

TC97-024

TC97-024

DOCKET NO.

In the Matter of IN THE MATTER OF THE  
APPLICATION OF U.S. REPUBLIC  
COMMUNICATIONS, INC. FOR A  
CERTIFICATE OF AUTHORITY TO  
PROVIDE TELECOMMUNICATIONS  
SERVICES IN SOUTH DAKOTA

Public Utilities Commission of the State of South Dakota

DATE

MEMORANDA

3/10/97 Filed & re. Scketed;  
5/13/97 TC Ref Filing  
11/10/97 Order Denial COA,  
11/10/97 Docket Closed

TC97-024

Utilizing the AT&T Network

**USRepublic**

Communications, Inc.

*In for the long call.*

March 7, 1997

RECEIVED

MAR 10 1997

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

VIA FEDERAL EXPRESS

**Mr. Marshal Damgaard**

Executive Director  
South Dakota Public Utilities Commission  
500 East Capitol  
Pierre, South Dakota 57501-5070

Re: Application for Certificate of Public Convenience and Necessity  
U.S. Republic Communications, Inc.

Dear Mr. Damgaard:

Transmitted herewith on behalf of U.S. Republic Communications, Inc. ("USRC") are an original and ten copies of USRC's Application for a Certificate of Public Convenience and Necessity to provide resold long distance telecommunication services within the State of South Dakota.

USRC has filed its Application pursuant to the provisions of Chapter 46 Section 31.3 of the Commission's Telecommunications Services Rules ("TSR"). Additionally, a check in the amount of two hundred and fifty dollars (\$250.00) is enclosed as payment for the filing fees associated with this Application.

**Please note that Exhibit E of this Application contains the financial statements for USRC and its parent company, VerTec Telecom, Inc. This information is confidential and proprietary information of USRC and VerTec Telecom.** These financial statements are only provided to banks and other entities that have a "need to know". USRC respectfully requests the Commission to withhold such information from public inspection.

Acknowledgment and date of receipt of this filing are respectfully requested. Please date, and file stamp the copy of this letter (attached) and return it in the self addressed, postage prepaid envelope provided. Thank you for your time and consideration regarding this filing. Please direct any and all correspondence regarding this filing to the undersigned at the below described address and telephone number.

Respectfully submitted,



J. David Barnett  
Regulatory Analyst

Enclosures

cc: Michael G. Hoffman, Esq.  
Secretary

4500 Sugar Grove Blvd., Suite 410, Stafford, Texas 77177  
(713) 491-2570 Fax (713) 491-2593

TC97-024

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF SOUTH DAKOTA

RECEIVED

MAR 10 1997

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

In the Matter of the Application of )  
U.S. Republic Communications, Inc. )  
For Authority To Operate as a Reseller )  
of Long Distance Telecommunications )  
Services Within the State of South Dakota )  
\_\_\_\_\_ )

Application No. \_\_\_\_\_

## APPLICATION AND REQUEST FOR AUTHORITY

U.S. Republic Communications, Inc. files this Application with the Public Utilities Commission of South Dakota to receive a Certificate of Authority to operate as a reseller of long distance telecommunication services pursuant to Chapter 49 Section 31.3 of the South Dakota Public Utilities Commission Telecommunications Services Rules ("TSR"). Applicant hereby requests authorization under said Statutes and Commission Rules and Regulations to resell long distance telecommunications services between Local Areas of Transport and Access ("LATA") and, as allowed by the Commission, between points within LATAs in the State of South Dakota over AT&T's existing network and facilities.

Pursuant to Chapter 20 § 10:24:02 TSR, Applicant includes Exhibits "A - F", following. All exhibits attached hereto are filed in accordance with applicable sections of the laws of the State of South Dakota as well as Commission Rules and Regulations now or hereafter enacted containing the Rules of Practice and Procedure Before the Public Utilities Commission of South Dakota. As required by Chapter 20 § 10:24:02, Applicant provides the following information in support of its Application:

**Application for Certification**  
**South Dakota Public Utilities Commission**

1. **Company Information.** As required by Chapter 20 §10:24:02 (1) TSR, the Applicant's true corporate name, principle office address and applicable telephone numbers of the Applicant are as follows:

U.S. Republic Communications, Inc.  
4800 Sugar Grove Blvd., Suite 410  
Stafford, Texas 77477  
(281) 491-2370 (Voice)  
(281) 491-2383 (Facsimile)  
(800) 480-9080 (Customer Service)

2. **Name Under which Services are Offered.** As required by Chapter 20 §10:24:02(2) TSR, Applicant will provide services under its true corporate name, U.S. Republic Communications, Inc.

3. a) **Corporate History.** Applicant is a privately-held corporation incorporated in the State of Texas. Applicant's corporate headquarters are located in Stafford, Texas. Applicant was incorporated in the State of Texas on June 6, 1996. As required by Chapter 20 §10:24:02 (3)(a) TSR, a copy Applicant's Certificate of Authority to transact intrastate business in South Dakota as a foreign corporation dated November 22, 1996, is attached as **Exhibit A**.



**Application for Certification  
South Dakota Public Utilities Commission**

- b) **Registered Agent.** Applicant has no present plans to establish any offices in the State of South Dakota. Applicant's principle office address is stated in item (1).

Applicant's registered agent in South Dakota is:

CT Corporation System  
c/o CT Corporation  
319 South Coteau Street  
Pierre, South Dakota 57501

- c) **Corporate Ownership or Management Interest.** As required by Chapter 20 § 10-24-02(3)(c) TSR, the names and business addresses of the Applicant's principal shareholders are attached as **Exhibit B**. The Applicant's major shareholder is VarTec Telecom, Inc. which owns eighty percent (80%) of the Applicant's stock.

- d) **Subsidiaries of Applicant** Applicant does not own or control any subsidiaries.

- e) **Officers and Directors** The officers and directors of the Applicant are included as **Exhibit C** to this Application.

4. **Proposed Services.** Applicant initially intends to offer South Dakota consumers the following services:

**U.S. REPUBLIC COMMUNICATIONS, INC. PROPOSED SERVICES**

Best for Less<sup>SM</sup> Small Business Service, Best for Less<sup>SM</sup> Residential Service, Best for Less<sup>SM</sup> Calling Card Service, Operator Services, and Conference Services.

Initially, Applicant's operator services will be provided through the utilization of AT&T's existing operator services. All operator services calls will be branded by AT&T and

**Application for Certification  
South Dakota Public Utilities Commission**

carried over the AT&T network. Applicant will handle billing for all operator services offered to customers in the State of South Dakota. USRC's operator services will not be offered to end users at traffic aggregator locations. Applicant will set the rates for its operator services at the rates set forth by AT&T.

Applicant will provide long distance service rates that are competitive with the rates of both facilities-based and "switchless resale" carriers already operating in South Dakota. As required by Chapter 20 §10:24:02(5) TSR, a specific description of Applicant's proposed intrastate services and rates are provided in the proposed initial tariff of the Applicant included in this filing as **Exhibit D**.

5. **Technical Operations.** As required by Chapter 20 §10:24:02(6) TSR, Applicant will provide intrastate service by utilizing AT&T's existing network and facilities. Applicant has no present plans to establish any offices or physical locations in the State of South Dakota.
6. **Geographic Service Area.** As required by Chapter 20 §10:24:02(7) TSR, the Applicant will offer services throughout the entire State of South Dakota.
7. **Financial Statements.** As required by Chapter 20 §10:24:02 (8) TSR and in support of its financial viability, USRC provides as **Exhibit E** copies of Applicant's financial data as of December 31, 1996, accompanied by an Affidavit by Gary D. Egger, Assistant Treasurer for U.S. Republic Communications, Inc. witnessing that such financial information gives a true and correct account of the financial position of the Company. Additionally, Applicant submits financial data for 1994, 1995, and 1996 on behalf of its parent company, VarTec

**Application for Certification  
South Dakota Public Utilities Commission**

Telecom, Inc. of Lancaster, Texas, accompanied by an Affidavit by Gary D. Egger, Treasurer and Senior Vice President for VarTec Telecom, Inc. witnessing that such financial information gives a true and correct account of the financial position of the Company. In the Company's initial stages of business, VarTec will financially support USRC to the fullest extent. Applicant regards the financial documents found in Exhibit E as highly confidential. Applicant's financial statements demonstrate that Applicant has sufficient financial strength and resources to provide the services and operations described in this Application properly and continuously. The information was prepared in the ordinary course of USRC's business, for purposes of management review, rather than for this Application.

Applicant is a privately held corporation, therefore an annual report and report to stockholders are not prepared.

8. **Representative.** As required in Chapter 20 §10:24:02(9) TSR, the Commission should address all correspondence and communications concerning this Application, consumer complaints and subsequent regulatory matters to the below described employee representatives of Applicant at the following office address:

J. David Barnett  
Regulatory Analyst

and

Michael G. Hoffman, Esq.  
Secretary

**Application for Certification**  
**South Dakota Public Utilities Commission**

Department of Legal and Regulatory Affairs  
U.S. Republic Communications, Inc.  
3200 West Pleasant Run Road  
Lancaster, Texas 75146  
(972) 274-7700 (Voice)  
(972) 230-7696 (Facsimile)

9. **States in which Applicant is Authorized to Provide Services.** As required by Chapter 20 §10:24:02(10) TSR, Applicant is an interexchange carrier authorized to provide telecommunication services in Arkansas, Arizona, Colorado, Idaho, Iowa, Kansas, Kentucky, Michigan, Missouri, Montana, North Carolina, North Dakota, Oklahoma, Oregon, Texas, Virginia, Wisconsin, and Wyoming.

Applicant intends to seek certification throughout the contiguous United States. No state has denied Applicant a certificate to provide interexchange telecommunication services.

10. **Marketing Operations.** As required by Chapter 20 §10:24:02(11) TSR, Applicant will initially solicit business in the State of South Dakota through contracting with professional telemarketer to market the Company's services to South Dakota consumers. These services primarily will be marketed to business customers. U.S. Republic Communications, Inc. ("USRC") is in compliance with the FCC's Rules and Regulations regarding unauthorized changes of consumer's long distance carriers set forth in FCC Docket No. 94-129 (FCC 95-225). Customers who choose USRC as their presubscribed long distance carrier provider by switching from another carrier (other than AT&T) may do so by either contacting their local exchange carrier, executing a Letter of Authorization provided by the Company or one of its

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sales agents, contacting the Company's Customer Service Department or, as a result of being solicited by USRC's in-house Telemarketing Department. Customers contacting USRC's Customer Service Department and stating their desire to choose USRC as their preferred long distance carrier will be required to either: (1) execute a LOA; or (2) be verified by an independent third party prior to the switch; or (3) successfully complete an electronic PIC to USRC via an interactive voice response system from the ANI to be switched. USRC complies with the FCC as well as the FTC's rules and regulations pertaining to the solicitations of customers through telemarketing. Customers choosing USRC as their PIC via telemarketing will be verified through an independent third party prior to processing the switch.

A detailed description of the education and experience regarding USRC's management team is provided in the direct testimony of Michael G. Hoffman, Esq., **Exhibit F**.

Applicant does not currently engage in multilevel marketing

11. **Noncompetitive Services.** All of the services intended to be offered to South Dakota consumers by the Applicant are competitive.

12. **List of Exhibits**

**Exhibit**

**Description**

A

Certificate of Authority to Transact Business in the State of South Dakota.

**Application for Certification  
South Dakota Public Utilities Commission**

- |   |  |
|---|--|
| B | Principal Shareholders of U.S. Republic Communications, Inc.   |
| C | Officers and Directors of U.S. Republic Communications, Inc.   |
| D | Proposed Initial Tariff.   |
| E | Financial information submitted on behalf of U.S. Republic Communications, Inc. and its parent company, VarTec Telecom, Inc. |
| F | Sworn Testimony of Michael G. Hoffman, Esq.  |

Applicant submits the following additional reasons in support of its belief that public convenience and necessity require Commission approval of its Application:

- (a) Applicant's proposed telecommunication services are designed to meet the long distance telephone needs of residential and business subscribers who do not realize the same level of cost savings in telecommunication services that are available to larger users.
- (b) While providing its subscribers with the cost advantages realized by the use of excess telephone circuit capacity, Applicant's proposed services will necessarily use existing telecommunications facilities more efficiently.
- (c) Commission approval of the instant application and the resulting increased competition within the South Dakota intrastate communications market will bring the following long-term benefits to the state's consumers:
  - (i) lower-priced and high-quality services;
  - (ii) innovative telecommunication services packaging and increased

**Application for Certification  
South Dakota Public Utilities Commission**

consumer choice;

- (iii) more efficient use of existing communications resources as well as increased diversity in the supply of communications services and;
- (iv) attendant employment opportunities for South Dakota residents.

In granting authority to the Applicant, the Commission recognizes the significant differences among the competitive providers of such services. That recognition embraces the following facts:

- (a) In the post-divestiture communications market AT&T remains the dominant common carrier in the South Dakota intrastate, interexchange market with the ability to control prices in that market.
- (b) Long distance competitors, like Applicant, have no market power and therefore no ability to influence price.
- (c) Applicant will operate like other non-dominant interexchange carriers approved by the Commission.
- (d) Applicant will be subject to the Commission's present complaint procedures.

WHEREAS, Applicant respectfully requests that the Commission:

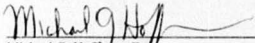
- (1) Grant this Application for a Certificate of Authority to provide resold long distance telecommunication services between Local Areas of Transport and Access ("LATA") and resold long distance telecommunication services between points within LATAs, as allowed by the Commission, over AT&T's existing network and facilities; and,
- (2) Grant such other relief as is requested herein.

**Application for Certification  
South Dakota Public Utilities Commission**

WHEREFORE, Applicant requests that the Public Utilities Commission of South Dakota enter its order granting the certificate of permit prayed for.

Respectfully submitted this 7th day of March, 1997.

**U.S. Republic Communications, Inc.**

  
\_\_\_\_\_  
Michael G. Hoffman, Esq.  
Secretary



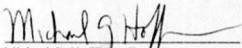
**VERIFICATION OF APPLICATION**

STATE OF TEXAS )  
 ) ss.  
COUNTY OF DALLAS )

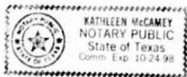
Michael G. Hoffman, Esq., being duly sworn, states that he files this application as Secretary of U.S. Republic Communications, Inc.;

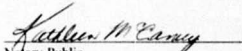
THAT, in such capacity, he is qualified and authorized to file and verify such application; that he has carefully examined all the statements and matters contained in the application; and that all such statements made and matters set forth therein are true and correct to the best of his knowledge, information and belief. Affiant further states that this Application is made in good faith, with the intention of presenting evidence in support thereof in every particular.

**U.S. Republic Communications, Inc.**

  
\_\_\_\_\_  
Michael G. Hoffman, Esq.  
Secretary

Subscribed and sworn to before me this the 2<sup>nd</sup> day of March, 1997.



  
\_\_\_\_\_  
Notary Public

My commission expires:

10-24-98

**EXHIBIT A**

**CERTIFICATE OF AUTHORITY TO  
TRANSACTION BUSINESS IN  
THE STATE OF SOUTH DAKOTA**

# State of South Dakota

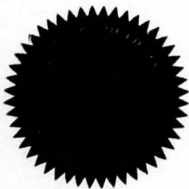


## OFFICE OF THE SECRETARY OF STATE

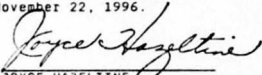
### CERTIFICATE OF AUTHORITY

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

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



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at Pierre, the Capital, this November 22, 1996.

  
JOYCE HAZELTINE  
Secretary of State

**EXHIBIT B**

**CORPORATE OWNERSHIP**

## **EXHIBIT B**

### **CORPORATE OWNERSHIP**

The following are the names and addresses of the principal shareholders of common stock of U.S. Republic Communications, Inc.

<b><u>Name</u></b>	<b><u>Address</u></b>	<b><u>Percent Ownership</u></b>
VarTee Telecom, Inc.	3200 West Pleasant Run Road Lancaster, Texas 75146	80%
T. Gary Remy	4800 Sugar Grove Blvd. Suite 410 Stafford, Texas 77477	15%

**EXHIBIT C**

**OFFICERS AND DIRECTORS OF  
U.S. REPUBLIC COMMUNICATIONS, INC.**

**CURRENT OFFICERS AND DIRECTORS OF U.S. REPUBLIC COMMUNICATIONS, INC.**

<b>Officer</b>	<b>Director</b>	<b>Name</b>	<b>Address</b>
President	6-6-96*	T. Gary Remy	4800 Sugar Grove Blvd., #410 Stafford, TX 77477 (281) 491-2370
Vice President	6-6-96*	A. Joe Mitchell, Jr.	3200 West Pleasant Run Road Lancaster, TX 75146 (972) 230-7200
Secretary	6-6-96*	Michael G. Hoffman	3200 West Pleasant Run Road Lancaster, TX 75146 (972) 230-7200
Treasurer		Tom D. Johnson	4800 Sugar Grove Blvd., #410 Stafford, TX 77477 (281) 491-2370
Asst. Treasurer		Gary D. Egger	3200 West Pleasant Run Road Lancaster, TX 75146 (972) 230-7200
Asst. Treasurer		Robert J. Healea	236 E. Capitol Street, 6th Floor Jackson, MS 39201 (601) 354-9070

Current Officers serve until successors are appointed.

\* Date of initial election to Board of Directors

**EXHIBIT D**

**PROPOSED INTRASTATE TARIFF**



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TELECOMMUNICATIONS SERVICES TARIFF

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TITLE PAGE

SOUTH DAKOTA TELECOMMUNICATIONS TARIFF

This tariff contains the description, regulations, and rates applicable to the furnishing of telecommunications services provided by U.S. Republic Communications, Inc. with principal offices at 4800 Sugar Grove Blvd., Suite 410, Stafford, Texas 77477. This tariff applies for services furnished within the State of South Dakota. This tariff is on file with the **South Dakota Public Utilities Commission**, where copies may be inspected, during normal business hours.

South Dakota Public Utilities Commission  
500 East Capitol  
Pierre, South Dakota 57501-5070  
(605) 773-3201

The name of the officer of U.S. Republic Communications, Inc. who is responsible for providing information with respect to the operating procedures of U.S. Republic Communications, Inc. is listed below.

---

ISSUED:

By: Michael G. Hoffman, Esq., Secretary  
U.S. Republic Communications, Inc. - Legal and Regulatory Affairs  
3200 West Pleasant Run Road  
Lancaster, Texas 75145  
(972) 274-7700

EFFECTIVE:

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**TELECOMMUNICATIONS SERVICES TARIFF**

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**CHECK SHEET**

<u>Page No.</u>	<u>Revision No.</u>	<u>Page No.</u>	<u>Revision No.</u>
Title	Original*	31	Original*
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2	Original*	33	Original*
3	Original*	34	Original*
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22	Original*	53	Original*
23	Original*	54	Original*
24	Original*	55	Original*
25	Original*	56	Original*
26	Original*	57	Original*
27	Original*	58	Original*
28	Original*	59	Original*
29	Original*		
30	Original*		

\*New or Revised

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**ISSUED:**

By: Michael G. Hoffman, Esq., Secretary  
U.S. Republic Communications, Inc. - Legal and Regulatory Affairs  
3200 West Pleasant Run Road  
Lancaster, Texas 75145  
(972) 274-7700

---

**EFFECTIVE:**

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**TELECOMMUNICATIONS SERVICES TARIFF**

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**ISSUED:**

By: Michael G. Hoffman, Esq., Secretary  
U.S. Republic Communications, Inc. - Legal and Regulatory Affairs  
3200 West Pleasant Run Road  
Lancaster, Texas 75145  
(972) 274-7700

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**TELECOMMUNICATIONS SERVICES TARIFF**

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**ISSUED:**

By: Michael G. Hoffman, Esq., Secretary

U.S. Republic Communications, Inc. - Legal and Regulatory Affairs

3200 West Pleasant Run Road

Lancaster, Texas 75145

(972) 274-7700

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**EFFECTIVE:**

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**TELECOMMUNICATIONS SERVICES TARIFF**

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**ISSUED:**

By: Michael G. Hoffman, Esq., Secretary  
U.S. Republic Communications, Inc. - Legal and Regulatory Affairs  
3200 West Pleasant Run Road  
Lancaster, Texas 75145  
(972) 274-7700

---

**EFFECTIVE:**

---

TELECOMMUNICATIONS SERVICES TARIFF

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CONCURRING CARRIERS

NONE

CONNECTING CARRIERS

NONE

OTHER PARTICIPATING CARRIERS

NONE

---

ISSUED:

By: Michael G. Hoffman, Esq., Secretary  
U.S. Republic Communications, Inc. - Legal and Regulatory Affairs  
3200 West Pleasant Run Road  
Lancaster, Texas 75145  
(972) 274-7700

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EFFECTIVE:

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**TELECOMMUNICATIONS SERVICES TARIFF**

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**TARIFF FORMAT**

**Page Numbering** - Page numbers appear in the upper right hand corner of the page. Pages 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 Page Nos. 3 and 4 would be numbered 3.1.

**Explanation of Symbols** - When changes are made in any tariff page, a revised page will be issued canceling the tariff page affected. Changes will be identified on the revised page(s) through the use of the following symbols:

- (C) - to signify changed regulation
- (D) - to signify discontinued rate, regulation, or text
- (I) - to signify increased rates
- (M) - to signify material relocated from one leaf to another without change
- (N) - to signify new rate, regulation, or text
- (R) - to signify reduced rate
- (S) - to signify reissued material
- (T) - to signify a change in text, but no change in rate or regulation
- (Z) - to signify a correction

**Page Revision Numbers** - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the Commission. For example, the 4<sup>th</sup> revised Page 14 cancels the 3<sup>rd</sup> revised Page 14. Because of various suspension periods, deferrals, etc., the Commission follows in their tariff approval process, the most current page number on file with the Commission is not always the tariff page in effect. Consult the Check Sheet for the sheet currently in effect.

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**ISSUED:**

By: Michael G. Hoffman, Esq., Secretary  
U.S. Republic Communications, Inc. - Legal and Regulatory Affairs  
3200 West Pleasant Run Road  
Lancaster, Texas 75145  
(972) 274-7700

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**EFFECTIVE:**

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TELECOMMUNICATIONS SERVICES TARIFF

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TARIFF FORMAT (Continued)

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

- 2.
- 2.1.
- 2.1.1.
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- 2.1.1.A.1.
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- 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 sheets contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (\*). There will be no other symbols used on this page if these are the only changes made to it (i.e. the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the Commission.

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**EFFECTIVE:**



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TELECOMMUNICATIONS SERVICES TARIFF

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**1.0 Definitions**

**1.1 Definitions of Terms**

**"0"** - Dial zero and wait for the Operator.

**Answer Supervision** - also known as "Hard Answer Supervision." An electrical signal fed back up the line by the local telephone company at the distant end of a long distance call to indicate positively that the call has been answered by the called telephone. Activates the billing equipment to start timing calls completed over FGB or FGD access trunks at the distant end. Some LECs do not support this type of answer supervision. See "Soft Answer Supervision."

**Authorization Code** - A number, usually seven or fourteen digits, entered using a tone telephone to identify the caller as a Customer of the long distance service. Used primarily to verify the caller as a Customer and to bill calls.

**Authorized User** - The term "Authorized User" denotes a person, firm, or corporation, who is authorized by the customer/subscriber to utilize the services of the customer/subscriber.

**Band** - Refers to mileage or other distance measurement ranges over which various rates are charged.

**Calling Card** - A billing convenience whereby the Customer may originate calls from any tone telephone. The Customer dials an 800 number and an authorization code followed by the terminating telephone number. In cases of LEC billing, the terms and conditions of the local telephone company will apply to payment arrangements.

**Carrier** - The underlying carrier that provides switches, lines, networks, operator assistance, and directory assistance as specified in this Tariff.

**Collect Call** - Denotes a billing arrangement by which the charge for a message may be reversed provided the charge is accepted at the called service point. A collect call may be billed to a calling card or third party number.

**Commission** - South Dakota Public Utilities Commission

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**TELECOMMUNICATIONS SERVICES TARIFF**

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**1.0 Definitions (Continued)****1.1 Definitions of Terms (Continued)**

**Customer/Subscriber** - The person, firm, corporation or other entity which orders service, either for its own use, as a resale carrier, or as a non-profit manager of a sharing group, and which is responsible for the payment of charges and for compliance with USRC Tariff regulations. The term also describes the person, firm, partnership, corporation, or other entity who designates the Carrier as its primary interexchange carrier (PIC) for LDMS. Thus, the Customer/Subscriber has a pre-existing business arrangement with the Carrier. A Customer is responsible for the payment of all charges for service used and for compliance with USRC Tariff regulations. For billing purposes, a Customer is considered to be an account. For 800 services, the Customer is the person, firm, corporation or other entity that selects or is directed to select USRC as the Responsible Organization (RespOrg) for an 800 number. For purposes of SMS RespOrg Changes, the Customer is the person, firm, corporation or other entity that submits the change request.

**Customer-Dialed Calling Card Station** - That service in which the charges for the message are billed to an authorized calling card. These messages are completed without operator assistance unless it is necessary for an operator to record the card number. Calling card rates apply when calls are originated as specified below:

- \* **Customer Dialed/Automated** - The Customer dials the telephone number desired and completes the call without the assistance of an operator and the call is billed to a calling card or
- \* **Customer Dialed and Operator Assisted** - The Customer dials the telephone number desired and operator assistance is limited to recording the calling card number for billing purposes, or
- \* **Customer Dialed and Operator Must Assist** - The Customer dials an operator or the desired telephone number, the local exchange operator services equipment capability precludes the Customer from completing the call without the assistance of an operator of the underlying carrier, and the call is billed to the Customer's calling card.

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TELECOMMUNICATIONS SERVICES TARIFF

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1.0 Definitions (Continued)

1.1 Definitions of Terms (Continued)

**Day** - From 8:00 a.m. up to, but not including, 5:00 p.m. local time Monday through Friday.

**Dedicated Access Line (DAL)**- A private line directly connecting the subscriber with USRC's switching facilities.

**Dedicated Access Services** - The term shall be used herein to describe services that require Customers to be "directly connected" to USRC's switching facilities as opposed to originating at certain Feature Group facilities.

**DNS: Distributed Network Services** - AT&T product that allows resellers to purchase large volumes of services and receive discounts on all direct-dial domestic and international calls.

**800 Service** - Inward WATS service. Users dial a special interstate or intrastate "800" number and are connected to the customer's telephone at the Customer's expense. The "888" service will provide expanded 800 toll-free offerings. Hereinafter, "800" service is used to refer to "800" or "888" service.

**Equal Access** - The ability to choose a long distance company to be the primary carrier for One Plus long distance calls.

**Evening** - From 5:00 p.m. up to, but not including, 11:00 p.m. local time Sunday through Friday.

**Interexchange Carrier (IXC)** - A long distance company that carries calls between LATAs or telephone exchanges within LATAs, where permitted.

**InterLATA** - Calls or circuits between different Local Access and Transport Areas.

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TELECOMMUNICATIONS SERVICES TARIFF

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**1.0 Definitions (Continued)**

**1.1 Definitions of Terms (Continued)**

**Interstate** - Calls or circuits between different states, or originating in one state and terminating in another state, (i.e., 48 contiguous United States, Alaska, Hawaii, District of Columbia, Puerto Rico, and the U.S. Virgin Islands).

**IntraLATA** - Calls or circuits totally within the same Local Access and Transport Area.

**Local Access and Transport Area (LATA)** - LATAs represent the area within which local telephone companies may provide telephone service. IntraLATA calls can be either local or long distance.

**Local Exchange Carrier (LEC)** - A local telephone company, either one of the Bell Operating Companies or one of the 1400+ independent local telephone companies.

**Location** - The term "location" describes a physical premise to or from which USRC provides services. In instances where a Customer obtains services from USRC at multiple locations, each of these locations will be designated as "Associated" locations.

**Long Distance Message Telecommunications Service (MTS)** - Regular telephone service comprised of Direct Distance Dial and Operator-Assisted calls. Basic long distance service.

**Night/Weekend** - From 11:00 p.m. up to, but not including, 8:00 a.m. local time Sunday through Friday, all day Saturday and Sunday from 8:00 a.m. up to, but not including, 5:00 p.m. local time.

**Off-Hook** - Occurs when telephone receiver is lifted from resting place, engaging, answering or otherwise activating circuit.

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TELECOMMUNICATIONS SERVICES TARIFF

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1.0 Definitions (Continued)

1.1 Definitions of Terms (Continued)

**One Plus Services** - a form of long distance service which is available in exchanges that have been converted to Equal Access (FGD) in which customers who have established accounts with USRC place their long distance calls by dialing the area code plus the phone number, or by dialing 1 plus the area code and phone number, or by dialing 10288 (or any other USRC carrier identification code) plus the area code and phone number of the intended party.

**Operator Dialed Surcharge:** A charge applied to Operator Station and Person-to-Person rated calls when the customer has the capability of dialing all the digits necessary to complete a call, but elects to dial the underlying carrier operator and requests that the operator dial the called station. The surcharge applies in addition to any applicable service charges.

The surcharge does not apply to:

- \* Calls where a customer cannot otherwise complete the call, due to defective equipment or trouble on the Underlying Carrier's facilities.
- \* Calls in which an Underlying Carrier operator places a call for a calling party who identifies himself/herself as being handicapped and unable to dial the call because of his/her handicap.
- \* Calls for which an Underlying Carrier does not have the technical capability to impose the surcharge, such as certain coin sent paid, hotel/motel sent paid, and time and charges calls.
- \* Calling Card calls.

**Originating Location** - The point from which the call was originated.

**Pay Telephone** - A telephone instrument equipped with a device that allows a charge to be made for each call.

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TELECOMMUNICATIONS SERVICES TARIFF

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1.0 Definitions (Continued)

1.1 Definitions of Terms (Continued)

**Person-to-Person:** That service where the person originating the message specifies to the Underlying Carrier's operator, a particular person, service point, department, or office to be reached through a PBX attendant.

- \* When, after the service point or PBX called has been reached and while the connection remains established, the person originating the message requests or agrees to talk to any person other than the person specified, or to any other service point, department or office to be reached through a PBX attendant, the classification of the message remains Person-to-Person.
- \* When the person originating the message wishes arrangements made in advance with a particular party of service point for the establishment of a connection at a specified time (appointment call) the message is classified as Person-to-Person.
- \* The Company does not undertake, in connection with person to person service, to bring to a service point a called person who cannot be reached at a service point connected to the telecommunications network.

**Point of Presence (POP)** - The physical place within a LATA where the Carrier or the Carrier's underlying carrier interfaces with the telecommunications network of the local exchange company. The point at which the local exchange company terminates customers/subscribers circuits for long distance dial-up or leased line communications.

**Premises** - The term "Premises" describes a house building or houses and/or buildings on contiguous property (except railroad and pipeline rights-of-way, etc.).

**Primary Interexchange Carrier (PIC)** - The long distance company that a user, whose local exchange has converted to Equal Access, has pre-selected to be his/her long distance carrier.

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1.0 Definitions (Continued)

1.1 Definitions of Terms (Continued)

**Private Branch Exchange (PBX)** - A private telephone system (switch) used by medium and large companies. Connected to the public telephone network and performs a variety of in-house routing and switching. User usually dials "9" to get outside the system of the local lines.

**Rate Center** - A geographic point from which the vertical and horizontal coordinates are used in calculation of airline mileage for the purposes of rating a call.

**Real-Time-Rated** - Real-Time-Rated rates apply to calls for which the Underlying Carrier furnishes time and/or charges.

**Responsible Organization (RespOrg)** - The entity responsible for managing and administering an 800 subscriber's records in the 800 Service Management System (SMS/800). The SMS/800 recognizes one RespOrg for each 800 number.

**SDN: Software Defined Network** - AT&T product that provides customized communications services for businesses and residences by using predetermined uniform dialing plans.

**Service Management System (SMS)** - The main administrative system of 800 data base information. The system maintains 800 number Customer service records and downloads service calls to service control points. This system is used by RespOrgs to assign and reserve 800 numbers.

**Soft Answer Supervision** - Call billing method which begins charging after a specified period of time. Only used in areas (LECs) which do not offer Hard Answer Supervision.

**Special Promotional Offering** - Special discounts or modifications of its regular service offerings which USRC may, from time to time, offer to its customers for a particular service. Such offerings may be limited to certain dates, times and locations.

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**TELECOMMUNICATIONS SERVICES TARIFF**

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**1.0 Definitions (Continued)**

**1.1 Definitions of Terms (Continued)**

**Station-to-Station** - That service where the person originating the message dials the phone number desired or gives to the Underlying Carrier's operator the telephone number of the desired service point, PBX or PBX service point, which is reached directly rather than through a PBX attendant, or gives only the name and address under which the number of the desired service point or PBX is listed and does not specify a particular person to be reached, nor a particular service point, department, or office to be reached through a PBX attendant.

Four classes of station-to-station services are offered as follows:

1. "Dial Station" rates apply when the person originating the message from a station other than a public or semi-public coin telephone dials the telephone number desired and the message is completed without the assistance of an operator, and the message is not billed to a number other than the originating telephone number except: when an operator records the originating telephone number where no automatic recording equipment is available; when an operator reaches the called telephone number where facilities are not available for dial completion; when an operator places a message for a calling party who identifies himself as being handicapped and unable to dial the message because of his handicap; and when an operator re-establishes a message when has been interrupted after the called number has been reached; then the Dial Station Rate shall apply.
2. "Customer Dialed Calling Card Station" rates apply when the person originating the message:
  - a. Dials the telephone number desired and completes the message without the assistance of an underlying carrier operator and the message billed to a Calling Card, or
  - b. Dials the telephone number desired and operator assistance is limited to recording the Calling Card number for billing purposes, or
  - c. Dials the operator and places the Calling Card station message when equipment capability precludes any of the foregoing.

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**1.0 Definitions (Continued)****1.1 Definitions of Terms (Continued)**

3. "Operator Dialed Calling Card Station" rates apply when the customer dials the appropriate operator code (e.g., 00, or 10283,0) and requests that the operator complete the call by dialing the called telephone number and the calling card number to be used for billing purposes.
4. "Operator Station" rates apply when calls are completed with the assistance of an underlying carrier operator, except as specified for the Dial Station, Customer Dialed Calling Card Station, Operator Dialed Calling Card Station, Person-to-Person, and Real-Time-Rated classes of service. Operator Station rates apply to calls which are billed to a different telephone number (e.g., collect, billed to a third number) or a calling card.

**Switching Equipment**- equipment which establishes releases connections on a per call basis between stations, communication systems, and telecommunications systems.

**Tandems** - Those master LEC Central Offices (COs) which are designated as pooling or collection points for interLATA calls from their respective sub-tending or subordinate COs. Once collected, these interLATA calls are delivered to each of the subscribing IXCs through various types of Feature Group circuits (e.g., Feature Group "D") for call termination.

**Telecommunications Network** - the LDMTS and WATS network provided by the company.

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**1.0 Definitions (Continued)**

**1.1 Definitions of Terms (Continued)**

**Terminal Equipment** - any telecommunications or communication equipment, other than a multi line terminating system, that connects to a LDMTS at a customer's premises.

**Terminating Location** - The terminating point of a call.

**Terminal Offices** - A switching center. Hereinafter referred to as a Central Office.

**Underlying Carrier** - The interexchange carrier(s) that provide(s) switches, network facilities, directory assistance and operator services.

**United States** - All fifty (50) states and the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

**V&H Coordinates** - Geographic points which define the originating and terminating points of a call in mathematical terms so that the airline mileage of the call may be determined. Call mileage is used for the purpose of rating banded calls.

**Wide Area Telecommunications Service (WATS)** - AT&T's name for their original first generation long distance service. Either In-WATS (800 number) inward dialing from any phone in a specified geographical area, or Outward (OutWats) dialing to any phone in a specified area from one specific telephone.

**WATS Access Line (WAL)** - LEC provided telecommunications lines from the Customer's Location to a LEC Central Office and a carrier's POP where the WATS Customer is connected to the carrier's inbound/outbound WATS services.

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**TELECOMMUNICATIONS SERVICES TARIFF**

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**1.0 Definitions (Continued)**

**1.2 Glossary of Acronyms and Trade Names**

- ANI** - Automatic Number Identification
- CO** - Central Office
- FCC** - Federal Communications Commission
- F.D.** - Feature Group "D"
- IXC** - Interexchange Company
- LATA** - Local Access and Transport Area
- LEC** - Local Exchange Carrier
- MTS** - Message Telecommunication Service
- NPA** - the three-digit Area Code or Numbering Plan Area
- NXX** - the three-digit Local Exchange Code
- PBX** - Private Branch Exchange
- PIC** - Primary Interexchange Carrier
- PIN** - Personal Identification Number
- USRC** - U.S. Republic Communications, Inc.
- WATS** - Wide Area Telephone Service

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TELECOMMUNICATIONS SERVICES TARIFF

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2.0 RULES AND REGULATIONS

2.1 Undertaking of U.S. Republic Communications, Inc.

2.1.1 General

USRC's services and facilities are furnished for communications originating at specified points within the State of South Dakota under the terms of this tariff.

USRC installs, operates and maintains the communications services provided herein in accordance with the terms and conditions set forth under this tariff. USRC 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 network. The Customer shall be responsible for all charges due for such a service arrangement.

USRC's services and facilities are provided on a monthly basis unless otherwise stated, and are available twenty-four (24) hours per day, seven (7) days per week.

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TELECOMMUNICATIONS SERVICES TARIFF

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**2.0 RULES AND REGULATIONS (Continued)**

**2.1 Undertaking of U.S. Republic Communications, Inc. (Continued)**

**2.1.2 Limitations**

- (A) Service is offered subject to the availability of the necessary facilities and/or equipment, and subject to the provisions of this tariff. USRC reserves the right to negotiate special terms and conditions (e.g., special promotions) with a particular Customer providing agreement is reached and signed with the Customer.
- (B) USRC reserves the right to discontinue or limit service when necessitated by conditions beyond its control, or when the Customer is using service in violation of provisions of this tariff, or in violation of the law.
- (C) USRC does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission or for failure to establish connections.

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**2.0 RULES AND REGULATIONS (Continued)**

**2.1 Undertaking of U.S. Republic Communications, Inc. (Continued)**

**2.1.2 Limitations (Continued)**

- (D) All facilities provided under this tariff are directly controlled by USRC and the Customer may not transfer or assign the use of service or facilities without the express written consent of Carrier. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service or facilities.
- (E) Prior written permission from Carrier is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions of service.

**2.2 Use of Service**

Service provided under this tariff may be used for any lawful purpose for which the service is technically suited. USRC reserves the right to discontinue service, limit service, or to impose requirements on Customers as required to meet changing regulatory rules and standards of the South Dakota Public Utilities Commission.

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TELECOMMUNICATIONS SERVICES TARIFF

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2.0 RULES AND REGULATIONS (Continued)

2.3 Carrier Liability

- (A) USRC's liability for any claim or loss, expenses or damage (including indirect, special or consequential damage) arising out of mistakes, for any interruption, delay, error, omissions, or defects in any service, facility, or transmission provided under this tariff shall not exceed an amount equivalent to the proportionate monthly subscription fee charged to the Customer for the period of service or the facility provided during which such interruption, delay, error, omission, or defect occurs. Any adjustment shall apply only to the period the interruption, delay, error, omission, or defect continues beyond twenty-four (24) hours after notice of the interruption, delay, error, omission, or defect is received by Carrier. No other liability shall in any case attach to Carrier on account of interruptions, delay, error, omission, or defect of service. For the purpose of computing a credit, a month is considered to have thirty (30) days.

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TELECOMMUNICATIONS SERVICES TARIFF

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2.0 RULES AND REGULATIONS (Continued)

2.3 Carrier Liability (Continued)

- (B) USRC shall not be liable for claim or loss, expense, or damage (including indirect, special, or consequential damage), for any interruption, delay, error, omission, or defect in any service, facility, or transmission provided under this tariff, if caused by any person or entity other than Carrier, by any malfunction of any service or facility provided by any other carrier, by an act of God, fire, war, civil disturbance, or act of government, or by any other cause beyond Carrier's direct control.
- (C) USRC shall not be liable for, and shall be fully indemnified and held harmless by Customer against any claim or loss, expense, or damage (including indirect, special, or consequential damage) for defamation, libel, slander, invasion of privacy, infringement of copyright or patent, unauthorized use of any trademark, trade name or service mark, unfair competition, interference with or misappropriation or violation of any contract, proprietary or creative right, or any other injury to any person, property or entity arising out of the material, data, information, or other content revealed to, transmitted, processed, handled, or used by Carrier under this tariff; for connecting, combining, or adapting Carrier's facilities with Customer's apparatus or systems; for any act or omission of the Customer; for any personal injury or death of any person or for any loss of or damage to Customer's premises or any other property, whether owned by the Customer or others, caused directly or indirectly by the installation, maintenance, location, condition, operation, failure, presence, use, or removal of equipment or wiring provided by the Carrier, if not directly caused by negligence of the Carrier; or for failure to provide service.

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**2.0 RULES AND REGULATIONS (Continued)**

**2.3 Carrier Liability (Continued)**

- (D) No Agent or Employee of any other carrier shall be deemed to be an Agent or Employee of Carrier, except independent sales agents who may from time to time be employed by another carrier.
- (E) USRC shall not be liable for any defacement of or damages to the premises of a Customer resulting from the furnishing of service which is not the direct result of Carrier's negligence.

**2.4 Terminal Equipment**

USRC facilities and service may be used with or terminated in Customer-provided communications systems, such as a PBX or Pay Telephone. Such terminal equipment shall be furnished and maintained at the expense of the Customer, except as otherwise provided. The Customer is responsible for all costs at his or her premises, including personnel, wiring, electrical power, and the like, incurred in the use of USRC's service.

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**2.0 RULES AND REGULATIONS (Continued)**

**2.4 Terminal Equipment (Continued)**

When such terminal equipment is used, the equipment shall comply with the generally accepted minimum protective criteria standards of the industry as endorsed by the Federal Communications Commission.

**2.5 Payment for Service and Service Dispute Resolution**

**2.5.1 Payment for Service**

All charges due by the Customer are payable to any agency duly authorized to receive such payments. The billing agency may be a local exchange telephone company, credit card company, or other billing service. The terms and conditions for billing, payment and collection, including without limitation, any late payment charge, specified in the Local Exchange Carrier's local exchange service tariff shall apply to charges of Carrier when the Local Exchange Company serves as the billing agent for Carrier or buys Carrier's accounts receivables. Terms of payment shall be according to the rules and regulations of the agency and subject to the rules of regulatory agencies, such as the Commission. Any objections to billed charges must be promptly reported to Carrier's billing agent.

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**2.0 RULES AND REGULATIONS (Continued)**

**2.5 Payment for Service and Service Dispute Resolution (Continued)**

**2.5.1 Payment for Service (Continued)**

Adjustments to Customer's bills shall be made to the extent that circumstances exist which reasonably indicate that such changes are appropriate.

**2.5.2 Customer Liability**

The Customer is responsible for the payment of bills for long distance message telephone service (LDMTS). Whether or not authorized by the Customer, this includes payment for LDMTS calls or services: (1) Originated at the Customer's number(s), (2) Accepted at the Customer's number(s) (e.g., Collect Calls), (3) Billed to the Customer's number via Third Number Billing if the Customer is found to be responsible for such call or service, the use of a Calling Card, or the use of a Carrier-assigned Special Billing Number, and (4) Incurred at the specific request of the Customer.

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2.0 RULES AND REGULATIONS (Continued)

2.5 Payment for Service and Service Dispute Resolution (Continued)

2.5.3 Service Dispute Resolution

Any objection to billed charges should be reported to the billing agent or Carrier within thirty (30) days from the day the bill is issued. Questions regarding the Carrier's services or charges assessed to a customer's bill may be directed to the Carrier's Customer Service Department toll-free number at (800) 480-9080. Adjustments to Customer's bills shall be made when circumstances exist which reasonably indicate that such changes are appropriate. Customers have the right to appeal service disputes to the Commission at the following address and phone number:

South Dakota Public Utilities Commission  
500 East Capitol  
Pierre, South Dakota 57501-5070  
(800) 332-1782

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**2.0 RULES AND REGULATIONS (Continued)**

**2.6 Establishment and Re-establishment of Credit**

**2.6.1 Service Suspended for Non-payment**

The Company reserves the right to terminate a customers long distance services pursuant to the Rules and Regulations of the Commission. In the event service is temporarily suspended for non-payment, such service will be restored upon payment of all charges due.

**2.6.2 Service Restoration Charge**

A restoration of service charge will be applicable for each authorized code temporarily suspended. Where service is pre-subscribed to USRC's service, a restoration of service charge will be applicable for each line temporarily suspended.

**2.6.3 Five Day Limitation for Re-establishment**

Customers not re-established within five (5) days from date of suspension will be treated as new Customers and appropriate Non-recurring Charges and Customer Deposits will apply.

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**2.0 RULES AND REGULATIONS (Continued)**

**2.7 Customer Deposits**

Applicants or Customers whose financial condition is not acceptable to USRC, or is not a matter of general knowledge, may be required at any time to make a deposit in an amount not to exceed the estimated charges for two (2) month's tariffed services for a specified Customer. Where established by law, interest will be applied to any deposit made at the legal rate for the period in which the deposit is held. Such deposits and interest due, if any, will be refunded or credited to the Customer at any time after twelve (12) months of prompt payments upon request of the Customer. Upon termination of service, the deposit and interest due, if any, will be credited to the final bill and any credit balance will promptly be returned to the Customer.

**2.8 Notices**

**2.8.1 Notice to the Customer**

Notice from Carrier to a Customer normally will be given in writing, either delivered or mailed to the Customer's address of record.

In emergencies, where delay may result in impaired service or in hazards to the Customer, Public, or Carrier's facilities, Carrier may resort to verbal notices given by telephone, radio telephone, personal contact, or other means of communication.

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**2.0 RULES AND REGULATIONS (Continued)**

**2.8 Notices (Continued)**

**2.8.2 Notices from the Customer**

Notices from a Customer to Carrier may be given verbally by the Customer or the Customer's authorized Agent at Carrier's office, or by written communication mailed thereto. Written notice is required when specified in tariff schedules or in any written agreement.

**2.9 Rendering and Payment of Bills**

**2.9.1 Returned Check Charge**

When a payment for service is made by check, draft, or similar negotiable instrument, a returned check charge will be made by Carrier for each such item returned unpaid by a bank to Carrier for any reason. The acceptance of checks, drafts, or other negotiable instruments for the satisfaction of the Customer's debts to Carrier shall not constitute a waiver by Carrier of its right to payment by legal tender.

**2.9.2 Extra Copies of Bill**

Extra copies of a Customer's monthly bill will be provided by the Carrier at the rate specified in this tariff.

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**2.0 RULES AND REGULATIONS (Continued)**

**2.10 Fraud**

USRC shall have the right to refuse or discontinue service if the acts of the Customer, including furnishing false credit information or the conditions upon their premises, are such as to indicate intention to defraud Carrier.

**2.11 Non-Compliance with Carrier's Rules**

USRC may discontinue service if a Customer fails to comply with any of the rules herein.

**2.12 Telephone Calls with Intent to Annoy**

USRC may discontinue service of any Customer who, with intent to annoy, telephones another and addresses to or about such other person any obscene language or addresses to such other person any threat to inflict injury to the person or property of the person addressed or any family member.

USRC may discontinue service of any Customer who, with intent to annoy, repeatedly telephones another without disclosing his true identity to the person answering the telephones, whether or not conversation ensues during the telephone calls.

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**2.0 RULES AND REGULATIONS (Continued)**

**2.13 Discontinuance and Restoration of Service**

**2.13.1 Intentional Abuse of Service**

USRC has the right to refuse telephone service to any premises and at any time to discontinue telephone service, if it finds it necessary to do so to protect itself against intentional abuse. Intentional abuse of service includes, without limiting the generality of the foregoing, the use of service or facilities of Carrier to transmit a message or to locate a person or otherwise to give or obtain information, without payment of a message toll charge of an exchange service charge.

Another form of such abuse is an intentional uninterrupted connection of one exchange station to another station, excluding those connections charged on an elapsed time basis, which permits the use of the facilities in a manner similar to private line service. It also includes intentional receiver off-hook conditions.

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**2.0 RULES AND REGULATIONS (Continued)**

**2.13 Discontinuance and Restoration of Service (Continued)**

**2.13.2 Disconnection of Service for Cause**

- (A) Upon non-payment of any sum due Carrier or upon violation of any of the conditions governing the furnishing of service as provided in this tariff, Carrier may by notice in writing mailed to the Customer, without incurring any liability, temporarily discontinue the furnishing of service to the Customer. Telephone services may be discontinued seven (7) days after mailing notice of intention to discontinue service, and a service order charge will be made by Carrier for restoration of such Authorization Code and/or line. If Carrier elects to discontinue service, the Customer shall be responsible for all charges through the date of termination.
- (B) If any Customer-provided equipment is used with facilities provided by Carrier in violation of any law or any of the provisions in this tariff, Carrier will take such action as is necessary for the protection of its facilities or the service of its other Customers and other persons provided with telephone services.

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2.0 RULES AND REGULATIONS (Continued)

2.13 Discontinuance and Restoration of Service (Continued)

2.13.2 Disconnection of Service for Cause

The Customer shall discontinue such use of the equipment or correct the violation immediately upon actual or constructive knowledge of a violation and shall confirm in writing to Carrier within five (5) calendar days that such use has ceased or that the violation has been corrected. Failure of the Customer to discontinue such use or correct the violation and to give the required written confirmation to Carrier within the time stated above shall result in interruption of the service of the Customer creating the violation.

- (C) Telephone services may be refused, reduced, or partially or completely discontinued without notice in the event Carrier is informed that the service is used in such a manner that will adversely affect Carrier's services to others or if service being used for the purpose of violating any federal, state or local statutes.

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**2.0 RULES AND REGULATIONS (Continued)**

**2.13 Discontinuance and Restoration of Service (Continued)**

**2.13.2 Disconnection of Service for Cause (Continued)**

- (D) USRC may disconnect the telephone services in accordance with the rules and regulations of the Commission and terms hereof without any liability except for an appropriate refund of prepaid charges and any service deposit with accrued interest.
- (E) USRC may immediately discontinue service to the Customer without incurring any liability if the Customer places repeated harassing phone calls to USRC, including calls in which the caller uses abusive or threatening language.

**2.14 Installation and Termination**

Service is installed upon mutual agreement between the Customer and Carrier. Customers may be required to sign the USRC Service Order Form for the various services offered by U.S. Republic Communications, Inc. The agreement will determine terms and conditions of installation, termination of service, any applicable sales commission structure, and sales commission payment schedule. The service agreement does not alter rates specified in the tables and schedules contained in this tariff.

All services offered are subject to the Rules and Regulations of the South Dakota Public Utilities Commission as they apply.

**2.15 Ownership of Equipment**

Equipment furnished by USRC on the premises of a Customer are the property of Carrier.

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**2.0 RULES AND REGULATIONS (Continued)**

**2.16 Taxes**

All state and local taxes (e.g., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.

**2.17 Taxes and Fees Chargeable to Customers**

**2.17.1 Adjustments for Municipality Payments**

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 Customers receiving service within the territorial limits of such municipality. Such billing shall allocate the tax, fee, or charge among Customers uniformly on the basis of each Customer's monthly charges for the types of service made subject to such tax, fee, or charge.

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**2.0 RULES AND REGULATIONS (Continued)**

**2.17 Taxes and Fees Chargeable to Customers (Continued)**

**2.17.2 Adjustments for County or Other Local Taxing Authority  
Payments**

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 pre-subscribed Customers receiving service within the territorial limits of such county or other taxing authority. Such billing shall allocate the tax, fee, or charge among Customers uniformly on the basis of each Customer's monthly charges for the types of service made subject to such tax, fee, or charge.

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**2.0 RULES AND REGULATIONS (Continued)**

**2.17 Taxes and Fees Chargeable to Customers (Continued)**

**2.17.3 Gross Receipts Tax (Continued)**

When utility or telecommunications excise, assessments, franchise fees, or privilege, license, occupational, 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 bases.

The amount of charge that is prorated to each Customer's bill is determined by the interstate or intrastate telecommunications services 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.

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**3.0 DESCRIPTION OF SERVICES**

**3.1 General**

**3.1.1 Introduction**

The Carrier endeavors to provide high quality service. Service is available twenty-four (24) hours per day, seven (7) days a week, subject to routine maintenance and outages beyond the control of the Carrier. Carrier's switching equipment is designed and engineered to provide high quality transmission of voice and data with a minimum level of impairment such as noise and echo. However, overall quality may vary somewhat due to the variability in quality of the connections provided by the local telephone companies and other interexchange carriers.

**3.1.2 Timing of Calls**

- (A) Long distance usage charges are based on the actual conversation time transpiring on USRC's network. No charge will generally apply to uncompleted calls, which include "ring busy" and "ring no answer calls," and such uncompleted calls will not be knowingly charged to the Customer and, if charged in error, will be refundable to the Customer.

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3.0 DESCRIPTION OF SERVICES(Continued)

3.1 General (Continued)

3.1.2 Timing of Calls (Continued)

In the event that the Customer fails to hang up when receiving a busy signal or "ring no answer call" for an excessive period of time, however, the Customer may be charged as if the call were completed. USRC will determine that a call has been established by signal, where available, from the local telephone company or underlying carrier.

- (B) Unless otherwise specified in this tariff, the minimum call duration for billing purposes is one (1) minute for a connected call.
- (C) Unless otherwise specified in this tariff, usage is measured and rounded to the higher full minute for billing purposes.
- (D) When answer supervision is unavailable and USRC has received a reasonable claim from the Customer for a refund of USRC's charges for an uncompleted call, USRC will reimburse the Customer for the charges that USRC has billed for that call.

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3.0 DESCRIPTION OF SERVICES (Continued)

3.1 General (Continued)

3.1.3 Service Area

The Company will provide originating and terminating long distance telecommunication services throughout the State of South Dakota via Feature Group D Access obtained from applicable LECs.

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3.0 DESCRIPTION OF SERVICES (Continued)

3.1 General (Continued)

3.1.4 Calculation of Distance

- (A) Usage charges for all mileage sensitive products are based on the airline distance between rate centers associated with the originating and terminating points of the call.
- (B) The Rate Centers of a call are determined by the area codes and exchanges of the origination and destination points.
- (C) The distance between the Rate Center of the Subscriber's equipment and that of the destination point is calculated by using the vertical "V" and horizontal "H" coordinates found in AT&T FCC Tariff No. 10, in the following manner:

Step 1 - Obtain the "V" and "H" coordinates for the Rate Centers of the origination point and the destination point.

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**3.0 DESCRIPTION OF SERVICES (Continued)**

**3.1 General (Continued)**

**3.1.4 Calculation of Distance (Continued)**

Step 2 - Obtain the difference between the "V" coordinates of each of the Rate Centers. Obtain the difference between the "H" coordinates.

Step 3 - Square the differences obtained in Step 2.

Step 4 - Add the squares of the "V" difference and "H" difference obtained in Step 3.

Step 5 - Divide the sum of the square obtained in Step 4 by ten (10). Round to the next higher whole number if any fraction results from the division.

Step 6 - Obtain the square root of the whole number obtained in Step 5. Round to the next higher whole number if any fraction is obtained. This is the distance between the Rate Centers.

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**3.0 DESCRIPTION OF SERVICES (Continued)****3.1 General (Continued)****3.1.4 Calculation of Distance (Continued)**

- (D) USRC determines the airline mileage between rate centers by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved.

$$\text{Distance} = \sqrt{\frac{(V1-V2)^2 + (H1-H2)^2}{10}}$$

**3.1.5 Special Promotions**

The Carrier may from time to time engage in special promotional service offerings which may be limited to certain dates, times and/or locations. These promotions are designed to attract new customers and/or increase customer awareness of particular service offerings. Customers must subscribe to specific promotions within the given time period as stated in the promotional offer. Any ANI disconnected and then reconnected from USRC's service for purposes of subscribing to the special promotion may not be eligible. After the initial subscription to a promotion, if no outbound usage is generated by an ANI within the specified time period as stated in the promotional offering, the customer may not receive benefits from the promotion. The promotions may contain special terms and conditions, including but not limited to, usage rates and charges. Such special terms and conditions will be in lieu of those terms, conditions, rates and charges outlined in Sections 3 and 4 of this Tariff.

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**3.0 DESCRIPTION OF SERVICES (Continued)**

**3.2 Best for Less<sup>SM</sup> Small Business Service**

Best for Less<sup>SM</sup> Small Business Service is offered to customers, including but not limited to, business customers. Best for Less<sup>SM</sup> Small Business Service is an outbound, switched access, distance, duration (time) and time of day sensitive product. Calls are routed over Carriers transmission and switching facilities to any valid NPA-NXX. Rates and charges are set forth in Section 4.2 following.

**3.3 Best for Less<sup>SM</sup> Residential Service**

Best for Less<sup>SM</sup> Residential Service is offered to customers, including but not limited to, residential customers. Best for Less<sup>SM</sup> Residential Service is an outbound, switched access, distance, duration (time) and time of day sensitive product. Calls are routed over Carriers transmission and switching facilities to any valid NPA-NXX. Rates and charges are set forth in Section 4.3 following.

**3.4 Best for Less<sup>SM</sup> Calling Card Service**

A card authorized and issued by AT&T to which charges for a long distance message may be billed. This card is used by USRC customers for messages transmitted over the AT&T network and billed by USRC. Charges are dependent upon the distance, time of day, and duration of the call. Rates and charges are set forth in Section 4.4 following.

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**3.0 DESCRIPTION OF SERVICES (Continued)**

**3.5 Operator Services**

USRC's operator services calls are placed with the assistance of an operator for purposes of call routing and/or billing. Service is offered to customers in conjunction with the Company's direct dial services. Operator services are furnished to customers of Best for Less<sup>SM</sup> Service by an authorized Operator Service Provider.

- \* Directory Assistance
- \* Operator Assisted
- \* Collect & Real Time Rated
- \* Billed to Third Party
- \* Person-to-Person

Charges and Rates are set forth in Section 4.5 following.

**3.6 Conference Services**

Provides telecommunications between two or more stations. The conference connections are established from an audio teleconference bridge to a station with the assistance of an operator. Charges and rates are set forth in Section 4.6 following.

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**4.0 RATE SCHEDULES**

**4.1 General**

**4.1.1 Rate Periods**

All USRC services that are rated based upon time of day are subject to the following rate periods:

- (A) **DAY PERIOD** - The Day Period applies to a call originating at a time from 8:00 a.m. up to, but not including, 5:00 p.m. time Monday through Friday.
- (B) **EVENING PERIOD** - The Evening Period applies to a call originating from 5:00 p.m. up to, but not including, 11:00 p.m., on Sunday through Friday.
- (C) **NIGHT AND WEEKEND PERIOD** - The Night and Weekend Period applies to a call originating from 11:00 p.m. up to, but not including, 8:00 a.m. on Monday through Sunday. The Night and Weekend Period also applies all day Saturday and from 8:00 a.m. to, but not including, 5:00 p.m., Sunday.
- (D) All times in Paragraphs (A) through (C) above refer to local time in the area in which the call originates.

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**4.0 RATE SCHEDULES (Continued)****4.1 General (Continued)****4.1.1 Rate Periods (Continued)**

- (E) Calls initiated during one time period and ending during a different time period will be billed for the usage during each time period at the rates applicable to that time period.

**4.1.2 Time of Day Periods**

	MON	TUE	WED	THUR	FRI	SAT	SUN
8:00 am TO 4:59 pm	FULL RATE PERIOD						EVE
5:00 pm TO 10:59 pm	EVENING RATE PERIOD						
11:00 pm TO 7:59 am	NIGHT/WEEKEND RATE PERIOD						

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**4.0 RATE SCHEDULES (Continued)**

**4.1 General (Continued)**

**4.1.3 Holiday Discounts**

Rates Applicable on Certain Holidays:

On Christmas Day (December 25), New Year's Day (January 1), Independence Day (July 4), Thanksgiving Day and Labor Day the rate applicable is the Evening rate unless a lower rate would normally apply.

**4.1.4 Rounding Fractional Charges**

Unless otherwise specified in this Tariff, when the application of the rates set forth in this Section results in a fractional charge for an individual call, the total charge for that particular call will be rounded up to the next higher cent.

**4.1.5 Extra Copies of Bill**

Extra copies of a Customer's monthly bill will be provided by the Carrier at the rate of \$0.25 per copy, per page. A minimum charge of \$1.00 will apply.

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**4.0 RATE SCHEDULES (Continued)****4.1 General (Continued)****4.1.6 Restoration of Service Charge**

In the event service is temporarily suspended by USRC for non-payment such service will be restored upon payment of all charges due.

A restoration of service charge will be applicable for each authorization code temporarily suspended. Where service is presubscribed to USRC's service a restoration of service charge will be applicable for each line temporarily suspended.

Customers not re-established within five (5) days from date of suspension will be treated as new customers and appropriate Nonrecurring Charges and an advance payment will apply.

**Service Charge**

Business	\$50.00
Residence	\$25.00

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**4.0 RATE SCHEDULES (Continued)**

**4.1 General (Continued)**

**4.1.7 Returned Check Charge**

When payment in the form of a bank check for services rendered is returned to the carrier, the Customer will be assessed a service charge of \$15.00 to cover the cost of handling the check.

**4.1.8 Service Trip Charge**

In the event the Subscriber or Customer reports a service difficulty or trouble report that requires an on-premise visit by Carrier and the service difficulty or trouble reported is not a result of Carrier-provided equipment and/or no service difficulty or trouble is found in Carrier-provided equipment, a Service Trip Charge of \$50.00 may be charged to the Subscriber or Customer for the visit by Carrier.

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4.0 RATE SCHEDULES (Continued)

4.1 General (Continued)

4.1.9 Emergency Calls

Customer shall configure its system 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 USRC. 911 calls are not routed but are completed through the local network. No billing applies to emergency calls.

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ISSUED:

By: Michael G. Hoffman, Esq., Secretary  
U.S. Republic Communications, Inc. - Legal and Regulatory Affairs  
3200 West Pleasant Run Road  
Lancaster, Texas 75145  
(972) 274-7700

---

EFFECTIVE:

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**TELECOMMUNICATIONS SERVICES TARIFF**

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**4.0 RATE SCHEDULES (Continued)****4.2 Best for Less<sup>SM</sup> Small Business Service Intrastate Usage Rates**

Customers utilizing USRC's Best for Less<sup>SM</sup> Small Business Service will be billed for the following intrastate rates:

SDN PER MINUTE RATES	
DAY	EVENING/NIGHT/WEEKEND
\$ .2027	\$ .1617

**SDN: Software Defined Network:** AT&T product that provides customized communications services for businesses and residences by using predetermined uniform dialing plans.

DNS PER MINUTE RATES	
DAY	EVENING/NIGHT/WEEKEND
\$ .2090	\$ .1880

**DNS: Distributed Network Service:** AT&T product that allows resellers to purchase large volumes of services and receive discounts on all direct dial domestic and international calls.

**4.2.1 Timing of Calls**

Calls are subject to a sixty (60) second call length minimum and sixty (60) second billing increments.

---

**ISSUED:**

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**EFFECTIVE:**

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**TELECOMMUNICATIONS SERVICES TARIFF**

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**4.0 RATE SCHEDULES (Continued)****4.3 Best for Less<sup>SM</sup> Residential Service Intrastate Usage Rates**

Customers utilizing USRC's Best for Less<sup>SM</sup> Residential Service will be billed for the following intrastate rates:

MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	INITIAL MINUTE	ADDIT'L MINUTE	INITIAL MINUTE	ADDIT'L MINUTE	INITIAL MINUTE	ADDIT'L MINUTE
0 - 10	\$ 2700	\$ 1620	\$ 2160	\$ 1296	\$ 1620	\$ 0972
11 - 16	\$ 3420	\$ 1800	\$ 2736	\$ 1440	\$ 2052	\$ 1080
17 - 22	\$ 3510	\$ 1980	\$ 2808	\$ 1584	\$ 2106	\$ 1188
23 - 30	\$ 3870	\$ 2160	\$ 3096	\$ 1728	\$ 2322	\$ 1296
31 - 40	\$ 4050	\$ 2340	\$ 3240	\$ 1872	\$ 2430	\$ 1404
41 - 55	\$ 4320	\$ 2610	\$ 3456	\$ 2088	\$ 2592	\$ 1566
56 - 85	\$ 4590	\$ 2880	\$ 3672	\$ 2304	\$ 2754	\$ 1728
86 - 124	\$ 4770	\$ 3060	\$ 3816	\$ 2448	\$ 2862	\$ 1836
125 - 244	\$ 4860	\$ 3240	\$ 3888	\$ 2592	\$ 2916	\$ 1944
245 - 475	\$ 4950	\$ 3420	\$ 3960	\$ 2736	\$ 2970	\$ 2052

**4.3.1 Timing of Calls**

Calls are subject to a sixty (60) second call length minimum and sixty (60) second billing increments.

---

**ISSUED:**

By: Michael G. Hoffman, Esq., Secretary  
U.S. Republic Communications, Inc. - Legal and Regulatory Affairs  
3200 West Pleasant Run Road  
Lancaster, Texas 75145  
(972) 274-7700

---

**EFFECTIVE:**

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TELECOMMUNICATIONS SERVICES TARIFF

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## 4.0 RATE SCHEDULES (Continued)

4.4 Best for Less<sup>SM</sup> Calling Card Intrastate Usage Rates

Customers utilizing USRC's Best for Less<sup>SM</sup> Calling Card Service will be billed for the following intrastate rates:

MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	INITIAL MINUTE	ADDIT'L MINUTE	INITIAL MINUTE	ADDIT'L MINUTE	INITIAL MINUTE	ADDIT'L MINUTE
0 - 10	\$ 3870	\$ 2322	\$ 3096	\$ 1857	\$ 2322	\$ 1393
11 - 16	\$ 4902	\$ 2580	\$ 3921	\$ 2064	\$ 2941	\$ 1548
17 - 22	\$ 5031	\$ 2838	\$ 4024	\$ 2270	\$ 3018	\$ 1702
23 - 30	\$ 5547	\$ 3096	\$ 4437	\$ 2476	\$ 3328	\$ 1857
31 - 40	\$ 5805	\$ 3354	\$ 4644	\$ 2683	\$ 3483	\$ 2012
41 - 55	\$ 6192	\$ 3741	\$ 4953	\$ 2992	\$ 3715	\$ 2244
56 - 85	\$ 6579	\$ 4128	\$ 5263	\$ 3302	\$ 3947	\$ 2476
86 - 124	\$ 6837	\$ 4386	\$ 5469	\$ 3508	\$ 4102	\$ 2631
125 - 244	\$ 6966	\$ 4644	\$ 5572	\$ 3715	\$ 4179	\$ 2786
245 +	\$ 7095	\$ 4902	\$ 5676	\$ 3921	\$ 4257	\$ 2941

## 4.4.1 Timing of Calls

Calling Cards are subject to a sixty (60) second call length minimum and sixty (60) second billing increments.

---

ISSUED:

By: Michael G. Hoffman, Esq., Secretary  
U.S. Republic Communications, Inc. - Legal and Regulatory Affairs  
3200 West Pleasant Run Road  
Lancaster, Texas 75145  
(972) 274-7700

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EFFECTIVE:



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**TELECOMMUNICATIONS SERVICES TARIFF**

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**4.0 RATE SCHEDULES (Continued)**

**4.5 Operator Services - Best for Less<sup>SM</sup> Service**

**4.5.1 Directory Assistance**

Directory Assistance is available to customers of USRC to assist in obtaining telephone numbers. Up to two requests may be made on each call to Directory Assistance. The Directory Assistance charges apply to each call regardless of whether the Directory Assistance Service is able to furnish the requested telephone number.

Directory Assistance, Per Call      \$ .97

**4.5.2 Per Call Service Charges**

**4.5.2(A) Customer Dialed Calling Card Charge**

This charge applies in addition to usage charges for calls billed to Calling Card when the customer dials all of the digits required to route and bill the call.

A per call surcharge of \$1.15 will be assessed.

**4.5.2(B) Operator Dialed Calling Card Charge**

This charge applies in addition to usage charges when the appropriate operator code (e.g., 00, or 10288,0) and requests that the operator complete the call by dialing the calling card number to be used for billing purposes.

A per call surcharge of \$2.10 will be assessed.

---

**ISSUED:**

By: Michael G. Hoffman, Esq., Secretary  
U.S. Republic Communications, Inc. - Legal and Regulatory Affairs  
3200 West Pleasant Run Road  
Lancaster, Texas 75145  
(972) 274-7700

---

**EFFECTIVE:**

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TELECOMMUNICATIONS SERVICES TARIFF

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4.0 RATE SCHEDULES (Continued)

4.5 Operator Services - Best for Less<sup>SM</sup> Service (Continued)

4.5.2 Per Call Service Charges

4.5.2(C) Operator Dialed Surcharge

A surcharge applies when the customer has the capability of dialing the destination number necessary to route a call, but elects to dial only the appropriate operator code and requests the operator to dial the called station.

A per call surcharge of \$1.00 will be assessed.

4.5.2(D) Person to Person Charge

This charge applies in addition to usage charges for call placed on a Person to Person basis and billed to a Calling Card, Collect or to a Third Party. Charges do not apply unless the specified party or an acceptable substitute is available.

A per call surcharge of \$4.50 will be assessed.

4.5.3 Operator Services

The following per call charges will be assessed to the following operator services:

Collect	\$2.10 per call
Real Time Rated	\$2.10 per call
Billed to Third Party	\$2.17 per call

---

ISSUED:

By: Michael G. Hoffman, Esq., Secretary  
U.S. Republic Communications, Inc. - Legal and Regulatory Affairs  
3200 West Pleasant Run Road  
Lancaster, Texas 75145  
(972) 274-7700

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EFFECTIVE:

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**TELECOMMUNICATIONS SERVICES TARIFF**

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**4.0 RATE SCHEDULES (Continued)****4.6 Conference Service for Best for Less<sup>SM</sup> Service****A. Usage Rates**

Charges for conference calls are the sum of leg usage rates, bridge port usage rates and operator set-up, as specified. The charge for conversion time will consist of the total minutes of conversion multiplied by the conference leg usage rate plus the bridge port usage rate.

The Conference Leg Usage Rate is defined as the charge for usage between a bridge port and a station. The Bridge Port Usage Rate is defined as the charge for bridge port usage.

**B. Chargeable Time**

Chargeable time starts when the requested participants are connected and ends on an individual (bridge/station) connection when that station hangs up. Chargeable time for station/port additions to a conference call in progress starts when parties are connected by an operator.

**C. Rates**

<b>Day</b>	<b>Peak Time Period</b>	<b>Conf. Leg Charge</b>	<b>Bridge Port Leg Charge</b>
Sun	5:00 PM - 12:00 AM*	\$ .24	\$ .29
Mon-Thurs	24 Hours	\$ .24	\$ .29
Fri.	12:00 AM - 7:00 PM*	\$ .24	\$ .29
<b>Day</b>	<b>Off-Peak Time Period</b>	<b>Conf. Leg Charge</b>	<b>Bridge Port Leg Charge</b>
Fri.	7:00 PM - 12:00 AM*	\$ .11	\$ .29
Sat.	24 Hours	\$ .11	\$ .29
Sun.	12:00 AM - 5:00 PM*	\$ .11	\$ .29

\* Up to, but not including

---

**ISSUED:**

By: Michael G. Hoffman, Esq., Secretary  
U.S. Republic Communications, Inc. - Legal and Regulatory Affairs  
3200 West Pleasant Run Road  
Lancaster, Texas 75145  
(972) 274-7700

---

**EFFECTIVE:**

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TELECOMMUNICATIONS SERVICES TARIFF

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4.0 RATE SCHEDULES (Continued)

4.6 Conference Service for Best for Less<sup>SM</sup> Service (Continued)

D. Set-Up Charges

All Customers of Best for Less<sup>SM</sup> Conference Services will be charged a \$4.00 set-up charge for each station connected to a bridge.

4.7 900 Surcharge

Customers that utilize the Best for Less<sup>SM</sup> Service to make 900 calls will be charged a \$2.00 per call surcharge.

---

ISSUED:

By: Michael G. Hoffman, Esq., Secretary  
U.S. Republic Communications, Inc. - Legal and Regulatory Affairs  
3200 West Pleasant Run Road  
Lancaster, Texas 75145  
(972) 274-7700

EFFECTIVE:

**EXHIBIT E**

**FINANCIAL INFORMATION SUBMITTED**

**ON BEHALF OF**

**U.S. REPUBLIC COMMUNICATIONS, INC.**

**AND ITS PARENT COMPANY,**

**VARTEC TELECOM, INC.**

U.S. Republic Communications, Inc.  
4800 Sugar Grove Blvd., Suite 410  
Stafford, Texas 77477  
(713) 491-2370

**CONFIDENTIAL**

**HISTORY:**

U.S. Republic Communications, Inc. ("USRC") was established June 6, 1996, in Stafford, Texas. The Company is a subsidiary of Var Tec Telecom, Inc. of Lancaster, Texas.

**SELECTED FINANCIAL DATA:**


Statement of Financial Position

	As of 12/31/96 (Unaudited)
Assets	<u>322,333</u>
Liabilities	403,857
Equity	<u>(81,524)</u>
Total Liabilities and Equity	<u>322,333</u>

### AFFIDAVIT

I, Gary D. Egger, of lawful age, being first duly sworn deposes and says as follows:

- 1) I am Assistant Treasurer for U.S. Republic Communications, Inc. and have caused to be provided to the South Dakota Public Utilities Commission, the enclosed financial statements as required by the Commission.
- 2) That, the financial statement provided herein has not been audited nor reviewed and, accordingly, no opinion or other form of assurance is expressed.
- 3) Management has elected to omit substantially all of the disclosures and the statements of cash flows required by generally accepted accounting principles. If the omitted disclosures and statements of cash flows (as well as actual information in lieu of estimates and all necessary adjustments for interim monthly financial statements) were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, this financial statement is not designed for those who are not informed about such matters.
- 4) That, to the best of my knowledge, the enclosed financial statements are fairly stated in all material respects.
- 5) Further the affiant sayeth not.

  
\_\_\_\_\_  
Gary D. Egger  
Assistant Treasurer  
U.S. Republic Communications, Inc.

Subscribed and sworn before me this 7th day of March, 1997.



KATHLEEN McCAMEY  
NOTARY PUBLIC  
State of Texas  
Comm. Exp. 10-24-98

  
\_\_\_\_\_  
Notary Public

My Commission Expires: 10-24-98

CONFIDENTIAL

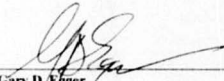
1



**AFFIDAVIT**

I, Gary D. Egger, of lawful age, being first duly sworn deposes and says as follows:

- 1) I am Treasurer and Senior Vice President of Finance for VarTec Telecom, Inc. and have caused to be provided to the South Dakota Public Utilities Commission, the enclosed financial statements as required by the Commission.
- 2) That, the financial statement provided herein has not been audited nor reviewed and, accordingly, no opinion or other form of assurance is expressed.
- 3) Management has elected to omit substantially all of the disclosures and the statements of cash flows required by generally accepted accounting principles. If the omitted disclosures and statements of cash flows (as well as actual information in lieu of estimates and all necessary adjustments for interim monthly financial statements) were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, this financial statement is not designed for those who are not informed about such matters. This statement should be read in conjunction with audited financial statements and notes thereto dated December 31, 1994, December 31, 1995, and December 31, 1996.
- 4) That, to the best of my knowledge, the enclosed financial statements are fairly stated in all material respects.
- 5) Further the affiant sayeth not.

  
\_\_\_\_\_  
Gary D. Egger  
Treasurer and Senior Vice President of Finance  
VarTec Telecom, Inc.

Subscribed and sworn before me this 14 day of May, 1997.



KATHLEEN MCCAWLEY  
NOTARY PUBLIC  
State of Texas  
Comm. Exp. 10-24-98

  
\_\_\_\_\_  
Notary Public

My Commission Expires: 10-24-98

**EXHIBIT F**

**SWORN TESTIMONY OF  
MICHAEL G. HOFFMAN, ESQ.**

**BEFORE THE**  
**PUBLIC UTILITIES COMMISSION OF SOUTH DAKOTA**  
**DIRECT TESTIMONY**  
**OF**  
**MICHAEL G. HOFFMAN, ESQ.**  
**ON BEHALF OF**  
**U.S. REPUBLIC COMMUNICATIONS, INC.**

**In the Matter of the Application of  
U.S. Republic Communications, Inc.  
For Authority To Operate as a Reseller  
of Long Distance Telecommunications  
Services Within the State of South Dakota**

1 Political Science minor from Dickinson College in Carlisle, Pennsylvania, where I graduated  
2 magna cum laude and Phi Beta Kappa. I then obtained a Juris Doctor Degree from the  
3 Washington College of Law at the American University in Washington, D.C. At law school,  
4 I was awarded highest honors in complex litigation and wrote on the American University  
5 Journal of International Law and Policy. My regulatory and legal experience is significant.  
6 I clerked for the Mergers and Acquisitions Unit of the Federal Deposit Insurance  
7 Corporation's Legal Division, negotiating and drafting agreements for open bank assistance.  
8 Prior to joining VarTec, I worked as an associate in the Washington, D.C. office of Arter &  
9 Hadden, a 350-attorney national law firm based in Cleveland, Ohio. In addition to my  
10 representation of VarTec at the Firm, I provided legal and regulatory counsel to numerous  
11 interexchange telecommunications carriers and business corporations. Further, I represented  
12 clients before various state and federal administrative agencies and regulatory bodies. While  
13 at the law firm, I also participated in a wide array of litigation matters involving employment  
14 law, fraud, insurance defense and workers' compensation, as well as copyright and trademark  
15 protection. I joined VarTec in May 1992 as its Corporate Counsel and Director of  
16 Regulatory Affairs. In this capacity, I have overseen VarTec's application for business  
17 licenses and certificates of convenience and necessity in numerous jurisdictions.  
18 Additionally, I am responsible for VarTec's on-going compliance requirements,  
19 governmental affairs and inquiries, as well as the regulatory duties imposed on the Company  
20 by the Federal Communications Commission and various state utility commissions in the  
21 jurisdictions in which the Company currently operates. I was promoted to the position of  
22 Vice President in May 1993 and Senior Vice President in November 1994. Since the

1           inception of U.S. Republic Communications, Inc. and as Secretary of USRC, I have overseen  
2           all legal and regulatory matters including licensing, certification, annual reports and  
3           contractual work for the Company.

4       **Q5. ARE YOU FAMILIAR WITH THE APPLICATION THAT YOUR COMPANY**  
5       **SUBMITTED TO THIS COMMISSION?**

6       A.    Yes.

7       **Q6. DO YOU RATIFY AND CONFIRM THE STATEMENTS AND**  
8       **REPRESENTATIONS MADE IN THAT APPLICATION?**

9       A.    Yes.

10      **Q7. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

11      A.    The purpose of my testimony is to provide specific information concerning the Application  
12           of U.S. Republic Communications, Inc., filed with the South Dakota Public Utilities  
13           Commission, requesting authority to operate as a resale common carrier of  
14           telecommunication services within the State of South Dakota. In addition, my testimony will  
15           demonstrate that U.S. Republic Communications, Inc. has sufficient technical, financial and  
16           managerial resources and abilities to provide Customers in South Dakota with viable and  
17           economical telecommunications services. USRC's proposed intrastate telecommunications  
18           services are in the public interest which would be served by granting USRC a Certificate of  
19           Public Convenience and Necessity. Finally, my testimony will demonstrate that the  
20           proposed tariffs should be approved.

21      **Q8. OTHER THAN YOURSELF, WHO WILL BE RESPONSIBLE FOR THE**  
22      **MANAGEMENT AND OPERATION OF USRC?**

1     A.     (1)     **T. Gary Remy**, President and founder of U.S. Republic Communications, Inc. has  
2             been a sales leader in the long distance industry for many years. He started his career  
3             at Cable and Wireless in 1989 where he learned the business and consistently led the  
4             area in sales. He moved on to MCI where he regularly exceeded quotas and won  
5             many sales contests. For the year of 1991, Mr. Remy achieved the prestigious  
6             "Chairman's Inner Circle" award which recognized him as one of the top salespeople  
7             in MCI. After two and one-half years at MCI, Mr. Remy took on the role of Vice  
8             President of Sales at EqualNet Communications, Inc., one of the first AT&T  
9             resellers. While at EqualNet, Mr. Remy helped take the company from \$12,000,000  
10            to \$70,000,000 in annual revenue in a little over three years. EqualNet was the first  
11            AT&T reseller to have a public offering in March of 1995. This experience in the  
12            long distance industry as well as the relationships that he has formed are critical  
13            assets for U.S. Republic Communications, Inc. Mr. Remy has a B.A. in  
14            Communications from Texas A&M University.

- 15           (2)     **A. Joe Mitchell, Jr.**, Vice-President of U.S. Republic Communications, Inc., has  
16            been an innovator in the long distance telephone business for many years. Mr.  
17            Mitchell is the founding employee and President of VarTec Telecom, Inc. He has  
18            managed VarTec Telecom, Inc. from concept, through start-up and successful  
19            operation to become the largest privately held Texas-based long distance provider in  
20            the United States. Prior to VarTec, Mr. Mitchell was the founding employee and  
21            initial President of ClayDesta Communications. ClayDesta grew to annualized  
22            revenues in excess of \$50,000,000 during Mr. Mitchell's three year tenure. After

1 leaving ClayDesta Communications, Mr. Mitchell formed the wholesale division of  
2 Teleconnect, later known as Telecom USA. Prior to its acquisition by MCI, Telecom  
3 USA was the fourth largest long distance company in the United States. While at  
4 Teleconnect, Mr. Mitchell's wholesale division grew from start-up to \$60,000,000  
5 in annual revenues in only eighteen (18) months. Mr. Mitchell's management  
6 experience and business relationships with high-volume customers across the nation  
7 are a critical asset for U.S. Republic Communications, Inc. Mr. Mitchell has a B.S.  
8 in Engineering and Masters work in Mechanical Engineering from Oklahoma State  
9 University.

- 10 (3) **Tom D. Johnson**, Vice President - Finance has been involved in the long-distance  
11 industry for many years. His initial involvement was as an outside consultant for an  
12 AT&T switchless reseller where he set up the accounting and information systems.  
13 He later founded his own company which has acted as a sales agent for other  
14 switchless resellers. In addition, he founded a telemarketing service agency to solicit  
15 sales of long distance products. In addition to his long distance experience, Mr.  
16 Johnson is a Certified Public Accountant in the State of Texas and has owned his  
17 own accounting practice for the last six years. Prior to that time, he was a senior tax  
18 accountant with Arthur Andersen. He holds a BBA in Accounting from the  
19 University of Houston.

20 **Q9. HOW LONG HAS USRC BEEN IN BUSINESS?**

21 A. USRC was incorporated in the State of Texas on June 6, 1996.

22 **Q10. WHY HAS USRC FILED THIS APPLICATION?**



1 A. USRC's services are highly competitive and will provide South Dakota consumers increased  
2 variety of choice in addition to economical rates. Services include: Best for Less<sup>SM</sup> Small  
3 Business Service, Best for Less<sup>SM</sup> Residential Service, Best for Less<sup>SM</sup> Calling Card Service,  
4 Operator Services, and Conference Services.

5 **Q11. DOES USRC PRESENTLY OFFER OR PROVIDE INTRASTATE SERVICE IN**  
6 **SOUTH DAKOTA?**

7 A. No.

8 **Q12. WAS THE TARIFF THAT IS IN EXHIBIT "D" EITHER PREPARED BY YOU OR**  
9 **UNDER YOUR SUPERVISION?**

10 A. Yes.

11 **Q13. IN YOUR OPINION, ARE THE RATES, TERMS AND CONDITIONS IN EXHIBIT**  
12 **"D" JUST AND REASONABLE?**

13 A. Yes.

14 **Q14. WHAT FACILITIES WILL USRC USE TO PROVIDE INTEREXCHANGE**  
15 **TELECOMMUNICATIONS SERVICES IN SOUTH DAKOTA?**

16 A. USRC will use AT&T existing network and facilities to provide interexchange  
17 telecommunications services in South Dakota.

18 **Q15. IS USRC PROPOSING TO PROVIDE INTRASTATE OPERATOR SERVICES IN**  
19 **SOUTH DAKOTA?**

20 A. Yes. Initially, Applicant's operator services will be provided through the utilization of  
21 AT&T's existing operator services. All operator services calls will be branded by AT&T.  
22 Applicant will handle billing for all operator services offered to customers in the State of

1 South Dakota. USRC's operator services will not be offered to end users at traffic  
2 aggregator locations. Applicant will set the rates for its operator services at the rates set  
3 forth by AT&T.

4 **Q16. WITH THE EXCEPTION OF DIRECTORY ASSISTANCE, DOES USRC PROVIDE**  
5 **OPERATOR SERVICES IN OTHER STATES?**

6 A. Yes.

7 **Q17. IS USRC CERTIFICATED OR OTHERWISE AUTHORIZED TO PROVIDE**  
8 **INTRASTATE RESALE SERVICES OF THE TYPE DESCRIBED HEREIN IN ANY**  
9 **OTHER STATES?**

10 A. Yes. USRC has already complied with requirements in such states as Arkansas, Texas,  
11 Michigan, Iowa, Oklahoma, Virginia, Missouri, Kansas, North Dakota, Michigan, North  
12 Carolina, Colorado, Montana, Kentucky, Oregon, Idaho, Wyoming, Wisconsin and Arizona.  
13 USRC is in good standing in all of these states.

14 **Q18. IS USRC FINANCIALLY QUALIFIED TO PROVIDE THE SERVICE FOR WHICH**  
15 **IT SEEKS A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY?**

16 A. Yes. I believe that USRC has the financial ability to render the proposed telecommunication  
17 services.

18 **Q19. IN YOUR OPINION, WHY IS USRC'S SERVICE IN THE PUBLIC INTEREST?**

19 A. USRC's commencement of service in South Dakota builds on the longstanding regulatory  
20 policies which created and maintained the principles of resale services in general. That is,  
21 resale telecommunication services expand the availability of telecommunication services to  
22 more members of the public and at more competitive prices. The competition that USRC

1 will bring to the interexchange market will benefit all consumers generally, and residential  
2 customers specifically, by offering the public a greater choice and a more reliable and  
3 diversified supply of alternative telecommunication services with enhanced quality and at  
4 lower prices. Such competition will provide the incentive for competitive interexchange  
5 carriers to offer their services at lower prices resulting in significant cost savings to  
6 consumers, and will spur the development of innovative service and equipment offerings as  
7 new competitors attempt to attract new subscribers. USRC's concentration on the business  
8 market will provide such consumers with a service provider that is focused on the specific  
9 needs and requirements of such consumers and that has tailored its service offerings to meet  
10 such needs and requirements. USRC will enable business customers to retain the benefits  
11 of price and quality that USRC offers. The utilization of AT&T existing network and  
12 facilities by USRC will result in the more efficient use of existing telecommunication plants  
13 in South Dakota without further investment in the construction of new facilities and capacity.

14 **Q20. IS USRC WILING AND ABLE TO CONFORM TO THE CONSTITUTION AND**  
15 **LAWS OF THE STATE OF SOUTH DAKOTA AND TO THE RULES AND**  
16 **REGULATIONS OF THIS COMMISSION?**

17 A. Yes. In every respect, USRC is willing and able to provide the proposed public  
18 telecommunication service properly and continuously.

19 **Q21. IS IT ECONOMICALLY FEASIBLE FOR USRC TO OPERATE AS A NON-**  
20 **FACILITIES BASED INTEREXCHANGE CARRIER IN SOUTH DAKOTA**  
21 **CONTINUALLY AND SUCCESSFULLY?**

22 A. Yes.

1 Q22. DOES USRC HAVE THE EXPERIENCED AND COMPETENT MANAGEMENT  
2 AND PERSONNEL NEEDED TO PROVIDE THE PROPOSED PUBLIC  
3 COMMUNICATIONS SERVICES?

4 A. Yes.

5 Q23. DOES USRC HAVE SUFFICIENT FINANCIAL RESOURCES TO PROVIDE THE  
6 PROPOSED SERVICES PROPERLY AND CONTINUOUSLY?

7 A. Yes.

8 Q24. WILL USRC FILE ALL CHANGES IN ITS TARIFFED RATES WITH THE  
9 COMMISSION PRIOR TO THEIR IMPLEMENTATION?

10 A. Yes.

11 Q25. DOES THIS COMPLETE YOUR PREFILED TESTIMONY IN SUPPORT OF  
12 USRC'S APPLICATION?

13 A. Yes, it does.

14 Q26. WILL YOU REMAIN AVAILABLE TO RESPOND TO ANY ADDITIONAL  
15 QUESTIONS FROM THE COMMISSION OR ITS STAFF ABOUT THAT  
16 APPLICATION OR THE COMPANY?

17 A. Yes.

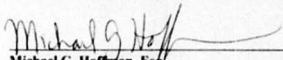
**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF SOUTH DAKOTA**

STATE OF TEXAS                    )  
  ) ss.  
COUNTY OF DALLAS            )

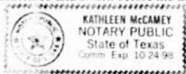
**AFFIDAVIT**

I, Michael G. Hoffman, Esq., of lawful age, being first duly sworn deposes and says as follows:

- 1) I am Secretary for U.S. Republic Communications, Inc. and have caused to be prepared written testimony in connection with USRC's Application for a Certificate of Public Convenience and Necessity to provide public telecommunication services within the State of South Dakota.
- 2) My testimony is true and correct as I verily believe.
- 3) Further the affiant sayeth not.

  
\_\_\_\_\_  
Michael G. Hoffman, Esq.  
Secretary

Subscribed and sworn before me this 7th day of March, 1997.



  
\_\_\_\_\_  
Notary Public

My Commission Expires: 10-24-98

**NEXT**

**DOCUMENT (S)**

**DISREGARD**

**BACKGROUND**

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0990724

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03/07/97

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990724

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AMOUNT

Two Hundred Fifty and 00/100 ----- dollars

PAY  
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OFPUBLIC UTILITIES COMM - SD  
500 EAST CAPITOL  
PIERRE, SD 57501-5070

By

\*0990724\* :111907445: 71205959\*

NA	WorldCom, Inc. filed to renew its Bottom Line Business promotion for new customers with an expiration date of June 30, 1997.	03/10/97	NA
NA	AT&T filed to offer incremental usage credits to new and existing SDN, SCS and VTNS customers. The promotions are effective March 13, 1997.	03/12/97	NA
NA	Excel Communications, Inc. filed to increase the rates for the Evening and Night/Weekend Time-of-Day rate periods for the following service offerings: Excel Plus, Excel Plus II and Premier Plus II. In addition, minor textual changes may have been included. The revisions are effective March 13, 1997.	03/12/97	NA
NA	Least Cost Routing, Inc. filed to amend its rates. The revisions are effective March 14, 1997.	03/13/97	NA
NA	MCI Telecommunications Corporation filed to introduce Option AE (Advanced Option II for Small Business) and Option AF (homeMCI One). The revisions are effective March 23, 1997.	03/13/97	NA
NA	Cable & Wireless, Inc. filed to introduce Personal Office and Promotional Offering service, to increase rates for Travel WATS service associated with Focus and Excel products, intrastate Calling Card rates on the integrated products associated with Venture, VNS, Simplicity, and BFI, Operator Handled and Toll-free Meet Me calls and Meet Me calls. CWI incorporates Time Periods for Operator Services and makes other minor revisions. The revisions are effective March 14, 1997.	02/27/97	NA

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

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South Dakota Public Utilities Commission State Capitol 500 E. Capitol Pierre, SD 57501-5070 Phone: (800) 332-1782 Fax: (605) 773-3809		<h2 style="text-align: center;">TELECOMMUNICATIONS SERVICE FILINGS</h2> <p style="text-align: center;">These are the telecommunications service filings that the Commission has received for the period of:</p> <h3 style="text-align: center;">03/07/97 through 03/13/97</h3> <p style="text-align: center;">If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five days of this filing.</p>	
DOCKET NUMBER	TITLE/STAFF/SYNOPSIS	DATE FILED	INTERVENTION DEADLINE
<b>REQUEST FOR CERTIFICATION OF AUTHORITY</b>			
TC97-022	Application by MCImetro Access Transmission Services, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/KC) Applicant "will provide a full-range of telecommunications services, including, but not limited to: resale, various intrastate private line services and switched services, local exchange and IntraLATA toll services. Initially, MCImetro plans to provide services by reselling local telecommunications exchange services offered by the incumbent local exchange carrier. MCImetro plans to interconnect its network with U.S. WEST and other local exchange carriers in order to bring the widest range of services to consumers in South Dakota."	03/07/97	03/28/97
TC97-023	Application by Atlas Communications, Ltd. to amend its Certificate of Authority to provide local exchange services within the state of South Dakota. (Staff: TS/CH) "Applicant intends to provide local exchange service on a resale basis. The specific manner in which Applicant will provide local exchange service depends upon the result of negotiations with the incumbent local exchange carriers currently operating within the State. Applicant seeks authority to resell local exchange service in the existing service areas of U.S. WEST and any other relevant carriers."	03/10/97	03/28/97
TC97-024	Application by U.S. Republic Communications, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/KC) Applicant seeks authority to provide resold long distance telecommunications operator services. Initially, Applicant's operator services will be provided through the utilization of AT&T's existing operator services.	03/10/97	03/28/97
TC97-025	Application by Cypress Telecommunications Corporation for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/CH) Applicant seeks authority to operate as a reseller of interexchange telecommunications services, including operator-assisted services within South Dakota.	03/12/97	03/28/97
TC97-026	Application by East Plains Telecom, Inc. (East Plains) for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (DJ/KC) East Plains will provide local exchange telephone service within the exchange boundaries of the Alcester and Hudson exchanges. On May 2, 1996, the Commission approved the sale of the Alcester exchange from U.S. WEST Communications to East Plains. On October 24, 1996, the Commission approved the sale of the Hudson exchange from U.S. WEST Communications to East Plains.	03/13/97	03/28/97
<b>FULLY COMPETITIVE TELECOMMUNICATIONS FILINGS</b>			

PAGE 1 OF 2



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

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

ORDER GRANTING  
CERTIFICATE OF  
AUTHORITY

TC97-024

On March 10, 1997, the Public Utilities Commission (Commission), in accordance with SDCL 49-31-3 and ARSD 20 10 24 02, received an application for a certificate of authority from U.S. Republic Communications, Inc. (Republic).

Republic seeks authority to provide resold long distance telecommunications services in South Dakota. Initially, Republic's operator services will be provided through the utilization of AT&T's existing operator services. A proposed tariff was filed by Republic. The Commission has classified long distance service as fully competitive.

On March 13, 1997, the Commission electronically transmitted notice of the filing and the intervention deadline of March 28, 1997, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled April 1, 1997, meeting, the Commission considered Republic's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to the condition that Republic not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission.

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

ORDERED, that Republic's application for a certificate of authority is hereby granted, effective May 10, 1997, subject to the condition that Republic not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. It is

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

Dated at Pierre, South Dakota, this 10<sup>th</sup> day of April, 1997.

**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 Mildred Kaido

Date 4/10/97

(OFFICIAL SEAL)

**BY ORDER OF THE COMMISSION:**

James A. Burg  
JAMES A. BURG, Chairman

Pam Nelson  
PAM NELSON, Commissioner

Laska Schoenfelder  
LASKA SCHOENFELDER, Commissioner

# **SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

## **CERTIFICATE OF AUTHORITY**

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

Authority was Granted April 1, 1997, effective May 10, 1997  
Docket No. TC97-024

*This is to certify that*

**U.S. REPUBLIC COMMUNICATIONS, INC.**

*is authorized to provide telecommunications services in South Dakota.*

This certificate is issued in accordance with SDCL 49-31-3 and ARSD  
20 10 24 02 and is subject to all of the conditions and limitations contained in  
the rules and statutes governing its conduct of offering telecommunications  
services.

Dated at Pierre, South Dakota, this 10th day of April, 1997

**SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION:**



James A. Burg  
JAMES A. BURG, Chairman

Pam Nelson  
PAM NELSON, Commissioner

Laska Schoenfelder  
LASKA SCHOENFELDER, Commissioner