounded down to the nearest whole cent. Any rated call with a fraction of a cent \$0.005 or greater will be rounded up to the nearest whole cent.

3.3 Product Descriptions**3.3.1 Switched Outbound (1+)**

Service provides USTel customers with the ability to originate calls from a USTel-provided access line to all other stations on the public switched telephone network bearing the designation of any central office exchanges outside the customer's local calling area. This service is available on a switched basis only.

This service is available to Local Exchange Telecommunications Services customers of USTel pursuant to the terms and conditions of Company's South Dakota P.S.C. Tariff No. 4.

SECTION 3 - DESCRIPTION OF SERVICES**3.3 Product Descriptions (Cont'd)****3.3.2 Bundled Long Distance Service**

Bundled Long Distance Service is offered to Customers who purchase local and long distance service from the Company in a bundled package. Fixed monthly charges and number of minutes included in the monthly call allowance are found in the Company's Local Exchange Tariff No. 3 for each particular bundle.

3.3.3 Toll Free Service (8xx)

Toll Free Service is an inbound-only service that allows callers located anywhere in the State of South Dakota to place Toll Free Calls to Customers by dialing an assigned telephone number with an 8XX area code. The Company provides Switched Toll Free Service only. Calls may be terminated either to the Customer's local exchange telephone service or dedicated access line.

3.3.4 Post-Paid Calling Card Services

Post-Paid Calling Card Service enables Customers to make Calls through the use of a long distance calling card to points throughout the State of South Dakota. Charges incurred are billed to the Customer's account. Access to the network is available through 1-800 or other toll-free access arrangements. The caller will then be prompted to dial the telephone number associated with the called station and an authorization code in order to complete the call.

3.3.5 Directory Assistance

Directory Assistance ("DA") is a Service that provides Customers with access to telephone number information. Access is obtained by direct dialing 1 + (Area Code) 555-1212 or 1-411.

3.3.6 Operator Services

Operator Services involve assisting Customers with the placement of telephone calls, including collect calls, calling cards, credit card calls, person-to-person calls, third party calls, and other related operator services as well as the obtaining of related information. The Company provides this service for local and intraLATA calls. All other operator assisted calls will be routed to the Company's underlying carrier.

3.3.7 Discount Long Distance Calling Plan

An interstate calling plan of discounted minutes with a recurring monthly charge. The discounted minutes and recurring monthly charge are outlined in Section 4.6.1 of this tariff.

SECTION 4 - RATES AND CHARGES

The following rates and charges are applicable to Residential and Business Customers.

4.1 Switched Outbound (1+)

4.1.1 For all customers who choose USTel as their intraLATA toll and interLATA long distance provider.

Rate per Minute \$ 0.09

4.1.2 For customers who do not choose USTel as both their intraLATA toll and interLATA long distance provider.

Rate per Minute

IntraLATA Toll Calls

\$0.11 per minute where USTel is the carrier

InterLATA Long Distance Calls

\$ 0.09 per minute where USTel is the carrier

4.1.3 The duration of each call is rounded up to the nearest minute.

4.2 Toll Free Service (8xx)

4.2.1 The rate per minute is \$ 0.11. A \$0.99 per call surcharge will apply to all calls placed from a payphone.

4.2.2 The duration of each call is rounded up to the nearest minute.

4.3 Post-Paid Calling Card Services

4.3.1 The rate per minute is \$ 0.20. A \$0.99 per call surcharge will apply to all calls placed from a payphone.

4.3.2 The duration of each call is rounded up to the nearest minute.

SECTION 4 - RATES AND CHARGES

4.4 Directory Assistance4.4.1 InterLATA Directory Assistance calls, other than calls placed to 8xx toll free DA:

Per call rate: \$1.25

4.4.2 IntraLATA Directory Assistance

Direct Dialed	\$ 1.25 per call
Via Operator	\$ 1.25 per call
Fully-Automated	
Sent-Paid	\$ 0.99 per call
Collect	\$ 0.99 per call
Bill to 3 rd Number	\$ 0.99 per call
Semi-Automated	
Sent-Paid	\$ 0.99 per call
Collect, Bill to 3rd Numbers	\$ 0.99 per call
Bill to 3 rd Number	\$ 0.99 per call
Person-to-Person	\$ 3.00 per call

4.4.3 Calls placed to 800/888 toll free DA

Calls placed to 800/888 toll free DA are provided at no charge to the Customer.

4.5 Operator Services

4.5.1 All usage associated with operator assisted calls will be charged the per minute rates as stated in Section 4.1.

4.5.2 In addition to applicable usage charges, the following operator-assisted charges will apply:

<u>Person-to-Person</u>	
IntraLATA	\$ 3.00 per call
<u>Station-to-Station</u>	
IntraLATA	\$ 1.25 per call

4.6 Discount Long Distance Calling Plan

4.6.1 Customers can pay a monthly recurring charge and get discounted interstate long distance service at the below rate.

<u>Per month Service Fee</u>	\$4.95
<u>Per minute rate</u>	\$0.049

SECTION 5 - PROMOTIONS AND DISCOUNTS

5.0. General

The Company, from time to time, may make promotional offerings of its services, which may include waiving or reducing the applicable charges for the promoted service. Promotions will be filed as separate tariff sheets under this Section 5.

All promotions will be limited in duration, and will identify a definite, reasonable time period during which the promotion will be in effect. A promotion may also be limited as to the locations where the offerings are made. A promotion may also, if so designated, provide for its conclusion upon the occurrence of a promotion-related event that is reasonable certain to occur, although the timing may not be certain.

Promotions will be implemented with at least one day's notice prior to the effective date of each promotion.



Bob Sahr, Chair
Gary Hanson, Vice-Chair
Jim Burg, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

500 East Capitol Avenue
Pierre, South Dakota 57501-5070
www.state.sd.us/puc

Capitol Office
(605) 773-3201
(605) 773-3809 fax

Transportation/Warehouse
(605) 773-5280
(605) 773-3225 fax

Consumer Hotline
1-800-332-1782

VIA FAX: 503-982-9000

August 13, 2003

Ms. Anne Lynch
Regulatory Manager
1-800-RECONEX, Inc. d/b/a USTel
2500 Industrial Avenue
Hubbard, OR 97032

RE: Application for Certificate of Authority
1-800-RECONEX, Inc. d/b/a USTel

Dear Ms. Lynch:

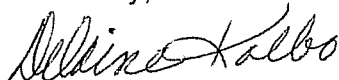
We received your Application for a Certificate of Authority to operate as an interexchange telecommunications company in the state of South Dakota. Pursuant to SDCL 49-31-3, telecommunication companies shall submit a \$250 application fee when filing:

SDCL 49-31-3. Each telecommunications company that plans to offer or provide interexchange telecommunications service shall file an application for a certificate of authority with the commission pursuant to this section. Telecommunications companies seeking to provide any local exchange service shall submit an application for certification by the commission pursuant to §§ 49-31-1 through 49-31-89. Applications required by this section shall be filed by the company no less than sixty days before its initiation of telecommunications service in this state. The commission shall have the exclusive authority to grant a certificate of authority. Each telecommunications company shall submit a two hundred fifty dollar application fee with its application which shall be deposited into the gross receipts tax fund established pursuant to § 49-1A-2.

We cannot take any action on your application until we receive the applicable fee.

Thank you for your cooperation in this matter.

Sincerely,


Delaine Kolbo
Legal Secretary

South Dakota Public Utilities Commission
WEEKLY FILINGS

For the Period of August 7, 2003 through August 13, 2003

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five business days of this report. Phone: 605-773-3705

CONSUMER COMPLAINTS

CT03-129 **In the Matter of the Complaint filed by Stuart L. Thomsen on behalf of Erv's Furniture, Bowdle, South Dakota, against S&S Communications/Alterna-Cell Regarding Loss of Long Distance Services.**

Complainant's representative states that a six year pre-paid long distance service plan was purchased on May 29, 2001. Service was terminated without notice after two years. Complainant seeks to be reimbursed for the pre-paid service not provided.

Staff Analyst: Jim Mehlhaff
Staff Attorney: Kelly Frazier
Date Docketed: 08/07/03
Intervention deadline: N/A

TELECOMMUNICATIONS

TC03-153 **In the Matter of the Request of City of Faith Municipal Telephone Company for Certification Regarding its Use of Federal Universal Service Support.**

On August 7, 2003, Faith Municipal Telephone Company (Faith) provided information constituting Faith's plan for the use of its federal universal service support and to otherwise verify that Faith will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen E. Cremer
Date Docketed: 08/07/03
Intervention Deadline: 08/29/03

TC03-154 **In the Matter of the Request of Consolidated Telcom for Certification Regarding its Use of Federal Universal Service Support.**

On August 8, 2003, Consolidated Telcom provided information constituting Consolidated Telcom's plan for the use of its federal universal service support and to otherwise verify that Consolidated Telcom will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen E. Cremer
Date Docketed: 08/08/03
Intervention Deadline: 08/29/03

TC03-155 **In the Matter of the Application of 1-800-RECONEX, Inc. d/b/a USTel for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota.**

1-800-RECONEX, Inc. d/b/a USTel is seeking a Certificate of Authority to provide interexchange telecommunications services in South Dakota. The Applicant is a non-facilities based provider who will provision services through both resale and UNE-P.

Staff Analyst: Keith Senger
Staff Attorney: Kelly Frazier
Date Docketed: 08/11/03
Intervention Deadline: 08/29/03

TC03-156 In the Matter of the Request of PrairieWave Community Telephone, Inc. for Certification Regarding its Use of Federal Universal Service Support.

On August 11, 2003, PrairieWave Community Telephone, Inc. (PrairieWave Community) provided information constituting PrairieWave Community's plan for the use of its federal universal service support and to otherwise verify that PrairieWave Community will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best
Staff Attorney: Karen E. Cremer
Date Docketed: 08/11/03
Intervention Deadline: 08/29/03

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

1-800-RECONEX

Because Everybody Needs A Phone™

August 19, 2003

South Dakota Public Utilities Commission
Attn: Ms. Delaine Kolbo
500 East Capital Avenue
Pierre, South Dakota 57501-5070

RECEIVED
AUG 22 2003
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

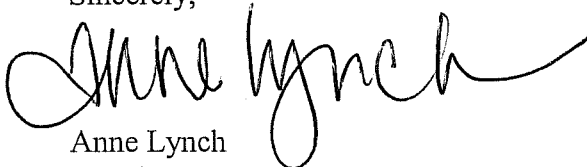
Re: Filing Fee

Dear Ms. Kolbo:

Pursuant to your correspondence dated August 13, 2003, enclosed please find a check in the amount of \$250.00 to represent the filing fee for the Application for Certificate of Authority of 1-800-RECONEX, Inc., d/b/a USTel.

If you have any questions or need any further information, please do not hesitate to contact me at 503-982-5572 or anne.lynch@reconex.com.

Sincerely,



Anne Lynch
Regulatory Manager

1-800-RECONEX

Because Everybody Needs A Phone

GENERAL ACCOUNT

P.O. BOX 40
HUBBARD, OR 97032



KEY BANK NATIONAL ASSOCIATION

1-800-KEY.2 YOU

24-2011/1230

53747

053747

*TWO HUNDRED FIFTY DOLLARS AND NO CENTS

DATE

AMOUNT

08/15/03

*****250.00*

PAY
TO THE
ORDER
OF

SOUTH DAKOTA PUB UTIL COMM
500 EAST CAPITOL AVENUE
PIERRE SD 57501

TWO SIGNATURES REQUIRED IF OVER \$10,000

VOID AFTER 6 MONTHS

⑈053747⑈ ⑆123002011⑆ 370851003712⑈

SECURITY FEATURES: MICRO PRINT TOP & BOTTOM BORDERS COLORED PATTERN - ARTIFICIAL WATERMARK ON REVERSE SIDE - MISSING FEATURE INDICATES A COPY

1-800-RECONEX

53747

DATE	INVOICE NO	COMMENT	AMOUNT	DISCOUNT	NET AMOUNT
08/13/03	030813INV	FILING FEE LD APP SD	250.00	.00	250.00

SOUTHDA

CHECK: 053747 08/15/03 SOUTH DAKOTA PUB UTIL COMM

CHK TOTAL: 250.00

1-800-RECONEX

Because Everybody Needs A Phone™

August 28, 2003

Mr. Keith Senger
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

RECEIVED

SEP 02 2003

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

Re: Case No. TC03-155

Dear Mr. Senger:

Pursuant to the email that I sent to you this afternoon, enclosed please find the revised application, replacement Exhibit D, additional documents for Exhibit E, and new Exhibit G. Also please find the original plus ten copies of the revised tariff pages 3, 10, 12, 14, 15, 18, and 19.

Thank you so much for your assistance on this filing. If you have any questions or need any further information, please do not hesitate to contact me at 503-982-5572 or anne.lynch@reconex.com.

Sincerely,



Anne Lynch
Regulatory Manager

*Include Statement
in Order Granting COA
that Company + Staff
agreed to restrictions
on its LEC Order
as well as the IXC
Order. TC 97-160*

STATE OF SOUTH DAKOTA

BEFORE THE SOUTH DAKOTA PUBLIC UTILITY COMMISSION

In re:

Application of 1-800-RECONEX, Inc.,)	
d/b/a USTel for a Certificate of Authority)	
to provide Long Distance Telecommunications)	Case No. TC03-155
Service within the State of South Dakota)	

APPLICATION OF 1-800-RECONEX, INC., D/B/A USTEL
FOR AUTHORITY TO PROVIDE LONG DISTANCE
TELECOMMUNICATIONS SERVICE

1-800-RECONEX, Inc., d/b/a USTel ("Reconex"), ("USTel"), ("Applicant"), respectfully requests that the South Dakota Public Utility Commission ("Commission") grant this Application for a Certificate of Authority to provide long distance telecommunication services within the State of South Dakota.

In support of its Application, Applicant states as follows:

1. General Information

- a. Reconex is an alternative telephone company furnishing post paid local dial tone, prepaid local dial tone, and long distance services. Reconex's service is consistent with and promotes the legislative goal of "Universal Service" found in the Telecommunications Act of 1996.
- b. Reconex currently has a Certificate of Authority to Provide Telecommunications Services including Local Exchange Services in South Dakota, under Docket No. TC97-160, approved November 4, 1998.
- c. Reconex is a non-facilities based reseller and owns no facilities, switches, and/or transmission equipment in the State of South Dakota. Reconex will provision service through both resale and the Unbundled Network Element Platform (UNE-P).

2. Exhibits and Supplemental Information

a. Exact Legal Name:

1-800-RECONEX, Inc.

b. Reconex's principal place of business is:

2500 Industrial Avenue
Hubbard, Oregon 97032
503-982-8000

c. Name under which the Applicant will provide services:

The Applicant will provide its long distance services under its Fictitious Name, USTel. A copy of the Applicant's Registration of the Fictitious Name has been attached as Exhibit "D".

d. Reconex is a corporation duly organized and existing under the laws of the State of Oregon. Reconex was incorporated in the state of Oregon on March 5, 1998. Please see Reconex's Certificate of Good Standing and Articles of Incorporation for the State of Oregon, attached hereto as Exhibits "A" and "B".

e. Applicant has been granted a Business License from the South Dakota Secretary of State's Office, attached hereto as Exhibit "C".

f. Applicant does not have any business offices in the state of South Dakota. Applicant's registered agent located in South Dakota is:

CT Corporation System
319 South Coteau Street
Pierre, SD 57501
1-800-456-4511

g. Shareholders holding a 20 percent or greater ownership:

Nova Communications, L.L.C
100 Second Street North
P.O. Box 429
St. Petersburg, FL 33701
727-821-5178 (telephone)
727-822-3491 (facsimile)
ianirwin@southeastcomanies.com

- h. Description of the telecommunications services the applicant intends to offer:

With this Application, Applicant is requesting to provide long distance telecommunications services.

- i. Means by which Applicant will provide service

Applicant will provide interLATA long distance by utilizing a national carrier, Williams Telecommunications. At the time of provisioning, the PIC is set to 5102 and the Customer ANI (telephone number) is loaded through a Graphical User Interface (GUI) to place the Customer on our wholesale platform.

Applicant will provide intraLATA long distance via the underlying ILEC by assigning the LPIC of that carrier.

- j. Service territory:

Applicant proposes to offer service in the area served by Qwest.

3. Financial

For the Commission's review we are attaching, hereto as Exhibit "E", Reconex's most current income statement, balance sheet, and cash flow statement to demonstrate that Reconex possesses the financial ability to provide subscriber with comprehensive local and long distance exchange telecommunications service throughout the State of South Dakota.

Reconex respectfully requests that the Commission maintain the confidential nature of the financial documents contained in Exhibit "E" to this Application.

4. Correspondence and Communications

- a. all communications and correspondence regarding this Application should be addressed to:

Anne Lynch
Regulatory Manager
1-800-Reconex, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032
503-982-5572 (telephone)
503-982-6077 (facsimile)
anne.lynch@reconex.com

b. Contact for Regulatory and Legal Matters

Regulatory: Anne Lynch
Regulatory Manager
1-800-Reconex, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032
503-982-5572 (telephone)
503-982-6077 (facsimile)
anne.lynch@reconex.com

Legal: William Braun
General Counsel
1-800-Reconex, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032
503-982-5573 (telephone)
503-982-6077 (facsimile)
bill.braun@reconex.com

c. Customer Complaint Contact

Jeff Granger
Operations Manager
1-800-RECONEX, Inc., d/b/a USTel
2500 Industrial Avenue
Hubbard, Oregon 97032
503-982-5797 (telephone)
503-982-6077 (facsimile)
jeff.granger@reconex.com

d. Customer billing and customer service

Applicant will outsource its billing to a billing agent. The bill will have itemize all charges and contains our toll free 1-800 number should our customers have any questions regarding payment.

Applicant is committed to a high quality and responsive customer service. Through our toll free 1-800 number our customers can contact our customer service representatives regarding any issues concerning their service. Our customer service representatives are trained to handle all customer concerns courteously and expeditiously.

5. State Authorities

- a. List of states in which Applicant is registered or certified to provide telecommunications services:

Please see Exhibit "G"

- b. Denied registration or certification:

The Company's request for authority has been denied in Alaska, New Hampshire, and South Dakota.

The Alaska Commission denied the application filed by the Company, stating that "...Reconex does not have the financial capability to sustain the proposed service in Alaska". This continues to be the singular denial received by the Company on these grounds after review of forty-six (46) jurisdictions for our resale authority and forty (40) jurisdictions for our facilities-based authority. In addition, this denial occurred in August of 2001. The Company's performance, as evidenced by Attachment "E" has improved since the time of the Alaska denial.

With respect to New Hampshire, the denial was based on the proposed service of the company – specifically prepaid local dial tone. The proposed service is not the request of USTel in our South Dakota application.

The South Dakota denial was based on the failure for the Company to respond to a request from the Commission for additional data. The Company's failure to respond was based on the fact that the additional request for data were not received. The Company moved its corporate headquarters in February 1998 and had informed all state Commissions. For reasons still unknown, that request for additional information did not arrive at the new corporate headquarters. When the Company received the June 4, 1998 denial we immediately filed for a Motion for Reconsideration based on the above facts and the Motion, as well as ultimate certification, was granted.

6. Market of Service

Applicants goal is to market its long distance service to all customers in the Qwest area. The Applicant will initially market its service to its current local service customers. Applicant will engage in several method of marketing its product. Such methods may include, but are not limited to, advertising on television, radio, telephone, and print. The Applicant does not currently have any marketing material in place for the state of South Dakota.

7. Cost support:

Applicant will be reselling the services of Williams Telecommunications. Applicant bases its rates on the rates offered by Williams Telecommunications; therefore Applicant does not produce any cost support.

8. Federal tax identification number

93-1242033

9. Slamming

Applicant has not had any complaints filed against it with any state or federal regulatory commission regarding unauthorized switching of a customers' telecommunications provider and charging customers for services that have not been ordered.

10. Technical and Managerial Expertise

Although Reconex relies upon the technical expertise of its underlying carrier, individuals with considerable telecommunications and business management experience manage the company. Below please find the biographies of Reconex's senior management team.

Dave Griffie: President & CEO

Mr. Griffie joined 1-800-RECONEX in 2000. Mr. Griffie co-founded U.S. Digitel, Inc., in 1997 and held the position of President from 1997 to 2000 when the company was sold. He installed and networked eight NACT digital switches whose combined capacity totaled 10,752 voice ports and grew the company to \$80,000,000.00 in annualized revenue. From 1996 to 1997, Mr. Griffie was Vice President of Operations for Total World Telecom, Inc., where his group installed, networked and made operational, four digital switches, bringing the network total to nine switches. In early 1997 Total World Telecom, Inc., aggressively entered into the debit card business and Mr. Griffie's group installed and activated two CPDI debit card platforms, each providing over eighty DS1's of capacity. From 1990 to 1996, Mr. Griffie was the Executive Vice President and Chief Operating Officer for Call America/Uni-Net, Inc. From January 1990 to September 1993 revenues were increased by 400%, cost of sales were lowered to provide a 40% gross margin while attrition and bad debt were reduced to below 2%. From 1986 to 1989 Mr. Griffie was the Vice President of Operations for Tele-Fibernet Corporation. During his tenure at Tele-Fibernet, he converted their network from two analog switches to four networked digital switches and built an East Coast network from Florida to Massachusetts and extended that network west into over 70 metropolitan areas. In 1988 Mr. Griffie's group installed an Operator Service Center that employed over 200 operators on 32 operator positions. From 1969 to 1986 Mr. Griffie worked for Indiana

Bell/Southwestern Bell where he received technical and management training that constituted over one hundred weeks of intensive classroom and laboratory training. Mr. Griffie attended Indiana University and Purdue University.

Joe Brandes: Senior Vice President

Mr. Brandes joined 1-800-RECONEX in 1996. From 1990 to 1996 he was President of ProVision, Inc., a consumer products company manufacturing, marketing, and distributing golf products internationally. From 1987 to 1990, Mr. Brandes was Vice President of Marketing for O'Callahan's Restaurants, Inc., a \$9M multiple unit food and beverage operation. From 1978 to 1987, Mr. Brandes was Director of Marketing Operations and Distribution for Floating Point Systems, a \$150M scientific computer company. From 1972 to 1978 he served as controller for several business units including Wood Products, Heavy Equipment Manufacturing, and Retail Home Improvement with Columbia Corporation, a diversified \$175M company. Mr. Brandes holds a BS in Finance from the University of Oregon and an MBA from the University of Portland.

William E. Braun: Vice President/General Counsel

Mr. Braun joined 1-800-RECONEX in 1997. Mr. Braun is an attorney licensed to practice in the states of Oregon and California. As an attorney for the past 20 years, he has served in a litigation and advisory capacity for private firms, corporations and governmental entities. Mr. Braun holds a BA in Political Science from California State University, Long Beach and JD from Northwestern School of Law of Lewis and Clark College. He is a member of the American Bar Association, the Oregon Bar Association, the California Bar Association, and the Federal Communications Bar Association.

William R. Conner: Vice President of Information Technology

Mr. Conner joined 1-800-RECONEX in July 2000 with over 27 years experience in the telecommunications and information technology field. Prior to joining 1-800-RECONEX, Mr. Conner served as the Strategic Manager for a \$1.5B international telecommunication consulting firm. Mr. Conner has also lead the quality control process for Wang Communications, a subsidiary of Wang Laboratories; served as the Chief Architect for the renovation of all technology at PNG, a major energy company in Pennsylvania; and served as the Senior Manager of Engineering for a major division of MCI in Washington D.C. Mr. Conner holds a BS in Electrical Engineering and served ten years in the U.S. Marine Corps.

Michael Mallick Jr.: Corporate Controller

Mr. Mallick joined 1-800-RECONEX in May 2000. Prior to joining 1-800-RECONEX, Mr. Mallick served as a Business Analyst and Assistant Controller for Summit Design Inc., a publicly traded multinational software development firm. From 1994 to 1999 Mr. Mallick served in various financial management positions, primarily in the high technology industry. Mr. Mallick holds a BS in Accounting from Portland State University.

Applicant possesses the managerial qualifications to provide long distance services within the State of South Dakota.

11. Tariff

A proposed tariff reflecting services to be offered, including rates and regulations applicable to each service is submitted hereto as Exhibit "F".

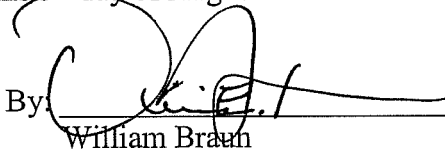
12. Public Interest

Certification of Applicant will provide South Dakota consumers with an additional potential choice among long distance carriers. As the number of competitors increase, so does the incentive for each provider to offer unique service and service packages, at competitive prices, in the marketplace. In such a competitive marketplace, no provider will survive unless it provides high quality customer and technical services. Applicant believes, given the resources outlined in this Application, that it has the qualifications necessary to offer quality customer and technical support to its South Dakota subscribers.

WHEREFORE, Applicant, 1-800-RECONEX, Inc., respectfully requests that the Commission enter an Order issuing a Certificate of Authority to provide long distance services within the State of South Dakota and grant other such relief as the Commission deems necessary and appropriate.

Dated at Hubbard, Oregon, this 5th day of August 2003.

By



William Braun

Corporate Secretary/V.P./General Counsel
1-800-RECONEX, Inc.

EXHIBIT
“D”

STATEMENT

RE: Use of Fictitious Name in Business

The undersigned hereby state(s) that he/they will conduct or operate a business in the state of South Dakota under the firm name and style of USTel

that the main office of said business is at 2500 Industrial Ave, Hubbard, Oregon 97032

and that the name, post office address and residence address of each person owning or having an interest in said business are as follows:

Name	Post Office Address	Residence Address
<u>Please see attached document</u>		

Dated this 11th day of June A.D. 2003

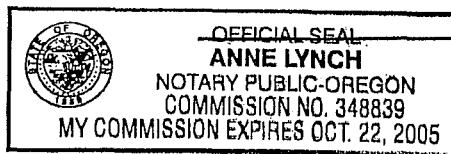
STATE OF Oregon)
COUNTY OF Marion)
SS

being first duly sworn, says that he/they has/have read the foregoing statement and know(s) the contents thereof and that the same is true.

Subscribed and sworn to before me this 11th day of June, 2003

Anne Lynch
Notary Public

William Braun
Corporate Secretary



This statement was prepared by Anne Lynch, at 2500 Industrial Ave Hubbard, OR 97032, Tel. 503-982-5572

SHAREHOLDERS
1-800-RECONEX, INC.

The remaining shareholders hold interest of less than 2%

Name: **Hunt Capital Partners**
Pete Stein

Address: 1601 Elm Street,
Suite 4000
Dallas, TX 75201

Name: **Nova Communications**
Ian Irwin

Address: 100 Second Street North
Suite 200
P.O. Box 429
St. Petersburg, FL 33701

Name: **Dan Patterson**
Address: Best, Patterson, Crothers
& Yeoham, Ltd
2200 Ross Ave.,
Suite 3838
Dallas, TX 75201

Name: **Employees**
2500 Industrial Avenue
Hubbard, Oregon 97032

EXHIBIT
“E”

Total Company Statement of Cash Flows
For the month ending:

	31-Dec-02	30-Nov-02	31-Oct-02	30-Sep-02	31-Aug-02	31-Jul-02
Cash flows from operating activities						
Net income:	\$ (35,583)	\$ 16,240	\$ (163,474)	\$ 9,125	\$ 8,966	\$ 44,472
Adjustments to reconcile net loss to net cash provided by operating activities						
Depreciation and amortization	(43,129)	106,659	100,780	102,860	103,038	92,448
Gain/Loss on sale of fixed assets	-	-	-	-	-	-
State and Federal Income Taxes	-	-	644	1,063	-	-
Changes in current assets and liabilities:						
Accounts Receivable	(4,760)	(11,408)	18,257	(40,568)	20,739	26,634
Officer Receivable	(816)	(816)	(947)	(813)	(812)	(813)
Other Receivables	26,955	(112,890)	53,891	(39,499)	(33,678)	(25,609)
Prepays and other current assets	(29,831)	54,598	104,627	(200,189)	(5,019)	(24,101)
Accounts Payable	260,224	(220,835)	(94,345)	317,122	(183,857)	147,690
Accrued Payroll Liabilities	(105,610)	(54,663)	51,722	42,025	(45,572)	53,571
Accrued Expenses	334,034	58,739	63,878	(49,020)	(33,558)	(5,248)
Customer Deposits	34,679	(2,502)	(2,606)	(974)	7,293	(4,502)
Dividends Payable	-	-	-	-	-	-
Deferred Revenue	7,668	(534)	(600)	(587)	-	-
Net cash provided by/(used for) operating activities	443,831	(167,412)	131,827	140,545	(162,460)	304,542
Cash flows from investing activities						
Capital expenditures	(1,300)	(80,338)	(69,355)	(14,779)	(87,183)	(128,368)
Net cash used for investing activities	(1,300)	(80,338)	(69,355)	(14,779)	(87,183)	(128,368)
Cash flows from financing activities						
Net Principal change in long-term debt and capital leases	(56,742)	(56,540)	(53,216)	(53,016)	(52,819)	434,822
Capital contributions and changes	-	-	-	-	-	-
Dividends declared	-	-	-	-	-	-
Net cash provided by/(used for) financing activities	(56,742)	(56,540)	(53,216)	(53,016)	(52,819)	434,822
Increase (decrease) in cash and cash equivalents	385,789	(304,290)	9,256	72,748	(302,464)	610,994
Cash and cash equivalents at beginning of period	1,103,288	1,407,578	1,398,322	1,325,574	1,628,038	1,017,044
Cash and cash equivalents at end of period	\$ 1,489,077	\$ 1,103,288	\$ 1,407,578	\$ 1,398,322	\$ 1,325,574	\$ 1,628,038

Total Company Balance Sheet - Trend

31-Dec-02

ASSETS

Current Assets:

Cash & cash equivalents (Ex Money Market)	\$	37,481
Money Market Account		1,451,595
Accounts Receivable		97,093
Officer Receivable		216,351
Due From/(To) Related Party		(6,880)
Other Receivables		162,756
Prepays and other current assets		278,525
Total current assets		<u>2,236,921</u>

Property, plant and equipment (net)		779,785
Intangibles and other noncurrent assets (net)		174,488
Total Assets	\$	<u><u>3,191,194</u></u>

LIABILITIES AND SHAREHOLDER'S EQUITY

Current Liabilities

Accounts Payable	\$	1,023,926
Accrued Payroll Liabilities		327,302
Accrued Expenses		833,303
Customer Deposits		47,739
Disputed/Questionable Payables		1,202,095
Dividends Payable		-
Deferred Revenue		9,389
Total current Liabilities		<u>3,443,754</u>

Long-term debt and capital lease obligations		3,794,059
Total liabilities		<u>7,237,813</u>

Shareholder's equity

Capital Stock		98,268
Additional Paid In Capital		2,540,547
Less Common Stock in Treasury - at cost		-
Dividends declared		-
Net Income - 2003		-
Retained Earnings - 2002		974,653
Retained Earnings - 2001		(663,116)
Retained Earnings - 2000		(1,028,581)
Retained Earnings - Prior Years		<u>(5,968,390)</u>

Total shareholder's equity (4,046,619)

Total liabilities and shareholder's equity \$ 3,191,194

EXHIBIT
“G”

Status of State Authorizations for 1-800-RECONEX, Inc. as of 7/28/03

STATE	LOCAL RESALE	LOCAL FACILITIESBASED	INTEREXCHANGE RESALE	INTEREXCH FACILITIES
ALABAMA	X		X	X
ALASKA				
ARIZONA	X			
ARKANSAS	X	X	X	
CALIFORNIA	X	X	X	
COLORADO				
CONNECTICUT	X	X	X	
DELAWARE				
D.C.	X	X	X	
FLORIDA	X	X	X	X
GEORGIA	X	X	X	X
HAWAII	X	X	X	
IDAHO	X	X	X	
ILLINOIS	X	X	X	
INDIANA	X		X	
IOWA	X	X	X	
KANSAS	X	X	X	X
KENTUCKY	X	X	X	
LOUISIANA	X	X	X	
MAINE	X	X	X	X
MARYLAND	X	X	X	
MASSACHUSETTS	X	X	X	
MICHIGAN	X	X	X	
MINNESOTA				
MISSISSIPPI	X	X	X	
MISSOURI	X	X	X	X
MONTANA	X	X	X	X
NEBRASKA	X	X	X	
NEVADA	X	X	X	X
NEW HAMPSHIRE			X	X
NEW JERSEY	X			
NEW MEXICO	X	X	X	

STATE	LOCAL RESALE	LOCAL FACILITIESBASED	INTEREXCHANGE RESALE	INTEREXC FACILITI
NEW YORK	X	X	X	X
NORTH CAROLINA	X	X	X	
NORTH DAKOTA	X	X	X	
OHIO				
OKLAHOMA	X	X		
OREGON	X	X	X	
PENNSYLVANIA	X	X	X	
RHODE ISLAND	X	X		
SOUTH CAROLINA	X	X	X	
SOUTH DAKOTA	X	X		
TENNESSEE	X	X	X	
TEXAS	X	X	X	
UTAH	X	X	X	X
VERMONT	X	X	X	
VIRGINIA	X	X	X	
WASHINGTON				
WEST VIRGINIA	X	X	X	
WISCONSIN	X	X	X	
WYOMING	X	X	X	

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION
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SECTION 2 - RULES AND REGULATIONS**2.3. Limitations (cont'd)**

2.3.6. USTel will use reasonable efforts to maintain only the facilities and equipment that it furnishes to the Customer. USTel may substitute, change, or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided the Customer. USTel shall have the right to make necessary repairs or changes in its facilities at any time and will have the right to suspend or interrupt service temporarily for the purpose of making the necessary repairs or changes in its system. When such suspension or interruption of service for any appreciable period is necessary, USTel will give the Customers who may be affected reasonable notice thereof as circumstances will permit, and will prosecute the work with reasonable diligence, and if practicable at time that will cause the least inconvenience. When USTel is repairing or changing its facilities, it shall take appropriate precautions to avoid unnecessary interruptions of Customer's service.

2.4 Liabilities of USTel

- 2.4.1. USTel's liability for damages arising out of mistakes, omissions, interruptions, delays, errors, or defects in the installation, provision, termination, maintenance, repair, or restoration occurring in the course of furnishing service, channels, or other facilities, and not caused by the negligence of the subscribers, commences upon activation of service.
- 2.4.2. When the facilities of other carriers are used in establishing connections to points not reached by USTel's facilities, USTel is not liable for any act or omission of the other carrier(s). The Customer will indemnify and save harmless USTel from any third-party claims for such damages referred to in Section 2.4.1.
- 2.4.3. USTel will not be liable for claims or damages resulting from or caused by: (i) Customer's fault, negligence or failure to perform Customer's responsibilities; (ii) claims against Customer by another party; (iii) any act or omission of any other party; or (iv) equipment or service furnished by a third party.
- 2.4.4. USTel does not guarantee or make any warranty with respect to any equipment provided by it or leased on the Customer's behalf where such equipment is used in locations containing an atmosphere which is explosive, prone to fire, dangerous or otherwise unsuitable for such equipment. The Customer shall indemnify and hold USTel harmless from any and all loss, claims, demands, suits or other actions, or any liabilities whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or persons, for any personal injury or death of any person or persons, and for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of such equipment so used.

1. SECTION 2 - RULES AND REGULATIONS

2.5 Responsibilities of the Customer

- 2.5.1. The Customer must initiate a service order pursuant to Section 2.6 of this Tariff.
- 2.5.2. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the facilities or equipment installed by USTel, except upon the written consent of USTel. The equipment USTel provides or installs at the Customer premises for use in connection with the service USTel offers shall not be used for any purpose other than for which it was provided.
- 2.5.3. The Customer shall ensure that the equipment and/or system is properly interfaced with USTel's facilities or service. 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, USTel will permit such equipment to be connected with its channels without the use of protective interface devices.
- 2.5.4. The Customer shall be responsible for securing its telephone equipment against being used to place fraudulent calls using USTel's service. The Customer shall be responsible for payment of all applicable charges for services provided by USTel and charged to the Customer's accounts, even where those calls are originated by fraudulent means either from Customer's premises or from remote locations.
- 2.5.5. USTel shall be indemnified and held harmless by the Customer against claims of libel, slander, or the infringement of copyright, or for the unauthorized use of any trademark, trade name, or service mark, arising from the material transmitted over USTel's service, against claims for infringement of patents arising from, combining with, or using in connection with, service, USTel's apparatus and systems of the Customer; against all other claims arising out of any act or omission of the member in connection with USTel's service. The Customer shall be liable for:

SECTION 2 - RULES AND REGULATIONS

2.6. Application for Service (cont'd)

2.6.3. Where the Customer or applicant cancels an Application for Service prior to the start of installation of service, lease of network elements, or prior to the start of special construction, no charge applies. Where installation of service has been started prior to the cancellation, a cancellation charge equal to the costs incurred by USTel shall apply, but in no case shall such charge exceed the charge for the minimum period of the service ordered, including applicable installation charges, if any. The costs incurred by USTel will include the direct and indirect costs of facilities specifically leased, provided or used; the cost of installation, including design preparation, engineering, supply expense, labor and supervision, general and administrative, and any other costs resulting from the preparation, installation and removal effort.

2.7. Establishing Credit, and Deposit

2.7.1. Credit Requirement

2.7.1.A. USTel may require an applicant for service to satisfactorily establish credit, pursuant to applicable Commission rules and regulations, but such establishment of credit shall not relieve the end-user from complying with USTel's policy regarding the prompt payment of bills.

2.7.1 .B. For the purposes of this rule, "applicant" is to be defined as a person who applies for service for the first time or reapplies at a new or existing location after a previous discontinuance of service; "customer" is defined as someone who is currently receiving service.

2.7.2. Reestablishment of Credit

Any applicant who previously has been an end-user of USTel and whose service has been discontinued for nonpayment of bills shall be required, before service is rendered, to pay all amounts due USTel or execute a deferred payment agreement.

2.7.3. Deposits and Interest

The Company does not require deposits at this time.

2.8. Billing and Payment Procedures

2.8.1. A. USTel shall render a bill during each billing period to every customer. The billing period shall be monthly.

SECTION 2 - RULES AND REGULATIONS**2.8. Billing and Payment Procedures (cont'd)**

- B. At a minimum, each residential customer bill rendered by the Company shall clearly state all of the following information:
1. the beginning and ending dates of the billing period
 2. the due date
 3. any previous balance
 4. the telephone number for which the bill is rendered
 5. the amount for basic local exchange service and regulated toll service
 6. an itemization of all taxes due
 7. the total amount due
 8. the statement that rate schedules for basic local exchange service are available and will be mailed by the Company upon request at no cost to the customer
 9. the address and telephone number of the Company, designating where the customer may initiate an inquiry or informal complaint regarding the bill as rendered or the service provided
- C. Not later than 15 days after the completion of an order for new service, USTel provides each residential customer an insert or other written notice which contains an itemized account of the charges for the equipment and service for which the customer has contracted.
- D. A residential customer shall have the right, within one billing period of receiving a bill for new services or changed services, to cancel, reduce, or modify a service or a portion of a service without further service charge.
- 2.8.1. The Customer is responsible for the payment of all charges for facilities and services furnished by USTel to the Customer and to all Users authorized by the Customer, regardless of whether those services are used by the Customer itself or are resold to or shared with other persons.
- 2.8.2. For billing of monthly charges, service is considered to be established upon the day in which USTel notifies the Customer of installation and testing of the Customer's services.
- 2.8.3. Usage charges will be billed monthly in arrears. Customer will be billed for all usage accrued beginning immediately upon access to the service. Customers will be billed for usage occurring during their specific 30-day billing cycle, which for purposes of computing charges shall be considered a month. The rates charged to a Customer will be the rates in effect on the first day of the Customer's billing cycle.
- 2.8.4. Monthly charges for all access service components, provided hereunder, are billed post service and reflect the rates in effect as of the date of the invoice. A Customer's first invoice may contain charges from previous periods for service provided from the date of installation through the current invoice period.

SECTION 2 - RULES AND REGULATIONS

2.12. Cancellation for Cause

- 2.12.1 The Company may shut off service or cancel an application for service, pursuant to applicable Commission rules, without incurring any liability for any of the following reasons:
- A. Nonpayment of a delinquent account for basic local exchange service.
 - B. Nonpayment of a delinquent account with a delinquent balance of \$150 or more for basic local exchange service and regulated toll service in the name of the customer.
 - C. Maintaining a delinquent balance of \$125 or more for three consecutive months for basic local exchange service and regulated toll service.
 - D. Unauthorized tampering or interference with facilities and equipment owned by a provider of basic local exchange service that are situated on or about the customer's premises.
 - E. Refusal to grant access at reasonable times to equipment installed upon the premises of the customer for the purpose of inspection, maintenance, or replacement.
 - F. Misrepresentation of the customer's identity for the purpose of obtaining basic local exchange service.
 - G. In cases of bankruptcy, receivership, abandonment of service, or abnormal toll usage not covered adequately by adequate assurance if necessary to protect the Company's revenues.
 - H. Any other unauthorized use or interference with basic local exchange service, including improper use of a party line service by denying other customers on the line an equitable proportionate use of the service.
 - H. A violation of a tariff provision of the provider of basic local exchange service that is on file with or approved by the Commission that adversely affects the safety of the customer or other persons or the integrity of the provider's basic local exchange system.
- 2.12.2 Service may be shut off during normal business hours on or after the date specified in the notice of shutoff. Service shall not be shut off on a day when the offices of the Company are not available to facilitate reconnection of service or on a day immediately preceding such a day.
- 2.12.3 Service shall not be shut off unless written notice by first-class mail is sent or delivered to the customer at least 5 days prior to the date of the proposed shutoff. If a shutoff of service is sought for nonpayment of a delinquent account, then a notice of shutoff will not be sent before the time the account becomes delinquent. Service of notice by mail is complete upon mailing, unless proven otherwise by the customer. The Company will maintain an accurate record of the date of mailing. The Company is responsible for the accurate and timely notice of shutoff.
- 2.12.4 A notice of shutoff of service shall not be issued if a customer has a pending formal complaint before the commission concerning the bill upon which the notice is based.
- 2.12.5 Basic local exchange service shall not be shut off while a complaint related to the reason for the shutoff is pending.

SECTION 2 - RULES AND REGULATIONS

2.12. Cancellation for Cause (Cont'd)

- 2.12.6 Reserved for future use
- 2.12.7 After basic local exchange service has been shut off to a customer, the Company will restore service promptly, but not later than 1 working day after the customer's request, when the cause for the shutoff of service has been cured or credit arrangements satisfactory to the Company have been made.
- 2.12.8 Any payments required for service restoration may be made by the customer in any reasonable manner. Payment by personal check may be refused by the provider if the customer has tendered payment in this manner and the check has been dishonored during the last 3 years, excluding bank error.
- 2.12.9 Before restoring service, the Company at its option may require one or more of the following: (a) payment of the total amount due on all of the customer's delinquent and shutoff accounts for basic local exchange service and regulated toll service owed to the Company; (b) an arrangement or settlement agreement requiring the payment of all amounts owed to the Company for basic local exchange service and regulated toll service; (c) payment of an amount provided by tariff for basic local exchange service restoration
- 2.12.10 USTel Notices of Shutoff shall contain the following information:
- A. the name and the billing address of the customer and, to the extent possible, the address of the service, if different
 - B. a clear and concise statement of the reason for the proposed shutoff of service
 - C. the date after which service will be subject to shutoff without further notice unless the customer takes appropriate action
 - D. the right of the customer to file a formal complaint with the commission if the dispute cannot be otherwise resolved and a statement that the customer must pay to the provider of basic local exchange service that portion of the bill for basic local exchange service and regulated toll service that is not in dispute within 3 days of the date that the formal complaint is filed
 - E. a statement that service will not be shut off pending the resolution of a formal complaint that is filed and prosecuted in conformity with all applicable statutes, rules, regulations, and orders of the commission
 - F. the telephone number and address of the Company where the customer may make inquiry or enter into a settlement agreement.



RECEIVED

OCT 08 2003

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

October 6, 2003

South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

Re: Tariff Revisions

South Dakota Public Utilities Commission:

Enclosed please find the original plus ten (10) copies of revised tariff pages 1 of the Check Sheets and pages 4, 7, 16, 17, 20, and 21 of Section 2 of Tariff No. 4 for 1-800-RECONEX, Inc., d/b/a USTel. The enclosed revised pages reflect Commission staff requested changes.

If you have any questions or need any further information, please do not hesitate to contact me at 503-982-5572 or anne.lynch@reconex.com.

Sincerely,

Anne Lynch
Regulatory Manager

USTEL

CHECK SHEET

The Title Page and pages listed below are inclusive and effective as of the date shown. Original and revised pages as named below contain all changes from the original tariff that are in effect on the date shown on each page.

Section	Page	Revision
Title Page	Title Page	Original
Check Sheet	1	2 nd Revised *
Check Sheet	2	1 st Revised
Table of Contents	3	Original
Explanation of Symbols	4	Original
Tariff Format	5	Original
Application of Tariff	6	Original
1	1	Original
1	2	Original
1	3	Original
2	1	Original
2	2	Original
2	3	Original
2	4	1 st Revised *
2	5	Original
2	6	Original
2	7	1 st Revised *
2	8	Original
2	9	Original
2	10	Original
2	11	Original
2	12	Original
2	13	Original
2	14	Original
2	15	Original
2	16	1 st Revised *
2	17	1 st Revised *
2	18	Original
2	19	Original
2	20	1 st Revised *
2	21	1 st Revised *
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2	30	Original

RECEIVED
 OCT 08 2003
 SOUTH DAKOTA PUBLIC
 UTILITIES COMMISSION

* Indicates pages submitted with most recent filing

Issued Date: October 9, 2003

Effective Date: November 10, 2003

By: Anne Lynch, Regulatory Manager
 2500 Industrial Avenue
 Hubbard, Oregon 97032

SECTION 2 - RULES AND REGULATIONS, CONT'D.

2.1 Undertaking of the Company, Cont'd.

2.1.5 Limitations on Liability

- A. Except as otherwise stated in this section, the liability of the Company for damages shall be determined in accordance with SDCL 49-31-1, 49-31-1.1 and any other applicable law. (C)
- B. Reserved for future use (C)
- C. 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.

Issued Date: October 9, 2003

Effective Date: November 10, 2003

By: Anne Lynch, Regulatory Manager
2500 Industrial Avenue
Hubbard, Oregon 97032

SECTION 2 - RULES AND REGULATIONS, CONT'D.

2.1 Undertaking of the Company, Cont'd.

2.1.5 Limitations on Liability, Cont'd.

- E. The Company does not guarantee nor make any warranty with respect to installations provided by it for use in an explosive atmosphere.
- F. Reserved for future use (C)
- G. Failure by the Company to assert its rights pursuant to one provision of this tariff does not preclude the Company from asserting its rights under other provisions.

2.1.6 Notification of Service-Affecting Activities

The Company will provide the Customer reasonable notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventative maintenance. Generally, such activities are not specific to an individual Customer but affect many Customers' services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable notification requirements. With some emergency or unplanned service-affecting conditions, such as an outage resulting from cable damage, notification to the Customer may not be possible.

Issued Date: October 9, 2003

Effective Date: November 10, 2003

By: Anne Lynch, Regulatory Manager
2500 Industrial Avenue
Hubbard, Oregon 97032

SECTION 2 - RULES AND REGULATIONS, CONT'D.

2.5 Advance Payments and Credit Policy

2.5.1 Advance Payments

A. The Company will not collect Advance Payments (C)

2.5.2 Deposits

A. The Company will not collect Deposits (C)

Issued Date: October 9, 2003

Effective Date: November 10, 2003

By: Anne Lynch, Regulatory Manager
2500 Industrial Avenue
Hubbard, Oregon 97032

SECTION 2 - RULES AND REGULATIONS, CONT'D.

2.5 Advance Payments and Credit Policy (Cont'd)

2.5.3 Reserved for future use

(C)

Issued Date: October 9, 2003

Effective Date: November 10, 2003

By:

Anne Lynch, Regulatory Manager
2500 Industrial Avenue
Hubbard, Oregon 97032

SECTION 2 - RULES AND REGULATIONS, CONT'D.

2.6 Payment Arrangements, Cont'd.

2.6.2 Billing and Collection of Charges

The Customer is responsible for payment of all charges incurred by the Customer or other users for services and facilities furnished to the Customer by the Company. Customers will only be charged once, on either an interstate or intrastate basis, for any nonrecurring or usage based charges.

- A. Nonrecurring charges are due and payable upon receipt of the Company's invoice by the Customer.
- B. The Company shall present invoices for recurring charges monthly to the Customer, in arrears of the month in which service is provided, and recurring charges shall be due and payable upon receipt. When billing is based upon Customer usage, usage charges will be billed monthly for the preceding billing period. (C)
- C. When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have thirty (30) days.
- D. Billing of the Customer by the Company will begin on the Service Commencement Date, which is the day on which the Company notifies the Customer that the service or facility is available for use, except that the Service Commencement Date may be postponed by mutual agreement of the parties, or if the service or facility does not conform to standards set forth in this tariff or the Service Order. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.

Issued Date: October 9, 2003

Effective Date: November 10, 2003

By: Anne Lynch, Regulatory Manager
2500 Industrial Avenue
Hubbard, Oregon 97032

SECTION 2 - RULES AND REGULATIONS, CONT'D.

2.6 Payment Arrangements, Cont'd.

2.6.2 Billing and Collection of Charges, Cont'd.

- E. If any portion of the payment is not received by the Company within 30 days of receipt of the bill, or if any portion of the payment is received by the Company in funds which are not immediately available upon presentment, then a late payment charge of the lower of 1.5% or the amount allowed by South Dakota law per month shall be due to the Company. A late payment charge is not applicable to subsequent rebilling of any amount to which a late payment charge has already been applied. Late payment charges are to be applied without discrimination. (C)
- F. The Customer should notify the Company of any disputed items on an invoice within thirty (30) days of receipt of the invoice. If the Customer and the Company are unable to resolve the dispute to their mutual satisfaction, the Customer may contact the South Dakota Public Utility Commission, toll free, at 1-800-772-4636 and/or file a complaint with the South Dakota Public Utility Commission in accordance with the Commission's rules of procedure. The address of the Commission is as follows:
- South Dakota Public Utility Commission (C)
Capitol Building
500 East Capitol Avenue
Pierre, South Dakota 57501-5070
- G. If service is disconnected by the Company (in accordance with Section 2.6.3 following) and later re-installed, re-installation of service will be subject to all applicable installation charges. If service is suspended by the Company (in accordance with Section 2.6.3 following) and later restored, restoration of service will be subject to the rates in Section 4.3 of this tariff.
- H. The security of the Customer's PIN is the responsibility of the Customer. All calls placed using a PIN shall be billed to and shall be the obligation of the Customer. The Customer shall not be responsible for charges in connection with the unauthorized use of PINs arising after the the Customer notifies the Company of the loss, theft, or other breach of security of such PINS.

Issued Date: October 9, 2003

Effective Date: November 10, 2003

By: Anne Lynch, Regulatory Manager
2500 Industrial Avenue
Hubbard, Oregon 97032

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

IN THE MATTER OF THE APPLICATION OF 1-)	ORDER GRANTING
800-RECONEX, INC. D/B/A USTEL FOR A)	CERTIFICATE OF
CERTIFICATE OF AUTHORITY TO PROVIDE)	AUTHORITY
INTEREXCHANGE TELECOMMUNICATIONS)	
SERVICES IN SOUTH DAKOTA)	TC03-155

On August 11, 2003, 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 1-800-RECONEX, Inc. d/b/a USTel (RECONEX).

RECONEX proposes to provide interexchange telecommunications services in South Dakota. A proposed tariff was filed by RECONEX. The Commission has classified long distance service as fully competitive.

On August 14, 2003, the Commission electronically transmitted notice of the filing and the intervention deadline of August 29, 2003, to interested individuals and entities. No petitions to intervene or comments were filed and at its October 16, 2003, meeting, the Commission considered RECONEX's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to the condition that RECONEX not offer a prepaid calling card or require or accept deposits or advance payments without prior approval of the Commission. Staff also recommended that the company's Certificate of Authority which was granted in Docket TC97-160 also be amended to state that RECONEX not offer a prepaid calling card or require or accept deposits or advance payments without prior approval of the Commission. RECONEX agreed to this amendment of its local exchange service certification.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-31, specifically 49-31-3 and ARSD 20:10:24:02 and 20:10:24:03. The Commission finds that RECONEX has met the legal requirements established for the granting of a certificate of authority. RECONEX 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 RECONEX's application for a certificate of authority, subject to the condition that RECONEX not offer a prepaid calling card or require or accept deposits or advance payments without prior approval of the Commission, and the condition that RECONEX accept the same restrictions on its local exchange services Certificate of Authority which was issued in Docket TC97-160. As the Commission's final decision in this matter, it is therefore

ORDERED, that RECONEX's application for a certificate of authority to provide interexchange telecommunications services is hereby granted, subject to the condition that RECONEX not offer a prepaid calling card or require or accept deposits or advance payments without prior approval of the Commission. It is

FURTHER ORDERED, that the Order Granting RECONEX a Certificate of Authority for local exchange service in TC97-160 shall be AMENDED and be subject to the condition that RECONEX not offer a prepaid calling card or require or accept deposits or advance payments without prior approval of the Commission. It is

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

Dated at Pierre, South Dakota, this 28th day of October, 2003.

CERTIFICATE OF SERVICE
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by first class mail, in properly addressed envelopes, with charges prepaid thereon.
By: <u>Alaine Kolbo</u>
Date: <u>10/30/03</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Robert K. Sahr

ROBERT K. SAHR, Chairman

Gary Hanson

GARY HANSON, Commissioner

James A. Burg

JAMES A. BURG, 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 as of the date of the
Order Granting Certificate of Authority
Docket No. TC03-155

This is to certify that

1-800-RECONEX, INC. D/B/A USTEL

is authorized to provide interexchange telecommunications services in South Dakota, subject to the condition that it not offer a prepaid calling card or require or accept deposits or advance payments without prior approval of the Commission.

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 28th day of October, 2003.



**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION:**

Robert K. Sahr

ROBERT K. SAHR, Chairman

Gary Hanson

GARY HANSON, Commissioner

James A. Burg

JAMES A. BURG, Commissioner