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OF COUNSEL
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HON. C.H. MULLEN
THOMPSON BENNETT

JOSEPH J. BURGE
(1928 - 1993)

* Also admitted in Iowa.
** Also admitted in California and North Carolina.
*** Also admitted in New York, Illinois and Washington, D.C.

August 7, 1997

Florida Public Service Commission
Division of Administration
2540 Shumard Oak Blvd.
Gunter Building
Tallahassee, Florida 32399-0850

Re: USBG, INC.

Dear Sir:

Enclosed herewith for filing with the Commission, please find an original and 6 copies of the above captioned corporation's APPLICATION FOR AUTHORITY TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICES WITHIN THE STATE OF FLORIDA, 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 stamp the duplicate received and return same in the self-addressed stamped envelope attached thereto.

Please contact me if you have additional questions or concerns.

Very truly yours,

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

Patrick D. Crocker
PDS/pas

Enclosures

DJ 08119-97
8/11/97

FLORIDA PUBLIC SERVICE COMMISSION

USBG, INC. APPLICATION FOR)
AUTHORITY TO PROVIDE INTEREXCHANGE) Docket No.
TELECOMMUNICATIONS SERVICES WITHIN)
THE STATE OF FLORIDA)

APPLICATION

1. Select what type of business your company will be conducting (check all that apply):
- () **Facilities based carrier** - company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.
 - () **Operator Service Provider** - company provides or plans to provide alternative operator services for IXC's; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.
 - () **Reseller** - company has or plans to have one or more switches but primarily leases the transmission facilities of other carriers. Bills its own customer base for services used.
 - (X) **Switchless Rebiller** - company has no switch or transmission facilities but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carriers. Rebills end users at a rate above its discount but generally below the rate end users would pay for unaggregated traffic.
 - () **Multi-Location Discount Aggregator** - company contracts with unaffiliated entities to obtain bulk/volume discount plans from certain underlying carriers. Then offers the resold service by enrolling unaffiliated customers.
 - (X) **Prepaid Debit Card Provider** - any person or entity that purchases 800 access from an underlying carrier or unaffiliated entity for use with prepaid debit card service and/or encodes the cards with personal identification numbers.

2. This is an application for (check one):

- Original Authority (New Company)**
- Approval of Transfer (To another certified company).**
- Approval of Assignment of existing certificate (To an uncertificated company).**
- Approval for transfer of control (To another certificated company).**

3. Name of corporation, partnership, cooperative, joint venture or sole proprietorship.

USBG, INC.

4. Name under which the applicant will do business (fictitious name, etc.):

USBG, INC.

5. National address (including street name & number, post office box, city, state and zip code).

**5601 West 120th Street
Alsip, Illinois 60658**

6. Florida address (including street name & number, post office box, city, state and zip code).

NOT APPLICABLE

7. Structure of organization:

- | | |
|--|---|
| <input type="checkbox"/> Individual | <input checked="" type="checkbox"/> Corporation |
| <input type="checkbox"/> Foreign Corporation | <input type="checkbox"/> Foreign Partnership |
| <input type="checkbox"/> General Partnership | <input type="checkbox"/> Limited Partnership |
| <input type="checkbox"/> Other, _____ | |

8. If applicant is an individual or partnership, please give name, title and address of sole proprietor or partners.

(a) Provide proof of compliance with the foreign limited partnership statute (Chapter 620.169.FS) if applicable.

NOT APPLICABLE

(b) Indicate if the individual or any of the partners have previously been:

(1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings.

NOT APPLICABLE

(2) officer, director, partner or stockholder in any other Florida certified telephone. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

NOT APPLICABLE

9. If incorporated, please give:

(a) Proof from the Florida Secretary of State that the applicant has authority to operate in Florida.

Corporate charter number: **F97000002805**

Applicant has the authority to transact business within the state of Florida. Applicant attaches evidence of such as Exhibit A.

(b) Name and address of the company's Florida registered agent.

**Edwin F. Blanton, Esq.
825 Thomasville Road
Tallahassee, Florida 32303**

(c) Provide proof of compliance with the fictitious name statute (Chapter 865.09 FS), if applicable.

Fictitious name registration number: _____

(d) Indicate if any of the officers, directors, or any of the officers, directors, or any of the ten largest stockholders have previously been:

(1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings.

NOT APPLICABLE

- (2) officer, director, partner or stockholder in any other Florida certified telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

NOT APPLICABLE

10. Who will serve as liaison with the Commission in regard to (please give name, title, address and telephone number):

- (a) The application:

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

- (b) Official Point of Contact for the ongoing operations of the company:

**Thomas W. Jacobs, President
USBG, INC.
5601 West 120th Street
Alsip, Illinois 60658
(708) 389-3200**

- (c) Tariff:

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

- (d) Complaints/Inquiries from customers:

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

11. List the states in which the applicant:

- (a) Has operated as an interexchange carrier.
Applicant has not previously operated as an interexchange carrier.

- (b) Has applications pending to be certified as an interexchange carrier.

Applicant has applications pending throughout the United States.

- (c) Is certificated to operate as an interexchange carrier.

Applicant has authority to provide the resale of telecommunications services in Arkansas, Colorado, Iowa, Michigan, Montana, New Hampshire, New Jersey, Pennsylvania, Utah, Virginia, and Wyoming.

- (d) Has been denied authority to operate as an interexchange carrier and the circumstances involved.

Applicant has never been denied authority to operate as an interexchange carrier.

- (e) Has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.

Applicant has never had material regulatory penalties imposed for violations of any telecommunications statutes.

- (f) Has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

Applicant has never been involved in Civil court proceedings with an interexchange carrier, local exchange company, or other telecommunications entity.

12. What services will the applicant offer to other certified telephone companies:

Applicant will not offer services to other certificated telephone companies.

- | | | | |
|--------------------------|-------------------------|--------------------------|------------|
| <input type="checkbox"/> | Facilities. | <input type="checkbox"/> | Operators. |
| <input type="checkbox"/> | Billing and Collection. | <input type="checkbox"/> | Sales. |
| <input type="checkbox"/> | Maintenance. | | |
| <input type="checkbox"/> | Other: _____ | | |

13. Do you have a marketing program?

Yes

14. Will your marketing program:

- Pay commissions?
- Offer sales franchise?
- Offer multi-level sales incentives?
- Offer other sales incentives?

15. Explain any of the offers checked in question 14 (To whom, what amount, type of franchise, etc.).

Applicant shall pay commissions to its sales representatives.

16. Who will receive the bills for your services (Check all that apply)?

- | | |
|--|---|
| <input checked="" type="checkbox"/> Residential customers. | <input checked="" type="checkbox"/> Business customers. |
| <input type="checkbox"/> PATS providers. | <input type="checkbox"/> PATS station end-users. |
| <input type="checkbox"/> Hotels & motels. | <input type="checkbox"/> Hotel & motel guests. |
| <input type="checkbox"/> Universities. | <input type="checkbox"/> University dormitory |
| <input type="checkbox"/> Other: (specify)_____ residents. | |

17. Please provide the following (if applicable):

- (a) Will the name of your company appear on the bill for your services, and if not who will the billed party contact to ask questions about the bill (provide the name and phone number) and how is this information provided?

YES

- (b) Name and address of the firm who will bill for your service.

Applicant will provide billing for services within Florida.

18. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide interexchange telecommunications service in Florida.

A. Financial capability.

Regarding the showing of financial capability, the following applies:

The application should contain the applicant's financial statements for the most recent 3 years, including:

1. the balance sheet
2. income statement

3. statement of retained earnings.

Applicant attaches recent financial statements as Exhibit B.

Further, a written explanation, which can include supporting documentation, regarding the following should be provided to show financial capability.

1. Please provide documentation that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.

Applicant has sufficient financial capability to provide the requested service in the geographic areas proposed to be served. Applicant's operating revenue will provide Applicant with sufficient financial resources to provide service in the proposed areas. Applicant will not require additional funding to offer services contemplated within the Application.

2. Please provide documentation that the applicant has sufficient financial capability to maintain the requested service.

Applicant has sufficient financial capability to provide the requested service in the geographic areas proposed to be served. Applicant's operating revenue will provide Applicant with sufficient financial resources to provide service in the proposed areas. Applicant will not require additional funding to offer services contemplated within the Application.

3. Please provide documentation that the applicant has sufficient financial capability to meet its lease or ownership obligations.

Applicant will operate as a switchless reseller. Applicant will not own or lease any facilities to provide the services proposed within the Application.

NOTE: This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.

If available, the financial statements should be audited financial statements.

If the applicant does not have audited financial statements, it shall be so stated. The unaudited financial statements should then be signed by the applicant's chief executive officer and chief financial officer. The signatures should affirm that the financial statements are true and correct.

B. Managerial capability.

Resume of Applicant's current officers appear as Exhibit C.

C. Technical capability.

As a switchless reseller, Applicant will rely upon the technical capability of the underlying facilities based carrier. The commission has determined that Applicant's underlying facilities based carrier has the technical capability to provide the proposed services.

19. Please submit the proposed tariff under which the company plans to begin operation. Use the format required by Commission Rule 25024.485 (example enclosed).

Applicant's proposed Tariff is attached hereto as Exhibit D.

20. The applicant will provide the following interexchange carrier services (Check all that apply):

- MTS with distance sensitive per minutes rates
- Method of access is FGA
- Method of access is FGB
- Method of access is FGD
- Method of access is 800

- MTS with route specific rates per minute
- Method of access is FGA
- Method of access if FGB
- Method of access is FGB
- Method of access is 800
- MTS with statewide flat rates per minute (i.e. not distance sensitive)
- Method of access is FGA
- Method of access is FGB
- Method of access is FGD
- Method of access is 800

- MTS for pay telephone service providers

- Block-of-time calling plan (Reach out Florida, Ring America, etc.)

- 800 Service (Toll free)

- WATS type service (Bulk or volume discount)
- Method of access is via dedicated facilities
- Method of access is via switched facilities

- Private Line services (Channel Services)
(For ex. 1.544 ms., DS-3, etc)

- Travel Service
- Method of access is 950
- Method of access is 800

- 900 service

- Operator Services
- Available to presubscribed customers
- Available to non presubscribed customers (for example to patrons of hotels, students in Universities, patients in hospitals)
- Available to inmates

Services included are:

- Station assistance
- Person to Person assistance
- Directory Assistance
- Operator verify and interrupt
- Conference Calling

21. What does the end user dial for each of the interexchange carrier services that were checked in services included (above)?


1+

22. _____ Other:

****APPLICANT ACKNOWLEDGEMENT STATEMENT****

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of its gross operating revenue derived from intrastate business. Regardless of the gross revenue of a company, a minimum annual assessment fee of \$50 is required.
2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of one and one-half percent of all intra and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
4. **APPLICATION FEE:** A non-refundable application fee of \$250.00 must be submitted with the application.
5. **LEC BYPASS RESTRICTIONS:** I acknowledge the Commission's policy that interexchange carriers shall not construct facilities to bypass the LEC's without first demonstrating to the Commission that the LEC cannot offer the needed facilities at a competitive price and in a timely manner.
6. **RECEIPT AND UNDERSTANDING OF RULES:** I acknowledge receipt and understanding of the Florida Public Service Commission's Rules and Orders relating to may provision of interexchange telephone service in Florida. I also understand that it is my responsibility to comply with all current and future Commission requirements regarding interexchange telephone service.
7. **ACCURACY OF APPLICATION:** By my signature below, I attest to the accuracy of the information contained in this application and associated attachments.

7/31/97
DATE




Thomas W. Jacobs, President

****APPENDIX B****

CUSTOMER DEPOSITS AND ADVANCE PAYMENTS

A statement of how the Commission can be assured of the security of the customer's deposits and advance payments may be responded to in one of the following ways (applicant please check one):

- (X) The applicant will not collect deposits nor will it collect payments for service more than one month in advance.
- () The applicant will file with the Commission and maintain a surety bond in an amount equal to the current balance of deposits and advance payments in excess of one month. (Bond must accompany application.)


Thomas W. Jacobs
USBG, INC.

7/31/97
Date

EXHIBIT A

State of Florida



Department of State

I certify from the records of this office that USBG, INC., is a corporation organized under the laws of Illinois, authorized to transact business in the State of Florida, qualified on May 29, 1997.

The document number of this corporation is F97000002805.

I further certify that said corporation has paid all fees and penalties due this office through December 31, 1997, and its status is active.

I further certify that said corporation has not filed a Certificate of Withdrawal.

Given under my hand and the Great Seal of the State of Florida, at Tallahassee, the Capitol, this the Twenty-ninth day of May, 1997



CR2EOZZ (2-95)

Sandra B. Northam
Secretary of State

APPLICATION BY FOREIGN CORPORATION FOR AUTHORIZATION TO TRANSACT BUSINESS IN FLORIDA

IN COMPLIANCE WITH SECTION 607.1503, FLORIDA STATUTES, THE FOLLOWING IS SUBMITTED TO REGISTER A FOREIGN CORPORATION TO TRANSACT BUSINESS IN THE STATE OF FLORIDA:

1. USBG, INC.
(Name of corporation: must include the word "INCORPORATED", "COMPANY", "CORPORATION" or words or abbreviations of like import in language as will clearly indicate that it is a corporation instead of a natural person or partnership if not so contained in the name at present.)

2. ILLINOIS 3. Applied for, not yet received
(State or country under the law of which it is incorporated) (FEI number, if applicable)

4. 4/23/97 5. PERPETUAL
(Date of Incorporation) (Duration: Year corp. will cease to exist or "perpetual")

6. UPON QUALIFICATION
(Date first transacted business in Florida. (See sections 607.1501, 607.1502, and 617.155, F.S.)

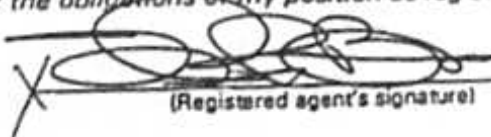
7. 5601 W. 120TH STREET
ALSIP, IL 60658
(Current mailing address)

8. TELECOMMUNICATION SERVICES AS A RESELLER OF INTEREXCHANGE SERVICES
(Purpose(s) of corporation authorized in home state or country to be carried out in the state of Florida)

9. Name and street address of Florida registered agent:
Name: EDWIN F. BLANTON, ESQ.
Office Address: 825 THOMASVILLE ROAD
TALLAHASSEE, Florida, 32303
(Zip Code)

SECRETARY OF STATE
DIVISION OF CORPORATIONS
97 JUL 29 AM 11:50

10. Registered agent's acceptance:
Having been named as registered agent and to accept service of process for the above stated corporation at the place designated in this application, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.


(Registered agent's signature)

11. Attached is a certificate of existence duly authenticated, not more than 90 days prior to delivery of this application to the Department of State, by the Secretary of State or other official having custody of corporate records in the jurisdiction under the law of which it is incorporated.

12. Names and addresses of officers and/or directors:

A. DIRECTORS

Chairman: JOSEPH J. AMENDALA
Address: 5601 W. 120TH STREET
ALSIP, IL 60658

Vice Chairman:
Address:

Director: Brian Amendala
Address: 5601 W. 120TH STREET
ALSIP, IL 60658

Director: Thomas Jacobs
Address: 5601 W. 120TH STREET
ALSIP, IL 60658

B. OFFICERS

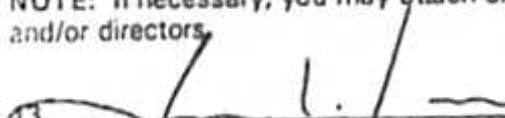
President: THOMAS JACOBS
Address: 5601 W. 120TH STREET
ALSIP, IL 60658

CEO:
Vice President: Joseph J. Amendala
Address: 5601 W. 120TH STREET
ALSIP, IL 60658

Secretary: Brian J. AMENDALA
Address: 5601 W. 120TH STREET
ALSIP, IL 60658

Treasurer: Brian J. AMENDALA
Address: 5601 W. 120TH STREET
ALSIP, IL 60658

NOTE: If necessary, you may attach an addendum to the application listing additional officers and/or directors.

13. 
(Signature of Chairman, Vice Chairman, or any officer listed in number 12 of the application)

14. Thomas Jacobs, President
(Typed or printed name and capacity of person signing application)

EXHIBIT B

USBG, INC.
COMPILED FINANCIAL STATEMENT
APRIL 23, 1997

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ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
USBG, Inc.
Alsip, Illinois

We have compiled the accompanying balance sheet of USBG, Inc. (A Development Stage Enterprise), as of April 23, 1997, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplemental material information that is the representation of management. We have not audited or reviewed the accompanying financial statement and, accordingly, do not express an opinion or any other form of assurance on it.

Management has elected to omit substantially all of the disclosures and the statement of cash flows, presentation of which is required by generally accepted accounting principles. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Wonak & Company, Ltd.
Schaumburg, Illinois
June 12, 1997

USBG, INC.

BALANCE SHEET

APRIL 28, 1997

ASSETS	
Due From Shareholders	\$ 1,000
TOTAL ASSETS	\$ 1,000

STOCKHOLDERS' EQUITY	
Common Stock, No Par Value, Authorized 100,000 Shares; Issued and Outstanding 1,000 shares	\$ 1,000
TOTAL STOCKHOLDERS' EQUITY	\$ 1,000

See accompanying accountants' compilation report and selected notes to financial statement.

USBG, INC.

SELECTED NOTES TO FINANCIAL STATEMENT

SELECTED INFORMATION - SUBSTANTIALLY ALL DISCLOSURES REQUIRED
BY GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ARE NOT INCLUDED

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

USBG, Inc. (A Development Stage Enterprise) was incorporated in Illinois on April 23, 1997 as a re-seller of local and long distance telephone services through telemarketing and direct sales efforts. To date, the Company is in the initial stage of its operations and has not yet engaged in significant commercial activities.

The Company is a development stage company as defined in accounting Standards Board Statement No. 7. The Company is devoting substantially all of its present efforts to establishing a new business and its planned principal operations have not commenced and, accordingly, no revenue has been derived therefrom.

Initial funding of operations is to be provided by The Faulkner Group, Ltd., a company affiliated by common ownership.

See accompanying accountants' compilation report.

THE FAULKNER GROUP, LTD.
COMPILED FINANCIAL STATEMENTS
(WITH SUPPLEMENTAL MATERIAL)
FOR THE PERIOD
JANUARY 16, 1996 (DATE OF INCEPTION)
TO DECEMBER 31, 1996

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ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
The Faulkner Group, Ltd.
Alsip, Illinois

We have compiled the accompanying balance sheet of The Faulkner Group, Ltd., as of December 31, 1996 and the related statement of income, retained earnings and cash flows for the period January 16, 1996 (date of inception) to December 31, 1996, and the accompanying supplemental material, which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplemental material information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplemental material and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and changes in financial position. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Wonak & Company Ltd.
Schaumburg, Illinois
April 2, 1997

THE FAULKNER GROUP, LTD.

BALANCE SHEETS

DECEMBER 31, 1996

ASSETS

CURRENT ASSETS

Cash	\$ 261,166
Accounts Receivable, Net	1,480,311
Notes Receivable	21,110
Prepaid Expenses	158,089
Refundable Income Taxes	1,680

Total Current Assets 1,922,356

OTHER ASSETS

Start Up Costs, Net of Amortization of \$2,000	8,000
Organization Costs, Net of Amortization of \$513	2,052

Total Other Assets 10,052

TOTAL ASSETS

\$1,932,408

LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES	
Accounts Payable	\$ 13,919
Accrued Expenses (Note 1)	331,293
Current Maturities of Long-Term Debt	283,637
Total Current Liabilities	628,849
LONG-TERM DEBT, Less Current Maturities	436,147
Total Liabilities	1,064,996
STOCKHOLDERS' EQUITY	
Common Stock, No Par Value - 100,000 Shares Authorized, 970 Shares Issued and Outstanding	970
Retained Earnings	866,442
Total Stockholders' Equity	867,412
 TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	 \$1,932,408

See accompanying accountants' compilation report and selected notes to financial statements

THE FAULKNER GROUP, LTD.

STATEMENT OF INCOME AND RETAINED EARNINGS
PERIOD OF JANUARY 16, 1996 (DATE OF INCEPTION)
THROUGH DECEMBER 31, 1996

NET SALES	\$3,949,500
COST OF SALES	2,911,338
Gross Profit	1,038,162
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	90,018
Operating Income	948,144
OTHER INCOME (EXPENSE)	
Interest Expense	(82,102)
Interest Income	400
Total Other Income (Expense)	(81,702)
NET INCOME, WHICH REPRESENTS RETAINED EARNINGS AT DECEMBER 31, 1996 (NOTE 2)	\$ 866,442

See accompanying accountants' compilation report and selected notes to financial statements.

THE FAULKNER GROUP, LTD.

STATEMENT OF CASH FLOWS

PERIOD OF JANUARY 16, 1996 (DATE OF INCEPTION)
THROUGH DECEMBER 31, 1996

	1996
OPERATING ACTIVITIES	
Net Income	\$ 866,442
Adjustment to Reconcile Net Income to Cash Provided (Used) By Operating Activities:	
Depreciation and Amortization Expense	2,513
Accounts Receivable	(1,480,311)
Notes Receivable	(21,110)
Refundable Income Taxes	(1,680)
Prepaid Expenses and Other Assets	(170,654)
Accounts Payable, Accrued Expenses and Other	345,212
Cash Used By Operating Activities	(459,588)
INVESTING ACTIVITIES	
Proceeds From Issuance of Common Stock	970
Cash Provided By Investing Activities	970
(Continued)	

See accompanying accountant's compilation report and selected notes to financial statement

THE FAULKNER GROUP, LTD.

STATEMENT OF CASH FLOWS

**PERIOD OF JANUARY 16, 1996 (DATE OF INCEPTION)
THROUGH DECEMBER 31, 1996**

(CONTINUED)

FINANCING ACTIVITIES	
Proceeds From Additional Long-Term Debt	\$829,175
Principal Payments of Long-Term Debt	(109,391)
Cash Provided By Financing Activities	719,784
INCREASE IN CASH AND CASH EQUIVALENTS	261,166
CASH AND CASH EQUIVALENTS Beginning	0
Ending	\$261,166
CASH PAID FOR INCOME TAXES	\$ 1,680
CASH PAID FOR INTEREST	\$ 35,455

See accompanying accountant's compilation report and selected notes to financial statement.

THE FAULKNER GROUP, LTD.

SELECTED NOTES TO FINANCIAL STATEMENTS

SELECTED INFORMATION - SUBSTANTIALLY ALL DISCLOSURES REQUIRED BY
GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ARE NOT INCLUDED

NOTE 1. ACCRUED EXPENSES

Accrued Expenses are summarized as follows:

	<u>1996</u>
Service and Collection Fees	\$153,384
Commissions	131,262
Interest	<u>46,647</u>
	<u>\$331,293</u>

NOTE 2. INCOME TAX STATUS

Effective January 16, 1996 the Company has elected, and the stockholders have consented to include the net income or losses of the Corporation in their individual tax returns to the extent allowed. The Company is, however, liable for Illinois Replacement Taxes. Accordingly, no provision has been made for Federal or State income taxes.

See accompanying accountants' compilation report.

THE FAULKNER GROUP, LTD.

SUPPLEMENTAL MATERIAL

**PERIOD OF JANUARY 16, 1996 (DATE OF INCEPTION)
THROUGH DECEMBER 31, 1996**

ANALYSIS OF COST OF SALES

Commissions	\$2,412,386
Service and Collection Fees	401,086
Line Charges	97,866
	\$2,911,338

ANALYSES OF SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Management Fee Expense	\$82,066
Accounting Fees	3,612
Amortization and Depreciation Expense	2,513
Office Expense	727
Miscellaneous Fees and Taxes	540
Donations	500
Delivery and Express	42
Bank Service Charges	18
	\$90,018

See accompanying accountants' compilation report.

	MAY 97	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
ORDER MS DIRECT	937	2,718	5,799	8,642	12,708	17,462	22,867	28,893	35,507	42,682	50,287
GROWTH	190.00%	160.00%	95.00%	63.08%	47.05%	37.40%	30.96%	26.35%	22.89%	20.20%	18.05%
USBG TELEMARKETING EMPLOYEES	5	10	15	20	25	30	35	40	45	50	55
MONEY ATTRIBUTED COM OVERHEAD	\$9,562	\$19,184	\$28,775	\$38,367	\$47,958	\$57,551	\$67,142	\$76,734	\$86,326	\$95,918	\$105,509
USBG TELEMARKETING COST	\$27,822	\$45,644	\$68,465	\$91,287	\$114,109	\$136,931	\$159,752	\$182,574	\$205,396	\$228,218	\$251,039
LEAD COST	\$1,617	\$3,234	\$4,851	\$6,468	\$8,085	\$9,702	\$11,319	\$12,936	\$14,553	\$16,170	\$17,787
VERIFICATION COST	\$2,911	\$5,821	\$8,732	\$11,642	\$14,553	\$17,464	\$20,374	\$23,285	\$26,195	\$29,106	\$32,017
USBG CREDIT CARD	\$750	\$1,499	\$2,249	\$2,998	\$3,748	\$4,498	\$5,248	\$5,998	\$6,747	\$7,497	\$8,247
USBG REWARD PROGRAM											
USBG COMMISSION ADVANCE	\$170,000	\$160,000	\$140,000	\$130,000	\$120,000	\$110,000	\$100,000	\$75,000	\$75,000	\$75,000	\$50,000
COMB PLUS COMMISSION	\$50,000	\$50,000	\$180,000	\$119,000	\$107,100	\$96,390	\$86,751	\$78,078	\$70,268	\$63,241	\$56,917
FRAUD LINE COST	\$71,000	\$71,000	\$71,000	\$71,000	\$71,000	\$71,000	\$71,000	\$71,000	\$71,000	\$71,000	\$71,000
USBG LINE COST	\$11,029	\$11,029	\$11,029	\$11,029	\$11,029	\$11,029	\$11,029	\$11,029	\$11,029	\$11,029	\$11,029
USBG BILLING COST	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750
TOTAL COST	\$198,099	\$327,198	\$487,075	\$686,553	\$934,201	\$1,243,626	\$1,613,171	\$1,982,752	\$2,352,306	\$2,721,860	\$3,091,413
USBG LEC BILLING OLD	\$1,000,000	\$800,000	\$610,000	\$420,000	\$230,000	\$50,000	\$50,000	\$478,287	\$430,467	\$382,647	\$348,819
USBG DIRECT BILLING	\$25,775	\$74,747	\$145,757	\$237,702	\$349,537	\$483,626	\$640,265	\$828,844	\$1,044,614	\$1,278,604	\$1,524,924
FALKNER COMMISSION LEC BILLING OLD	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
FALKNER REVENUE DIRECT BILLING ----	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
FALKNER TOTAL COMMISSION	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
FALKNER INCOME TAX											
FALKNER CASH FLOW	\$1,251,901	\$1,224,101	\$1,237,827	\$1,183,962	\$1,134,867	\$1,083,606	\$1,013,633	\$942,310	\$868,458	\$797,159	\$759,847
	MAY 97	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
	\$1,000,000										

APR	MAY 18	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB
58 518 ORDERS DIRECT	68.2%	79.152	91.313	104.647	119.064	134.599	151.110	168.576	186.949	206.164
16.30% GROWTH	16.43%	16.02%	15.26%	14.50%	13.81%	13.02%	12.27%	11.56%	10.90%	10.29%
60 USBG TELEMARKETING EMPLOYEES	70	80	90	100	110	120	130	140	150	160
\$115 101 MONEY ATTRIBUTED COM OVS PHEAD	\$134 285	\$153 468	\$172 652	\$191 835	\$211 019	\$230 202	\$249 386	\$268 569	\$287 753	\$306 936
\$273 861 USBG TELEMARKETING COST	\$319 505	\$365 149	\$410 792	\$456 435	\$502 079	\$547 722	\$593 366	\$639 009	\$684 653	\$730 296
\$19 404 LEAD COST	\$22 638	\$25 872	\$29 106	\$32 340	\$35 574	\$38 808	\$42 042	\$45 276	\$48 510	\$51 744
\$34 927 VERIFICATION COST	\$40 748	\$46 570	\$52 391	\$58 212	\$64 033	\$69 854	\$75 676	\$81 497	\$87 318	\$93 139
\$8 896 USBG CREDIT CARD	\$10 496	\$11 995	\$13 495	\$14 994	\$16 493	\$17 993	\$19 492	\$20 992	\$22 491	\$23 990
USBG REWARD PROGRAM	\$644	\$1 869	\$3 644	\$5 943	\$8 738	\$12 007	\$15 724	\$19 867	\$24 415	\$29 348
\$50,000 USBG COMMISSION ADVANCE	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
\$51 278 COMM PLUS COMMISSION	\$48 103	\$41 493	\$37 343	\$33 609	\$30 248	\$27 223	\$24 501	\$22 051	\$19 846	\$17 861
\$502 298 USBG LIME COST	\$592 983	\$689 611	\$802 913	\$931 504	\$1 074 620	\$1 231 534	\$1 401 557	\$1 584 033	\$1 778 339	\$1 983 884
\$34 145 USBG BILLING COST	\$40 310	\$48 878	\$54 581	\$63 322	\$73 051	\$83 717	\$95 275	\$107 680	\$120 868	\$134 861
\$514 858 TOTAL COST	\$1 123 427	\$1 479 436	\$1 454 264	\$1 638 359	\$1 834 836	\$2 048 858	\$2 277 632	\$2 530 423	\$2 786 458	\$3 065 124
\$313 811 USBG LEC BILLING OLD	\$282 420	\$254 187	\$228 768	\$205 891	\$185 302	\$166 772	\$150 095	\$135 085	\$121 577	\$109 419
\$1 385 864 USBG DIRECT BILLING	\$1 611 683	\$1 876 492	\$2 177 023	\$2 511 500	\$2 878 225	\$3 275 586	\$3 702 051	\$4 156 165	\$4 638 546	\$5 141 880
\$172 187 FALKNER COMMISSION LEC BILLING OLD	\$154 968	\$139 471	\$125 524	\$112 972	\$101 675	\$91 507	\$82 206	\$74 121	\$66 709	\$60 038
\$82 278 FALKNER REVENUE DIRECT BILLING ****	\$975 304	\$1 162 302	\$1 362 477	\$1 568 058	\$1 844 862	\$2 134 036	\$2 453 805	\$2 802 640	\$3 179 088	\$3 581 768
\$574 265 FALKNER TOTAL COMMISSION	\$1 130 273	\$1 301 773	\$1 468 001	\$1 701 030	\$1 946 537	\$2 225 543	\$2 536 161	\$2 878 781	\$3 245 797	\$3 641 806
\$789 354 FALKNER CASH FLOW	\$779 200	\$768 537	\$812 275	\$868 946	\$1 008 647	\$1 183 331	\$1 443 861	\$1 806 218	\$2 299 556	\$2 836 238
APR	MAY 98	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB

EXHIBIT C

USBG, INC.

MANAGEMENT PROFILES:

Joseph J. Amendala: Chief Executive Officer

With twenty-four years' experience in the telecommunications industry, CEO Joseph J. Amendala brings a breadth of industry knowledge to USBG. After working for Illinois Bell Telephone for thirteen years, Mr. Amendala founded Sheffield Systems, Inc., Sheffield Systems, Inc., a company originally specializing in small business interconnect, was awarded Public Utility status by the Illinois Commerce Commission in January of 1987. Mr. Amendala is President of Sheffield Systems, Inc., and has served as President and Member of the Board of the Illinois Public Telecommunications Association (IPTA) from the years 1990-1994, and as CEO of International Gateway Communications, Inc.

Thomas W. Jacobs: President

After receiving his B.S. from S.U.N.Y. in Albany, New York (Business/Computer Science), President Thomas W. Jacobs has worked in the telecommunications industry for ten years. He spent two years as Major Account Manager at RCI Long Distance, a subsidiary of Rochester Telephone Company, in Eimsford, New York; and six years as national Account manager at MCI Telecommunications in New York, New York; and President of International Gateway Communications, Inc.

Sean Trepeta: Executive Vice President: Sales/Marketing

After receiving his B.S. in 1990, Executive Vice President Sean Trepeta spent two years working for NYNEX in the MIS department of the business Information Services Company. Mr. Trepeta then spent four years working for MCI, in their sales division, advancing to the position of Investment Major Account Manager in the International Markets Branch of MCI.

EXHIBIT D

TITLE SHEET**FLORIDA 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 Florida by USBG, INC. This Tariff is on file with the Florida Public Service Commission, and copies may also be inspected, during normal business hours, at the following location: 5601 West 120th Street, Alsip, Illinois 60658.

Issued: August 8, 1997

Effective: _____

Issued by: Thomas Jacobs, President
USBG, INC.
5601 West 120th Street
Alsip, Illinois 60658

CHECK SHEET

The title page and pages 1-36 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	20	Original
2	Original	21	Original
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4	Original	23	Original
5	Original	24	Original
6	Original	25	Original
7	Original	26	Original
8	Original	27	Original
9	Original	28	Original
10	Original	29	Original
11	Original	30	Original
12	Original	31	Original
13	Original	32	Original
14	Original	33	Original
15	Original	34	Original
16	Original	35	Original
17	Original	36	Original
18	Original		
19	Original		

* New or Revised Sheets

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CONCURRING, CONNECTING AND OTHER PARTICIPATING CARRIERS

CONCURRING CARRIERS:

No Concurring Carriers

CONNECTING CARRIERS:

No Connecting Carriers

OTHER PARTICIPATING CARRIERS:

No Participating Carriers

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SYMBOLS

- (D) To signify deleted or 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 or regulation but no change in rate or charge

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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.

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

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 FPSC, 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 FPSC.

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SECTION 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.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Call

A completed connection between the Calling and Called Stations.

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.

Company

USBG, 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.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Customer

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

Customer Premises/Customer's Premises

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

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.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

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

EPSC

Florida Public Service Commission

Individual Case Basis (ICB)

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

Installation

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

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.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Kbps

Kilobits per second.

LATA (Local Access Transport Area)

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

Local Access

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

Local Access Provider

Local Access Provider means an entity providing Local Access.

Local Exchange Carrier (LEC)

The local telephone utility that provides telephone exchange services.

Mbps

Megabits per second.

Multiplexing

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

N/A

Not available.

Nonrecurring Charges

Nonrecurring Charges are one-time charges.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

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.

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.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

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 FPSC.

Toll Call

Any call extending beyond the local exchange of the originating caller which is rated on a toll schedule by the local exchange telephone company.

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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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

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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SECTION 2 - RULES AND REGULATIONS**2.1. Undertaking**

- 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. The Company will provide Service to the public by reselling services purchased from underlying facilities based carriers. Service is available twenty four hours a day, seven days a week.

2.2. Limitations of Services

- 2.2.1. 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.
- 2.2.2. 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.
- 2.2.3. 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.
- 2.2.4. Service may be discontinued after five business days written notice to the Customer if:
- 2.2.4.A. the Customer is using the Service in violation of this Tariff; or
- 2.2.4.B. the Customer is using the Service in violation of the law or Commission regulation.
- 2.2.5. 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.

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SECTION 2 - RULES AND REGULATIONS

- 2.2. Limitations of Services (Cont.)
- 2.2.6. 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. Restoration of Service will be done in accordance with the Commission's rules and regulations.
- 2.2.7. 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.
- 2.2.8. 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.
- 2.2.9. 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.
- 2.3. Other Terms and Conditions
- 2.3.1. The name(s) of the Customer(s) desiring to use the Service must be stipulated in the Application for Service.
- 2.3.2. 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.
- 2.3.3. 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.

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SECTION 2 - RULES AND REGULATIONS

- 2.3. Other Terms and Conditions - (Cont.)
- 2.3.4. A Customer shall not use any servicemark 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.
- 2.3.5. 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.
- 2.3.6. The provision of Service will not create a partnership or joint venture between the Company and the Customer nor result in joint Service offerings to their respective Customers.
- 2.3.7. 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.
- 2.3.8. 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").
- 2.3.9. 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.
- 2.3.10. 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.

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SECTION 2 - RULES AND REGULATIONS2.4. Liability

- 2.4.1. 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.
- 2.4.2. 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.
- 2.4.3. The Company is not liable for any act or omission of any other company or companies (including any Company affiliate that is a participating or concurring carrier) furnishing a portion of the Service or facilities, equipment, or Services associated with such Service.
- 2.4.4. 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.
- 2.4.5. 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.

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SECTION 2 - RULES AND REGULATIONS**2.4. Liability (Cont.)**

- 2.4.6. 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.
- 2.4.7. 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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SECTION 2 - RULES AND REGULATIONS**2.4. Liability (Cont.)**

- 2.4.8. 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.
- 2.4.9. 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.
- 2.4.10. 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.

2.5. Cancellation of Service by a Customer

- 2.5.1. 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.
- 2.5.2. Upon thirty (30) days' prior written notice, either Customer or Company shall have the right, without cancellation charge or other liability, to cancel the affected portion of the Service, if the Company is prohibited by governmental authority from furnishing said portion, or if any material rate or term contained herein and relevant to the affected Service is substantially changed by order of the highest court of competent jurisdiction to which the matter is appeal, the Federal Communications Commission, or other local, state or federal government authority.

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SECTION 2 - RULES AND REGULATIONS

- 2.6. Cancellation for Cause by the Company
- 2.6.1. 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 shall be separate and apart from the regular monthly bill for service. Customer shall be deemed to have canceled Service as of the date of such disconnection and shall be liable for any cancellation charges set forth in this Tariff.
- 2.6.2. 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:
- 2.6.2.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);
- 2.6.2.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);
- 2.6.2.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);
- 2.6.2.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;
- 2.6.2.E. in the event of unauthorized use.

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SECTION 2 - RULES AND REGULATIONS2.6. Cancellation for Cause by the Company (Cont.)

2.6.2.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 end 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.

2.6.3. 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.

2.7. Credit Allowance

2.7.1. 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 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.

2.7.2. No credit is allowed in the event service must be interrupted in order to provide routine service quality or related investigations.

2.7.3. No credit shall be allowed:

2.7.3.A. For failure of services or facilities of Customer; or

2.7.3.B. For failure of services or equipment caused by the negligence or willful acts of Customer.

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SECTION 2 - RULES AND REGULATIONS2.7. Credit Allowance (Cont.)

- 2.7.4. Credit for an interruption shall commence after Customer notifies Company of the interruption and ceases when services have been restored.
- 2.7.5. Credits are applicable only to that portion of Service interrupted.
- 2.7.6. For purposes of credit computation, every month shall be considered to have 720 hours.
- 2.7.7. No credit shall be allowed for an interruption of a continuous duration of less than two hours.
- 2.7.8. 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:

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

A = outage time in hours

B = total monthly charge for affected facility

2.8. Use of Service

- 2.8.1. 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.

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SECTION 2 - RULES AND REGULATIONS

- 2.8. Use of Service (Cont.)
- 2.8.2. Service furnished by the Company may be arranged for joint use or authorized use. The joint user or Authorized User shall be permitted to use such Service in the same manner as the Customer, but subject to the following:
- 2.8.2.A. One joint user or Authorized User must be designated as the Customer.
- 2.8.2.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.
- 2.8.3. 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.
- 2.8.4. Service furnished by the Company shall not be used for any unlawful or fraudulent purposes.
- 2.8.5. 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.
- 2.9. Local Charges
- 2.9.1. In certain instances, customers may be subject to local telephone company charges or message unit charges to access the Carrier's terminal. Carrier is not responsible for any such local or message unit charges incurred by customer in gaining access to Carrier's terminal.
- 2.10. Assignment
- 2.10.1. 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.

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SECTION 2 - RULES AND REGULATIONS2.11. Taxes

- 2.11.1. 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.
- 2.11.2. 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.
- 2.11.3. 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.
- 2.11.4. When utility or telecommunications assessments, franchise fees, or privilege, license, occupational, excise, or other similar taxes or fees, based on interstate or intrastate receipts are imposed by certain taxing jurisdictions upon the Company or upon local exchange companies and passed on to the Company through or with interstate or intrastate access charges, the amounts of such taxes or fees will be billed to Customers in such a taxing jurisdiction on a prorated basis. The amount of charge that is prorated to each Customer's bill is determined by the interstate or intrastate telecommunications service provided to and billed to an end user/customer service location in such a taxing jurisdiction with the aggregate of such charges equal to the amount of the tax or fee imposed upon or passed on to the Company.

2.12. Special Customer Arrangements

- 2.12.1. 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.

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SECTION 2 - RULES AND REGULATIONS

2.13. Inspection

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

2.14. Employee Concessions

The Company does not offer concessions to employees.

2.15. Service Agreement

The name(s) of the customer(s) desiring to use the services must be set forth in the Service Agreement. An executed Service Agreement and letter of Agency is required to initiate service.

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SECTION 3 - DESCRIPTION OF SERVICE

- 3.1. 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 completion is completed by underlying carrier.
- 3.2. Timing of Calls
- 3.2.1. Timing for all calls begins when the called party answers the call (i.e. when two way communications are established.) Answer detection is based on standard industry answer detection methods, including hardware and software answer detection. Chargeable time for all calls ends when one of the parties disconnects from the call. There are no billing charges applied for incomplete calls.
- 3.3. Payment and Billing
- 3.3.1. The following rules apply only to the Carrier's resold interexchange services and will govern payment and billing practices of the Carrier, unless inconsistent with any rule, order or regulation of the Commission. In the case of any inconsistency, the rule, order, or regulation of the Commission, or other provision of law, shall prevail.
- 3.3.1.A. Service is provided and billed on a billing cycle basis, beginning on the date that the service becomes effective. Billing is payable upon receipt. A late payment charge of 1.5% per billing cycle and 18% per annum, or the maximum amount otherwise allowed by law, will accrue upon any unpaid amount commencing Twenty Eight (28) Days after rendition of bills.
- 3.3.1.B. The customer is responsible for payment of all charges for service and facilities furnished by the Carrier to the customer, as well as, all charges for services and facilities furnished by the Carrier to all persons using the customer's codes, premises, facilities, or equipment, with or without the knowledge or consent of the customer. The security of the customer's authorization codes, premises, switched access connections, and direct connect facilities is the sole responsibility of the customer. All calls placed using such direct connect facilities, authorization codes, premises, or switched access connections will be billed to, and must be paid by, the customer. Recurring and non-recurring charges are billed in arrears.

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SECTION 3 - DESCRIPTION OF SERVICE3.3. Payment and Billing (Cont.)

3.3.1.C. All bills are presumed accurate, and shall be binding on the customer unless objection is received by the Carrier in writing within One Hundred Eighty (180) Days after such bills are rendered.

3.3.1.D. Carrier shall be entitled to revise bills previously rendered to adjust for previously un-billed service, or to adjust upward a bill previously rendered, for a period equivalent to the applicable contract law statute of limitations.

3.3.1.E. Advance Payments: For customers whom the Company feels an advance payment is necessary, the Company reserves the right to collect an amount not to exceed one (1) month's estimated charges, as an advance payment for service. This will be applied against the next month's charges and if necessary, a new advance payment will be collected for the next month.

3.3.2. 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.

3.3.3. 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.

3.3.4. Company will not require deposits by Customers for Services.

3.4. Rate Quotes

Rate quotes will be provided to end users from 8:00 a.m. to 5:00 p.m. Central Time, Monday through Friday by dialing (888) 406-8724.

3.5. Bad Check Charges

The Company does not charge Customers for checks that are returned.

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SECTION 3 - DESCRIPTION OF SERVICE3.6. Usage Charges Rounding

The charges for all calls during a billing month will be totalled. If the total charge includes a fraction of a cent, the fraction is rounded to the next whole cent (e.g., \$4,101.345 would be rounded to \$4,101.35.).

3.7. Reserved for Future Use3.8. Method for Calculation of Airline Mileage

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

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

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

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

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

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

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SECTION 3 - DESCRIPTION OF SERVICE3.9. Time of Day Rate Periods

3.9.1. 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

3.10. SERVICE OFFERINGS

3.10.1. Message Telecommunications Services

Message Telecommunications services consist of the furnishing of message telephone service between stations located within the state.

3.10.2. Postpaid Travel Card Service

Postpaid travel card service is available to Customers of Carrier's long distance services. Customers will reach Carrier's network via a toll-free number. A Customer who elects to use this service will pay the tariffed rates for calls charged to the card. Charges for such calls appear on the Customer's regular monthly bill.

3.10.3. Directory Assistance Service

Customers will be billed the following per call charge for each directory assistance call. The directory assistance charge applies to each call regardless of whether the directory assistance bureau is able to furnish the requested telephone number.

3.10.4. 800 Service

800 Service is an inbound-only service in which callers located within the state may place toll-free calls to a telephone in the 800 area code assigned to the Customer. 800 Service is available to Customers utilizing switched or dedicated access.

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SECTION 3 - DESCRIPTION OF SERVICE

3.11. Emergency Calls

- 3.11.1. 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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SECTION 4 - RATES

4.1. Message Telecommunications Services

RATE PER MINUTE

DAY	EVENING	NIGHT/WEEKEND
\$0.3162	\$0.3162	\$0.3162

4.2. Postpaid Travel Card Service

Per Minute Rates: \$0.30

4.3. Directory Assistance Service

Per Call Charge: \$0.70

4.4. 800 Service

RATE PER MINUTE

DAY	EVENING	NIGHT/WEEKEND
\$0.3162	\$0.3162	\$0.3162

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SECTION 4 - RATES

4.5. Hearing/Speech Impaired Provisions

- 4.5.1. For purposes of this tariff, the definitions of impaired refers to those persons with communication impairments, including those hearing impaired, deaf, deaf/blind, and speech impaired persons who have an impairment that prevents them from communicating over the telephone without the aid of a telecommunications device for the deaf.
- 4.5.2. Residential impaired customers or impaired members of a customer's household, upon written application and upon certification of their impaired status, which is evidenced by either a certificate from a physician, health care official, or state agency or a diploma from an accredited educational institution for the impaired, shall receive a discount off their message toll service rates, and, if they utilize telebraille devices, they shall receive free access to local and intrastate long distance directory assistance. Additionally, TDD lines maintained by nonprofit organizations and governmental agencies, upon written application and verification that such lines maintained for the benefit of the impaired may receive a discount off their message toll service rates.

4.6. Special Rates for Handicapped Customers

- 4.6.1. Below are Sections of the Florida Rules concerning handicapped hearing/speech impaired persons and discounts on toll calls using the telecommunications relay service.
- 4.6.1.A. Hearing/Speech Impaired Persons says "Intrastate toll message rates for TDD users shall be evening rates for daytime calls and night rates for evening and night calls. These discounts shall be offered by all interexchange carriers and LECs."
- 4.6.1.B. Telecommunications Relay Service. "For intrastate toll calls received from the relay service, the company shall discount relay service calls by 50 percent off of the otherwise applicable rate for a voice nonrelay call except that were either the calling or called party indicates that either party is both hearing and visually impaired, the call shall be discounted 60 percent off of the otherwise applicable rate for a voice nonrelay call. The above discounts apply only to time-sensitive elements of a charge for the call and shall not apply to per call charges, such as a credit card surcharge.
- 4.6.1.C. Discounts for Hearing Impaired Customers: Intrastate toll message rates for TDD users, which is communicated using a telecommunications device for the deaf (TDD) by properly certified business establishments or individuals equipped with TDDs for communications with hearing or speech impaired persons, shall be evening rates for daytime calls and night rates for evening and night calls.

Issued: August 8, 1997

Effective: _____

Issued by: Thomas Jacobs, President
USBG, INC.
5601 West 120th Street
Alsip, Illinois 60658

SECTION 4 - RATES

4.6. Special Rates for Handicapped Customers (Cont.)

4.6.1.D Directory Assistance Charges for Handicapped Persons: Pursuant to Florida Public Service Commission Rules and Regulations, the Company will not charge for the first 50 directory assistance calls made each month by a handicapped person.

4.7. Special Contracts

4.7.1. Carrier may enter into contracts with end users such as hotels, or special categories of users, wherein additional discounts may be provided for volume use categories of users, wherein additional discounts may be provided for volume use or to reflect services performed for the Carrier by such users.

4.7.2. The Company will, from time to time, offer special contract and/or promotions to its customers, waiving certain charges. These promotions will be approved by the FPSC with specific starting and ending dates and under no circumstances run for longer than 90 days in any 12 month period.

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5601 West 120th Street
Alsip, Illinois 60658

GEORGE H. LENNON
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ANDREW J. VORBRICH*
NICOLETTE G. HANN**
ROBERT G. LENNON***

* Also admitted in Iowa.
** Also admitted in California and North Carolina.
*** Also admitted in New York, Illinois and Washington, D.C.

DEPOSIT DATE
D589 - AUG 11 1997

OF COUNSEL:
VINCENT T. EARLY
HON. C.J. MULLEN
THOMPSON BENNETT
JOSEPH J. BURDE
1129 - 1992

August 7, 1997

Florida Public Service Commission
Division of Administration
2540 Shumard Oak Blvd.
Gunter Building
Tallahassee, Florida 32399-0850

Re: USBG, INC.

Dear Sir:

Enclosed herewith for filing with the Commission, please find an original and 6 copies of the above captioned corporation's APPLICATION FOR AUTHORITY TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICES WITHIN THE STATE OF FLORIDA, 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 stamp the duplicate received and return same in the self-addressed stamped envelope attached thereto.

Please contact me if you have additional questions or concerns.

20841

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

PAY TO THE ORDER OF Florida Public Service Commission \$ 250.00

Two hundred fifty and 00/100 DOLLARS

Comerica
Comerica Bank
Member FDIC

FOR USBG Inc.

July 7 1997