

KY/HB

TC04-012

DOCKET NO. _____

In the Matter of IN THE MATTER OF THE
APPLICATION OF COMMUNICATIONS
NETWORK BILLING, INC. FOR A
CERTIFICATE OF AUTHORITY TO
PROVIDE INTEREXCHANGE
TELECOMMUNICATIONS SERVICES IN
SOUTH DAKOTA

Public Utilities Commission of the State of South Dakota

DATE	MEMORANDA
1/28 04	Filed and Docketed;
1/29 04	Weekly Filing;
2/4 04	Amended Application;
3/5 04	Order Granting COA;
5/5 04	Docket Closed.

EARLY, LENNON, CROCKER & BARTOSIEWICZ, P.L.C.

ATTORNEYS AT LAW
 900 COMERICA BUILDING
 KALAMAZOO, MICHIGAN 49007-4752
 TELEPHONE (269) 381-8844
 FAX (269) 381-8822

GEORGE H. LENNON ROBERT M. TAYLOR
 DAVID G. CROCKER RON W. KIMBREL
 MICHAEL D. O'CONNOR PATRICK D. CROCKER
 HAROLD E. FISCHER, JR. ANDREW J. VORBRICH
 LAWRENCE M. BRENTON TYREN R. CUDNEY
 GORDON C. MILLER STEVEN M. BROWN
 GARY P. BARTOSIEWICZ KRISTEN L. GETTING
 BLAKE D. CROCKER

OF COUNSEL

THOMPSON BENNETT
 JOHN T. PETERS, JR.

VINCENT T. EARLY
 (1922 - 2001)
 JOSEPH J. BURGIE
 (1926 - 1992)

RECEIVED

JAN 28 2004

SOUTH DAKOTA PUBLIC
 UTILITIES COMMISSION

January 26, 2004

Pamela Bonrud, Executive Director
 South Dakota Public Utilities Commission
 State Capitol Building
 500 East Capital Avenue
 Pierre, SD 57501

RE: Communications Network Billing, Inc.

Dear Ms. Bonrud:

Enclosed herewith for filing with the Commission, please find an original and ten (10) copies of the above captioned corporation's APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO TRANSACT THE BUSINESS OF A RESELLER OF INTEREXCHANGE TELECOMMUNICATIONS SERVICES AND FOR APPROVAL OF ITS INITIAL TARIFF, along with a check in the amount of \$250.00 to cover the filing fees related to same.

Also enclosed is an exact duplicate of this letter. Please stamp the duplicate and return same in the enclosed, postage-paid envelope.

Should you have any questions, please contact me.

Very truly yours,

EARLY, LENNON, CROCKER & BARTOSIEWICZ, P.L.C.

Patrick D. Crocker

PDC/bmr

enc

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JAN 28 2004

BEFORE THE
PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF:

THE APPLICATION OF)
Communications Network Billing, Inc.)
 FOR A CERTIFICATE OF PUBLIC CONVENIENCE)
 AND NECESSITY TO TRANSACT THE BUSINESS) Docket No _____
 OF A RESELLER OF INTEREXCHANGE)
 TELECOMMUNICATIONS SERVICES)
 AND FOR APPROVAL OF ITS INITIAL TARIFF)

APPLICATION FOR AUTHORIZATION

Communications Network Billing, Inc. (hereinafter "Applicant") respectfully requests that the Public Utilities Commission of the State of South Dakota (hereinafter referred to as "Commission") grant Applicant authority pursuant to SDCL 49-31-3 and in accordance with ARSD 20:10:24:02 to provide intrastate telecommunications services to the public within South Dakota through the resale of similar services offered by other interexchange carriers ("IXCs") in the State. Applicant further requests that the Commission approve its initial proposed tariff. Applicant, for purposes of verification, and in evidence of its fitness to operate and the public need for its services, offers the following information in support of this Application:

Identification of the Applicant

1. Applicant's name, address, and telephone number:
 Communications Network Billing, Inc.
 6701 Democracy Boulevard, Suite 300
 Bethesda, MA 20817
 (301) 571-2435

2. Applicant is a corporation organized under the laws of the State of Nevada. A copy of the Company's Articles of Incorporation is attached hereto as **Exhibit A**. Applicant has the authority to transact business within the State of South Dakota as a foreign corporation. A copy of the qualifying document is set forth in **Exhibit B** hereto.

3. Correspondence regarding this Application should be directed to:

Patrick D. Crocker
Early, Lennon, Crocker & Bartosiewicz, P.L.C.
900 Comerica Building
Kalamazoo, MI 49007-4752
Telephone: (269) 381-8844
Facsimile: (269) 381-8822
Email: pcrocker@earlylennon.com

4. Applicant's registered agent is:

Ronald D. Olinger
117 East Capitol
Pierre, SD 57501

Description of Authority Requested

5. Applicant seeks authority to operate as a reseller of intrastate telecommunications services to the public on a statewide basis. Applicant seeks authority to offer a full range of "1+" interexchange telecommunications services on a resale basis. Specifically, Applicant seeks authority to provide MTS, in-WATS, out-WATS, and Calling Card services.

6. Applicant does not intend to provide operator services, 900 or 700 services.

7. Applicant owns no transmission facilities. Applicant will offer service to its subscribers using facilities of the communications networks of Alliance Group Services, Inc., other facilities-based IXCs and the local exchange telephone companies ("LECs").

8. Applicant has no plans at this time to construct any telecommunications transmission facilities of its own and seeks no construction authority by means of this Application. Applicant will operate exclusively as a reseller.

9. Applicant will abide by all rules governing telecommunications resellers, which the Commission has promulgated or may promulgate in the future, unless application of such rules is specifically waived by the Commission.

Proposed Services

10. Applicant intends to offer MTS, in-WATS, out-WATS, and Calling Card services to subscribers within South Dakota. Applicant combines high quality transmission services with very competitive rates, flexible end user billing, professional customer service and excellent reporting to create a unique blend, which meets the individualized needs of such customers.

11. Applicant's services are designed to be especially attractive to residential and business users.

12. Applicant's intends to engage in "switchless" resale. Applicant will arrange for the traffic of underlying subscribers to be routed directly over the networks of Applicant's network providers.

13. Applicant is committed to the use of ethical sales practices. All distributors of its products must commit in writing to market Applicant's services in a professional manner, and to fairly and accurately portray Applicant's services and the charges for them.

Description and Fitness of Applicant

14. Applicant's officers have extensive managerial, financial and technical experience with which to execute the business plan described herein. In support of Applicant's managerial and technical ability to provide the services for which authority is sought herein, Applicant submits a description of the background and experience of its management as **Exhibit C**. In support of Applicant's financial ability to provide the proposed services, Applicant attaches financials as **Exhibit D**.

Public Interest Considerations

15. Applicant's entry into the South Dakota marketplace is in the public interest because Applicant intends to make a uniquely attractive blend of service quality, network management and reporting, and low rates available.

16. In addition to the direct benefits delivered to the public by its services, Applicant's entry into the South Dakota marketplace will benefit the public indirectly by increasing the competitive pressure felt by existing IXCs, spurring them to lower costs and improve services in response.

Requested Regulatory Treatment

17. Applicant is a non-dominant reseller of interexchange telecommunications services. Applicant requests to be regulated by the Commission in the same relaxed fashion extended to other, similarly situated resellers.

Initial Proposed Tariff

18. Applicant proposes to offer service pursuant to the rules, regulations, rates and other terms and conditions included in Applicant's initial proposed tariff, which is attached hereto as **Exhibit E**. Billing, payment, credit, deposit and collection terms are set forth in Applicant's proposed tariff.

Compliance with ARSD 20:10:24:02

19. In accordance with ARSD 20:10:24:02, Applicant provides the following information:

(1) The name, address and telephone number of Applicant:

COMMUNICATIONS NETWORK BILLING, INC.
6701 Democracy Boulevard, Suite 300
Bethesda, MA 20817
(301) 571-2435

(2) Applicant shall provide services under the name:

COMMUNICATIONS NETWORK BILLING, INC.

(3) (a) Applicant was incorporated in the State of Nevada on May 27, 2003.

A copy of Applicant's Articles of Incorporation is attached as Exhibit A. A copy of its certificate of authority to transact business within the State of South Dakota as a foreign corporation is attached as Exhibit B.

(3) (b) Applicant has no principal office in South Dakota. Applicant's registered agent is set forth in paragraph 4 hereinabove.

(c) Applicant owns or controls no subsidiaries. The names and addresses of Applicant's shareholders along with percentage owned and current Officers and Board of Directors:

Mr. C. Hurley Cox	100%
President/Vice President/Secretary/Treasurer	
6701 Democracy Boulevard, Suite 300	
Bethesda, MA 20817	

(4) Applicant is a corporation organized under the laws of Nevada.

(5) See paragraph 5 of the Application.

(6) See paragraph 6 of the Application.

(7) Applicant shall offer services on all equal-access areas within the State of South Dakota. Accordingly, Applicant does not attach a map describing service boundaries.

(8) See Exhibits D and E attached hereto.

(9) (a) All complaints should be directed to:
Brenda Smith
Communications Network Billing, Inc.
6701 Democracy Boulevard, Suite 300
Bethesda, MA 20817
Toll Free: 800-407-2047
Facsimile: 757-2049
Email: bsmith@comnetbillinc.com

Regulatory matters should be directed to:
Brenda Smith
Communications Network Billing, Inc.
6701 Democracy Boulevard, Suite 300
Bethesda, MA 20817
Toll Free: 800-407-2047
Facsimile: 757-2049
Email: bsmith@comnetbillinc.com

- (9) (b) The Company will bill customers through the appropriate LEC. Payment is due by the invoice date printed on the bill. The Company may impose a late charge of 1.5% per month on any delinquent amounts.
- (c) Customer service representatives will handle all initial customer disputes. A representative may escalate the resolution of a dispute internally, or refer the customer to the Commission. Customers may reach a representative by calling 1-800-407-2047.
- (10) Applicant is a newly formed company that is seeking authority to provide the resale of telecommunications services throughout the United States. Applicant is currently authorized to provide intrastate services in the following jurisdictions: Arkansas, Colorado, District of Columbia, Idaho, Indiana, Iowa, Kentucky, Michigan, Montana, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Texas, Utah, Virginia, Washington, Wisconsin, and Wyoming. Additionally, Applicant has never been denied registration or certification in any jurisdiction and is in good standing with the regulatory agency in each jurisdiction.
- (11) Applicant plans to market their services primarily to business customers via advertising, direct marketing, website, and independent distributors. Applicant has no promotional materials at this time.
- (12) See paragraph 20 of the Application.
- (13) Applicant's federal tax identification number is 30-0182880.
- (14) Applicant has not received complaints with any state or federal regulatory commission regarding the unauthorized switching of a customer's telecommunications provider or for the act of charging customers for services that have not been ordered.

- (15) Applicant requests a waiver of the cash flow statement required in 20:10:24:02(8).
- (16) Applicant agrees with the restrictions relating to prepaid services and deposits.

Applicant's Cost for Underlying Transport Services

20. Applicant proposes to resell services within South Dakota in excess of Applicant's cost of purchasing services from Applicant's underlying carrier Alliance Group Services, Inc. Applicant purchases intrastate services from Alliance Group Services, Inc. and resells to the public as follows:

	<u>Buy</u>	<u>Sell</u>
Switched Inbound	6.9¢	25¢
Switched Outbound	6.9¢	25¢
Dedicated Inbound	6.9¢	25¢
Dedicated Outbound	6.9¢	25¢

Conclusion

21. A decision by the Commission to grant Applicant a Certificate of Public Convenience and Necessity is plainly in the public interest. Applicant will introduce important new products and services at very competitive rates as well as enhance the competitiveness of the overall long distance market in South Dakota.

WHEREFORE, COMMUNICATIONS NETWORK BILLING, INC. respectfully requests that this Commission grant it authority to transact the business of a reseller of interexchange telecommunications services within the State of South Dakota, that the Commission regulate it in a streamlined fashion, and that the Commission approve Applicant's initial proposed tariff effective on the date of the Order granting authority.

Respectfully submitted,

COMMUNICATIONS NETWORK BILLING, INC.

Dated: January 26, 2004

By:



Patrick D. Crocker

VERIFICATION

Patrick D. Crocker, Attorney for COMMUNICATIONS NETWORK BILLING, INC., first being duly sworn on oath, deposes and says that he has read the foregoing Application and verifies that the statements made therein are true and correct to the best of his knowledge, information, and belief.

Communications Network Billing, Inc.

By: _____

Patrick D. Crocker, Attorney

The foregoing instrument was acknowledged before me this 26th day of January 2004, by Patrick D. Crocker.

Susan E. Ritchie

Notary Public: Susan E. Ritchie

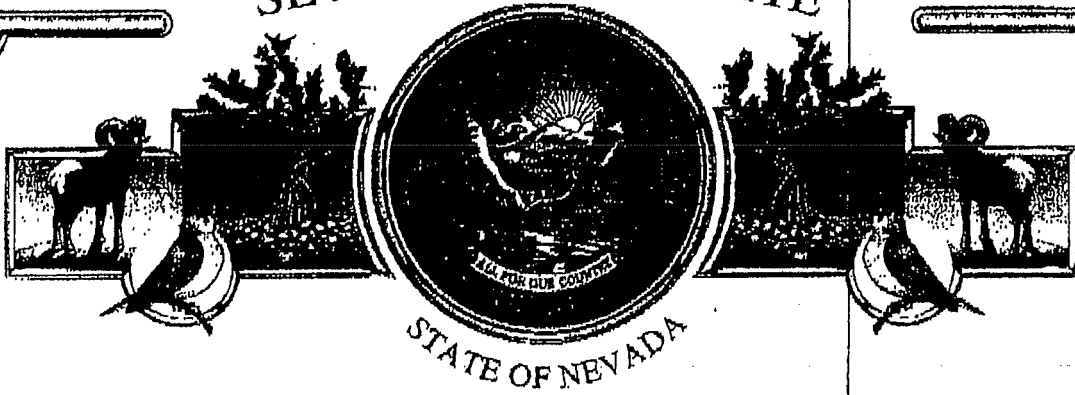
Commission Expires: 08/14/04

Cass Acting in Kalamazoo County, Michigan

EXHIBIT A

Articles of Incorporation

SECRETARY OF STATE



CORPORATE CHARTER

I, DEAN HELLER, the duly elected and qualified Nevada Secretary of State, do hereby certify that **COMMUNICATIONS NETWORK BILLING, INC.** did on **May 27, 2003** file in this office the original Articles of Incorporation; that said Articles are now on file and of record in the office of the Secretary of State of the State of Nevada, and further, that said Articles contain all the provisions required by the law of said State of Nevada.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office, in Carson City, Nevada, on May 28, 2003.

Dean Heller

DEAN HELLER
Secretary of State

By *Kathleen Penson*

Certification Clerk

ARTICLES OF INCORPORATION
(Pursuant to NRS 78)
STATE OF NEVADA
Secretary of State

FILED # C12581-2003

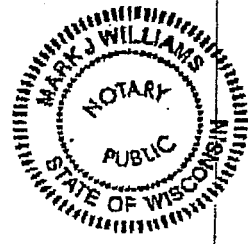
MAY 27 2003

IN THE OFFICE OF
SECRETARY OF STATE

1. **NAME OF CORPORATION:**
Communications Network Billing, Inc.
2. **RESIDENT AGENT:**
Name of Resident agent: Business Filings Incorporated
Street Address: 6100 Neil Road, Suite 500, Reno, Nevada 89511
Located in the County of Washoe
3. **SHARES:**
The corporation is authorized to issue two thousand (2,000) shares of stock.
The par value of each share is one cent (\$0.01).
4. **GOVERNING BOARD:**
The initial governing board shall be one (1) director:
C. Hurley Cox, 3605-11 Wilkens Ave., Baltimore, Maryland 21229.
5. **SIGNATURE OF INCORPORATOR:**
Business Filings Incorporated, Mark Schiff, AVP, 8025 Excelsior Dr., Suite 200,
Madison, WI 53717.

Mark Schiff
State of Wisconsin County of Dane

This instrument was acknowledged before me on
May 27, 2003 by
Business Filings Incorporated as Incorporator
Mark Schiff, AVP



Mark Schiff 05/28/03

6. **CERTIFICATE OF ACCEPTANCE OF APPOINTMENT OF RESIDENT AGENT:**
Business Filings Incorporated hereby accepts appointment as resident agent for the above named corporation.

Mark Schiff
Business Filings Incorporated
Mark Schiff, AVP

May 27, 2003

EXHIBIT B

**Certificate of Authority to Transact Business
as a Foreign Corporation**

State of South Dakota



OFFICE OF THE SECRETARY OF STATE

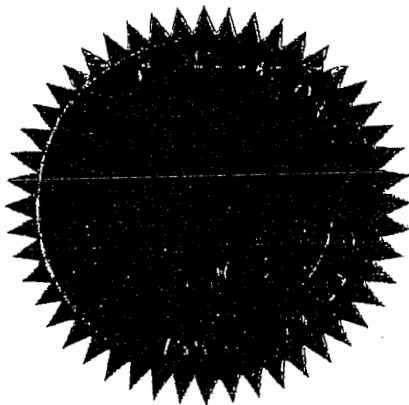
Certificate of Authority

ORGANIZATIONAL ID #: FB027803

I, **Chris Nelson**, Secretary of State of the State of South Dakota, hereby certify that the Application for a Certificate of Authority of **COMMUNICATIONS NETWORK BILLING, INC. (NV)** 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 October 15, 2003.



Chris Nelson

Chris Nelson
Secretary of State



Secretary of State
State Capitol
500 E. Capitol Ave.
Pierre SD 57501

Phone 605-773-4845
Fax 605-773-4550

FILE NO. _____

RECEIPT NO. _____

Application for Certificate of Authority

Filed this 15th day of Oct 2003

Pursuant to the provisions of SDCL 47-8-7, the undersigned corporation hereby applies for a Certificate of Authority to transact business in the State of South Dakota and for that purpose submits the following statement:

Ch. Nelson
SECRETARY OF STATE

The name of the corporation is COMMUNICATIONS NETWORK BILLING, INC.
(exact corporate name)

RECEIVED

OCT 15 2003

(2) If the name of the corporation does not contain the word "corporation", "company", "incorporated" or "limited" or an abbreviation of one of such words, then the name of the corporation with the word or abbreviation which it elects to add thereto for use in this state is _____

(3) State where incorporated Nevada Federal Taxpayer ID# 30-0182880

(4) The date of its incorporation is May 27, 2003 and the period of its duration, which may be perpetual, is perpetual

(5) The address of its principal office in the state or country under the laws of which it is incorporated is 6100 Neil Road, Suite 500, Reno, NV Zip Code 89511
mailing address if different from above is: 300 Maple Park Boulevard, Suite 300, St. Clair Shores, MI
Zip Code 48081

(6) The street address, or a statement that there is no street address, of its proposed registered office in the State of South Dakota is 117 East Capitol, Pierre, SD Zip Code 57501
and the name of its proposed registered agent in the State of South Dakota at that address is Ronald D. Olinger

(7) The purposes which it proposes to pursue in the transaction of business in the State of South Dakota are: (state specific purpose)

To provide telecommunication services.

(8) The names and respective addresses of its directors and officers are:

Name	Officer Title	Street Address	City	State	Zip
<u>C. Hurley Cox</u>	<u>Dir., Pres., V-P, Secy & Treas.</u>	<u>3605-11 Wilkens Avenue,</u>	<u>Baltimore,</u>	<u>MD</u>	<u>21229</u>

(9) The aggregate number of shares which it has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any, within a class is:

Number of shares	Class	Series	Par value per share or statement that shares are without par value
<u>2,000</u>	<u>Common</u>	<u>---</u>	<u>\$.01 per share</u>

(10) The aggregate number of its issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class, is:

Number of shares	Class	Series	Par value per share or statement that shares are without par value
2,000	Common	---	\$.01 per share

(11) The amount of its stated capital is \$ 20.00
Shares issued times par value equals stated capital. In the case of no par value stock, stated capital is the consideration received for the issued shares.

(12) This application is accompanied by a CERTIFICATE OF FACT or a CERTIFICATE OF GOOD STANDING duly acknowledged by the Secretary of State or other officer having custody of corporate records in the state or country under whose laws it is incorporated.

(13) That such corporation shall not directly or indirectly combine or make any contract with any incorporated company, foreign or domestic, through their stockholders or the trustees or assigns of such stockholders, or with any copartnership or association of persons, or in any manner whatever to fix the prices, limit the production or regulate the transportation of any product or commodity so as to prevent competition in such prices, production or transportation or to establish excessive prices therefor.

(14) That such corporation, as a consideration of its being permitted to begin or continue doing business within the State of South Dakota, will comply with all the laws of the said State with regard to foreign corporations.

The application must be signed, in the presence of a notary public, by the chairman of the board of directors, or by the president or by another officer.

I DECLARE AND AFFIRM UNDER THE PENALTY OF PERJURY THAT THIS APPLICATION IS IN ALL THINGS, TRUE AND CORRECT.

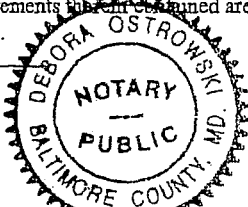
Dated 8/29/03

[Signature]
(Signature)
President
(Title)

STATE OF Maryland
COUNTY OF Baltimore

I, Debra Ostrowski, a notary public, do hereby certify that on this 29th day of Aug 2003, personally appeared before me C. Hurley Cox who, being by me first duly sworn, declared that he/she is the President of COMMUNICATIONS NETWORK BILLING, INC. that he/she signed the foregoing document as officer of the corporation, and the statements therein contained are true.

7/1/06
My Commission Expires



[Signature]
(Notary Public)

Notarial Seal

The Consent of Appointment below must be signed by the registered agent listed in number six.

Consent of Appointment by the Registered Agent

I, Ronald D. Olinger, hereby give my consent to serve as the registered agent for COMMUNICATIONS NETWORK BILLING, INC.

(name of registered agent)
(corporate name)

Dated 10-15 2003

[Signature]
(signature of registered agent)

EXHIBIT C

Background and Experience of Management

C. Hurley Cox

4312 Leeds Avenue, Baltimore, Md. 21229
410-536-0220

Hurley Cox Car Inc., Baltimore, Md. 1990 to Present
Used Car Sales and Service. Responsible for overseeing the sales and service facets of the Corporation.

Fox Chevrolet, Baltimore, Md. 1985 to 1990
Sales. Earned Legion of Leaders Sales Awards from the General Motors Corporation five years in a row.

Parachutes Are Fun, Ridgely, Md. 1978 to 1985
Teacher. Responsible for the education and evaluation of first and following jump students.

Bridgetown Welding Company, Bridgetown, Md. 1970 to 1978
Construction and Fabrication Manager. Oversaw the company in all phases of construction and fabrication.

Tulane University, New Orleans, La. 1968 to 1970
Graduate Assistant. Responsible for the education and evaluation of undergraduate students in various classes.

Other

Education - BA Philosophy, 1966, Washington College, Chestertown, Md. PhD educated Tulane University, 1970, New Orleans, La.

Certifications: ASE - Certified Auto Mechanic; American Society of Welding Engineers - Certified Low Hydrogen Structural Steel Weldor; US Government FAA Certified Senior Parachute Rigger; State of Maryland - Certified Automotive Safety Inspector.

C. HURLEY COX
President of Communications Network Billing, Inc.

Additional Information

As a switchless reseller, virtually all services are outsourced to specialized corporations by contract. There is minimal hardware and staff.

I have been sole owner and manager of the entity. My job includes coordination of all of the subcontracted entities, which include:

Billing Services Provider

USBI, San Antonio, TX
Representative: Andrea Salinas
Phone Number: (210) 949-7130

Customer Services Provider

Brenda Smith, Customer Service
Phone Number: (800) 407-2047

Verification Services Provider

The Verification Company, Dunedin, FL
Representative: Morgan Fagerman
Phone Number: (727) 733-5321

Provides Rating and Data Services

Back Office Support Systems, Inc, St Clair Shores, MI
Representative: Aimée Moran
Phone Number: (586) 443-2002

Provides Regulatory and Compliance Preparation and Consulting

Telecom Compliance Services, Alpharetta, GA
Representative: Keillah Spell
Phone Number: (678) 775-2248

I supply the necessary guidance for the development of the company, and have contracted with established service providers to provide the base of knowledge needed to run the company on a day-to-day basis.

EXHIBIT D

Financials

10:50 AM
11/12/03
Cash Basis (000s Omitted)

Communications Network Billing, Inc.
Balance Sheet
As of September 30, 2003

Sep 30, 03

ASSETS

Current Assets

Total Other Current Assets 0.02

Total Current Assets 0.02

TOTAL ASSETS 0.02

LIABILITIES & EQUITY

Liabilities

Total Current Liabilities 20.67

Total Liabilities 20.67

Equity

3000 - Common Stock 0.02

Net Income -20.67

Total Equity -20.65

TOTAL LIABILITIES & EQUITY 0.02

10:48 AM
11/12/03
Cash Basis (000s Omitted)

Communications Network Billing, Inc.
Profit & Loss
January through September 2003

	<u>Jan - Sep 03</u>
Ordinary Income/Expense	
Income	<u>0.00</u>
Total Expense	<u>20.67</u>
Net Ordinary Income	<u>-20.67</u>
Net Income	<u><u>-20.67</u></u>

EXHIBIT E

Tariff

SOUTH DAKOTA TELECOMMUNICATIONS TARIFF

This Tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services within the State of South Dakota by COMMUNICATIONS NETWORK BILLING, INC. ("Company"). This Tariff is on file with the South Dakota Public Utilities Commission, and copies may also be inspected, during normal business hours, at the following location: 6701 Democracy Boulevard, Suite 300; Bethesda, MD 20817.

Issued:

Effective:

Issued by: Mr. C. Hurley Cox, President
COMMUNICATIONS NETWORK BILLING, INC.
6701 Democracy Boulevard, Suite 300
Bethesda, MD 20817

CHECK SHEET

The title page and pages 1-32 inclusive of this Tariff are effective as of the date shown. Original and revised sheets, as named below, comprise all changes from the original Tariff in effect on the date indicated.

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

* New or Revised Sheets

Issued:

Effective:

Issued by: Mr. C. Hurley Cox, President
COMMUNICATIONS NETWORK BILLING, INC.
6701 Democracy Boulevard, Suite 300
Bethesda, MD 20817

CONCURRING, CONNECTING AND OTHER PARTICIPATING CARRIERS

CONCURRING CARRIERS:

No Concurring Carriers

CONNECTING CARRIERS:

No Connecting Carriers

OTHER PARTICIPATING CARRIERS:

No Participating Carriers

Issued:

Effective:

Issued by: Mr. C. Hurley Cox, President
COMMUNICATIONS NETWORK BILLING, INC.
6701 Democracy Boulevard, Suite 300
Bethesda, MD 20817

TARIFF FORMAT

Sheet Numbering - Sheet numbers appear in the upper right hand corner of the page. Sheets are numbered sequentially and from time to time new pages may be added to the Tariff. When a new page is added between existing pages, a decimal is added to the preceding page number. For example, a new page added between Sheets 3 and 4 would be numbered 3.1.

Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

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

Check Sheets - When a Tariff filing is made with the Commission, an updated check sheet accompanies the Tariff filing. The check sheet lists the pages contained in the Tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision, all revisions made in a given filing are designed by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it. The Tariff user should refer to the latest check sheet to find out if a particular page is the most current on file with the Commission.

Issued:

Effective:

Issued by: Mr. C. Hurley Cox, President
COMMUNICATIONS NETWORK BILLING, INC.
6701 Democracy Boulevard, Suite 300
Bethesda, MD 20817

APPLICABILITY

This Tariff contains the Service offerings, rates, terms and conditions applicable to the furnishing of intrastate interexchange telecommunications services within the State of South Dakota by COMMUNICATIONS NETWORK BILLING, INC. ("Company").

Issued:

Effective:

Issued by: Mr. C. Hurley Cox, President
COMMUNICATIONS NETWORK BILLING, INC.
6701 Democracy Boulevard, Suite 300
Bethesda, MD 20817

EXPLANATION OF SYMBOLS

- (D) - To signify discontinued material
- (I) - To signify a rate or charge increase
- (M) - To signify material relocated without change in text or rate
- (N) - To signify new material
- (R) - To signify a reduction
- (T) - To signify a change in text but no change in rate or regulation

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1. TECHNICAL TERMS AND ABBREVIATIONS

For the purpose of this Tariff, the following definitions will apply:

Access Coordination

Provides for the design, ordering, installation, coordination, pre-service testing, service turn-up and maintenance on a Company or Customer provided Local Access Channel.

Administrative Change

A change in Customer billing address or contact name.

Alternate Access

Alternate Access is a form of Local Access except that the provider of the Service is an entity, other than the Local Exchange Carrier, authorized or permitted to provide such Service. The charges for Alternate Access may be subject to private agreement rather than published or special tariff if permitted by applicable governmental rules.

Application for Service

A standard Company order form, which includes all pertinent billing, technical and other descriptive information that will enable the Company to provide a communication Service as required.

ASR

ASR (Access Service Request) means an order placed with a Local Access Provider for Local Access.

Authorized User

A person, firm, corporation or other entity that either is authorized by the Customer to receive or send communications or is placed in a position by the Customer, either through acts or omissions, to send or receive communications.

Bandwidth

The total frequency band, in hertz, allocated for a channel.

Bill Date

The date on which billing information is compiled and sent to the Customer.

Call

A completed connection between the Calling and Called Stations.

Called Station

The telephone number called.

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Calling Station

The telephone number from which a Call originates.

Cancellation of Order

A Customer initiated request to discontinue processing a Service order, either in part or in its entirety, prior to its completion. Cancellation charges will be assessed for each Circuit-end or Dedicated Access line canceled from an order prior to its completion by the Company, under the following circumstances: (1) if the LEC has confirmed in writing to the Company that the Circuit-end or Dedicated Access line will be installed; or (2) if the Company has already submitted facilities orders to and interconnecting telephone company.

Channel or Circuit

A dedicated communications path between two or more points having a Bandwidth or Transmission Speed specified in this Tariff and selected by a Customer.

Commission

South Dakota Public Utilities Commission

Company

COMMUNICATIONS NETWORK BILLING, INC.

Company Recognized National Holidays

The following are Company Recognized National Holidays determined at the location of the originator of the Call: New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, Christmas Day.

The evening rate is used unless a lower rate would normally apply. When a Call begins in one rate period and ends in another, the rate in effect in each rate period applies to the portion of the Call occurring within that rate period. In the event that a minute is split between two rate periods, the rate in effect at the start of that minute applies.

Customer

The person, firm, corporation or governmental unit which orders Service and which is responsible for the payment of charges and for compliance with the Company's Tariff regulations. A Customer is considered to be an account for billing purposes. The term Customer also includes an entity that remains presubscribed to the Company Service after its account(s) are removed from the Company's billing system, subsequently continues to use Company's network, and is billed by a local exchange carrier for such use, or otherwise uses Service for which no other Customer is obligated to compensate Company.

Customer Premises/Customer's Premises

Locations designated by a Customer where Service is originated/terminated whether for its own communications needs or for the use of its resale customers.

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DCS

DCS means Digital Cross-Connect System.

Dedicated Access/Special Access

Dedicated Local Access between the Customer's Premises or serving wire center and the Company's Point-of-Presence for origination or termination of Calls.

DS-0

DS-0 means Digital Signal Level 0 Service and is a 64 Kbps signal.

DS-1

DS-1 means Digital Signal Level 1 Service and is a 1.544 Mbps signal.

DS-0 with VF Access

DS-0 Service with VF Local Access facilities provides for the transmission of analog voice and/or data within 300 Hz to 3000 Hz frequency range.

DS-0 with DDS Access

DS-0 Service with VF Local Access facilities provides for the transmission of digital data at speeds 2.4, 4.8, 9.6 or 56 Kbps.

Due Date

The Due Date is the date on which payment is due.

Expedite

A Service order initiated at the request of the Customer that is processed in a time period shorter than the Company's standard Service interval.

FCC

Federal Communications Commission

Individual Case Basis (ICB)

Individual Case Basis (ICB) determinations involve situations where complex Customer-specific Company arrangements are required to satisfactorily serve the Customer. The nature of such Service requirements makes it difficult or impossible to establish general tariff provisions for such circumstances. When it becomes possible to determine specific terms and conditions for such offerings, they will be offered pursuant to such terms and conditions.

Installation

The connection of a Circuit, Dedicated Access line, or port for new, changed or an additional Service.

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Interexchange Service

Interexchange Service means that portion of a communications channel between a Company-designated Point-of-Presence in one exchange and a Point-of-Presence in another exchange.

Interruption

Interruption shall mean a condition whereby the Service or a portion thereof is inoperative, beginning at the time of notice by the Customer to Company that such Service is inoperative and ending at the time of restoration.

Kbps

Kilobits per second.

LATA (Local Access Transport Area)

A geographical area established for the provision and administration of communications Service of a local exchange company.

Local Access

Local Access means the Service between a Customer Premises and a Company designated Point-of-Presence.

Local Access Provider

Local Access Provider means an entity providing Local Access.

Local Exchange Carrier (LEC)

The local telephone utility that provides telephone exchange services.

Mbps

Megabits per second.

Multiplexing

Multiplexing is the sequential combining of lower bit rate Private Line Services onto a higher bit rate Private Line Service for more efficient facility capacity usage or vice versa.

N/A

Not available.

Nonrecurring Charges

Nonrecurring Charges are one-time charges.

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Payment Method

The manner, which the Customer designates as the means of billing charges, for Calls using the Company's Service.

Physical Change

The modification of an existing Circuit, Dedicated Access line or port, at the request of the Customer, requiring some Physical Change or retermination.

Point-of-Presence (POP)

A Company-designated location where a facility is maintained for the purpose of providing access to its Service.

Primary Route

The route that in the absence of Customer-designated routing or temporary re-routing would be used by the Company in the provision of Service.

Private Line

A dedicated transmission channel furnished to a customer without intermediate switching arrangements for full-time customer use.

Private Line Service

A dedicated full-time transmission Service utilizing dedicated access arrangements.

Rate Center

A specified geographical location used for determining mileage measurements.

Requested Service Date

The Requested Service Date is the date requested by the Customer for commencement of Service and agreed to by the Company.

Restore

To make Service operative following an interruption by repair, reassignment, re-routing, substitution of component parts, or otherwise, as determined by the carrier(s) involved.

Route Diversity

Two channels that are furnished partially or entirely over two physically separate routes.

Service

Service means any or all Service(s) provided pursuant to this Tariff.

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Service Commitment Period

The term elected by the Customer and stated on the Service order during which the Company will provide the Services subscribed to by the Customer. The term can be monthly or in the case of Private Line Services for a period of up to 5 years.

Special Promotional Offerings

Special trial offerings, discounts, or modifications of its regular Service offerings that the Company may, from time to time, offer to its Customers for a particular Service. Such offerings may be limited to certain dates, times, and locations. Such offerings will be filed with the SDPUC.

Start of Service Date

The Requested Service Date or the date Service first is made available by the Company whichever is later.

Tariff

The current Intrastate Services Tariff and effective revisions thereto filed by the Company with the Commission.

Transmission Speed

Data transmission speed or rate, in bits per seconds (bps).

Two-Way Conversation

A Two-Way Conversation is a telephone conversation between or among two or more parties.

VF

VF is voice frequency or voice-grade Service designed for private-line Service. Normal transmission is in the 300 hertz to 3000-hertz frequency band.

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2. RULES AND REGULATIONS

2.1. Description and Limitations of Services

- 2.1.1. Intrastate Telecommunications Service ("Service") is the furnishing of Company communication Services contained herein between specified locations under the terms of this Tariff.
- 2.1.2. Any member of the general public (including any natural person or legally organized entity such as a corporation, partnership, or governmental body) is entitled to obtain Service under this Tariff, provided that the Company reserves the right to deny Service: (A) to any Customer that, in the Company's reasonable opinion, presents an undue risk of nonpayment, (B) in circumstances in which the Company has reason to believe that the use of the Service would violate the provisions of this Tariff or any applicable law or if any applicable law restricts or prohibits provision of the Service, or (C) if insufficient facilities are available to provide the Service (in such cases Company shall make best efforts to accommodate the needs of all potential Customers by means of facility improvements or purchases, of capacity, if such efforts will, in the Company's opinion, provide the Company with a reasonable return on its expenditures), but only for so long as such unavailability exists.
- 2.1.3. Company, when acting at the Customer's request and as its authorized agent, will make reasonable efforts to arrange for Service requirements, such as special routing, Diversity, Alternate Access, or circuit conditioning.
- 2.1.4. Service is offered in equal access exchanges subject to the availability of facilities and the provisions of this Tariff. Company reserves the right to refuse to provide Service to or from any location where the necessary facilities and/or equipment are not available.
- 2.1.5. Service may be discontinued after five business days written notice to the Customer if:
- 2.1.5.A. the Customer is using the Service in violation of this Tariff; or
 - 2.1.5.B. the Customer is using the Service in violation of the law or Commission regulation.
- 2.1.6. Service begins on the date that billing becomes effective and is provided on the basis of a minimum period of at least one month, 24 hours per day. For the purposes of computing charges in this Tariff, a month is considered to have 30 days.
- 2.1.7. Service will be provided until canceled, by the Customer on not less than thirty (30) days' written notice from the date of postmark on the letter giving notice of cancellation.
- 2.1.8. Nothing herein, or in any other provision of this Tariff, or in any marketing materials issued by the Company shall give any person any ownership, interest, or proprietary right in any code or 800 number issued by the Company to its Customers.

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- 2.1.9. The Company reserves the right to discontinue furnishing Services or billing options, upon written notice, when necessitated by conditions beyond its control. Conditions beyond the Company's control include, but are not limited to, a Customer's having Call volume or a calling pattern that results, or may result, in network blockage or other Service degradation which adversely affects Service to the calling party, the Customer, or other Customers of the Company.
- 2.1.10. Except as otherwise provided in this Tariff or as specified in writing by the party entitled to receive Service, notice may be given orally or in writing to the persons whose names and business addresses appear on the executed Service order and the effective date of any notice shall be the date of delivery of such notice, not the date of mailing. By written notice, Company or Customer may change the party to receive notice and/or the address to which such notice is to be delivered. In the event no Customer or Company address is provided in the executed Service order, notice shall be given to the last known business address of Customer or, as appropriate.

2.2. Other Terms and Conditions

- 2.2.1. The name(s) of the Customer(s) desiring to use the Service must be stipulated in the Application for Service.
- 2.2.2. The Customer agrees to operate the Company provided equipment in accordance with instructions of the Company or the Company's agent. Failure to do so will void the Company liability for interruption of Service and may make Customer responsible for damage to equipment pursuant to Section 2.2.3 below.
- 2.2.3. Customer agrees to return to the Company all Company-provided equipment delivered to Customer within five (5) days of termination of the Service in connection with which the equipment was used. Said equipment shall be in the same condition as when delivered to Customer, normal wear and tear only excepted. Customer shall reimburse the Company, upon demand, for any costs incurred by the Company due to Customer's failure to comply with this provision.
- 2.2.4. A Customer shall not use any service-mark or trademark of the Company or refer to the Company in connection with any product, equipment, promotion, or publication of the Customer without prior written approval of the Company.
- 2.2.5. In the event suit is brought or any attorney is retained by the Company to enforce the terms of this Tariff, the Company shall be entitled to recover, in addition to any other remedy, reimbursement for reasonable attorneys' fees, court costs, costs of investigation and other related expenses incurred in connection therewith.
- 2.2.6. The provision of Service will not create a partnership or joint venture between the Company and the Customer nor result in joint Service offerings to their respective Customers.
- 2.2.7. The rate or volume discount level applicable to a Customer for a particular Service or Services shall be the rate or volume discount level in effect at the beginning of the monthly billing period applicable to the Customer for the particular Service or Services. When a Service is subject to a minimum monthly charge, account charge, port charge or other recurring charge or Nonrecurring Charge for both intrastate and interstate Service, only one such charge shall apply per account and that charge shall be the interstate charge.

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- 2.2.8. Service requested by Customer and to be provided pursuant to this Tariff shall be requested on Company Service Order forms in effect from time to time or Customer's forms accepted in writing by an authorized headquarters representative of the Company (collectively referred to as "Service Orders").
- 2.2.9. If an entity other than the company (e.g., another carrier or a supplier) imposes charges on the Company in connection with a Service that entity's charges will be passed through to the Customer also.
- 2.2.10. The Service Commitment Period for any Service shall be established by the Service Order relevant thereto and commence on the Start of Service Date. Upon expiration, each Service Commitment Period for such Service shall automatically be extended subject to written notice of termination by either Company or Customer as of a date not less than thirty (30) days after delivery of said notice to the other. The charges for Interexchange Service during any such extension shall not exceed the then current Company month-to-month charges applicable to such Service.

2.3. Liability

- 2.3.1. Except as provided otherwise in this Tariff, the Company shall not be liable to Customer or any other person, firm or entity for any failure of performance hereunder if such failure is due to any cause or causes beyond the reasonable control of the Company. Such causes shall include, without limitation, acts of God, fire, explosion, vandalism, cable cut, storm or other similar occurrence, any law, order, regulation, direction, action or request of the United States government or of any other government or of any civil or military authority, national emergencies, insurrections, riots, wars, strikes, lockouts or work stoppages or other labor difficulties, supplier failures, shortages, breaches or delays, or preemption of existing Services to restore service in compliance with Part 64, Subpart D, Appendix A, of the FCC's Rules and Regulations.
- 2.3.2. With respect to the Services contained herein and except as otherwise provided herein, the Company's liability shall be determined by the Commission or a court of competent jurisdiction pursuant to SDCL 49-13-1 and 49-13-1.1.
- 2.3.3. The Company is not liable for any act or omission of any other company or companies (including any Company affiliate that is a participating or concurring carrier) furnishing a portion of the Service or facilities, equipment, or Services associated with such Service.
- 2.3.4. The Customer is responsible for taking all necessary legal steps for interconnecting the Customer provided terminal equipment with the Company facilities. The Customer shall ensure that the signals emitted into the Company's network do not damage Company equipment, injure personnel or degrade Service to other Customers. The Customer is responsible for securing all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection. In addition, the customer shall comply with applicable LEC signal power limitations.

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- 2.3.5. The Company may rely on Local Exchange Carriers or other third parties for the performance of other Services such as Local Access. Upon Customer request and execution and delivery of appropriate authorizing documents, the Company may act as agent for Customer in obtaining such other Services. Customer's liability for charges hereunder shall not be reduced by untimely Installation or non-operation of Customer provided facilities and equipment.
- 2.3.6. The failure to give notice of default, to enforce or insist upon compliance with any of the terms or conditions herein, the waiver of any term or conditions herein, or the granting of an extension of time for performance by the Company or the Customer shall not constitute the permanent waiver of any term or condition herein. Each of the provisions shall remain at all times in full force and effect until modified in writing.
- 2.3.7. In the event parties other than Customer (e.g., Customer's customers) shall have use of the Service directly or indirectly through Customer, then Customer agrees to forever indemnify and hold Company and any affiliated or unaffiliated third-party, third-party provider or operator of facilities employed in provision of the Service harmless from and against any and all claims, demands, suits, actions, losses, damages, assessments or payments which may be asserted by said parties arising out of or relating to any Defects.
- 2.3.8. In the event that Company is required to perform a Circuit redesign due to inaccurate information provided by the Customer; or, circumstances in which such costs and expenses are caused by the Customer or reasonably incurred by the Company for the benefit of the Customer, the Customer is responsible for the payment of all such charges.
- 2.4. Cancellation of Service by a Customer
- 2.4.1. If a Customer cancels a Service Order before the Service begins, before completion of the Minimum Period, or before completion of some other period mutually agreed upon by the Customer and the Company, a charge will be levied upon the Customer for the nonrecoverable portions of expenditures or liabilities incurred expressly on behalf of the Customer by the Company and not fully reimbursed by Installation and monthly charges. If, based on a Service order by a Customer, any construction has either begun or been completed, but no Services provided, the nonrecoverable costs of such construction shall be borne by the Customer.
- 2.4.2. Upon thirty (30) days' prior written notice, either Customer or Company shall have the right, without cancellation charge or other liability, to cancel the affected portion of the Service, if the Company is prohibited by governmental authority from furnishing said portion, or if any material rate or term contained herein and relevant to the affected Service is substantially changed by order of the highest court of competent jurisdiction to which the matter is appeal, the Federal Communications Commission, or other local, state or federal government authority.

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2.5. Cancellation for Cause by the Company

- 2.5.1. Upon nonpayment of any sum owing to the Company, or upon a violation of any of the provisions governing the furnishing of Service under this Tariff, the Company may, upon five business days written notification to the Customer, except in extreme cases, without incurring any liability, immediately discontinue the furnishing of such Service. The written notice may be separate and

Apart from the regular monthly bill for service, Customer shall be deemed to have canceled Service as of the date of such disconnection and shall be liable for any cancellation charges set forth in this Tariff.

- 2.5.2. Without incurring any liability, the Company may discontinue the furnishing of Service(s) to a Customer upon five business days written notice if the Company deems that such action is necessary to prevent or to protect against fraud or to otherwise protect its personnel, agents, facilities or Services under the following circumstances, except under extreme cases where the customer may be disconnected immediately and without notice:

2.5.2.A. if the Customer refuses to furnish information to the Company regarding the Customer's credit-worthiness, its past or current use of common carrier communications Services or its planned use of Service(s);

2.5.2.B. if the Customer provides false information to the Company regarding the Customer's identity, address, credit-worthiness, past or current use of Customer communications Services, or its planned use of the Company Service(s);

2.5.2.C. if the Customer states that it will not comply with a request of the Company for reasonable security for the payment for Service(s);

2.5.2.D. if the Customer has been given five business days written notice in a separate mailing by the Company of any past due amount (which remains unpaid in whole or in part) for any of the Company's communications Services to which the Customer either subscribes or had subscribed or used;

2.5.2.E. in the event of unauthorized use.

2.5.2.F. Following the disconnection of service for any of these reasons, the Company or the local exchange utility acting as Company agent, will notify the telephone user/customer that service was disconnected and why. The notice will include all reasons for the disconnection and will include a toll-free number where an end user/customer can obtain additional information. Notice shall be deemed given upon deposit, postage prepaid, in the U.S. Mail to the end user's/customer's last known address and in compliance with the Commission's rules.

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- 2.5.3. The discontinuance of Service(s) by the Company pursuant to this Section does not relieve the Customer of any obligations to pay the Company for charges due and owing for Service(s) furnished up to the time of discontinuance. The remedies set forth herein shall not be exclusive and the Company shall at all times be entitled to all rights available to it under either law or equity.

2.6. Credit Allowance

- 2.6.1. Credit allowance for the interruption of Service is subject to the general liability provisions set forth in this Tariff. Customers shall receive no credit allowance for the interruption of service that is due to the Company's testing or adjusting, negligence of the Customer, or to the failure of channels or equipment provided by the Customer. The Customer should notify the Company when the Customer is aware of any interruption in Service for which a credit allowance is desired. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission within Customer's control, or is not in wiring or equipment, if any, furnished by the Customer in connection with the Company's Services.
- 2.6.2. No credit is allowed in the event service must be interrupted in order to provide routine service quality or related investigations.
- 2.6.3. No credit shall be allowed:
- 2.6.3.A. For failure of services or facilities of Customer; or
- 2.6.3.B. For failure of services or equipment caused by the negligence or willful acts of Customer.
- 2.6.4. Credit for an interruption shall commence after Customer notifies Company of the interruption and ceases when services have been restored.
- 2.6.5. Credits are applicable only to that portion of Service interrupted.
- 2.6.6. For purposes of credit computation, every month shall be considered to have 720 hours.
- 2.6.7. No credit shall be allowed for an interruption of a continuous duration of less than two hours.
- 2.6.8. The Customer shall be credited for an interruption of two hours or more at a rate of 1/720th of the monthly recurring charge for the service affected for each hour or major fraction thereof that the interruption continues. Calculations of the credit shall be made in accordance with the following formula.

Credit Formula:

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

"A" = outage time in hours

"B" = total monthly charge for affected facility

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2.7. Use of Service

- 2.7.1 The Services offered herein may be used for any lawful purpose, including residential, business, governmental, or other use. There are no restrictions on sharing or resale of Services. However, the Customer remains liable for all obligations under this Tariff notwithstanding such sharing or resale and regardless of the Company's knowledge of same. The Company shall have no liability to any person or entity other than the Customer and only as set forth in Section 2.3. The Customer shall not use nor permit others to use the Service in a manner that could interfere with Services provided to others or that could harm the facilities of the Company or others.
- 2.7.2. Service furnished by the Company may be arranged for joint use or authorized use. The joint user or Authorized User shall be permitted to use such Service in the same manner as the Customer, but subject to the following:
- 2.7.2.A. One joint user or Authorized User must be designated as the Customer.
- 2.7.2.B. All charges for the Service will be computed as if the Service were to be billed to one Customer. The joint user or Authorized User that has been designated as the Customer will be billed for all components of the Service and will be responsible for all payments to the Company. In the event that the designated Customer fails to pay the Company, each joint user or Authorized User shall be liable to the Company for all charges incurred as a result of its use of the Company's Service.
- 2.7.3. In addition to the other provisions in this Tariff, Customers reselling Company Services shall be responsible for all interaction and interface with their own subscribers or customers. The provision of the Service will not create a partnership or joint venture between Company and Customer nor result in a joint communications Service offering to the Customers of either the Company or the Customer.
- 2.7.4. Service furnished by the Company shall not be used for any unlawful or fraudulent purposes.
- 2.7.5. The Customer will be billed directly by the LEC for certain Dedicated Access arrangements selected by the Customer for the provisioning of direct access arrangements. In those instances where the Company at the Customer's request may act as agent in the ordering of such arrangements, the Company will bill the Customer Local Access charges.

2.8. Payment Arrangements

- 2.8.1. The Customer is responsible for payment of all charges for Services furnished to the Customer or its joint or Authorized Users. This responsibility is not changed due to any use, misuse, or abuse of the Customer's Service or Customer provided equipment by third parties, the Customer's employees, or the public.

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- 2.8.2. The Company's bills are due upon receipt. Amounts not paid within 30 days from the Bill Date of the invoice will be considered past due. Customers will be assessed a late fee on past due amounts in the amount not to exceed the maximum lawful rate under applicable state law. If a Customer presents an undue risk of nonpayment at any time, the Company may require that Customer to pay its bills within a specified number of days and to make such payments in cash or the equivalent of cash.
- 2.8.3. In determining whether a Customer presents an undue risk of nonpayment, the Company shall consider the following factors: (A) the Customer's payment history (if any) with the Company and its affiliates, (B) Customer's ability to demonstrate adequate ability to pay for the Service, (C) credit and related information provided by Customer, lawfully obtained from third parties or publicly available, and (D) information relating to Customer's management, owners and affiliates (if any).
- 2.8.4. Disputes with respect to charges must be presented to the Company in writing within the applicable contract law statute of limitations or such invoice will be deemed to be correct and binding on the Customer.
- 2.8.5. If a LEC has established or establishes a Special Access surcharge, the Company will bill the surcharge beginning on the effective date of such surcharge for Special Access arrangements presently in Service. The Company will cease billing the Special Access surcharge upon receipt of an Exemption Certificate or if the surcharge is removed by the LEC.
- 2.8.6. In the event the Company incurs fees or expenses, including attorney's fees, in collecting, or attempting to collect, any charges owed the Company, the Customer will be liable to the Company for the payment of all such fees and expenses reasonably incurred.
- 2.8.7. Company will not require deposits or advance payments by Customers for Services.
- 2.9. Assignment
- 2.9.1. The obligations set forth in this Tariff shall be binding upon and inure to the benefit of the parties hereto and their respective successors or assigns, provided, however, the Customer shall not assign or transfer its rights or obligations without the prior written consent of the Company.
- 2.10. Tax and Fee Adjustments
- 2.10.1. All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.
- 2.10.2. If at any future time a municipality acquires the legal right to impose an occupation tax, license tax, permit fee, franchise fee or other similar charge upon the Carrier, and imposes the same by ordinance or otherwise, such taxes, fees or charges shall be billed to the end users receiving service within the territorial limits of such municipality. Such billing shall allocate the tax, fee or charge among end users uniformly on the basis of each end user's monthly charges for the types of service made subject to such tax, fee or charge.

Issued:

Effective:

Issued by: Mr. C. Hurley Cox, President
COMMUNICATIONS NETWORK BILLING, INC.
6701 Democracy Boulevard, Suite 300
Bethesda, MD 20817

- 2.10.3. If at any future time a county or other local taxing authority acquires the legal right to impose an occupation tax, license tax, permit fee, franchise fee or other similar charge upon the Carrier, and imposes the same by ordinance or otherwise, such taxes, fees or charges shall be billed to the end users receiving service within the territorial limits of such county or other taxing authority. Such billing shall allocate the tax, fee or charge among end users uniformly on the basis of each end user's monthly charges for the types of service made subject to such tax, fee or charge.
- 2.10.4. When utility or telecommunications assessments, franchise fees, or privilege, license, occupational, excise, or other similar taxes or fees, based on interstate or intrastate receipts are imposed by certain taxing jurisdictions upon the Company or upon local exchange companies and passed on to the Company through or with interstate or intrastate access charges, the amounts of such taxes or fees will be billed to Customers in such a taxing jurisdiction on a prorated basis. The amount of charge that is prorated to each Customer's bill is determined by the interstate or intrastate telecommunications service provided to and billed to an end user/customer service location in such a taxing jurisdiction with the aggregate of such charges equal to the amount of the tax or fee imposed upon or passed on to the Company.
- 2.10.5. When any municipality, or other political subdivision, local agency of government, or department of public utilities imposes upon and collects from the Company a gross receipts tax, occupation tax, license tax, permit fee, franchise fee or regulatory fee, such taxes and fees shall, insofar as practicable, be billed *pro rata* to the Company's Customers receiving service within the territorial limits of such municipality, other political subdivision, local agency of government, or public utility commission.
- 2.10.6. The Company may adjust its rates and charges or impose additional rates and charges on its Customers in order to recover amount it is required by governmental or quasi-governmental authorities to collect from or pay to others in support of statutory or regulatory programs. Examples of such programs include, but are not limited to, the Universal Service Fund, the Primary Interexchange Carrier Charge, and compensation to payphone service providers for use of their payphones to access the Company's services.

Issued:

Effective:

Issued by: Mr. C. Hurley Cox, President
COMMUNICATIONS NETWORK BILLING, INC.
6701 Democracy Boulevard, Suite 300
Bethesda, MD 20817

2.11. Method for Calculation of Airline Mileage

2.11.1. The airline mileage between two cities can be calculated using the Vertical (V) and Horizontal (H) coordinates of the serving wire centers associated with the Company's POP locations. The method for calculating the airline mileage is obtained by reference to AT&T's Tariff F.C.C. No. 10 in accordance with the following formula:

$$\text{the square root of: } \frac{(V1 - V2)^2 + (H1 + H2)^2}{10}$$

where V1 and H1 correspond to the V&H coordinates of City 1 and V2 and H2 correspond to the V&H coordinates of City 2.

Example:

	<u>V</u>	<u>H</u>
City 1	5004	1406
City 2	5987	3424

$$\text{the square root of: } \frac{(5004-5987)^2 + (1406-3424)^2}{10}$$

The result is 709.83 miles. Any fractional miles are rounded to the next higher whole number; therefore, the airline mileage for this example is 710 miles.

2.12. Time of Day Rate Periods

2.12.1. Time of Day Rate Periods are determined by the time of day at the location of the Calling Station.

The rates shown in Section 4 apply as follows:

DAY:	From 8:01 AM to 5:00 PM Monday - Friday
EVENING:	From 5:01 PM to 11:00 PM Monday - Friday and Sunday
NIGHT/ WEEKEND:	From 11:01 PM to 8:00 AM Everyday From 8:01 AM to 11:00 PM Saturday From 8:01 AM to 5:00 PM Sunday

2.13. Special Customer Arrangements

2.13.1. In cases where a Customer requests a special or unique arrangement which may include engineering, conditioning, Installation, construction, facilities, assembly, purchase or lease of facilities and/or other special Services not offered under this Tariff, the Company, at this option, may provide the requested Services. Appropriate recurring charges and/or Nonrecurring Charges and other terms and conditions will be developed for the Customer for the provisioning of such arrangements.

Issued:

Effective:

Issued by: Mr. C. Hurley Cox, President
COMMUNICATIONS NETWORK BILLING, INC.
6701 Democracy Boulevard, Suite 300
Bethesda, MD 20817

2.14. Inspection

2.14.1. The Company may, upon notice, make such tests and inspections as may be necessary to determine that the requirements of this Tariff are being complied with in the Installation, operation or maintenance of Customer or the Company equipment. The Company may interrupt the Service at any time, without penalty to the Company, should Customer violate any provision herein.

2.15. Customer Inquires and Complaints

2.15.1. Customers may direct inquiries and complaints to the Company or the Commission by using the address and toll free number set forth below:

Communications Network Billing, Inc.
6701 Democracy Blvd, Suite 300
Bethesda, MD 20817
(800) 407-2047
Facsimile: (800) 757-2049

South Dakota Public Utilities Commission
1st Floor State Capitol Building
500 East Capitol Avenue
Pierre, SD 57501
(800) 332-1782
TTY Through Relay South Dakota
(800) 877-1113

Issued:

Effective:

Issued by: Mr. C. Hurley Cox, President
COMMUNICATIONS NETWORK BILLING, INC.
6701 Democracy Boulevard, Suite 300
Bethesda, MD 20817

3. DESCRIPTION OF SERVICES

3.1. Wide Area ("WATS") and Message ("MTS") Toll Services

3.1.1. The Company offers WATS and MTS intrastate interexchange long distance service utilizing switched or dedicated access arrangements between the Customer's Premises and the Company's facilities for call origination. Call termination is completed through a combination of Company facilities and LEC switched access arrangements.

3.2. Switched Inbound Service

3.2.1. Switched inbound service permits inward calling (via 800 codes) to a specific location utilizing premium switched, Feature Group D access on both ends.

3.3. Dedicated Inbound Service

3.3.1. Dedicated inbound service permits inward calling (via 800 codes) to a specific location featuring the use of a dedicated, special access type connection on the terminating end. The Customer shall be responsible for all LEC charges in addition to the Recurring, Non-recurring and Usage charges set forth hereinafter.

3.4. Switched Outbound Service

3.4.1. Switched outbound services permits outward calling utilizing premium switched Feature Group D access on both the originating and terminating ends.

3.5. Dedicated Outbound Service

3.5.1. Dedicated outbound service permits outward calling to stations in diverse service areas. Dedicated outbound service is distinguished from other services by the existence of a dedicated, special access connection on one end. The Customer shall be responsible for all LEC charges in addition to the Recurring, Non-recurring and Usage charges set forth hereinafter.

3.6. Calling Card Service

3.6.1. The Company's Calling Card Service permits Customers to place long distance calls utilizing Company issued Calling Cards for billing purposes.

Issued:

Effective:

Issued by: Mr. C. Hurley Cox, President
COMMUNICATIONS NETWORK BILLING, INC.
6701 Democracy Boulevard, Suite 300
Bethesda, MD 20817

3.7. Timing of Calls

3.7.1. Long distance usage charges are based on the actual usage of the Company network. Chargeable time begins when a connection is established between the Calling Station and the Called Station. Chargeable time ends when either party "hangs up" thereby releasing the network connection.

3.7.2. Unless otherwise specified in this Tariff, the minimum call duration for billing purposes is eighteen (18) seconds. In addition, unless otherwise specified in this Tariff, usage is measured thereafter in six (6) second increments and rounded to the next higher six (6) second period.

3.8. Minimum Call Completion Rate

3.8.1. A Customer can expect a call completion rate of not less than 90% during peak use periods for all Feature Group D services.

Issued:

Effective:

Issued by: Mr. C. Hurley Cox, President
COMMUNICATIONS NETWORK BILLING, INC.
6701 Democracy Boulevard, Suite 300
Bethesda, MD 20817

4. RATES AND CHARGES

4.1. Usage Rates

4.1.1. The following are the per minute usage charges which apply to all calls. These charges are in addition to the Non-recurring Charges and Recurring Charges referred to herein.

4.2. Switched Inbound Usage Rates

DAY/EVENING/NIGHT/WEEKEND

Mileage	Initial 18 Seconds	Additional 6 Seconds
ALL	\$0.084	\$0.028

4.3. Dedicated Inbound Usage Rates

DAY/EVENING/NIGHT/WEEKEND

Mileage	Initial 18 Seconds	Additional 6 Seconds
ALL	\$0.084	\$0.028

Issued:

Effective:

Issued by: Mr. C. Hurley Cox, President
COMMUNICATIONS NETWORK BILLING, INC.
6701 Democracy Boulevard, Suite 300
Bethesda, MD 20817

4.4. Switched Outbound Usage Rates**DAY/EVENING/NIGHT/WEEKEND**

Mileage	Initial 18 Seconds	Additional 6 Seconds
ALL	\$0.084	\$0.028

4.5. Dedicated Outbound Usage Rates**DAY/EVENING/NIGHT/WEEKEND**

Mileage	Initial 18 Seconds	Additional 6 Seconds
ALL	\$0.084	\$0.028

Issued:

Effective:

Issued by: Mr. C. Hurley Cox, President
COMMUNICATIONS NETWORK BILLING, INC.
6701 Democracy Boulevard, Suite 300
Bethesda, MD 20817

4.6. Calling Card Usage Rates**DAY/EVENING/NIGHT/WEEKEND**

Mileage	Initial 60 Seconds	Additional 60 Seconds
ALL	\$0.28	\$0.28

Issued:

Effective:

Issued by: Mr. C. Hurley Cox, President
COMMUNICATIONS NETWORK BILLING, INC.
6701 Democracy Boulevard, Suite 300
Bethesda, MD 20817

4.7. Recurring Charges

4.7.1. Customers will incur a \$5.00 monthly charge.

4.8. Non-recurring Charges

4.8.1. Reserved for Future Use.

4.9. Special Promotional Offering

4.9.1. The Company may from time to time engage in Special Promotional Offerings or Trial Service Offerings limited to certain dates, times or locations designed to attract new subscribers or increase subscriber usage when approved by Commission. Company will not have special promotional offerings for more than 90 days in any 12-month period. In all such cases, the rates charged will not exceed those specified in Section 4 hereof. Such promotions will be filed with the Commission.

4.10. Emergency Calls

4.10.1. Customer shall configure its PBX or other switch vehicle from which a customer places a call so that 911 emergency calls, where available, and similar emergency calls will be automatically routed to the emergency answering point for the geographical location where the call originated without the intervention of Company.

4.11. Payphone Use Service Charge

4.11.1. A Payphone Use Service Charge applies to each completed interLATA and intraLATA non-sent paid message made over a pay phone owned by a utility or Customer Owned Pay Telephone (COPT) Service. This includes calling card service, collect calls, calls billed to a third number, completed calls to Directory Assistance and Prepaid Card Service calls. This charge is collected on behalf of the pay phone owner. All Customers will pay the Company a per call service charge of \$0.30.

Issued:

Effective:

Issued by: Mr. C. Hurley Cox, President
COMMUNICATIONS NETWORK BILLING, INC.
6701 Democracy Boulevard, Suite 300
Bethesda, MD 20817

4.12. Universal Connectivity Charge

4.12.1. Services provided pursuant to this tariff are subject to an undiscountable monthly Universal Connectivity Charge. This monthly service charge is equal to 9.2% of the Customer's total net intrastate, interstate and international charges, after application of all applicable discounts and credits.

4.12.1.A. The Company will waive the Universal Connectivity Charge with respect to specifically identified Company charges to the extent that the Customer demonstrates to the Company's reasonable satisfaction that:

1. the Customer has filed a Universal Service Worksheet with the Universal Service Administrator covering the twelfth month prior to the month for which the Customer seeks the waiver;
2. the charges with respect to which the waiver is sought are for services purchased by Customer for resale; and
3. the Customer will file a Universal Service Worksheet with the Universal Service Administrator in which the reported billed revenues will include all billed revenues associated with the Customer's resale of services purchased from the Company.

4.12.1.B. The Universal Connectivity Charge will not be waived with respect to:

1. charges for services purchased by the Customer for its own use as an end user; or
2. charges for which the bill date is on, prior to, or within fifteen days after, the date on which the Customer applies for a waiver with respect to those charges.

Issued:

Effective:

Issued by: Mr. C. Hurley Cox, President
COMMUNICATIONS NETWORK BILLING, INC.
6701 Democracy Boulevard, Suite 300
Bethesda, MD 20817

Security enhanced document. See back for details.

**EARLY, LENNON, CROCKER
BARTOSIEWICZ, P.L.C.**

2-00

14190

ATTORNEYS AT LAW
900 COMERICA BLDG.
KALAMAZOO, MI 49007

DATE 1/23/04

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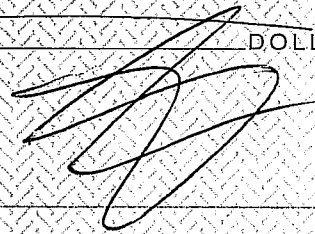
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South Dakota Public Utilities Commission
WEEKLY FILINGS
For the Period of January 22, 2004 through January 28, 2004

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: 605-773-3201

TELECOMMUNICATIONS

TC04-011 - In the Matter of the Filing for Approval of an Amendment to an Interconnection Agreement between Qwest Corporation and Houlton Enterprises, Inc. d/b/a Guaranteed Phone Service.

On January 22, 2004, the Commission received a Filing for Approval of an Amendment to an Interconnection Agreement between Qwest Corporation and Houlton Enterprises, Inc. d/b/a Guaranteed Phone Service. According to the parties, the Amendment is made in order to change or add terms, conditions and rates for certain network elements as set forth in Attachment 1 and Exhibit A to the Amendment. The original Agreement was approved by the Commission on June 10, 2003, in Docket TC03-069. Any party wishing to comment on the Agreement may do so by filing written comments with the Commission and the parties to the agreement no later than February 11, 2004. Parties to the agreement may file written responses to the comments no later than twenty days after the service of the initial comments.

Staff Attorney: Kelly Frazier
Date Docketed: 01/22/04
Initial Comments Due: 02/11/04

TC04-012 - In the Matter of the Application of Communications Network Billing, Inc. for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota.

On January 28, 2004, Communications Network Billing, Inc. filed an application for a Certificate of Authority to provide resold intrastate interexchange telecommunications services in South Dakota. Communications Network Billing, Inc. seeks authority to provide MTS, WATS, and calling card services.

Staff Attorney: Kelly Frazier
Staff Analyst: Harlan Best
Date Filed: 01/28/04
Intervention Deadline: 02/13/04

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You may subscribe or unsubscribe to the PUC mailing lists at <http://www.state.sd.us/puc>

EARLY, LENNON, CROCKER & BARTOSIEWICZ, P.L.C.

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BLAKE D. CROCKER

ROBERT M. TAYLOR
RON W. KIMBREL
PATRICK D. CROCKER
ANDREW J. VORBRICH
TYREN R. CUDNEY
STEVEN M. BROWN
KRISTEN L. GETTING

OF COUNSEL

THOMPSON BENNETT
JOHN T. PETERS, JR.

VINCENT T. EARLY
(1922 - 2001)
JOSEPH J. BURGIE
(1926 - 1992)

January 26, 2004

RECEIVED

FEB 04 2004

Pamela Bonrud, Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capital Avenue
Pierre, SD 57501

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

RE: Communications Network Billing, Inc.

Dear Ms. Bonrud:

In accordance with the request of staff member Harlen Best, enclosed herewith for filing with the Commission, please find an original and ten (10) copies of the following application and tariff changes for above captioned corporation:

Application pages 1,4, 5, and 7
Tariff page 32

Also enclosed is an exact duplicate of this filing. Please stamp the duplicate and return same in the enclosed, postage-paid envelope.

Should you have any questions, please contact me.

Very truly yours,

EARLY, LENNON, CROCKER & BARTOSIEWICZ, P.L.C.

Patrick D. Crocker

PDC/bmr

enc

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

IN THE MATTER OF:

THE APPLICATION OF)
Communications Network Billing, Inc.)
FOR A CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY TO TRANSACT THE BUSINESS) Docket No _____
OF A RESELLER OF INTEREXCHANGE)
TELECOMMUNICATIONS SERVICES)
AND FOR APPROVAL OF ITS INITIAL TARIFF)

APPLICATION FOR AUTHORIZATION

Communications Network Billing, Inc. (hereinafter "Applicant") respectfully requests that the Public Utilities Commission of the State of South Dakota (hereinafter referred to as "Commission") grant Applicant authority pursuant to SDCL 49-31-3 and in accordance with ARSD 20:10:24:02 to provide intrastate telecommunications services to the public within South Dakota through the resale of similar services offered by other interexchange carriers ("IXCs") in the State. Applicant further requests that the Commission approve its initial proposed tariff. Applicant, for purposes of verification, and in evidence of its fitness to operate and the public need for its services, offers the following information in support of this Application:

Identification of the Applicant

1. Applicant's name, address, and telephone number:

Communications Network Billing, Inc.
6701 Democracy Boulevard, Suite 300
Bethesda, MA 20817
Phone: (301) 571-2435
Fax: (800) 757-2049

2. Applicant is a corporation organized under the laws of the State of Nevada. A copy of the Company's Articles of Incorporation is attached hereto as **Exhibit A**. Applicant has the authority to transact business within the State of South Dakota as a foreign corporation. A copy of the qualifying document is set forth in **Exhibit B** hereto.

16. In addition to the direct benefits delivered to the public by its services, Applicant's entry into the South Dakota marketplace will benefit the public indirectly by increasing the competitive pressure felt by existing IXCs, spurring them to lower costs and improve services in response.

Requested Regulatory Treatment

17. Applicant is a non-dominant reseller of interexchange telecommunications services. Applicant requests to be regulated by the Commission in the same relaxed fashion extended to other, similarly situated resellers.

Initial Proposed Tariff

18. Applicant proposes to offer service pursuant to the rules, regulations, rates and other terms and conditions included in Applicant's initial proposed tariff, which is attached hereto as **Exhibit E**. Billing, payment, credit, deposit and collection terms are set forth in Applicant's proposed tariff.

Compliance with ARSD 20:10:24:02

19. In accordance with ARSD 20:10:24:02, Applicant provides the following information:

(1) The name, address and telephone number of Applicant:

COMMUNICATIONS NETWORK BILLING, INC.
6701 Democracy Boulevard, Suite 300
Bethesda, MA 20817
Phone (301) 571-2435
Fax: (800) 757-2049

(2) Applicant shall provide services under the name:

COMMUNICATIONS NETWORK BILLING, INC.

(3) (a) Applicant was incorporated in the State of Nevada on May 27, 2003. A copy of Applicant's Articles of Incorporation is attached as Exhibit A. A copy of its certificate of authority to transact business within the State of South Dakota as a foreign corporation is attached as Exhibit B.

(3) (b) Applicant has no principal office in South Dakota. Applicant's registered agent is set forth in paragraph 4 hereinabove.

(c) Applicant owns or controls no subsidiaries. The names and addresses of Applicant's shareholders along with percentage owned and current Officers and Board of Directors:

Mr. C. Hurley Cox	100%
President/Vice President/Secretary/Treasurer	
6701 Democracy Boulevard, Suite 300	
Bethesda, MA 20817	

(4) Applicant is a corporation organized under the laws of Nevada.

(5) See paragraph 5 of the Application.

(6) See paragraph 6 of the Application.

(7) Applicant shall offer services on all equal-access areas within the State of South Dakota. Accordingly, Applicant does not attach a map describing service boundaries.

(8) See Exhibits D and E attached hereto.

(9) (a) All complaints should be directed to:
Brenda Smith
Communications Network Billing, Inc.
6701 Democracy Boulevard, Suite 300
Bethesda, MA 20817
Toll Free: 800-407-2047
Facsimile: 800-757-2049
Email: bsmith@comnetbillinc.com

Regulatory matters should be directed to:
Brenda Smith
Communications Network Billing, Inc.
6701 Democracy Boulevard, Suite 300
Bethesda, MA 20817
Toll Free: 800-407-2047
Facsimile: 800-757-2049
Email: bsmith@comnetbillinc.com

- (15) Applicant requests a waiver of the cash flow statement required in 20:10:24:02(8).
- (16) Applicant agrees with the restrictions relating to prepaid services, advanced payments and deposits.

Applicant's Cost for Underlying Transport Services

20. Applicant proposes to resell services within South Dakota in excess of Applicant's cost of purchasing services from Applicant's underlying carrier Alliance Group Services, Inc. Applicant purchases intrastate services from Alliance Group Services, Inc. and resells to the public as follows:

	<u>Buy</u>	<u>Sell</u>
Switched Inbound	6.9¢	25¢
Switched Outbound	6.9¢	25¢
Dedicated Inbound	6.9¢	25¢
Dedicated Outbound	6.9¢	25¢

Conclusion

21. A decision by the Commission to grant Applicant a Certificate of Public Convenience and Necessity is plainly in the public interest. Applicant will introduce important new products and services at very competitive rates as well as enhance the competitiveness of the overall long distance market in South Dakota.

4.12. Universal Connectivity Charge

4.12.1. Services provided pursuant to this tariff are subject to an undiscountable monthly Universal Connectivity Charge. This monthly service charge is the percent, equal to the FCC's current rate, of the Customer's total net intrastate, interstate and international charges, after application of all applicable discounts and credits.

4.12.1.A. The Company will waive the Universal Connectivity Charge with respect to specifically identified Company charges to the extent that the Customer demonstrates to the Company's reasonable satisfaction that:

1. the Customer has filed a Universal Service Worksheet with the Universal Service Administrator covering the twelfth month prior to the month for which the Customer seeks the waiver;
2. the charges with respect to which the waiver is sought are for services purchased by Customer for resale; and
3. the Customer will file a Universal Service Worksheet with the Universal Service Administrator in which the reported billed revenues will include all billed revenues associated with the Customer's resale of services purchased from the Company.

4.12.1.B. The Universal Connectivity Charge will not be waived with respect to:

1. charges for services purchased by the Customer for its own use as an end user; or
2. charges for which the bill date is on, prior to, or within fifteen days after, the date on which the Customer applies for a waiver with respect to those charges.

Issued:

Effective:

Issued by: Mr. C. Hurley Cox, President
COMMUNICATIONS NETWORK BILLING, INC.
6701 Democracy Boulevard, Suite 300
Bethesda, MD 20817

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

IN THE MATTER OF THE APPLICATION OF)	ORDER GRANTING
COMMUNICATIONS NETWORK BILLING, INC.)	CERTIFICATE OF
FOR A CERTIFICATE OF AUTHORITY TO)	AUTHORITY
PROVIDE INTEREXCHANGE)	
TELECOMMUNICATIONS SERVICES IN)	TC04-012
SOUTH DAKOTA)	

On January 28, 2004, 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 Communications Network Billing, Inc. (Network Billing).

Network Billing proposes to provide MTS, WATS and calling card services. A proposed tariff was filed by Network Billing. The Commission has classified long distance service as fully competitive.

On January 29, 2004, the Commission electronically transmitted notice of the filing and the intervention deadline of February 13, 2004, to interested individuals and entities. No petitions to intervene or comments were filed and at its March 2, 2004, meeting, the Commission considered Network Billing's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to the condition that Network Billing not offer any prepaid services (including prepaid calling cards) and not accept or require any deposits or advance payments without prior approval of the Commission. Commission Staff further recommended a waiver of ARSD 20:10:24:02(8).

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 Network Billing has met the legal requirements established for the granting of a certificate of authority. Network Billing has, in accordance with SDCL 49-31-3, demonstrated sufficient technical, financial and managerial capabilities to offer telecommunications services in South Dakota. Further, the Commission finds that there is good cause to waive ARSD 20:10:24:02(8). The Commission approves Network Billing's application for a certificate of authority, subject to the condition that Network Billing not offer any prepaid services (including prepaid calling cards) and not accept or require any deposits or advance payments without prior approval of the Commission. As the Commission's final decision in this matter, it is therefore

ORDERED, that Network Billing's application for a certificate of authority to provide interexchange telecommunications services is hereby granted, effective March 28, 2004, subject to the condition that Network Billing not offer any prepaid services (including prepaid calling cards) and not accept or require any deposits or advance payments without prior approval of the Commission. It is

FURTHER ORDERED, that the Commission waives ARSD 20:10:24:02(8). It is

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

Dated at Pierre, South Dakota, this 5th day of March, 2004.

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 Kalbs</u>
Date:	<u>3/5/04</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

Robert K. Sahr
ROBERT K. SAHR, Chairman *dk*

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 effective March 28, 2004
Docket No. TC04-012

This is to certify that

COMMUNICATIONS NETWORK BILLING, INC.

is authorized to provide interexchange telecommunications services in South Dakota, subject to the condition that it not offer any prepaid services (including prepaid calling cards) and not accept or require any 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 5th day of March, 2004.

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION:**



Robert K. Sahr
ROBERT K. SAHR, Chairman *RS*

Gary Hanson
GARY HANSON, Commissioner

James A. Burg
JAMES A. BURG, Commissioner