

TC97-144

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JOHN T. PETERS, JR.
DAVID G. CROCKER
HAROLD E. FISCHER, JR.
LAWRENCE M. BRENTON
GORDON C. MILLER

BLAKE D. CROCKER
ROBERT M. TAYLOR
PATRICK D. CROCKER
ANDREW J. VOBRICH*
NICOLETTE G. HAHN**
ROBERT G. LENNON***

OF COUNSEL
VINCENT T. EARLY
HOW. C. H. MULLIN
THOMPSON BENNETT

JOSEPH J. BURGE
1928 - 1992

*Also admitted in Iowa.

**Also admitted in California and North Carolina.

*** Also admitted in New York, Illinois, and Washington, D.C.

August 13, 1997

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

Re: USN COMMUNICATIONS LONG DISTANCE, INC.

Dear Mr. Damgaard:

Enclosed for filing with the Commission please find an original and ten (10) copies of the above captioned corporation's Application for a Certificate of Authority to transact the business of a reseller of interexchange telecommunications services within South Dakota, along with a check in the amount of \$250.00 to cover filing fees relating to same.

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

Should you have any questions concerning this filing, please contact me.

Very truly yours,

EARLY, LENNON, PETERS & CROCKER, P.C.

Patrick D. Crocker
PDC/ldt

TC97-144
RECEIVED

AUG 15 1997

BEFORE THE
PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF:

THE APPLICATION OF USN COMMUNICATIONS)
LONG DISTANCE, INC. FOR A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY)
TO TRANSACT THE BUSINESS OF A RESELLER)
OF INTEREXCHANGE TELECOMMUNICATIONS)
SERVICES AND FOR APPROVAL OF ITS INITIAL TARIFF)

DOCKET NO. _____

APPLICATION FOR AUTHORIZATION

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

Identification of the Applicant

1. Applicant maintains its headquarters at 10 S. Riverside Plaza, Chicago, Illinois 60606.
2. Applicant is incorporated under the laws of the State of Delaware. A copy of the Company's Articles of Incorporation is attached hereto as Exhibit A. Applicant is qualified to transact business within the State of South Dakota as a foreign corporation. A copy of the qualifying document is set forth in Exhibit B hereto.

3. Correspondence regarding this Application should be directed to:

Patrick D. Crocker
EARLY, LENNON, PETERS & CROCKER, P.C.
900 Comerica Building
Kalamazoo, Michigan 49007-4752
(616) 381-8844

4. The name of Applicant's Registered Agent, and the address of the registered office of the corporation in South Dakota is:

Corporation Guarantee and Trust Company
117 E. Capitol
P.O. Box 66
Pierre, South Dakota 57501-0066

Description of Authority Requested

5. Applicant seeks authority to operate as a reseller of intrastate telecommunications services to the public on a statewide basis. Applicant seeks authority to offer a full range of "1+" interexchange telecommunications services on a resale basis. Specifically, Applicant seeks authority to provide MTS, out-WATS, in-WATS services, and Calling Card services.
6. Applicant does not intend to provide operator services, 900 or 700 services.
7. Applicant owns no transmission facilities. Applicant will offer service to its subscribers using facilities of the communications networks of AT&T, other facilities-based IXCs and the local exchange telephone companies ("LECs").
8. Applicant has no plans at this time to construct any telecommunications transmission facilities of its own and seeks no construction authority by means of this Application. Applicant will operate exclusively as a reseller.
9. Applicant will abide by all rules governing telecommunications resellers which the Commission has promulgated or may promulgate in the future, unless application of such rules is specifically waived by the Commission.

4. 0. 1. 4 4 1 8

Proposed Services

10. Applicant is a supplier of long distance services to medium to high volume business users. Applicant combines high quality transmission services with very competitive rates, flexible end user billing, professional customer service and excellent reporting to create a unique blend which meets the individualized needs of such business customers.

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

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

Description and Fitness of Applicant

13. Applicant's officers have extensive managerial, financial and technical experience with which to execute the business plan described herein. Applicant's management personnel represent a broad spectrum of business and technical disciplines, possessing many years of individual and aggregate telecommunications experience. In support of Applicant's managerial and technical ability to provide the services for which authority is sought herein, Applicant submits a description of the background and experience of its current management team as Exhibit C. In support of Applicant's financial ability to provide the proposed services, Applicant attaches recent financial statements as Exhibit D.

Public Interest Considerations

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

enable small and medium businesses in South Dakota to obtain long distance services at rates which previously were available only to larger businesses.

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

Requested Regulatory Treatment.

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

Initialed Proposed Tariff

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

Compliance with ARSD 20:10:24:02

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

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

USN COMMUNICATIONS LONG DISTANCE, INC.
10 S. Riverside Plaza
Chicago, Illinois 60606

- (2). Applicant shall provide services under the name USN Communications Long Distance, Inc.
- (3). (a) See paragraph 2 of this Application.
- (b) Applicant has no principal office in South Dakota. Applicant's registered agent is set forth in paragraph 4 hereinabove.
- (c) A copy of Applicant's Articles of Incorporation is attached as Exhibit A. Applicant's Officers and Directors are attached as Exhibit B.
- (d) A list of the names and addresses of Applicant's current Officers and Board of Directors are attached as Exhibit C.
- (e) The names of Applicant's shareholders and numbers of shares held by each:
- | | |
|------------------------------------|------------|
| USN Communications Northeast, Inc. | 100 Shares |
|------------------------------------|------------|
- (f) Except as set forth in 18(3)(e), no corporation, association, partnership or corporation own any interest in Applicant.
- (g) Applicant owns or controls no subsidiaries.
- (4). Applicant is a corporation organized under the laws of Delaware.
- (5). See paragraph 5 of the Application.
- (6). See paragraph 6 of the Application.
- (7). Applicant shall offer services on all equal access areas within the State of South Dakota. Accordingly, Applicant does not attach a map describing service boundaries.
- (8). See Exhibits D and E attached hereto.
- (9). All complaints and regulatory matters should be directed to Applicant's attorney as set forth in paragraph 3 of this Application.

Applicant's Cost for Underlying Transport Services

20. Applicant proposes to resell services within South Dakota in excess of Applicant's cost of purchasing services from Applicant's underlying carrier (AT&T). Applicant purchases intrastate services from AT&T's for approximately \$.1505 per minute.

Conclusion

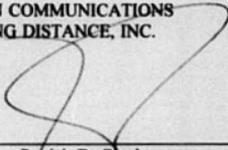
21. A decision by the Commission to grant Applicant a Certificate of Public Convenience and Necessity is plainly in the public interest. Applicant will introduce important new products and services at very competitive rates as well as enhance the competitiveness of the overall long distance market in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

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

Respectfully submitted,

USN COMMUNICATIONS
LONG DISTANCE, INC.

Dated: 8/15/97

By: 

Patrick D. Crocker
EARLY, LENNON, PETERS
& CROCKER, P.C.
900 Comerica Building
Kalamazoo, Michigan 49007-4752

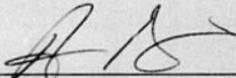
Its: Attorneys

VERIFICATION

Ronald Gavillet, Executive Vice President, Strategy and External Affairs of USN COMMUNICATIONS LONG DISTANCE, INC. first being duly sworn on oath, deposes and says that he has read the foregoing Application and verifies that the statements made therein are true and correct to the best of his knowledge, information, and belief.

USN COMMUNICATIONS LONG
DISTANCE, INC.

By: _____


Ronald Gavillet
Executive Vice President,
Strategy and External Affairs

The foregoing instrument was acknowledged before me this 5th day of August, 199~~8~~⁷ only

by Ronald Gavillet.

Virginia L. Alpers
Notary Public
For the County of COOK
My Commission Expires: 01/02/00

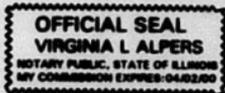


EXHIBIT A

811-000-4416

**START
OF
RETAKE**

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EXHIBIT A

7-107-4478

END

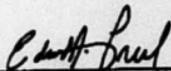
OF

RETAKE

State of Delaware
Office of the Secretary of State PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "UNITED TELECOM OF AMERICA, INC.", CHANGING ITS NAME FROM "UNITED TELECOM OF AMERICA, INC." TO "USH COMMUNICATIONS LONG DISTANCE, INC.", FILED IN THIS OFFICE ON THE THIRD DAY OF SEPTEMBER, A.D. 1996, AT 4 O'CLOCK P.M.




Edward J. Freel, Secretary of State

2160418 8100
971045447

AUTHENTICATION: 8327096
DATE: 02-11-97

SEP 03 '96 16:28 FR 7CS.

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 04:00 PM 08/03/1996
DOVER DE 1 - 2 100410

**CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
UNITED TELECOM OF AMERICA, INC.**

The undersigned corporation, in order to amend its Certificate of Incorporation, hereby certifies as follows:

FIRST: The name of the corporation is:
UNITED TELECOM OF AMERICA, INC.

SECOND: The corporation hereby amends its Certificate of Incorporation as follows:

Article 1 of the Certificate of Incorporation, relating to the name of the corporation is hereby amended to read as follows:

"1. The name of the corporation is USN Communications Long Distance, Inc., (hereinafter called the "Corporation")."

THIRD: The amendment effected herein was authorized by the consent in writing, setting forth the action so taken, unanimously signed by the holders of all the outstanding shares entitled to vote thereon pursuant to Sections 226 and 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, we haveunto sign our names and offices that the statements made herein are true under the penalties of perjury, this 30th day of August, 1996.

UNITED TELECOM OF AMERICA, INC.

By: J. Thomas Elliott
J. Thomas Elliott, President

ATTEST:

Ronald W. Gerwick
Ronald W. Gerwick, Secretary

State of Delaware
Office of the Secretary of State PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "UNITED AMERICAN EQUITY CORP.", CHANGING ITS NAME FROM "UNITED AMERICAN EQUITY CORP." TO "UNITED TELECOM OF AMERICA, INC.", FILED IN THIS OFFICE ON THE EIGHTH DAY OF OCTOBER, A.D. 1992, AT 10 O'CLOCK A.M.



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

2160418 8100
971045447

AUTHENTICATION: 8327094
DATE: 02-11-97

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
125 STATE ST. 12/02/1992
72322034 - 2100418

**CERTIFICATE OF AMENDMENT OF
CERTIFICATE OF INCORPORATION
OF
UNITED AMERICAN EQUITY CORP.**

United American Equity Corp., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

1. That the sole Director of said corporation by written consent, filed with the minutes of the corporation, adopted a resolution proposing and declaring advisable the following amendment to the Certificate of Incorporation of the said corporation:

RESOLVED, that the Certificate of Incorporation of the corporation be amended by changing Article 1. thereof so that, as amended, said Article shall be and read as follows:

"1. The name of the Corporation is United Telecom of America, Inc."

2. That the sole shareholder has given written consent to said amendment in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware.

3. That the aforesaid amendment was duly adopted in accordance with the applicable provisions of Sections 229 and 243 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said corporation has caused this certificate of amendment to be signed by its President, Stephen C. Schwartz, and attested to by its Secretary this 25th day of September, 1992.

UNITED AMERICAN EQUITY CORP.

Stephen C. Schwartz
Stephen C. Schwartz, President

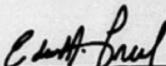
ATTEST:

Susan Lynn Howard
Susan Lynn Howard, Secretary

State of Delaware
Office of the Secretary of State PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF CHANGE OF REGISTERED AGENT OF "UNITED TELECOM OF AMERICA, INC.", FILED IN THIS OFFICE ON THE TWENTY-FIFTH DAY OF AUGUST, A.D. 1994, AT 9 O'CLOCK A.M.




Edward J. Freel, Secretary of State

2160418 8100
971045447

AUTHENTICATION: 8327095

DATE: 02-11-97

Received: 8/13/97 17:00;
AUG-13-1997 16:02

1 312 906 3636 -> EARLY LENNON PETERS CROCKER; Page 11
USN COMMUNICATIONS, INC. 1 312 906 3636 P.11/15

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:06 AM 08/25/1994
844709448 - 2180418

CERTIFICATE OF CHANGE OF LOCATION OF REGISTERED
OFFICE AND REGISTERED AGENT
OF

UNITED TELECOM OF AMERICA, INC.

The Board of Directors of UNITED TELECOM OF AMERICA, INC., a corporation of Delaware, on this day of May, A.D. registered office of this corporation within this State be, and the same hereby is 11th Floor, Rodney Square north, 11th and Market Streets, Wilmington, New Castle County, Delaware 19801.

The name of the registered agent therein an in charge thereof upon whom process against this corporation may be served, is CORPORATION GUARANTEE AND TRUST COMPANY.

UNITED TELECOM OF AMERICA, INC., a corporation of Delaware, does hereby certify that the foregoing is a true copy of a resolution adopted by the Board of Directors by a written consent signed by all the Directors.

IN WITNESS WHEREOF, said corporation has caused this Certificate to be signed by its President and Secretary, the 30th day of May, 1994.

UNITED TELECOM OF AMERICA, INC.

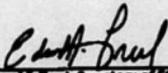
By Richard Vanderweide
Richard Vanderweide, President

Attest Richard Vanderweide
Richard Vanderweide, Secretary

State of Delaware
Office of the Secretary of State PAGE 1

I, EDWARD J. FRAEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "UNITED AMERICAN EQUITY CORP.", FILED IN THIS OFFICE ON THE THIRTE DAY OF MAY, A.D. 1988, AT 10 O'CLOCK A.M.




Edward J. Frael, Secretary of State

2160418 8100

971045447

AUTHENTICATION: 8327093

DATE: 02-11-97

8144-29-29

NEXT

DOCUMENT (S)

DISREGARD

BACKGROUND

9801310031

CERTIFICATE OF INCORPORATION
OF
UNITED AMERICAN EQUITY CORP.

FILED

MAY 10 1997

[Signature]
NOTARY PUBLIC

1. The name of the Corporation is:
UNITED AMERICAN EQUITY CORP.
2. The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.
3. The nature of the business or purposes to be conducted or promoted is:
To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.
4. The total number of shares of stock which the Corporation shall have authority to issue is One Hundred (100); all of such shares shall be without par value.
5. The name and mailing address of each incorporator is as follows:

<u>NAME</u>	<u>MAILING ADDRESS</u>
I. J. Vitale	Corporation Trust Center 1209 Orange Street Wilmington, Delaware 19801
H. A. Hampton	Corporation Trust Center 1209 Orange Street Wilmington, Delaware 19801
F. A. Grabowski	Corporation Trust Center 1209 Orange Street Wilmington, Delaware 19801

6. The Corporation is to have perpetual existence.

7. In furtherance and not in limitation of the powers conferred by statute, the board of directors is expressly authorized:

To make, alter or repeal the by-laws of the Corporation by the vote of a majority of all directors.

8. Elections of directors need not be by written ballot unless the by-laws of the Corporation shall so provide.

9. Limitation of Liability - A director of the Corporation shall not be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit. Any repeal or modification of this paragraph shall not adversely affect any right or protection of a director of the Corporation existing hereunder with respect to any act or omission occurring prior to such repeal or modification.

10. Meetings of stockholders may be held within or without the State of Delaware, as the by-laws may provide. The books of the Corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the board of directors or in the by-laws of the Corporation.

11. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

WE, THE UNDERSIGNED, being each of the incorporators hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, do make this Certificate, hereby declaring and certifying that this is our act and deed and the facts herein stated are true, and accordingly have hereunto set our hands this 10th day of May, 1988.

R. P. Vitale
R. P. Vitale
D. A. Grzesinski
D. A. Grzesinski
P. A. Grzesinski
P. A. Grzesinski

777-954

EXHIBIT B

State of South Dakota



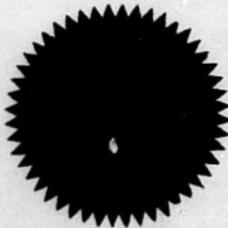
OFFICE OF THE SECRETARY OF STATE

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 UNITED TELECOM OF AMERICA, INC. (DE) to transact business in this state duly signed and verified pursuant to the provisions of the South Dakota Corporation Acts, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I hereby issue this Certificate of Authority and attach hereto a duplicate of the application to transact business in this state under the name of UNITED TELECOM OF AMERICA, 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 August 21, 1995.



Joyce Hazeltine
JOYCE HAZELTINE
Secretary of State

13. The aggregate number of its issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class, is

Number of Shares	Class	Series	Par value per share or statement that shares are without par value
100	Common		without par value

14. The amount of its stated capital is \$ 1,602,935.00

15. This application is accompanied by a CERTIFICATE OF FACT duly acknowledged by the secretary of state or other officer having custody of corporate records in the state or country under whose laws it is incorporated.

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

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

The application must be signed by the chairman of the board of directors, or by the president or by another officer.

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

Dated Aug 1 19 95

[Signature]
 (Signature)
TREASURER
 (Title)

State of New York
 County of New York

On this 1st day of August, 19 95, before me MARIA G. TIGURZI personally appeared GARY A. MILLER, known to me, or proved to me, to be the TREASURER of the corporation that is described in and that executed the within instrument and acknowledged to me that such corporation executed same.

M. Commission Expires: [Signature] (Notary Public)

Notarial Seal
 MARIA G. TIGURZI
 Notary Public, State of New York
 No. 0178019578
 Qualified in New York County
 Commission Expires 10/25/98

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

CONSENT OF APPOINTMENT BY THE REGISTERED AGENT

I, Ronald D. Olinger, hereby give my consent to serve as the (name of registered agent)

registered agent for UNITED TELECOM OF AMERICA, INC. (corporate name)

Dated August 18 19 95

[Signature]
 (signature of registered agent)

State of South Dakota



OFFICE OF THE SECRETARY OF STATE

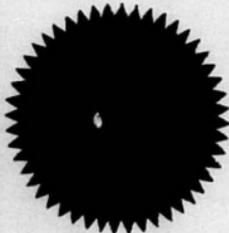
AMENDED CERTIFICATE OF AUTHORITY

I, JOYCE HAZELTINE, Secretary of State of the State of South Dakota, hereby certify that duplicate of the Application for an Amended Certificate of Authority of UNITED TELECOM OF AMERICA, INC. (DE) to transact business in this state duly signed and verified pursuant to the provisions of the South Dakota Corporation Acts, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I hereby issue this Amended Certificate of Authority and attach hereto a duplicate of the application to transact business in this state under the name of USN COMMUNICATIONS LONG DISTANCE, 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 12, 1996.


JOYCE HAZELTINE
Secretary of State



SECRETARY OF STATE
STATE CAPITOL
GEO. CAPITOL
PIERRE, S.D. 57501-5077
605 773-4845

RECEIVED

NOV 12 1996

APPLICATION FOR AMENDED CERTIFICATE OF AUTHORITY

Pursuant to the provisions of SDCL 17-8-22, the undersigned corporation hereby applies for an amended Certificate of Authority to transact business in the State of South Dakota and for that purpose submits the following statement:

(1) The name of the corporation is UNITED TELECOM OF AMERICA, INC.
(Exact corporate name)

(2) The name of the corporation as amended is USN COMMUNICATIONS LONG DISTANCE, INC.

(3) State where incorporated Delaware Federal Taxpayer ID# 23-2513092

(4) The date of its incorporation is May 10, 1988 and the period of its duration is perpetual

(5) The address of its principal office in the state or country under the laws of which it is incorporated is 11th Floor, Rodney Square North, 11th & Markets Sts., Wilmington, DE 19801

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

(7) The purposes which it proposes to pursue in the transaction of business in the State of South Dakota are: Interexchange telecommunications services.

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

Name	Officer Title	Street Address	City	State	Zip
<u>J. Thomas Elliott</u>	<u>Dir., Pres., COO & CEO</u>	<u>10 S. Riverside Plaza, Chicago, IL</u>	<u>Chicago, IL</u>	<u>60606</u>	<u>60606</u>
<u>Donald J. Hofmann</u>	<u>Dir.</u>	<u>10 S. Riverside Plaza, Chicago, IL</u>	<u>Chicago, IL</u>	<u>60606</u>	<u>60606</u>
<u>Thomas C. Brandenburg</u>	<u>Dir.</u>	<u>10 S. Riverside Plaza, Chicago, IL</u>	<u>Chicago, IL</u>	<u>60606</u>	<u>60606</u>
<u>Richard J. Brekka</u>	<u>Dir.</u>	<u>10 S. Riverside Plaza, Chicago, IL</u>	<u>Chicago, IL</u>	<u>60606</u>	<u>60606</u>
<u>William A. Johnston</u>	<u>Dir.</u>	<u>10 S. Riverside Plaza, Chicago, IL</u>	<u>Chicago, IL</u>	<u>60606</u>	<u>60606</u>
<u>Ronald W. Gavillet</u>	<u>Exec. VP, Secy</u>	<u>10 S. Riverside Plaza, Chicago, IL</u>	<u>Chicago, IL</u>	<u>60606</u>	<u>60606</u>

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

Number of shares	Class	Series	Par value per share or statement that shares are without par value
<u>100</u>	<u>Common</u>	<u>---</u>	<u>without par value</u>

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

Number of shares	Class	Series	Par value per share or statement that shares are without par value
100	Common	---	without par value

(11) The amount of its stated capital is \$ 1,602,935.00

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

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

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

The application must be signed by the chairman of the board of directors, or by the president or by another officer.

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

Dated Oct. 9 1926

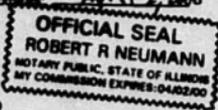
[Signature]
(Signature) Secretary and General Counsel
[Title]

State of Illinois
County of Cook

On this 8th day of Oct. 19 26, before me F. Bert P. Neumann personally appeared Ronald Gevillet, known to me, or proved to me, to be the Secretary and General Counsel of the corporation that is described in and that executed the within instrument and acknowledged to me that such corporation executed same.

My Commission Expires April 2, 2000
[Signature]
(Notary Public)

Notarial Seal



FILING FEE: \$20

FILING INSTRUCTIONS:

A foreign corporation authorized to do or engage in business in this state shall procure an amended certificate of authority in the event it changes its corporate name or desires to pursue in this state other or additional purposes than those set forth in its prior application.

One ORIGINAL and ONE COPY of the application must be submitted.

The application must be accompanied by a one page Certificate of Fact or Name Change showing both the former name and the change to the new name. The certificate must be obtained from the secretary of state in the state under whose laws it is incorporated.

7111 0021 A415

EXHIBIT C

MANAGEMENT

Executive Officers and Directors

The following table provides certain information regarding the executive officers and directors of the Company.

<u>Name</u>	<u>Age</u>	<u>Positions</u>
Richard J. Brekka	36	Chairman of the Board
J. Thomas Elliott	50	President, Chief Executive Officer and Director
Dennis B. Dundon	52	Chief Operating Officer
Ronald W. Gavillet	37	Executive Vice President, Strategy & External Affairs
Gerald J. Swaca	49	Executive Vice President and Chief Financial Officer
Ryan Mullaney	40	Executive Vice President, Sales
Steven J. Parrish	41	Executive Vice President, Operations
Thomas A. Monson	37	Vice President, General Counsel and Secretary
Thad J. Pellino	35	Vice President, Marketing
Neil A. Bethke	37	Vice President, Information Systems
Ellen C. Craig	59	Vice President, Regulatory Affairs
Lane Foster	53	Vice President, Human Resources and Organizational Development
Thomas C. Brandenburg	61	Director
Dana M. Greenwood	53	Director
Donald J. Hofmann, Jr.	39	Director
William A. Johnston	45	Director
Ian Kidson	38	Director
Paul S. Lamazio	33	Director
Begona A. Sekulow	66	Director

Each director serves until his successor is duly elected and qualified. Officers serve at the discretion of the Board of Directors.

Richard J. Brekka, Chairman of the Board, has been a director of the Company since April 1994. Mr. Brekka is a Managing Partner of MW&I Partners, a merchant banking fund, and has formed Dolphin Communications, L.L.C. to make communications investments in the United States. From 1992 to 1996, he was a Managing Director of CIBC Wood Gundy Capital ("CIBC"), the merchant banking division of Canadian Imperial Bank of Commerce, and a director and the President of CIBC Wood Gundy Ventures, Inc., an indirect wholly owned subsidiary of Canadian Imperial Bank of Commerce. Mr. Brekka joined CIBC in February 1992. Currently, Mr. Brekka serves on the board of directors of Orion Network Systems, Inc., Telesystem International Wireless Inc., and Epoch Internet. Mr. Brekka received a B.S. degree in finance from the University of Southern California, and an M.B.A. degree from the University of Chicago.

J. Thomas Elliott, President and Chief Executive Officer, has been the Chief Executive Officer since April 1996. Mr. Elliott joined the Company in 1995 as a result of the acquisition of certain assets and assumption of certain liabilities of Quest, a company which he co-founded. From 1991 to 1993, Mr. Elliott was Senior Vice-President of Sales and Marketing of WilTel Communications Systems. From 1990 to 1991, Mr. Elliott was President and Chief Executive Officer of Call Net Inc. (Canada's first alternative long distance company) and Lightel Inc., its affiliate fiber optic facility provider. Subsequently, these companies were combined to form Sprint Canada. Mr. Elliott holds B.A. and M.A. degrees in economics from the University of Windsor.

Dennis B. Dundon, Chief Operating Officer, joined the Company in April 1997. From 1991 to 1996, Mr. Dundon served as president and chief executive officer of EMI Communications Corp. ("EMI"), a regional telecommunications company, until EMI was acquired by Intermedia Communications, Inc. From June 1996 to March 1997, Mr. Dundon served as Senior Vice President of Intermedia, a CLEC. From 1988 to 1991, Mr. Dundon was President and owner of DBD Associates, Inc., a consulting firm providing services to the telecommunications sector. Mr. Dundon is a past Chairman and Director of the Competitive Telecommunications Association. Mr. Dundon holds a B.S. degree from Clarkson University and an M.B.A. degree from the University of Rochester.

Ronald W. Gavillet, Executive Vice President, Strategy & External Affairs, has performed the Company's legal, regulatory and strategic functions since 1994. Prior to joining the Company, Mr. Gavillet spent more than four years, from 1985 to 1987 and from 1992 to 1994, with MCI in a number of senior legal and regulatory positions. Between these periods at MCI, Mr. Gavillet was in private law practice representing competitive carriers such as Teleport Communication Group, Inc., Context Telemanagement Inc., Castel Corp., Sprint Corp. and Telephere Communications Inc. Mr. Gavillet holds B.A. and B.S. degrees from Southern Illinois University, a J.D. degree from Catholic University of America's Columbus School of Law and a Master of Management degree from Northwestern University's Kellogg School of Management and serves on the Telecommunications Resellers Association Local Services Council.

Gerald J. Sweas, Executive Vice President and Chief Financial Officer, joined the Company in November 1996. From 1989 to 1996, Mr. Sweas was Vice President Finance and Administration, Treasurer and Chief Financial Officer of Norand Corporation, a wireless data communication networks company. Mr. Sweas holds a B.B.A. degree from Loyola University in Chicago, Illinois and an M.B.A. degree from the University of Wisconsin (Madison) and is a Certified Public Accountant.

Ryan Mullaney, Executive Vice President, Sales, joined the Company in October 1996. From 1995 to 1996, Mr. Mullaney served as Vice President, Sales, USA West for Citizens Telecom, a medium-sized telecommunications company, where he managed sales in 13 states. From 1993 to 1995, Mr. Mullaney was Director of Member Development for McLeod Telemanagement Organization, where his duties included management of the company's field sales and service organization. From 1991 to 1993, Mr. Mullaney was National Sales Director of Context Telemanagement, responsible for developing sales in the national market. Mr. Mullaney has a B.A. degree from the University of Nevada, Las Vegas.

Steven J. Parrish, Executive Vice President, Operations, joined the Company in January 1996 initially as a consultant and assumed a full-time position. Prior to joining the Company, Mr. Parrish spent more than 12 years with Illinois Bell in various planning and operations positions. Mr. Parrish moved to Ameritech in 1991 where he helped start the Information Industry Services business unit as Vice President of Business Development and Vice President of Marketing and Sales for Network Providers. Mr. Parrish holds a bachelor's degree in electrical engineering from the University of Illinois and an M.B.A. degree from the Illinois Institute of Technology.

Thomas A. Monson, Vice President, General Counsel and Secretary, joined the Company in January 1997. From 1989 to 1996, Mr. Monson was Associate General Counsel of Eavivodyne Industries, Inc., a \$650 million public company, where he performed various corporate law, securities regulation, litigation and corporate operations support activities. Mr. Monson holds a B.S. degree from the University of Illinois and a J.D. degree from Harvard Law School.

Thad J. Pellino, Vice President, Marketing, joined the Company in August 1995. From 1988 through 1995, Mr. Pellino was with MCI where he held a variety of marketing and business development positions, which included responsibility for the design of customized telecommunication packages for mid-size and long distance carriers. Mr. Pellino received his bachelor's degree in marketing/business administration from the University of Illinois.

Neil A. Bethke, Vice President, Information Systems, joined the Company initially as a consultant in 1995 and assumed a full-time position in May 1996. From 1994 to 1996 Mr. Bethke served as principal for New Resources Corporation, a medium-sized consulting company specializing in client/server technology development of large service-oriented companies. From 1988 to 1994, Mr. Bethke served at Quantum Chemical Corporation and Sara Lee Corporation as Director of MIS, responsible for the reengineering of business processes through document routing and wide area network database management. Mr. Bethke holds a B.S. degree from the University of Wisconsin.

Ellen C. Craig, Vice President, Regulatory Affairs, joined the Company in April 1997. From 1994 to 1997, Ms. Craig served as a consultant to investment banking and telecommunications companies on domestic

and international utilities and telecommunications issues. From 1989 to 1994, Ms. Craig served as Chairman and Commissioner of the Illinois Commerce Commission. She holds a B.A. degree from Cardinal Cushing College and a J.D. degree from The John Marshall Law School.

Lane Foster, Vice President, Human Resources and Organizational Development, joined the Company in May 1997. From 1991 to 1996, Mr. Foster served as Director of Human Resources and Corporate Real Estate for Nextel Communications, a telecommunications company. From 1980 to 1991, Mr. Foster served as Director of Human Resources for MCI Telecommunications. Mr. Foster attended the University of North Dakota and graduated from the University of Southern California—Center for Telecommunications Sector Leadership Program.

Thomas C. Brandenburg, Director, has been a director of the Company since founding the Company in 1994. Prior to joining the Company, Mr. Brandenburg was the co-founder and principal of a telecommunications consulting firm with a service bureau-based enhanced service company. In 1983, Mr. Brandenburg was the co-founder and principal of LiTel Communications, Inc. (now LCI International). Mr. Brandenburg holds a B.A. degree from the University of Notre Dame.

Dean M. Greenwood, Director, was elected as a director of the Company in February 1997. Mr. Greenwood is Vice President of Prime Management Group and has been an officer of that company since 1992. Mr. Greenwood is also a Managing Director of Prime New Ventures. Mr. Greenwood holds a B.B.A. degree and a J.D. degree from the University of Texas at Austin.

Donald J. Hofmann, Jr., Director, has been a director of the Company since April 1994. Mr. Hofmann has been a General Partner of Chase Capital Partners (formerly known as Chemical Ventures Partners) since 1992. Chase Capital Partners is the sole general partner of Chase Venture Capital Associates, L.P. Prior to joining Chase Capital Partners, he was head of MH Capital Partners, Inc., the equity investment arm of Manufacturers Hanover. Mr. Hofmann holds a B.B.A. degree from Hofstra University and an M.B.A. degree from Harvard Business School.

William A. Johnston, Director, was elected a director of the Company in June 1994. Mr. Johnston has been a Managing Director of HVP Partners, LLC since January 1997. HVP Partners, LLC was formed to acquire Hancock Venture Partners, Inc. where Mr. Johnston has served in various capacities since 1983. Currently, Mr. Johnston serves on the advisory boards of The Centennial Funds, Austin Ventures, Inc. and Highland Capital Partners, as well as on the board of directors of Centennial Security Holdings, Inc., Epoch Internet, MultiTechnology Corp., The Macks Group, Inc., and Masada Security Corporation. Internationally, he serves on the board of directors of Telesystem International Wireless Corporation and Esprit Telecom. Mr. Johnston received a B.A. degree from Colgate University and an M.A. degree from Syracuse University School of Management.

Ian M. Kidson, Director, has served as a director of the Company since April 1997. Mr. Kidson is a Managing Director of CIBC Wood Gundy Capital, the merchant banking division of the Canadian Imperial Bank of Commerce. He joined CIBC in 1984. Currently, Mr. Kidson serves on the board of directors of Centennial Security Holdings, Inc. and JBK Arena Co. Mr. Kidson received a B.S.C. degree and an M.B.A. degree from McMaster University.

Paul S. Lattanzio, Director, was appointed a director of the Company in August 1995. Currently, Mr. Lattanzio is a Managing Director of BT Capital Partners, Inc., an affiliate of Bankers Trust New York Corp. Mr. Lattanzio has been employed by BT Capital Partners, Inc. or an affiliate since 1984. Currently, Mr. Lattanzio serves on the board of directors of Administraff, Inc., an employee leasing company. Mr. Lattanzio received his B.S. degree in economics from the University of Pennsylvania's Wharton School of Business.

Eugene A. Sekulow, Director, was elected a director of the Company in August 1995. Mr. Sekulow served as Executive Vice President of NYNEX Corporation from December 1991 to 1993. From 1986 to 1991, he served as President of NYNEX International Company. Since his retirement from NYNEX in 1993, Mr. Sekulow

has founded his own telecommunications consultancy where he has been retained by European, U.S., Japanese, Southeast Asian and Canadian companies. Mr. Selulow attended the University of Stockholm and the University of Oslo. He earned an M.A. degree in political science and economics and a Ph.D. degree from Johns Hopkins University.

Committees of the Board of Directors

The Company has established an Audit Committee, a Finance Committee and a Compensation Committee. Each of these committees is responsible to the full Board of Directors, and their activities are therefore subject to approval of the Board of Directors. The functions performed by these committees are summarized below.

The Audit Committee consists of Messrs. Hofmann, Greenwood and Selulow. The Audit Committee is responsible for reviewing the internal accounting controls of the Company, meeting and conferring with the Company's certified public accountants and reviewing the results of the accountants' auditing engagement.

The Finance Committee consists of Messrs. Brekka, Elliott, Hofmann, Johnston and Lattanzio. The Finance Committee is responsible for evaluating the Company's capital requirements and overseeing the Company's efforts at meeting its financial needs through capital markets transactions.

The Compensation Committee consists of Messrs. Brekka, Johnston and Lattanzio. The Compensation Committee establishes compensation and benefits for the Company's senior executives. The Committee also determines the number and terms of stock options granted to employees, directors and consultants of the Company under the Company's stock option plans.

Compensation Committee Interlocks and Insider Participation

The Company's Compensation Committee consists of Messrs. Brekka, Johnston and Lattanzio, none of whom is currently an employee or officer of the Company. No executive officer of the Company served during fiscal year 1996 as a member of a compensation committee or as a director of any entity of which any of the Company's directors serves as an executive officer.

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EXHIBIT D

USN Communications Northeast, Inc.
Balance Sheet
December 31, 1996

ASSETS

CURRENT ASSETS

NORWEST-OPERATING A/C	\$7,358.11	
CHEM BANK NYC-OPERATING	191,502.26	
CHEM BANK NYC-P/R	219,489.76	
CHEM BANK NYC - MONEY MARKET	56,328.16	
CASH - PETTY CASH	400.00	
ACCOUNTS RECEIVABLE	1,311,781.96	
ACCTS RECEIVABLE-NYEX DISPTS	1,116,710.18	
ALLOWANCE FOR DOUBTFUL ACCTS	(105,550.03)	
PREPAID RENT	5,326.09	

TOTAL CURRENT ASSETS		2,803,366.49

FIXED ASSETS

COMPUTER EQUIPMENT	352,192.52	
ACC DEP COMPUTER EQUIP	(144,147.67)	
OFFICE FURNITURE	145,315.98	
ACC DEP OFFICE FURN	(52,168.00)	
TELEPHONE EQUIPMENT	68,796.00	
ACC DEPR TELEPH EQUIP	(22,688.00)	
OFFICE EQUIPMENT	75,417.79	
ACC DEPR OFF EQUIP	(30,252.17)	

TOTAL FIXED ASSETS		392,466.45

OTHER ASSETS

DEPOSITS-NON-CURRENT	389,910.31	
CERTIFICATE OF DEPOSIT	104,098.82	
EXCHANGE	6,978.39	
INVESTMENT IN QUEST	3,307,834.00	

TOTAL OTHER ASSETS		3,808,818.52

TOTAL ASSETS		\$7,004,631.46

USN Communications Northeast, Inc.
Balance Sheet
December 31, 1996

LIABILITIES AND EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	868,578.28
ACCRUED EXPENSES	296,969.70
ACCRUED PAYROLL	223,704.68
ACCRUED PAYROLL TAXES	14,540.81
ACCRUED EXPENSES - CARRIERS	3,084,672.48
CURRENT PORTION-LEASE PAYABLE	41,879.30
SALES TAX PAYABLE	545,342.09
FED INC TAX W/R PAYABLE	31,373.38
SS TAX PAYABLE	34,116.57
401K DEDUCTIONS PAYABLE	8,285.70
NYS INCOME TAX W/R PAYABLE	9,812.68
NYC INC TAX W/R PAYABLE	3,819.45
NYS DISABIL TAX PAYABLE	621.58

TOTAL CURRENT LIABILITIES

4,363,716.70

LONG-TERM LIABILITIES

DUE TO/FROM QUEST-BOSTON	(3,847,814.51)
LOAN PAYABLE-UNITED USN	19,911,941.21
LEASE PAYABLE	29,376.01
SECURITY DEPOSITS PAYABLE	3,337.77

TOTAL LONG-TERM LIABILITIES

16,096,840.48

TOTAL LIABILITIES

20,460,557.18

EQUITY

COMMON STOCK	574.00
PREFERRED STOCK	11,542.00
FINANCING & ORG COSTS	(198,560.00)
APIC	11,530,298.00
RETAINED EARNINGS - PRIOR	(11,113,421.09)
RETAINED EARNINGS-CURRENT YEAR	(13,686,358.63)

TOTAL EQUITY

(13,455,925.72)

TOTAL LIABILITIES AND EQUITY

97,004,631.46

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EXHIBIT E

SOUTH DAKOTA TELECOMMUNICATIONS TARIFF

This Tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services within the State of South Dakota by USN COMMUNICATIONS LONG DISTANCE, INC. ("Company"). This Tariff is on file with the South Dakota Public Utilities Commission, and copies may also be inspected, during normal business hours, at the following location: 10 S. Riverside Plaza, Chicago, Illinois 60606.

Issued:

Effective:

Issued by: Ronald Gavillet
Executive Vice President, Strategy and External Affairs
USN COMMUNICATIONS LONG DISTANCE, INC.
10 S. Riverside Plaza
Chicago, Illinois 60606

CHECK SHEET

The title page and pages 1-31 inclusive of this Tariff are effective as of the date shown. Original and revised sheets, as named below, comprise all changes from the original Tariff in effect on the date indicated.

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

* New or Revised Sheets

Issued:

Effective:

Issued by:

Ronald Gavillet
Executive Vice President, Strategy and External Affairs
USN COMMUNICATIONS LONG DISTANCE, INC.
10 S. Riverside Plaza
Chicago, Illinois 60606

CONCURRING, CONNECTING AND OTHER PARTICIPATING CARRIERS

CONCURRING CARRIERS:

No Concurring Carriers

CONNECTING CARRIERS:

No Connecting Carriers

OTHER PARTICIPATING CARRIERS:

No Participating Carriers

Issued:

Effective:

Issued by:

Ronald Gavillet
Executive Vice President, Strategy and External Affairs
USN COMMUNICATIONS LONG DISTANCE, INC.
10 S. Riverside Plaza
Chicago, Illinois 60606

TARIFF FORMAT

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

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

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

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

Issued:

Effective:

Issued by:

Ronald Gavillet
Executive Vice President, Strategy and External Affairs
USN COMMUNICATIONS LONG DISTANCE, INC.
10 S. Riverside Plaza
Chicago, Illinois 60606

APPLICABILITY

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

Issued:

Effective:

Issued by:

Ronald Gavillet
Executive Vice President, Strategy and External Affairs
USN COMMUNICATIONS LONG DISTANCE, INC.
10 S. Riverside Plaza
Chicago, Illinois 60606

EXPLANATION OF SYMBOLS

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

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Issued by:

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Executive Vice President, Strategy and External Affairs
USN COMMUNICATIONS LONG DISTANCE, INC.
10 S. Riverside Plaza
Chicago, Illinois 60606

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Issued:

Effective:

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 Executive Vice President, Strategy and External Affairs
 USN COMMUNICATIONS LONG DISTANCE, INC.
 10 S. Riverside Plaza
 Chicago, Illinois 60606

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Issued:

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Executive Vice President, Strategy and External Affairs
USN COMMUNICATIONS LONG DISTANCE, INC.
10 S. Riverside Plaza
Chicago, Illinois 60606

1. TECHNICAL TERMS AND ABBREVIATIONS

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

Access Coordination

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

Administrative Change

A change in Customer billing address or contact name.

Alternate Access

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

Application for Service

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

ASR

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

Authorized User

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

Bandwidth

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

Bill Date

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

Call

A completed connection between the Calling and Called Stations.

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Chicago, Illinois 60606

Called Station

The telephone number called.

Calling Station

The telephone number from which a Call originates.

Cancellation of Order

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

Channel or Circuit

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

Commission

South Dakota Public Utilities Commission

Company

USN COMMUNICATIONS LONG DISTANCE, INC.

Company Recognized National Holidays

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

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

Customer

The person, firm, corporation or governmental unit which orders Service and which is responsible for the payment of charges and for compliance with the Company's Tariff regulations. A Customer is considered to be an account for billing purposes. The term Customer also includes an entity that remains presubscribed to the Company's Service after its account(s) are removed from the Company's billing system, subsequently continues

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to use Company's network, and is billed by a local exchange carrier for such use, or otherwise uses Service for which no other Customer is obligated to compensate Company.

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Executive Vice President, Strategy and External Affairs
USN COMMUNICATIONS LONG DISTANCE, INC.
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Customer Premises/Customer's Premises

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

DCS

DCS means Digital Cross-Connect System.

Dedicated Access/Special Access

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

DS-0

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

DS-1

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

DS-0 with VF Access

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

DS-0 with DDS Access

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

Due Date

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

Expedite

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

FCC

Federal Communications Commission

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Individual Case Basis (ICB)

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

Installation

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

Interexchange Service

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

Interruption

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

Kbps

Kilobits per second.

LATA (Local Access Transport Area)

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

Local Access

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

Local Access Provider

Local Access Provider means an entity providing Local Access.

Local Exchange Carrier (LEC)

The local telephone utility that provides telephone exchange services.

Mbps

Megabits per second.

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Multiplexing

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

N/A

Not available.

Nonrecurring Charges

Nonrecurring Charges are one-time charges.

Payment Method

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

Physical Change

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

Point-of-Presence (POP)

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

Primary Route

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

Private Line

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

Private Line Service

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

Rate Center

A specified geographical location used for determining mileage measurements.

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Requested Service Date

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

Restore

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

Route Diversity

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

Service

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

Service Commitment Period

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

Special Promotional Offerings

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

Start of Service Date

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

Tariff

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

Transmission Speed

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

Two-Way Conversation

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

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VF

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

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2. RULES AND REGULATIONS**2.1. Description and Limitations of Services**

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

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

2.2. Other Terms and Conditions

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

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- 2.2.7. The rate or volume discount level applicable to a Customer for a particular Service or Services shall be the rate or volume discount level in effect at the beginning of the monthly billing period applicable to the Customer for the particular Service or Services. When a Service is subject to a minimum monthly charge, account charge, port charge or other recurring charge or Nonrecurring Charge for both intrastate and interstate Service, only one such charge shall apply per account and that charge shall be the interstate charge.
- 2.2.8. Service requested by Customer and to be provided pursuant to this Tariff shall be requested on Company Service Order forms in effect from time to time or Customer's forms accepted in writing by an authorized headquarters representative of the Company (collectively referred to as "Service Orders").
- 2.2.9. If an entity other than the Company (e.g., another carrier or a supplier) imposes charges on the Company in connection with a Service that entity's charges will be passed through to the Customer also.
- 2.2.10. The Service Commitment Period for any Service shall be established by the Service Order relevant thereto and commence on the Start of Service Date. Upon expiration, each Service Commitment Period for such Service shall automatically be extended subject to written notice of termination by either Company or Customer as of a date not less than thirty (30) days after delivery of said notice to the other. The charges for Interexchange Service during any such extension shall not exceed the then current Company month-to-month charges applicable to such Service.

2.3. Liability

- 2.3.1. Except as provided otherwise in this Tariff, the Company shall not be liable to Customer or any other person, firm or entity for any failure of performance hereunder if such failure is due to any cause or causes beyond the reasonable control of the Company. Such causes shall include, without limitation, acts of God, fire, explosion, vandalism, cable cut, storm or other similar occurrence, any law, order, regulation, direction, action or request of the United States government or of any other government or of any civil or military authority, national emergencies, insurrections, riots, wars, strikes, lockouts or work stoppages or other labor difficulties, supplier failures, shortages, breaches or delays, or preemption of existing Services to restore service in compliance with Part 64, Subpart D, Appendix A, of the FCC's Rules and Regulations.
- 2.3.2. With respect to the Services contained herein and except as otherwise provided herein, the Company's liability shall not exceed an amount equal to the charge applicable to a one minute Call to the Called Station at the time the affected Call was made. If the initial minute rate is higher than the additional minute rate, the higher rate shall apply. For those Services with monthly recurring charges, the Company's liability is limited to an amount equal to the proportionate monthly recurring charges for the period during which Service was affected.
- 2.3.3. The Company is not liable for any act or omission of any other company or companies (including any Company affiliate that is a participating or concurring carrier) furnishing a portion of the Service or facilities, equipment, or Services associated with such Service.

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- 2.3.4. The Customer is responsible for taking all necessary legal steps for interconnecting the Customer provided terminal equipment with the Company facilities. The Customer shall ensure that the signals emitted into the Company's network do not damage Company equipment, injure personnel or degrade Service to other Customers. The Customer is responsible for securing all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection. In addition, the customer shall comply with applicable LEC signal power limitations.
- 2.3.5. The Company may rely on Local Exchange Carriers or other third parties for the performance of other Services such as Local Access. Upon Customer request and execution and delivery of appropriate authorizing documents, the Company may act as agent for Customer in obtaining such other Services. Customer's liability for charges hereunder shall not be reduced by untimely Installation or non-operation of Customer provided facilities and equipment.
- 2.3.6. The failure to give notice of default, to enforce or insist upon compliance with any of the terms or conditions herein, the waiver of any term or conditions herein, or the granting of an extension of time for performance by the Company or the Customer shall not constitute the permanent waiver of any term or condition herein. Each of the provisions shall remain at all time in full force and effect until modified in writing.
- 2.3.7. The Company shall not be liable to the Customer or any other person, firm or entity in any respect whatsoever as a result of mistakes, accidents, errors, omissions, interruptions, delays, or defects in Service (collectively "Defects"). Defects caused by or contributed to, directly or indirectly, by any act or omission of Customer or its customers, affiliates, agents, representatives, invitees, licensees, successors or assigns or which arise from or are caused by the use of facilities or equipment of Customer or related parties shall not result in the imposition of any liability whatsoever upon the Company, and Customer shall pay to the Company any reasonable costs, expenses, damages, fees or penalties incurred by the Company as a result thereof, including penalties incurred by the Company as a result thereof, including costs of Local Access Providers' labor and materials. In addition, all or a portion of the Service may be provided over facilities of third parties, or sold by third parties, and the Company shall not be liable to Customer or any other person, firm or entity in any respect whatsoever arising out of Defects caused by such third parties. THE COMPANY SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, SPECIAL, ACTUAL, PUNITIVE OR ANY OTHER DAMAGES, OR BUSINESS INTERRUPTION, FOR ANY LOST PROFITS OF ANY KIND OR NATURE WHATSOEVER ARISING OUT OF ANY DEFECTS OR ANY OTHER CAUSE. THE COMPANY'S LIABILITY, IF ANY, WITH REGARD TO THE DELAYED INSTALLATION OF THE COMPANY'S FACILITIES OR COMMENCEMENT OF SERVICE SHALL NOT EXCEED \$1,000. THIS WARRANTY AND THESE REMEDIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OR REMEDIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN THE EVENT OF AN INTERRUPTION IN SERVICE OR ANY DEFECT IN THE SERVICE WHATSOEVER, NEITHER COMPANY NOR ANY AFFILIATED OR UNAFFILIATED THIRD PARTY, THIRD PARTY PROVIDER OR OPERATOR OF FACILITIES EMPLOYED IN THE PROVISION OF THE SERVICE SHALL BE LIABLE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, SPECIAL, ACTUAL, PUNITIVE OR ANY OTHER DAMAGES, OR FOR ANY LOST PROFITS OF ANY KIND OR NATURE WHATSOEVER.

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- 2.3.8. With respect to the routing of Calls by the Company to public safety answering points or municipal Emergency Service providers, Company liability, if any, will be limited to the lesser of: (a) the actual monetary damages incurred and proved by the Customer as the direct result of the Company's action, or failure to act, in routing the Call, or (b) the sum of \$1,000.00.
- 2.3.9. In the event parties other than Customer (e.g., Customer's customers) shall have use of the Service directly or indirectly through Customer, then Customer agrees to forever indemnify and hold Company and any affiliated or unaffiliated third-party, third-party provider or operator of facilities employed in provision of the Service harmless from and against any and all claims, demands, suits, actions, losses, damages, assessments or payments which may be asserted by said parties arising out of or relating to any Defects.
- 2.3.10. In the event that Company is required to perform a Circuit redesign due to inaccurate information provided by the Customer; or, circumstances in which such costs and expenses are caused by the Customer or reasonably incurred by the Company for the benefit of the Customer, the Customer is responsible for the payment of all such charges.
- 2.4. Cancellation of Service by a Customer
- 2.4.1. If a Customer cancels a Service Order before the Service begins, before completion of the Minimum Period, or before completion of some other period mutually agreed upon by the Customer and the Company, a charge will be levied upon the Customer for the nonrecoverable portions of expenditures or liabilities incurred expressly on behalf of the Customer by the Company and not fully reimbursed by Installation and monthly charges. If, based on a Service Order by a Customer, any construction has either begun or been completed, but no Services provided, the nonrecoverable costs of such construction shall be borne by the Customer.
- 2.4.2. Upon thirty (30) days' prior written notice, either Customer or Company shall have the right, without cancellation charge or other liability, to cancel the affected portion of the Service, if the Company is prohibited by governmental authority from furnishing said portion, or if any material rate or term contained herein and relevant to the affected Service is substantially changed by order of the highest court of competent jurisdiction to which the matter is appeal, the Federal Communications Commission, or other local, state or federal government authority.
- 2.5. Cancellation for Cause by the Company
- 2.5.1. Upon nonpayment of any sum owing to the Company, or upon a violation of any of the provisions governing the furnishing of Service under this Tariff, the Company may, upon five business days written notification to the Customer, except in extreme cases, without incurring any liability, immediately discontinue the furnishing of such Service. The written notice may be separate and apart from the regular monthly bill for service. Customer shall be deemed to have canceled Service as of the date of such disconnection and shall be liable for any cancellation charges set forth in this Tariff.

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- 2.5.2. Without incurring any liability, the Company may discontinue the furnishing of Service(s) to a Customer upon five business days written notice if the Company deems that such action is necessary to prevent or to protect against fraud or to otherwise protect its personnel, agents, facilities or Services under the following circumstances, except under extreme cases where the customer may be disconnected immediately and without notice:
- 2.5.2.A. if the Customer refuses to furnish information to the Company regarding the Customer's credit-worthiness, its past or current use of common carrier communications Services or its planned use of Service(s);
- 2.5.2.B. if the Customer provides false information to the Company regarding the Customer's identity, address, credit-worthiness, past or current use of Customer communications Services, or its planned use of the Company Service(s);
- 2.5.2.C. if the Customer states that it will not comply with a request of the Company for reasonable security for the payment for Service(s);
- 2.5.2.D. if the Customer has been given five business days written notice in a separate mailing by the Company of any past due amount (which remains unpaid in whole or in part) for any of the Company's communications Services to which the Customer either subscribes or had subscribed or used;
- 2.5.2.E. in the event of unauthorized use.
- 2.5.2.F. Following the disconnection of service for any of these reasons, the Company or the local exchange utility acting as Company agent, will notify the telephone user/customer that service was disconnected and why. The notice will include all reasons for the disconnection and will include a toll-free number where an end user/customer can obtain additional information. Notice shall be deemed given upon deposit, postage prepaid, in the U.S. Mail to the end user's/customer's last known address and in compliance with the Commission's rules.
- 2.5.3. The discontinuance of Service(s) by the Company pursuant to this Section does not relieve the Customer of any obligations to pay the Company for charges due and owing for Service(s) furnished up to the time of discontinuance. The remedies set forth herein shall not be exclusive and the Company shall at all times be entitled to all rights available to it under either law or equity.
- 2.6. Credit Allowance
- 2.6.1. Credit allowance for the interruption of Service is subject to the general liability provisions set forth in this Tariff. Customers shall receive no credit allowance for the interruption of service which is due to the Company's testing or adjusting, negligence of the Customer, or to the failure of channels or equipment provided by the Customer. The Customer should notify the Company when the Customer is aware of any interruption in Service for which a credit allowance is desired. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any

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action or omission within Customer's control, or is not in wiring or equipment, if any, furnished by the Customer in connection with the Company's Services.

- 2.6.2. No credit is allowed in the event service must be interrupted in order to provide routine service quality or related investigations.
- 2.6.3. No credit shall be allowed:
- 2.6.3.A. For failure of services or facilities of Customer; or
- 2.6.3.B. For failure of services or equipment caused by the negligence or willful acts of Customer.
- 2.6.4. Credit for an interruption shall commence after Customer notifies Company of the interruption and ceases when services have been restored.
- 2.6.5. Credits are applicable only to that portion of Service interrupted.
- 2.6.6. For purposes of credit computation, every month shall be considered to have 720 hours.
- 2.6.7. No credit shall be allowed for an interruption of a continuous duration of less than two hours.
- 2.6.8. The Customer shall be credited for an interruption of two hours or more at a rate of 1/720th of the monthly recurring charge for the service affected for each hour or major fraction thereof that the interruption continues. Calculations of the credit shall be made in accordance with the following formula.

Credit Formula:

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

"A" = outage time in hours

"B" = total monthly charge for affected facility

2.7. Use of Service

- 2.7.1. The Services offered herein may be used for any lawful purpose, including residential, business, governmental, or other use. There are no restrictions on sharing or resale of Services. However, the Customer remains liable for all obligations under this Tariff notwithstanding such sharing or resale and regardless of the Company's knowledge of same. The Company shall have no liability to any person or entity other than the Customer and only as set forth in Section 2.3. The Customer shall not use nor permit others to use the Service in a manner that could interfere with Services provided to others or that could harm the facilities of the Company or others.
- 2.7.2. Service furnished by the Company may be arranged for joint use or authorized use. The joint user or Authorized User shall be permitted to use such Service in the same manner as the Customer, but subject to the following:

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- 2.7.2.A. One joint user or Authorized User must be designated as the Customer.
- 2.7.2.B. All charges for the Service will be computed as if the Service were to be billed to one Customer. The joint user or Authorized User which has been designated as the Customer will be billed for all components of the Service and will be responsible for all payments to the Company. In the event that the designated Customer fails to pay the Company, each joint user or Authorized User shall be liable to the Company for all charges incurred as a result of its use of the Company's Service.
- 2.7.3. In addition to the other provisions in this Tariff, Customers reselling Company Services shall be responsible for all interaction and interface with their own subscribers or customers. The provision of the Service will not create a partnership or joint venture between Company and Customer nor result in a joint communications Service offering to the Customers of either the Company or the Customer.
- 2.7.4. Service furnished by the Company shall not be used for any unlawful or fraudulent purposes.
- 2.7.5. The Customer will be billed directly by the LEC for certain Dedicated Access arrangements selected by the Customer for the provisioning of direct access arrangements. In those instances where the Company at the Customer's request may act as agent in the ordering of such arrangements, the Company will bill the Customer Local Access charges.
- 2.8. Payment Arrangements
- 2.8.1. The Customer is responsible for payment of all charges for Services furnished to the Customer or its joint or Authorized Users. This responsibility is not changed due to any use, misuse, or abuse of the Customer's Service or Customer provided equipment by third parties, the Customer's employees, or the public.
- 2.8.2. The Company's bills are due upon receipt. Amounts not paid within 30 days from the Bill Date of the invoice will be considered past due. Customers will be assessed a late fee on past due amounts in the amount not to exceed the maximum lawful rate under applicable state law. If a Customer presents an undue risk of nonpayment at any time, the Company may require that Customer to pay its bills within a specified number of days and to make such payments in cash or the equivalent of cash.
- 2.8.3. In determining whether a Customer presents an undue risk of nonpayment, the Company shall consider the following factors: (A) the Customer's payment history (if any) with the Company and its affiliates, (B) Customer's ability to demonstrate adequate ability to pay for the Service, (C) credit and related information provided by Customer, lawfully obtained from third parties or publicly available, and (D) information relating to Customer's management, owners and affiliates (if any).
- 2.8.4. Disputes with respect to charges must be presented to the Company in writing within thirty days from the date the invoice is rendered or such invoice will be deemed to be correct and binding on the Customer.

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- 2.8.5. If a LEC has established or establishes a Special Access surcharge, the Company will bill the surcharge beginning on the effective date of such surcharge for Special Access arrangements presently in Service. The Company will cease billing the Special Access surcharge upon receipt of an Exemption Certificate or if the surcharge is removed by the LEC.
- 2.8.6. In the event the Company incurs fees or expenses, including attorney's fees, in collecting, or attempting to collect, any charges owed the Company, the Customer will be liable to the Company for the payment of all such fees and expenses reasonably incurred.
- 2.8.7. Company will not require deposits or advance payments by Customers for Services.
- 2.9. Assignment
- 2.9.1. The obligations set forth in this Tariff shall be binding upon and inure to the benefit of the parties hereto and their respective successors or assigns, provided, however, the Customer shall not assign or transfer its rights or obligations without the prior written consent of the Company.
- 2.10. Taxes
- 2.10.1. All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.
- 2.10.2. If at any future time a municipality acquires the legal right to impose an occupation tax, license tax, permit fee, franchise fee or other similar charge upon the Carrier, and imposes the same by ordinance or otherwise, such taxes, fees or charges shall be billed to the end users receiving service within the territorial limits of such municipality. Such billing shall allocate the tax, fee or charge among end users uniformly on the basis of each end user's monthly charges for the types of service made subject to such tax, fee or charge.
- 2.10.3. If at any future time a county or other local taxing authority acquires the legal right to impose an occupation tax, license tax, permit fee, franchise fee or other similar charge upon the Carrier, and imposes the same by ordinance or otherwise, such taxes, fees or charges shall be billed to the end users receiving service within the territorial limits of such county or other taxing authority. Such billing shall allocate the tax, fee or charge among end users uniformly on the basis of each end user's monthly charges for the types of service made subject to such tax, fee or charge.
- 2.10.4. When utility or telecommunications assessments, franchise fees, or privilege, license, occupational, excise, or other similar taxes or fees, based on interstate or intrastate receipts are imposed by certain taxing jurisdictions upon the Company or upon local exchange companies and passed on to the Company through or with interstate or intrastate access charges, the amounts of such taxes or fees will be billed to Customers in such a taxing jurisdiction on a prorated basis. The amount of charge that is prorated to each Customer's bill is determined by the interstate or intrastate telecommunications service provided to and billed to an end user/customer service location in such a taxing jurisdiction with the aggregate of such charges equal to the amount of the tax or fee imposed upon or passed on to the Company.

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2.11. Method for Calculation of Airline Mileage

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

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

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

Example:	$\frac{V}{5004}$	$\frac{H}{1406}$
City 1	5004	1406
City 2	5987	3424

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

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

2.12. Time of Day Rate Periods

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

The rates shown in Section 4 apply as follows:

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

2.13. Special Customer Arrangements

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

Issued:

Effective:

Issued by: Ronald Gaviilet
Executive Vice President, Strategy and External Affairs
USN COMMUNICATIONS LONG DISTANCE, INC.
10 S. Riverside Plaza
Chicago, Illinois 60606

2.14. Inspection

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

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3. DESCRIPTION OF SERVICES3.1. Wide Area ("WATS") and Message ("MTS") Telecommunications Services

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

3.2. 1+ Switched Outbound Service

3.2.1. Company's 1+ switched outbound services permit outward calling utilizing premium switched Feature Group D access on both the originating and terminating ends.

3.3. Dedicated Outbound Service

3.3.1. Dedicated outbound service permits outward 1+ calling to stations in diverse service areas. Dedicated outbound service is distinguished from other services by the existence of a dedicated, special access connection on one end. High Volume Customers may elect Dedicated Access 1+ Service.

3.4. 800 Switched Service

3.4.1. The Company's 800 Switched Inbound Service permits inward calling (via 800 codes) to a specific location utilizing premium switched, Feature Group D access on both ends. The Company's 800 Switched Service is available to Customers executing a month to month or long term contract with the Company. Customers incur a monthly charge in the amount of \$5.00 per 800 line.

3.5. Dedicated Inbound 800 Service

3.5.1. The Company's Dedicated Inbound 800 Service permits inward calling (via 800 codes) to a specific location featuring the use of a dedicated, special access type connection on the terminating end. Dedicated 800 Service is available to large volume Customers executing a one or two year term commitment agreement with the Company. Customers incur a monthly charge in the amount of \$5.00 per 800 line.

3.6. Calling Card Service

3.6.1. The Company's Calling Card Service is a customized calling card service with features including voice response or touch-tone dialing. Customers will be billed a \$.70 per call charge in addition to the per minute charge set forth below. In addition, Customers will receive a \$5.00 per month service charge if the Customer fails to exceed ten (10) dollars per month in usage charges.

3.7. Timing of Calls

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

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Chicago, Illinois 60606

- 3.7.2. Unless otherwise specified in this Tariff, the minimum call duration for billing purposes is thirty (30) seconds. In addition, unless otherwise specified in this Tariff, usage is measured thereafter in six (6) second increments and rounded to the next higher six (6) second period.

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4. RATE SCHEDULES4.1. Usage Rates

4.1.1. The following are the maximum per minute usage charges which apply to all calls.

4.2. 1+ Switched Outbound Service Usage RatesDAY
EVENING/NIGHT/WEEKEND

MILEAGE	INITIAL 30 SECONDS	ADDITIONAL 6 SECONDS
ALL	\$0.0845	\$0.0169

4.3. Dedicated Outbound Usage RatesBUSINESS DAY
EVENING/NIGHT/WEEKEND

MILEAGE	INITIAL 18 SECONDS	ADDITIONAL 6 SECONDS
ALL	\$0.0348	\$0.0116

4.4. 800 Switched Service Usage RatesBUSINESS DAY
EVENING/NIGHT/WEEKEND

MILEAGE	INITIAL 30 SECONDS	ADDITIONAL 6 SECONDS
ALL	\$0.0870	\$0.0174

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4.5. Dedicated Inbound 800 Service Usage Rates**BUSINESS DAY
EVENING/NIGHT/WEEKEND**

MILEAGE	INITIAL 18 SECONDS	ADDITIONAL 6 SECONDS
ALL	\$0.0348	\$0.0116

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

MILEAGE	INITIAL 60 SECONDS	ADDITIONAL 60 SECONDS
ALL	\$.25	\$.25

4.7. Special Promotional Offering

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

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4.8. Emergency Calls

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

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EARLY, LENNON, PETERS
& CROCKER, P.C.
ATTORNEYS AT LAW
900 COMERICA BLDG.
KALAMAZOO, MI 49007-4752

20897

6-4/72
52

8-14-1997

PAY
TO THE
ORDER OF

South Dakota Public Utilities Commission

\$ 250.00

Two Hundred Fifty ⁰⁰/₁₀₀

DOLLARS

Comerica Bank
Kalamazoo, Michigan

FOR

⑆020897⑆ ⑆072000096⑆ 1840391625⑆

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION OF) ORDER GRANTING
USN COMMUNICATIONS LONG DISTANCE,) CERTIFICATE OF
INC. FOR A CERTIFICATE OF AUTHORITY TO) AUTHORITY
PROVIDE TELECOMMUNICATIONS)
SERVICES IN SOUTH DAKOTA) TC97-144

On August 15, 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 USN Communications Long Distance, Inc. (Applicant).

Applicant proposed to offer MTS, out-WATS, in-WATS services, and calling card services. Applicant does not intend to offer operator services, 900 or 700 services. A proposed tariff was filed by Applicant. The Commission has classified long distance service as fully competitive.

On August 21, 1997, the Commission electronically transmitted notice of the filing and the intervention deadline of September 5, 1997, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled October 9, 1997, meeting, the Commission considered Applicant's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to the condition that Applicant 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 Applicant has met the legal requirements established for the granting of a certificate of authority. Applicant 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 Applicant's application for a certificate of authority, subject to the condition that Applicant 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 Applicant's application for a certificate of authority is hereby granted, subject to the condition that Applicant not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission. It is

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

Dated at Pierre, South Dakota, this 17th day of October, 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	<u>Melanie Kalko</u>
Date	<u>10/20/97</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

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By	<u>Nelani Kelso</u>
Date	<u>10/20/97</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

5-11-97 4-4-98

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

CERTIFICATE OF AUTHORITY

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

Authority was Granted October 9, 1997
Docket No. TC97-144

This is to certify that

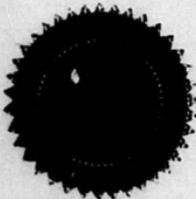
USN COMMUNICATIONS LONG DISTANCE, INC.

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 17th day of October, 1997.

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION:**



James A. Burg

JAMES A. BURG, Chairman

Pam Nelson

PAM NELSON, Commissioner

Laska Schoenfelder

LASKA SCHOENFELDER, Commissioner