

CH

TC97-140

DOCKET NO.

In the Matter of _____ IN THE MATTER OF THE
APPLICATION OF ONE CALL
TELECOM, INC. FOR A CERTIFICATE
OF AUTHORITY TO PROVIDE
TELECOMMUNICATIONS SERVICES,
INCLUDING LOCAL EXCHANGE
SERVICES, IN SOUTH DAKOTA

Public Utilities Commission of the State of South Dakota

DATE	MEMORANDA
8/7 97	Filed;
8/8 97	Received check and updated;
8/14 97	Supplemented application of Am. Coll;
8/21 97	TC for filing;
8/19 98	Order Denying COA;
8/19 98	Noted Check.

**Limited
Liability Partnership**

[illegible]

OF COURSE.
CHARLES QUAINANCE, JR.
ROBERT A. SNODDEN
MARTIN G. WENSTEIN
MICHAEL L. SNOW
DOYLE M. SANDER
JULIAN J. LONE

SAMUEL M. MARLOW
1901-1989
HYMAN HENSLMAN
1900-1989

TC97-140

3300 NORWEST CENTER
90 SOUTH SEVENTH STREET
MINNEAPOLIS, MINNESOTA 55402-4140

(612) 672-8200
FAX (612) 672-8297

Writer's Direct Dial
672-8368

August 6, 1997

97-1291
Mr. William Bullard, Jr.
Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, SD 57501-5070

Re: One Call Telecom, Inc. Application for Certificate of Authority

Dear Mr. Bullard:

I am following up on my previous correspondence, dated July 24, 1997, regarding One Call Telecom, Inc.'s desire to obtain a Certificate of Authority to provide telecommunication services in the state of South Dakota. Enclosed with this letter, please find One Call Telecom's official Application for such a certificate, accompanied by such exhibits as are available. I have enclosed an original and ten copies.

While I believe that this Application and the attendant exhibits provides the information required by South Dakota, I am certainly willing to respond to requests for further information or clarification. In that regard, as One Call is anxious to begin providing service in South Dakota at the earliest opportunity, I hope this Application can be expedited in every reasonable fashion. Particularly, if there is additional information which you require, please contact me by telephone and I will ensure that you receive such information as quickly as possible.

Thank you for your assistance in this matter. As always, if you have any questions or comments, please do not hesitate to contact me.

Sincerely

Charles A. Hoffman

CAH/cs
Enclosure

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TC 97-140
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AUG 07 1997

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

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

**In the Matter of the Application of
One Call Telecom, Inc. for a Certificate
of Authority to Provide Local Exchange
Access and Exchange Access Services**

TC 96-_____

APPLICATION OF ONE CALL TELECOM, INC.

INTRODUCTION

One Call Telecom, Inc. ("One Call") hereby submits this Application for authority to provide telecommunication services in South Dakota pursuant to S.D.C.L. §§ 49-31.3, and ARSD § 20:10:24:02, including local exchange services, intraLATA services and, as applicable, interLATA services.

By a transaction which will be completed upon receipt of the requested Certificate of Authority, One Call and PAM Oil, Inc. ("PAM") are merging their telecommunication assets. Both One Call and PAM believe that this merger will significantly improve the ability of the resulting enterprise (to be known in South Dakota as OCT, Inc.) to provide modern and competitive services to telecommunications consumers in South Dakota. The telecommunications and marketing experience of One Call, combined with PAM's existing telecommunication services and its broad access to customers in South Dakota should enable OCT, Inc. to provide state-of-the-art telecommunication services in South Dakota.

RECITALS

I. The Company.

1. One Call Telecom, Inc., 706 Second Avenue South, Suite 1200, Minneapolis,

Minnesota 55402, hereby submits this application for a certificate of authority to provide telecommunication services, including local exchange services, intraLATA services, and, as applicable, interLATA services, in the state of South Dakota pursuant to S.D.C.L. §§ 49-31.3., and ARSD 20:10:24:02.

2. One Call is presently a reseller of US WEST Telecommunication services in the state of Minnesota. Upon receipt of a Certificate of Authority to operate in South Dakota, One Call anticipates that OCT, Inc. will take assignment of PAM's existing Agreement for Service Resale with US WEST Communications, and will provide local exchange services, intraLATA services and interLATA services as a reseller under the name of OCT, Inc. Discussions with US WEST regarding said assignment have begun. The address of OCT, Inc. in South Dakota will be 200 Petro Avenue, P.O. Box 5200, Sioux Falls, South Dakota 57117-5200, which is the present address for PAM.

3. One Call is a privately held Minnesota corporation (see Exhibit A) with its principal place of business located at 706 Second Avenue South, Suite 1200, Minneapolis, Minnesota 55402. One Call has applied for a Certificate of Authority to do business in South Dakota as OCT, Inc. When that certificate is received, a copy will be provided to supplement this filing. One Call recognizes that its receipt of a Certificate of Authority as a telecommunications provider is conditional on receipt of a Certificate of Authority to do business.

4. Notices or communications regarding this application should be sent to:

Charles A. Hoffman
MASLON EDELMAN BORMAN & BRAND, LLP
3300 Norwest Center
Minneapolis, Minnesota 55402-4140
(612) 672-8368
FX: (612) 672-8397

Copies of such notices or communications should also be sent to:

Doug Schneider
One Call Telecom, Inc.
200 Petro Avenue
P.O. Box 5200
Sioux Falls, SD 57117-5200
Telephone: (605) 367-6505

Ron Mullins
One Call Telecom, Inc.
706 Second Avenue South
Suite 1200
Minneapolis, MN 55402
Telephone: (612) 204-3500
FX: 904-6674

5. OCT, Inc. will provide telecommunication services including local exchange services, intraLATA services and interLATA services on a reseller basis. The specific products and services are set forth in the US WEST Service Resale Agreement to which PAM is presently a party. A copy of that agreement, which is on file with the South Dakota Public Utilities Commission, is attached hereto as Exhibit B.

6. Initially, telecommunication services will be offered to commercial and industrial businesses located in South Dakota cities served by US WEST. As resale agreements with other local exchange companies are executed, OCT, Inc. will expand its service territory to include additional service areas. Eventually, OCT, Inc. hopes to offer telecommunication services throughout the state of South Dakota. As required by the South Dakota Public Utilities

Commission, OCT, Inc. will request authority and authorization to offer telecommunication services in rural areas not served by US WEST.

8. Pursuant to ARSD 20:10:24:02(8), OCT, Inc. is filing with this application a price list for its services. This price list is the same as that presently on file for PAM.

9. Officers. One Call is a recent corporation, although its officers and staff are well experienced in the telecommunications industry.

Doug Schneider — Mr. Schneider is presently Chief Operating Officer of PAM COMM, and will continue in that role after the acquisition by One Call.

Scott D. Scofield — Director. Mr. Scofield was formerly an employee of Northwestern Bell and US WEST in South Dakota for nearly 20 years. While at Northwestern Bell and US WEST, he held a number of key managerial and technical positions, including design and management of US WEST's paging subsidiary. He was also responsible for product development for US WEST's business and government customers. While engaged in management of US WEST's paging subsidiary, he was responsible for that subsidiary over US WEST's entire 14 state territory. In that role, Mr. Scofield successfully built a 14 state corporation, wholly owned by US WEST, but established and managed as a fully separate subsidiary.

Frank B. Bennett — Chairman. Mr. Bennett is the founder of One Call Telecom, Inc. and is responsible for finance, personnel, strategic planning and leadership. Mr. Bennett is also Chairman of Satellite Network Systems, Inc., and a Director of QuikPage, Inc. and Integ, Inc., a publicly-held medical technology company. Prior to founding Artesian Capital in 1989, he was a Vice President of Corporate Finance at Piper Jaffray, a regional investment banking firm. He was

also one of the partners running Piper Jaffray Ventures. Mr. Bennett was a co-founder of Deltec Systems, Inc. and Education Alternatives, Inc.

Ron Mullins — COO. Mr. Mullins joined One Call as President and Director on October 1, 1996. Prior to then, he was a consultant to the company since its incorporation. Mr. Mullins is responsible for all technical, operations, sales, marketing and customer service. He is also a co-founder and senior partner in the telecommunications consulting firm, Ghyselinck & Associates. Ghyselinck's clients include Intermedia Communications, Harris Corporation and Northern Telecom. Prior to founding Ghyselinck, Mr. Mullins was with Contel and GTE for 26 years as a Senior Executive and Division President for all of Contel's telecom business in the Upper Midwest, a \$130 million division.

Joseph Rubin — Mr. Rubin, who is presently President and CEO of One Call, has extensive experience in the telecommunications industry. He is a former executive with Norstan, Inc. He served as a Executive Vice President of Norstan, Inc., Executive Vice President and General Manager of Norstan Canada and Branch General Manager of Norstan's Wisconsin Operations.

Karen Klein — Ms. Klein joined One Call in September, 1996, as Customer Service Manager for the Minneapolis office. She is responsible for designing, developing and maintaining the Customer Service Systems. Prior to joining One Call, Ms. Klein was Account Consultant for Progressive Telecom, the largest T-1 and high-speed data line service company in the Upper Midwest, where she managed the Customer Service function. Previously, she was Account Manager at ETI, in charge of customer service for the Minneapolis flagship office.

Michael L. Snow — Mr. Snow is a founder and Director of One Call. He is responsible for legal, finance and strategic planning. Mr. Snow is currently General Counsel and Director of Osmonics, Inc., and a Director of Navarre, Inc., Satellite Industries, Inc. and QuikPage, Inc. He is a founder and Director of Miller Mining, Inc., and BruWest, Inc., a Bruegger's Bagels' franchisee. He was a founder of Valu Vision International, Inc. and Midwest Restaurants Associates, an Applebee's Restaurant franchisee. Prior to 1994, Mr. Snow was a partner at Maslon Edelman Borman & Brand, a limited liability partnership law firm located in Minneapolis, where he remains Of Counsel. He is also a partner at Artesian Capital.

Because One Call is a new company, it will naturally add employees and officers as needed to meet the needs of its customers.

10. Financing. One Call has obtained financing through Artestan Capital, Inc., a venture capital firm located in Minneapolis, Minnesota.

Exhibits C and D, attached to this application, set forth the pro forma financial projections for the company as well as current operating results.

II. DESCRIPTION OF SERVICE, MARKETS

1. Service. One Call is a complete integrator of value-added telecommunication products and services for businesses in the small to medium range. These products and services include:

A. Complete Telecommunication Consultive Services

- 1) **Planning** — One Call fully analyzes customers' telephone systems. From this analysis, One Call may make recommendations for a telecommunications system that would better suit the customer's needs.

- 2) Training — One Call will fully train the customer in the operation of One Call's services and features.
- 3) Coordinating — One Call manages and coordinates all of a customer's telephone system.
- 4) Continuing Evaluation and Updating — One Call keeps its customers informed on what is now in the telecommunications industry.

B. Resale or Exchange Services Utilizing US WEST's Central Office.

- 1) Services are accessed by direct dialing.
- 2) Features include touch tone services, detailed long distance billing, 3-way conferencing, call transfer, consultation hold, hunting speed dialing, call forwarding/variable, call pick-up, call hold, call forward/busy line, call forward/no answer.

OCT, Inc. will market first within US WEST's South Dakota exchanges. Later, upon receipt of appropriate approval from the Public Utilities Commission, OCT, Inc. expects to branch out to areas served by other local exchange providers.

2. **Marketing.** OCT, Inc. will have a direct sales force calling on small to medium size businesses. The Company will not use any multi level marketing approaches to sell its products or services. OCT, Inc. will not open or operate any charity programs.

3. **Customer Service.** OCT, Inc. will have a full customer service staff on duty during regular business hours, 7:00 a.m. - 6:00 p.m., Monday through Friday. This service will be available through a toll free number, 1-800-546-9450. In addition, this number will be routed through an answering/paging service during non-business hours and will have immediate access to service representatives on a 24-hour basis. The Company will also have customer service

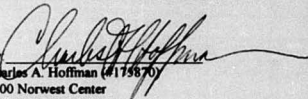
representatives individually assigned to customers so that personalized service can be provided while also handling the customer's problem more quickly and efficiently.

4. Billing. OCT, Inc. will use Intertech Management Group ("Intertech"). Intertech has extensive experience providing all data processing and billing services to telecommunication companies. Intertech has been in business since 1988. Intertech's billing system bills all aspects of local service, rates all long distance, and bills the results. OCT, Inc. will be using the following Intertech systems: Billing/Accounts Receivable.

WHEREFORE, One Call Telecom, Inc. respectfully requests that the South Dakota Public Utilities Commission granted authority to provide telecommunication services described herein and that it be authorized to provide such service as soon as possible.

MASLON EDELMAN BORMAN & BRAND

Dated: August 6, 1997.

By 
Charles A. Hoffman (#175870)
3300 Norwest Center
90 South Seventh Street
Minneapolis, MN 55402-4140
(612) 672-8200

ATTORNEYS FOR ONE CALL
TELECOM, INC.

142130

811:444118

EXHIBIT A

State of Minnesota

0839

SECRETARY OF STATE

CERTIFICATE OF INCORPORATION

I, Joan Anderson Grove, Secretary of State of Minnesota, do certify that: Articles of Incorporation, duly signed and acknowledged under oath, have been filed on this date in the Office of the Secretary of State, for the incorporation of the following corporation, under and in accordance with the provisions of the chapter of Minnesota Statutes listed below.

This corporation is now legally organized under the laws of Minnesota.

Corporate Name: Artesian Telcom, Inc.

Corporate Charter Number: 9F-78

Chapter Formed Under: 302A

This certificate has been issued on 06/03/1996.

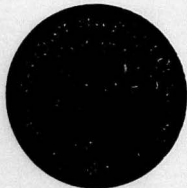


Exhibit A

Joan Anderson Grove
Secretary of State.

ARTICLES OF AMENDMENT
OF
ARTESIAN TELCOM, INC.

The undersigned President of Artesian Telcom, Inc. (the "Corporation") hereby certifies that the following Articles of Amendment were adopted by written action of the Board of Directors of the Corporation dated June 17, 1996, pursuant to the provisions of the Minnesota Business Corporation Act.

1. The name of the Corporation is Artesian Telcom, Inc.
2. Article I of the Articles of Incorporation is amended to read in its entirety as follows:

ARTICLE I

NAME

The name of this Corporation shall be One Call Telecom, Inc.

3. This amendment has been adopted pursuant to Chapter 302A of the Minnesota Business Corporation Act.

IN WITNESS WHEREOF the undersigned has hereunto set his hand this 17th day of June, 1996.


Dennis De Sender, President

EXHIBIT B

AGREEMENT
FOR SERVICE RESALE
Between
PAM OIL, INC.
and
U S WEST COMMUNICATIONS, INC.

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J. Peter
10/3/94
in file

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**AGREEMENT
FOR SERVICE RESALE**

This is an Agreement for Service Resale ("Agreement"), between PAM Oil, Inc., ("Reseller"), a Certified Reseller and U S WEST Communications, Inc. ("USWC") (collectively, "the Parties") in which USWC will provide certain services to Reseller within the state(s) of Minnesota, Iowa, North Dakota, South Dakota, Nebraska, Montana, Wyoming, Colorado, New Mexico, Arizona, Utah, Oregon, Idaho and Washington. Where required, this Agreement or the portions of this Agreement relative to a particular state, will be submitted to the appropriate Public Utilities Commission ("Commission") and the Parties will specifically request that the Commission promptly approve this Agreement and refrain from taking any action to change, suspend or otherwise delay implementation of this Agreement. The Parties enter into this Agreement without prejudice to any positions they have taken previously, or may take in the future in any legislative, regulatory, or other public forum addressing any matters, including matters related to the types of arrangements prescribed by this Agreement.

The Parties agree and understand that USWC is proposing certain provisions in this contract based, in large part, on the FCC's First Report and Order, In the Matter of Implementing of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98, rel. Aug. 8, 1996 ("FCC 1st Order") and the Second Report and Order and Memorandum Opinion and Order, In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, rel. Aug. 8, 1996 ("FCC 2d Order"). To the extent that certain of the rules contained in the FCC 1st Order and the FCC 2d Order are deemed by the courts to be not effective, this contract shall be modified to comport with the final court decisions and subsequent FCC or state Commission decisions or rules issued to comply with the courts' decisions.

I. RECITALS & PRINCIPLES

WHEREAS, the Telecommunications Act of 1996 (the "Act") was signed into law on February 8, 1996; and

WHEREAS, the Act places certain duties and obligations upon, and grants certain rights to, Telecommunications Carriers; and

WHEREAS, USWC is an Incumbent Local Exchange Carrier or has a majority ownership interest in local exchange companies ("USWCs") which are Incumbent Local Exchange Carriers; and

WHEREAS, the Telecommunications Act of 1996 has specific requirements for service resale, commonly referred to as a part of the "checklist" and USWC desires that this Agreement meet those checklist requirements; and

WHEREAS, USWC, for itself and its Affiliates, is willing to sell services for resale, on the terms and subject to the conditions of this Agreement; and,

WHEREAS, Reseller is a Telecommunications Carrier and has requested that USWC negotiate an Agreement with Reseller for the provision of USWC services for resale pursuant to the Act and in conformance with USWC's duties under the Act; and

WHEREAS, the parties have arrived at this Agreement through voluntary negotiations undertaken pursuant to the Act.

NOW, THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Reseller and USWC hereby covenant and agree as follows:

II. SCOPE OF AGREEMENT

- A. This Agreement sets forth the terms, conditions and prices under which USWC agrees to provide services for resale. Unless otherwise provided in this Agreement, USWC will perform all of its obligations hereunder throughout, to the extent provided in the Appendices attached hereto. The Agreement includes all accompanying appendices.
- B. Reseller agrees that, in any proceeding before a Commission, in any state to which this Agreement applies, in which proceeding USWC is advocating increases in residential rates to recover costs accompanied by decreases in rates for competitive services to remove historical subsidies, Reseller will not participate in opposition to USWC's advocacy and may intervene, file testimony, participate at hearing, and otherwise use its best efforts to support USWC's advocacy in such proceeding before the state Commission to the extent such participation or lack of participation is consistent with the company policy positions of Reseller and its affiliates.
- C. In the performance of their obligations under this Agreement, the Parties shall act in good faith and consistently with the intent of the Act. Where notice, approval or similar action by a Party is permitted or required by any provision of this Agreement, the Act, FCC 1st and 2nd Orders, or a state Commission, (including, without limitation, the obligation of the parties to further negotiate the resolution of new or open issues under this Agreement) such action shall not be unreasonably delayed, withheld or conditioned.
- D. The Parties acknowledge that the terms and conditions herein represent a balancing of interests important to the parties, and for that reason will, unless otherwise agreed, implement this Agreement as an integrated package without alteration of any material term or condition, or the inclusion or deletion of terms and conditions that would serve to alter a material term or condition herein unless such term or condition is altered pursuant to Section IV, E, 1 herein or to comply with a court order or an FCC or state Commission order.

III. DEFINITIONS

- A. "Basic Exchange Telecommunications Service" means a service offered to end users which provides the end user with a telephonic connection to, and a unique local telephone number address on, the public switched telecommunications network, and which enables such end user to generally place calls to, or receive calls from, other stations on the public switched telecommunications network. Basic residence and business line services are Basic Exchange Telecommunication Services. As used solely in the context of this Agreement and unless otherwise agreed, Basic Exchange Telecommunication Services includes access to ancillary services such as 911, directory assistance and operator services.
- B. "Basic Exchange Switched features" are optional CLASS, Custom Calling, and AIN and user switched service features which include, but are not necessarily limited to: Automatic Call Back; Call Trace; Caller ID and Related Blocking Features; Distinctive Ringing/Call Waiting; Selective Call Forward; Selective Call Rejection. (See Bellcore documentation for definition.)
- C. "Commission" means the Public Utilities Commission(s) in the state(s) of: Minnesota, Iowa, North Dakota, South Dakota, Nebraska, Montana, Wyoming, Colorado, New Mexico, Arizona, Utah, Oregon, Idaho and Washington.
- D. Directory Listings are any information: (1) identifying the listed names of subscribers of a telecommunications carrier and such subscribers' telephone numbers and addresses and (2) that the telecommunications carrier or an affiliate has published, caused to be published, or accepted for publication in any directory format.
- E. "Enhanced Services" means any service offered over common carrier transmission facilities that employ computer processing applications that act on format, content, code, protocol or similar aspects of the subscriber's transmitted information; that provide the subscriber with additional, different or restructured information; or involve customer interaction with stored information.
- F. "Pre-ordering and Ordering" includes the exchange of information between telecommunications carriers about current or proposed customer products and services.
- G. "Reseller" is a category of Local Exchange service providers that are certified to obtain dial tone and associated telecommunications services from another provider through the purchase of bundled finished services for resale to its end user customers.
- H. "Tariff Services" as used throughout this Agreement refers to USWC state tariffs, price lists, price schedules and catalogs.
- I. "Technically feasible". Branding of Operator Services and Directory Assistance shall be deemed technically feasible absent technical or operational concerns

that prevent the fulfillment of a request by a telecommunications carrier for such branding. A determination of technical feasibility does not include consideration of economic, accounting, billing, space, or site concerns, except that space and site concerns may be considered in circumstances where there is no possibility of expanding the space available. The fact that an incumbent LEC must modify its facilities or equipment to respond to such request does not determine whether satisfying such request is technically feasible. An incumbent LEC that claims that it cannot satisfy such request because of adverse network reliability impacts must prove to the state Commission by clear and convincing evidence that such interconnection, access, or methods would result in specific and significant adverse network reliability impacts.

- J. "Telecommunications Service(s)" means the offering of telecommunications for a fee directly to the public, or to such class of users as to be effectively available directly to the public, regardless of the facilities used. As used in this definition, "telecommunications" means the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information sent and received.

IV. RESALE SERVICES

A. Description.

1. USWC services (as defined in Section III.A. and B.) and intraLATA toll will be available for resale by USWC pursuant to the Act and will reference terms and conditions (except prices) in USWC tariffs, where applicable. Appendix A lists services which are available for resale under this Agreement and the applicable discounts, and is attached and incorporated herein by this reference.
2. The Parties agree that, at this time, certain USWC services are not available for resale under this Agreement and certain other USWC services are available for resale but at no discount, as identified in Appendix A or in individual state tariffs. The availability of services and applicable discounts identified in Appendix A or in individual tariffs are subject to change pursuant to Section IV E.1.

B. Scope.

1. Basic Exchange Telecommunications Service, Basic Exchange Switched Features and IntraLATA toll may be resold only for their intended or disclosed use and only to the same class of customer to whom USWC sells such services; e.g., residence service may not be resold to business customers.
2. USWC shall provide to Reseller services for resale that are equal in quality, subject to the same conditions (including the conditions in USWC's effective tariffs), within the same provisioning time intervals that the LEC provides these services to others, including end users, and in

accordance with any applicable state Commission service quality standards, including standards a state Commission may impose pursuant to Section 252 (e)(3) of the Act.

C. Ordering and Maintenance.

1. Reseller or Reseller's agent shall act as the single point of contact for its end users' service needs, including without limitation, sales, service design, order taking, provisioning, change orders, training, maintenance, trouble reports, repair, post-sale servicing, billing, collection and inquiry. Reseller shall make it clear to its end users that they are customers of the Reseller for resold services. Reseller's end users contacting USWC will be instructed to contact the Reseller; however, nothing in this Agreement, except as provided in Section IV C.7(e), shall be deemed to prohibit USWC from discussing its products and services with Reseller's customers who call USWC for any reason.
2. Reseller shall transmit to USWC all information necessary for the installation (billing, listing and other information), repair, maintenance and post-installation servicing according to USWC's standard procedures, as described in the USWC resale operations guide that will be provided to Reseller.

When USWC's end user or the end user's new service provider discontinues the end user's service in anticipation of moving to another service provider, USWC will render its closing bill to end user customer effective with the disconnection. If USWC is not the local service provider, USWC will issue a bill to Reseller for that portion of the service provided to the Reseller should Reseller's end user customer, a new service provider, or Reseller request service be discontinued to the end user. USWC will notify Reseller by FAX, OSS, or other processes when end user moves to another service provider. USWC will not provide Reseller with the name of the other reseller or service provider selected by the end user.

The Parties agree that they will not transfer their respective end user customers whose accounts are in arrears between each other. The Parties further agree that they work cooperatively together to develop the standards and processes applicable to the transfer of such accounts.

3. Reseller shall provide USWC and USWC shall provide Reseller with points of contact for order entry, problem resolution and repair of the resold services.
4. Prior to placing orders on behalf of the end user, Reseller shall be responsible for obtaining and have in its possession Proof of Authorization ("POA"). POA shall consist of documentation acceptable to USWC of the end user's selection of Reseller. Such selection may be obtained in the following ways:

- a. The end user's written Letter of Authorization or LOA.
- b. The end user's electronic authorization by use of an 800 number.
- c. The end user's oral authorization verified by an independent third party (with third party verification as POA).
- d. A prepaid returnable postcard supplied by Reseller which has been signed and returned by end user. Reseller will wait fourteen (14) days after mailing the postcard before placing an order to change.

Reseller shall make POAs available to USWC upon request. Prior to placing orders that will disconnect a line from another reseller's account the Reseller is responsible for obtaining all information needed to process the disconnect order and re-establish the service on behalf of the end user. If a Reseller is displaced by another reseller or service provider, the Reseller is responsible for coordination with the other reseller or service provider. Should an end user dispute or a discrepancy arise regarding the authority of Reseller to act on behalf of the end user, the Reseller is responsible for providing written evidence of its authority to USWC within three (3) business days. If there is a conflict between the end user designation and Reseller's written evidence of its authority, USWC shall honor the designation of the end user and change the end user back to the previous service provider. If the Reseller does not provide the POA within three (3) business days, or if the end user disputes the authority of the POA, then the Reseller must, by the end of the third business day:

- notify USWC to change the end user back to the previous reseller or service provider, and
- provide any end user information and billing records the Reseller has obtained relating to the end user to the previous reseller, and
- notify the end user and USWC that the change has been made.
- remit to USWC a charge of \$100.00 ("slamming charge") as compensation for the change back to the previous reseller or service provider.

If an end user customer is switched from Reseller back to USWC and there is a dispute or discrepancy with respect to such change in service provider, Reseller may request to see a copy of the POA which USWC has obtained from the end user to effectuate a return to USWC as the end user's service provider. If USWC is unable to produce a POA within three (3) business days, USWC shall change the end user back to

Reseller (or other previous reseller) without imposition of any Customer Transfer Charge.

5. Reseller shall designate Primary Interexchange Carrier (PIC) assignments on behalf of its end-users for interLATA services and intraLATA services when intraLATA presubscription is implemented.
6. When and user customers switch from USWC to Reseller, or to Reseller from any other reseller, such customers shall be permitted to retain their current telephone numbers if they so desire and do not change their service address to an address served by a different central office. USWC shall take no action to prevent Reseller customers from retaining their current telephone numbers.
7. Reseller and USWC will employ the following procedures for handling misdirected repair calls:
 - a. Reseller and USWC will provide their respective customers with the correct telephone numbers to call for access to their respective repair bureaus.
 - b. Customers of Reseller shall be instructed to report all cases of trouble to Reseller. Customers of USWC shall be instructed to report all cases of trouble to USWC.
 - c. To the extent the correct provider can be determined, misdirected repair calls will be referred to the proper provider of Basic Exchange Telecommunications Service.
 - d. Reseller and USWC will provide their respective repair contact numbers to one another on a reciprocal basis.
 - e. Notwithstanding the provisions of Section IV, C. 1., USWC will not discuss its products and services with Reseller's customers during the course of repair calls or visits.

D. Reseller Responsibilities.

1. Reseller must send USWC complete and accurate end-user listing information for Directory Assistance, Directory, and 911 Emergency Services using USWC's resale order form and process. Reseller must provide to USWC accurate end-user information to ensure appropriate listings in any databases in which USWC is required to retain and/or maintain end-user information. USWC assumes no liability for the accuracy of information provided by Reseller.
2. Reseller may not reserve blocks of USWC telephone numbers, except as allowed by tariffs.

3. Reseller is liable for all fraud associated with Service to its end-users and accounts. USWC takes no responsibility, will not investigate, and will make no adjustments to Reseller's account in cases of fraud unless such fraud is the result of any intentional act or gross negligence of USWC. Notwithstanding the above, if USWC becomes aware of potential fraud with respect to Reseller's accounts, USWC will promptly inform Reseller and, at the direction of Reseller, take reasonable action to mitigate the fraud where such action is possible.
4. In accordance with the Act, Reseller will indicate the date it will offer to residential and business subscribers telephone exchange services. The Reseller will provide a two year forecast within ninety (90) days of signing this Agreement. During the first year of the term of this Agreement, the forecast shall be updated and provided to USWC on a quarterly basis. Thereafter, during the term of this Agreement, Reseller will provide updated forecasts from time to time, as requested by USWC. The initial forecast will provide:
- The date service will be offered (by city and/or state)
 - The type and quantity of service(s) which will be offered
 - Reseller's anticipated order volume
 - Reseller's key contact personnel

The information provided pursuant to this paragraph shall be considered Proprietary Information under Section VII. C. of this Agreement.

5. In the event USWC terminates the provisioning of any resold services to Reseller for any reason, Reseller shall be responsible for providing any and all necessary notice to its end users of the termination. In no case shall USWC be responsible for providing notice to Reseller's end user customers. USWC will provide notice to Reseller of its termination of a resold service on a timely basis consistent with Commission rules and notice requirements.

E. Rates and Charges

1. Resold services as listed in Appendix A are available for resale at the applicable discount percentage or rate per minute set forth in Appendix A or at the retail tariff rates for services available for resale but excluded from the wholesale pricing arrangement in this Agreement.

However, state Commissions may do any of the following (collectively referred to hereinafter as "Order") during the term of this Agreement:

- establish wholesale discount rates through decisions in arbitration, interconnection and/or resale cost proceedings;
- establish other recurring and nonrecurring rates related to resale, including but not limited to Customer Transfer Charges and Slamming Charges ("Other Resale Charges"); and

- order that certain services be made available for resale at specified wholesale discount rates.

If a state Commission orders services to be available for resale, the Parties agree that they will, on a state-by-state basis, revise Appendix A to incorporate the services determined by such Order into this Agreement, effective on the date ordered by a Commission. When a state Commission, through a decision in arbitration, identifies services that must be available for resale at wholesale discount rates, such decision shall be deemed to have defined that such services are generally available to resellers in that state. If a state Commission establishes wholesale discount rates and Other Resale Charges to be made generally available to resellers or establishes a resale tariff, the Parties agree that they will, on a state-by-state basis, revise Appendix A to incorporate such wholesale discount rates and/or Other Resale Charges into this Agreement effective on the date ordered by a Commission; provided, however, that USWC shall have a reasonable time to implement system or other changes necessary to bill the Commission ordered rates or charges.

The rates for those resold services included in the wholesale pricing arrangement under this Agreement shall be subject to true-up to the wholesale discount rates established by a Commission Order making such rates generally available to resellers or established by a resale tariff, retroactively to the effective date of this Agreement. Any true-up shall be on a service-by-service basis if wholesale discount rates are established by a Commission on such a basis.

Services excluded from the wholesale pricing arrangement under this Agreement as identified in Appendix A, shall be made available on a going forward basis from the date of a Commission Order that orders such services be made generally available to any reseller in the state where such a Commission Order is issued. Such services shall be available at the discount rate applicable to basic exchange business service identified in Section 2 of Appendix A; provided, however, that when a Commission order establishes wholesale discount rates for such services as generally available to resellers, Appendix A shall be revised to incorporate the wholesale discount rates generally available to resellers.

If a state Commission fails to issue such an Order or make effective such a tariff by the end of the first year this Agreement, either USWC or Reseller may elect to renegotiate this Section of the Agreement.

2. If the resold services are purchased pursuant to Tariffs and the Tariff rates change, charges billed to Reseller for such services will be based upon the new Tariff rates less the applicable wholesale discount as agreed to herein or established by resale Tariff. The new rate will be effective upon Tariff effective date.

3. A Customer Transfer Charge (CTC) as specified in Appendix A applies when transferring any existing account or lines to a Reseller. Tariffed non-recurring charges will apply to new installations.
4. A Subscriber Line Charge (SLC) will continue to be paid by the Reseller without discount to USWC for each local exchange line resold under this Agreement. All federal and state rules and regulations associated with SLC as found in the applicable tariffs also apply.
5. Reseller will pay to USWC the PIC change charge without discount associated with Reseller end user changes of inter-exchange or intraLATA carriers.
6. Reseller agrees to pay USWC when its end user activates any services or features that are billed on a per use or per activation basis subject to the applicable discount in Appendix A as such may be amended pursuant to Section IV E.1 (e.g., continuous recall, last call return, call back calling, call trace, etc.).
7. Resold services are available only where facilities currently exist and are capable of providing such services without construction of additional facilities or enhancement of existing facilities. However, if Reseller requests that facilities be constructed or enhanced to provide resold services, USWC will review such requests on a case-by-case basis and determine, in its sole discretion, if it is economically feasible for USWC to build or enhance facilities. If USWC decides to build or enhance the requested facilities, USWC will develop and provide to Reseller a price quote for the construction. If the quote is accepted, Reseller will be billed the quoted price and construction will commence after receipt of payment.
8. Nonrecurring charges will not be discounted and will be billed at the applicable Tariff rates.
9. As part of the resold line, USWC provides and Reseller accepts, at this time, operator services, directory assistance, and IntraLATA long distance with standard USWC branding. Reseller is not permitted to alter the branding of these services in any manner when the services are a part of the resold line without the prior written approval of USWC. However, at the request of Reseller and where technically feasible, USWC will rebrand operator services and directory assistance in the Reseller's name, provided the costs associated with such rebranding are paid by Reseller.

F. Collateral and Training.

The Parties will jointly develop procedures regarding Reseller's use of USWC's retail product training materials. Except for any rights granted by USWC to

Reseller for the use or copying of product training material, product training provided under this Agreement shall be considered "Proprietary Information" as described in Section VII. O., and shall be subject to the terms and conditions specified therein.

G. Cooperation

The Parties agree that this Agreement involves the provision of USWC services in ways such services were not previously available and the introduction of new processes and procedures to provide and bill such services. Accordingly, the Parties agree to work jointly and cooperatively in testing and implementing processes for pre-ordering, ordering, maintenance, provisioning and billing and in reasonably resolving issues which result from such implementation on a timely basis.

V. ACCESS TO OPERATIONAL SUPPORT SYSTEMS (OSS)

- A. The Parties acknowledge that USWC is developing a proposal for access to its Operational Support Systems (OSS) to meet the requirements of the FCC's 1st and 2nd Orders and to provide Reseller and other telecommunications carriers with electronic interfaces for pre-ordering, ordering, repair and billing functions by January 1, 1997 for Plain Old Telephone services (POTS). Subsequent phases of the plan will incorporate the capabilities to support designed services for pre-ordering, ordering and repair, which are estimated to be available between the second and third quarters of 1997. Reseller understands that USWC is proposing that these interfaces will have the necessary mediation to protect the integrity of the network and protect the privacy of customer information.
- B. The Parties further acknowledge that USWC is, or soon will be, presenting its OSS proposal to state Commissions for approval, including approval of fees or cost recovery methods that USWC may charge or use to charge Reseller in connection with the design, implementation and on-going maintenance and support of the OSS ("OSS fees"). The Parties further acknowledge that, because the OSS is still in the conceptual stage of development at the time of execution of this Agreement, USWC is unable to specify or estimate the amount of OSS fees to be charged Reseller at this time.
- C. The Parties agree that, at such time as the interfaces to USWC's OSS become operational and a state Commission approves USWC's OSS plan and establishes OSS fees or cost recovery methods, the Parties will amend this Agreement to incorporate terms and conditions regarding Reseller's access to USWC's OSS, including OSS fees, on a state-by-state basis. The Parties further agree that Reseller may terminate this Agreement if the amount of OSS fees turns out to be so excessive as to make the overall terms and conditions of this Agreement uneconomic for Reseller. In the event of such termination, Reseller shall give USWC (sixty) 60 days written notice.
- D. Prior to approval and deployment of USWC's OSS interfaces, USWC shall

continue to provide all pre-ordering, ordering, repair and billing functions and services through manual procedures outlined in a separately provided Resale Resource Guide. Such manual procedures shall be available where USWC's OSS interfaces are unable to handle pre-ordering, ordering, repair and billing functions for the services available to Reseller under this Agreement.

- E. Notwithstanding Section II.B., Reseller reserves the right to intervene and participate in any manner in any state Commission proceeding that addresses USWC's OSS interface proposal, including the establishment of OSS fees to the extent such participation is permitted by a Commission.

VI. DIRECTORY LISTING.

USWC will accept at no charge one primary listing for each main telephone number belonging to Reseller's end user customer based on end user information provided to USWC by Reseller. USWC will place Reseller's listings in USWC's directory listing database for directory assistance purposes and will make listings available to directory publishers and other third parties. Additional terms and conditions with respect to directory listings are described in Appendix B which by this reference is incorporated and made a part of this Agreement.

VII. GENERAL PROVISIONS

A. Term.

This Agreement shall be deemed effective upon approval by a Commission(s) or pursuant to a Commission's rules or the Act. Except as provided herein, USWC agrees to provide service on the terms defined in this Agreement for a term of two (2) years, and thereafter the Agreement shall continue in force and effect unless and until terminated as provided herein. Either party may terminate this Agreement by providing written notice of termination to the other party, such written notice to be provided at least sixty (60) days in advance of the date of termination; provided no such termination shall be effective prior to January 1, 1998. In the event of such termination as described herein, for service arrangements made available under this Agreement and existing at the time of termination, those arrangements shall continue without interruption under either a) a new agreement executed by the Parties, b) standard resale terms and conditions approved and made generally effective by the Commission, or c) tariff terms and conditions generally available to resellers. By mutual agreement USWC and Reseller may jointly petition the appropriate regulatory bodies for permission to have this Agreement supersede any future standardized agreements or rules such as regulators might adopt or approve.

B. Billing.

1. USWC shall bill Reseller and Reseller is responsible for all applicable charges for the resold services as provided herein. The Reseller shall also be responsible for all tariffed charges and charges separately

identified in this Agreement associated with services that the Reseller resells to an end user under this Agreement.

2. USWC shall provide Reseller, on a monthly basis, within 7-10 days of the last day of the most recent billing period, in an agreed upon standard electronic billing format, billing information including (1) a summary bill, and (2) individual end user customer sub-account information consistent with the samples provided to Reseller for Reseller to render end user customer bills indicating all recurring and nonrecurring charges associated with each individual customer's account for the most recent billing period.

C. Payment.

1. Amounts payable under this Agreement are due and payable within thirty (30) days after the bill date of USWC's invoice. During the initial three billing cycles of this Agreement, Reseller and USWC agree that undisputed amounts shall be paid as provided herein. Reseller and USWC further agree that, during said three billing cycle period, they will cooperate to resolve amounts in dispute or billing process issues in a timely manner but no later than sixty (60) days after the bill date of USWC's invoice or identification and notice of the billing process issue. Disputed amounts will be paid within thirty (30) days following resolution of the dispute.
2. After the three (3) month period outlined in Section C.1. above, the Reseller will pay the bill in full within 30 days after the bill date of the invoice. Billing disputes will be processed and jointly resolved. Any disputed amounts that USWC remits to the Reseller will be credited on the next billing cycle including an interest credit of 1.5% per month compounded.
3. A late payment charge of 1.5% applies to all billed balances which are not paid by 30 days after the bill date shown on the invoice. USWC agrees, however, that the application of this provision will be suspended for the initial three billing cycles of this Agreement and will not apply to amounts billed during those three cycles.
4. USWC may discontinue processing orders for the failure by Reseller to make full payment for the resold services provided under this Agreement within thirty (30) days of the due date on Reseller's bill. USWC agrees, however, that the application of this provision will be suspended for the initial three billing cycles of this Agreement and will not apply to amounts billed during those three cycles.
5. USWC may disconnect for the failure by Reseller to make full payment for the resold services provided under this Agreement within sixty (60) days of the due date on Reseller's bill. USWC agrees, however, that the application of this provision will be suspended for the first three billing

cycles under this Agreement and will not apply to amounts billed during those three cycles.

6. Collection procedures and the requirements for deposit are unaffected by the application of a late payment charge.
7. The Parties agree that this payment and dispute resolution process is a new procedure and they further agree that this Section VII. C. can be reopened for negotiation at any time within the first twelve (12) months of this Agreement.
8. USWC shall credit Reseller's account the amount due for any trouble or out-of-service conditions in the same manner that USWC credits the accounts of its own end-user customers and pursuant to any applicable provisions in USWC's tariffs. USWC shall reflect the amount of such credits on an individual customer telephone number basis in the billing information USWC provides Reseller.
9. In the event billing disputes relate to service quality issues, the dispute shall be referred to the USWC account executive assigned to Reseller who will evaluate the facts and circumstances of the service quality issues and will work with Reseller to resolve the dispute.

D. Deposit.

1. USWC may require Reseller to make a suitable deposit to be held by USWC as a guarantee of the payment of charges. Any deposit required of an existing reseller is due and payable within ten days after the requirement is imposed. The amount of the deposit shall be the estimated charges for the resold Service which will accrue for a two-month period.
2. When the service is terminated, or when Reseller has established satisfactory credit, the amount of the initial or additional deposit, with any interest due as set forth in applicable tariffs, will, at Reseller's option, either be credited to Reseller's account or refunded. Satisfactory credit for a reseller is defined as twelve consecutive months service as a reseller without a termination for nonpayment and with no more than one notification of intent to terminate Service for nonpayment. Interest on the deposit will be accumulated by USWC at a rate equal to the federal discount rate, as published in the Wall Street Journal from time-to-time.

E. Taxes.

Reseller shall be responsible for the collection, payment and remittance of all federal, state or local sales, use, excise or gross receipts taxes, fees or surcharges (collectively "Taxes") imposed on or with respect to its sale of services or equipment provided under this Agreement, except those Taxes which are explicitly required by a governmental authority to be collected by USWC.

Reseller shall seek sale for resale exemptions from any applicable governmental or taxing body for payment of any and all Taxes related to Reseller's purchase of services or equipment from USWC under this Agreement. Until such time as exemptions are obtained or applicable, Reseller shall pay USWC for the amount of any such Taxes that USWC is required to pay or collect. Reseller shall in no event be liable for payment of any income taxes payable by USWC.

F. Force Majeure.

Neither Party shall be responsible for delays or failures in performance resulting from acts or occurrences beyond the reasonable control of such Party, regardless of whether such delays or failures in performance were foreseen or foreseeable as of the date of this Agreement, including, without limitation: fire, explosion, power failure, acts of God, war, revolution, civil commotion, or acts of public enemies; any law, order, regulation, ordinance or requirement of any government or legal body; or labor unrest, including, without limitation, strikes, slowdowns, picketing or boycotts; or delays caused by the other Party or by other service or equipment vendors; or any other circumstances beyond the Party's reasonable control. In such event, the Party affected shall, upon giving prompt notice to the other Party, be excused from such performance on a day-to-day basis to the extent of such interference (and the other Party shall likewise be excused from performance of its obligations on a day-for-day basis to the extent such Party's obligations relate to the performance so interfered with). The affected Party shall use its best efforts to avoid or remove the cause of non-performance and both parties shall proceed to perform with dispatch once the causes are removed or cease.

G. Responsibility of Each Party.

Each Party is an independent contractor, and has and hereby retains the right to exercise full control of and supervision over its own performance of its obligations under this Agreement and retains full control over the employment, direction, compensation and discharge of all employees assisting in the performance of such obligations. Each Party will be solely responsible for all matters relating to payment of such employees, including compliance with social security taxes, withholding taxes and all other regulations governing such matters. Each Party will be solely responsible for proper handling, storage, transport and disposal at its own expense of all (i) substances or materials that it or its contractors or agents bring to, create or assume control over at Work Locations or, (ii) Waste resulting therefrom or otherwise generated in connection with its or its contractors' or agents' activities at the Work Locations. Subject to the limitations on liability and except as otherwise provided in this Agreement, each Party shall be responsible for (i) its own acts and performance of all obligations imposed by Applicable Law in connection with its activities, legal status and property, real or personal and, (ii) the acts of its own affiliates, employees, agents and contractors during the performance of that Party's obligations hereunder.

H. Limitation of Liability.

Except for indemnity obligations, each Party's liability to the other for any loss related to or arising out of any negligent act or omission in its performance of this Agreement, whether in contract or in tort, shall be limited to the total amount that is or would have been charged to the other Party by such negligent or breaching Party for the service(s) or function(s) not performed or improperly performed.

In no event shall either Party be liable to the other in connection with the provision or use of services offered under this Agreement for indirect, incidental, consequential, reliance or special damages, including (without limitation) damages for lost profits, lost revenues, lost savings suffered by such other Parties regardless of the form of action, whether in contract, warranty, strict liability, or tort, including (without limitation) negligence of any kind and regardless of whether the Parties know the possibility that such damages could result. Nothing contained in this Section H shall limit USWC's or Reseller's liability to the other for (i) willful or intentional misconduct (including gross negligence); (ii) bodily injury, death or damage to tangible real or tangible personal property proximately caused by USWC's or Reseller's negligent act or omission or that of their respective agents, subcontractors or employees, nor shall anything contained in this section limit the parties' indemnification obligations as specified below.

I. Indemnification.

1. Each of the Parties agrees to release, indemnify, defend and hold harmless the other Party and each of its officers, directors, employees and agents (each an "Indemnitee") from and against and in respect of any loss, debt, liability, damage, obligation, claim, demand, judgment or settlement of any nature or kind, known or unknown, liquidated or unliquidated including, but not limited to, costs and attorneys' fees, whether suffered, made, instituted, or asserted by any other party or person, for invasion of privacy, personal injury to or death of any person or persons, or for loss, damage to, or destruction of property, whether or not owned by others, resulting from the indemnifying Party's performance, breach of Applicable Law, or status of its employees, agents and subcontractors; or for failure to perform under this Agreement, regardless of the form of action.
2. The indemnification provided herein shall be conditioned upon:
 - a. The indemnified Party shall promptly notify the indemnifying Party of any action taken against the indemnified Party relating to the indemnification. Failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of any liability that the indemnifying Party might have, except to the extent that such failure prejudices the Indemnifying Party's ability to defend such Claim.

- b. The indemnifying Party shall have sole authority to defend any such action, including the selection of legal counsel, and the indemnified Party may engage separate legal counsel only at its sole cost and expense.
- c. In no event shall the indemnifying Party settle or consent to any judgment pertaining to any such action without the prior written consent of the indemnified Party.

J. Patents and Trademarks.

1. Neither Party shall have any obligation to defend, indemnify or hold harmless, or acquire any license or right for the benefit of, or owe any other obligation or have any liability to, the other based on or arising from any claim, demand, or proceeding (hereinafter "claim") by any third party alleging or asserting that the use of any circuit, apparatus, or system, or the use of any software, or the performance of any service or method, or the provision of any facilities by either Party under this Agreement constitutes direct or contributory infringement, or misuse or misappropriation of any patent, copyright, trademark, trade secret, or any other proprietary or intellectual property right of any third party.
2. No license or affiliation.
 - a. Nothing in this Agreement shall be construed as the grant of a license, either express or implied, with respect to any patent, copyright, logo, trademark, tradename, trade secret or any other intellectual property right now or hereafter owned, controlled or licensable by either Party. Reseller may not use any patent, copyright, logo, trademark, tradename, trade secret or other intellectual property right of USWC or its affiliates without execution of a separate agreement between the Parties.
 - b. Reseller shall not, without the express written permission of USWC, state or imply that: 1) Reseller is connected, or in any way affiliated with USWC or its affiliates or, 2) Reseller is part of a joint business association or any similar arrangement with USWC or its affiliates or, 3) USWC and its affiliates are in any way sponsoring, endorsing or certifying Reseller and its goods and services or, 4) the resold goods and services are in any way associated with or originated from USWC or any of its affiliates. Notwithstanding the above, Reseller may state in response to a specific customer inquiry concerning the origin of the resold services that "Reseller is reselling USWC services." No other statements may be made.
3. Notwithstanding the above, unless otherwise prohibited by USWC

APPENDIX A (CONTINUED)

3. The following services are available for resale under this Agreement but are not included in the wholesale pricing reflected above unless and until the state public utilities Commission in a particular state orders that wholesale discount rates are generally available to resellers with respect to these products in that state:

- Basic Exchange Residence Line
- Centrex
- Private Line/Special Access
- Public Access Lines
- Volume Discount and/or Term Arrangement (where contained in customer contracts or USWC tariffs)

4. The following services are not available for resale:

- Lifeline
- Concession Service
- Technical Trials
- Grandfathered Products and Services (except to customers currently served with such services)

APPENDIX B
DIRECTORY LISTINGS

Directory Listings

1. Scope.

- a. Reseller Listings Service ("Listings") consists of USWC placing the names, addresses and telephone numbers of Reseller's end users in USWC's listing database, based on end user information provided to USWC by Reseller. USWC is authorized to use Listings in Directory Assistance (DA) and as noted in 1.D.i or 1.D.ii.
- b. Reseller will provide in standard, format, and USWC will accept at no charge, one primary listing for each main telephone number belonging to Reseller's end user customers. Primary listings are as defined for USWC end users in USWC's general exchange tariffs. Reseller will be charged for privacy listings and premium listings, e.g., additional, foreign, cross reference, informational, etc., at USWC's general exchange listing tariff rates minus the applicable standard resale discount in each state.
- c. USWC will furnish Reseller the Listings format specifications. USWC cannot accept Listings with advance completion dates.
- d. Reseller grants USWC a non-exclusive license to incorporate Listings information into its directory assistance database. Reseller hereby selects one of two options for USWC's use of Listings and dissemination of Listings to third parties.

EITHER:

- i. Treat the same as USWC's end user listings -- No prior authorization is needed for USWC to release Listings to directory publishers or other third parties. USWC will incorporate Listings information in all existing and future directory assistance applications developed by USWC. Reseller will authorize USWC to sell and otherwise make Listings available to directory publishers including USWC's publisher affiliate for inclusion in white pages published on USWC's behalf. USWC shall be entitled to retain all revenue associated with any such sales. Listings shall not be provided or sold in such a manner as to segregate end users by carrier.

OR:

- ii. Restrict to USWC's directory assistance -- Prior authorization required by Reseller for all other uses. Reseller makes its own, separate agreements with USWC, third parties and directory publishers for all uses of its listings beyond DA. USWC will sell Listings to directory publishers (including USWC's publisher affiliate for inclusion in white pages published on USWC's behalf), other third parties and USWC products only after third party presents proof of Reseller's authorization. USWC shall be entitled to retain all revenue associated with any such sales. Listings shall not be provided or sold in such a manner as to segregate end users by carrier.

e. To the extent that state tariffs limit USWC's liability with regard to Listings, the applicable state tariff(s) is incorporated herein and supersedes Section VII.G., "Limitation of Liability", of this Agreement with respect to Listings only.

2. USWC Responsibilities.

USWC is responsible for maintaining Listings, including entering, changing, correcting, rearranging and removing Listings in accordance with Reseller orders. USWC will take reasonable steps in accordance with industry practices to accommodate non-published and non-listed listings provided that Reseller has supplied USWC the necessary privacy indicators on such Listings.

USWC will include Reseller's Listings in USWC's Directory Assistance service to ensure that callers to USWC's Directory Assistance service have non-discriminatory access to Reseller's Listings.

USWC will incorporate Reseller's Listings provided to USWC in the white pages directory published on USWC's behalf.

3. Reseller Responsibilities.

a. Reseller agrees to provide to USWC its end user names, addresses and telephone numbers in a standard format, as specified by USWC.

b. Reseller will supply its ACNA/CIC or CLCC/OCN, as appropriate, with each order to provide USWC the means of identifying Listings ownership.

c. Reseller represents and warrants the end user information provided to USWC is accurate and correct. Reseller further represents and warrants that it has reviewed all Listings provided to USWC, including end user requested restrictions on use such as non-published and non-listed. Reseller shall be solely responsible for knowing and adhering to state laws or rulings regarding Listings (e.g., no solicitation requirements in the states of Arizona and Oregon, privacy requirements in Colorado), and for supplying USWC the applicable Listing information.

d. Reseller is responsible for all dealings with and on behalf of Reseller's end users, including:

- i. All end user account activity, e.g., end user queries and complaints.
- ii. All account maintenance activity, e.g., additions, changes, issuance of orders for Listings to USWC.
- iii. Determining privacy requirements and accurately coding the privacy indicators for Reseller's end user information. If end user information provided by Reseller to USWC does not contain a privacy indicator, no privacy restrictions will apply.
- iv. Any additional services requested by Reseller's end users.

**APPENDIX A
LOCAL EXCHANGE SERVICES
RESALE OF SERVICES**

The Parties agree the following charges apply to the Resale of Local Services:

1. Nonrecurring Charges.

a. Customer Transfer Charge (CTC): The following nonrecurring charges apply when converting a USWC account to a Reseller account or when changing an end user from one reseller to another.

Per order	USOC	Nonrecurring Charge
• Business	NR9CV	\$56.00
• Residence	NR9CV	52.00

b. Product Specific Nonrecurring Charge: As set forth in USWC tariffs, the product specific nonrecurring charges, without discount, will apply when additional lines or trunks are added or when the end user adds features or services to existing lines or trunks.

2. The following USWC services are available for resale at the rates listed below:

Category:	Discount Rate
• Basic Exchange Business, PBX Trunks	12%
• ISDN, Frame Relay	12%
• Listings, CO Features	12%

IntraLATA toll is available for resale at the contract toll rates listed below without application of a further wholesale discount:

<u>State:</u>	<u>Rate Per Minute of Use</u>
Arizona	\$.125
Colorado	.14
Idaho	.12
Iowa	.13
Minnesota	.135
Montana	.12
Nebraska	.175
New Mexico	.155
North Dakota	.16
Oregon	.09
South Dakota	.10
Utah	.11
Washington	.11
Wyoming	.16

APPENDIX A (CONTINUED)

3. The following services are available for resale under this Agreement but are not included in the wholesale pricing reflected above unless and until the state public utilities Commission in a particular state orders that wholesale discount rates are generally available to resellers with respect to these products in that state:

- Basic Exchange Residence Line
- Centrex
- Private Line/Special Access
- Public Access Lines
- Volume Discount and/or Term Arrangement (where contained in customer contracts or USWC tariffs)

4. The following services are not available for resale:

- Lifeline
- Concession Service
- Technical Trials
- Grandfathered Products and Services (except to customers currently served with such services)

NEXT

DOCUMENT (S)

DISREGARD

BACKGROUND

**U S WEST Law Dept.
FAX**

Date *May 27, 1997*

Number of pages including cover sheet *2*

TO: *Dennis McFarland*

Phone *605-339-3500*

Fax Phone *605-339-9773*

CC: *Ren Van Zandtburg*

FROM: *Susan Kesson
U S WEST, Inc.
7800 E. Orchard Road, Suite
400
Englewood, CO 80111*

Phone *303-793-6343*

Fax Phone *303-796-6040*

REMARKS: ☐ Urgent ☒ For your review ☐ Reply ASAP ☐ Please Comment

Dennis: As we discussed, attached is the amendment to the Penn Oil Co. contract with USWC which would provide for application, on PUC approval and subject to appeal, stay, etc., of the AT&T arbitrated discount rates and services, including Contract, to Penn Oil's resale activity in South Dakota. Please call me with any questions or comments. Susan

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IF YOU RECEIVED THIS COMMUNICATION IN ERROR, PLEASE IMMEDIATELY NOTIFY US BY PHONE AND RETURN THE ORIGINAL TO US AT THE ABOVE ADDRESS VIA U.S. MAIL.

FIRST AMENDMENT TO AGREEMENT FOR SERVICE RESALE

This First Amendment ("the Amendment") is made this ____ day of May, 1997 by U S WEST Communications, Inc. ("USWC") and Pam Oil Co. dba PAMCOMM ("Reseller"), to the AGREEMENT FOR SERVICE RESALE executed by Reseller on November 1, 1996 and by USWC on November 8, 1996 ("Underlying Agreement").

1. This Agreement is made in order to amend the services available for resale and the wholesale discount rates at which those services are available for resale in the State of South Dakota.

2. Section II., Scope of Agreement, of the Underlying Agreement is hereby amended to add the following paragraph:

- E. This Agreement is entered into as a result of private negotiations between the Parties. However, the Parties intend to incorporate the wholesale discount rates and services of an arbitrated decision by the Commission acting pursuant to Section 282 (b) of the Act involving an interconnection dispute agreement of other parties and to include for convenience such rates and services in this Agreement when the Commission decision is final. Reseller acknowledges (1) that those rates and services are extended only because of the arbitrated results in a: other docket, (2) that USWC intends to appeal certain of those decisions and (3) that any negotiations, appeal, stay, injunction, settlement or similar proceedings impacting the applicability of those rates and services to the local service providers who were parties to that arbitration will similarly impact the applicability of those rates and services to Reseller. The Parties further recognize that the Agreement is subject to the generic interconnection cost docket proceedings by the Commission addressing the rates and services in this Agreement where such dockets are pending.

3. Section IV. E., Rates and Charges, of the Underlying Agreement is hereby amended to delete the existing language and to substitute the following language:

1. Resold services as listed in Appendix A are available for resale at the applicable discount percentage or rate per minute set forth in Appendix A or at the retail tariff rates for services available for resale but excluded from the wholesale pricing arrangement in this Agreement.

However, the Commission has pending before it the Arbitrator's Decision in the Matter of Interconnection Contract Negotiations between AT&T Communications of the Midwest, Inc. and U S WEST Communications, Inc. Pursuant to 47 U.S.C. Section 282, Docket No. TC96-184, (the "AT&T Arbitration") which decision recommended the services which should be available for resale, including adding Centrex as a service available for resale, and a wholesale discount rate of 16.16%. The Parties hereby agree that whatever services and wholesale discount rate the Commission establishes in its final decision in the AT&T Arbitration

shall become effective with respect to this Agreement on a going-forward basis and without true-up to the effective date of this Agreement on the date of the Commission's decision. Appendix A will be modified to reflect such rates and services.

If the wholesale discount rates to be established in the AT&T Arbitration are established as interim rates and are pending the outcome of a final Commission decision in an interconnection cost docket, such rates, as adopted in this Agreement, will be subject to true-up from the date those rates became effective in this Agreement to the effective date of the final non appealable interconnection cost docket order.

If the rates or services in the AT&T Arbitration are impacted by any negotiations, appeal, stay, injunction, settlement or similar proceeding with respect to AT&T, those rates and services, if they have been adopted into this Agreement, shall be changed in this Agreement to the same extent as the rates and services in the AT&T Arbitration. Notwithstanding the above, the Parties agree that in the event a stay or injunction is granted with respect to the implementation of the services and rates in the AT&T Arbitration, the services available for resale and the wholesale discount rate will revert to the services and rate in effect prior to the Commission's approval of the services and rate in the AT&T Arbitration until a final decision is reached in the negotiations, appeal, stay, injunction, settlement or similar proceeding or until a final decision is rendered in the interconnection cost docket, whichever is earlier.

USWC shall have a reasonable time to implement system or other changes necessary to bill any Commission ordered rates or services.

4. The Underlying Agreement and this First Amendment dated _____ and any attachments thereto constitute the entire Agreement between the parties. Any conflict arising out of this Agreement shall be decided in favor of this Amendment, its attachments if any, and the Underlying Agreement, in that order.

The Parties hereby execute and authorize this Amendment as of the latest date shown below.

Pam Oil Co.

U S WEST Communications, Inc.

Signature

Signature

Name Typed or Printed

Name Typed or Printed

Title

Title

Date

Date

Signature does not waive any rights of either Party to seek administrative/judicial review of all or part of the Underlying Agreement or this Amendment or to reform the Underlying Agreement or this Amendment as a result of successful administrative/judicial review and/or future settlement agreements between the Parties to this Amendment or the Underlying Agreement.

PABCOMMI
APPENDIX A - SOUTH DAKOTA-AT&T
LOCAL EXCHANGE SERVICES
REBALE OF SERVICES

The Parties agree the following charges apply to the Resale of Local Services:

1. Nonrecurring Charges.

- a. Customer Transfer Charge (CTC): The following nonrecurring charges apply when converting a USWC account to a Reseller account or when changing an end user from one reseller to another.

Per Order)	USOC	Nonrecurring Charge
Business		\$ 68.00
Residence		\$ 92.00

- b. Product Specific Nonrecurring Charge: As set forth in USWC tariffs, the product specific nonrecurring charges, without discount, will apply when additional lines or trunks are added or when the end user adds features or services to existing lines or trunks.

2. Except as qualified below, all USWC telecommunications services shall be available for resale at a 16.15% discount.

- (a) The following services are not available for resale:
Customer Premises Equipment (separately or in a package)
Enhanced Services
- (b) The following services are available only to the same class of customer eligible to purchase that service from USWC:
Grandfathered
Residence
Lifetime/Link-up
- (c) IntraLATA toll is available for resale at the contract toll rates listed below without application of a further wholesale discount:

State:
South Dakota

Rate Per Minute of Use
.10

*The appendix was looked
like this once the AT&T
arbitration order is
approved.*

pursuant to an applicable provision herein, Reseller may use the phrase "(Name of Reseller) is a reseller of U S WEST Communications services" (the "Authorized Phrase") in Reseller's printed materials provided:

- a) The Authorized Phrase is not used in connection with any goods or services other than USWC services resold by Reseller.
 - b) Reseller's use of the Authorized Phrase does not, in USWC's sole discretion, cause customers to believe that Reseller is USWC.
 - c) The Authorized Phrase, when displayed, appears only in text form (Reseller may not use the U S WEST logo) with all letters being the same font and point size. The point size of the Authorized Phrase shall be no greater than one fourth the point size of the smallest use of Reseller's name and in no even shall exceed 8 point size.
 - d) Reseller shall provide all printed materials to USWC for its prior written approval.
 - e) If USWC determines that Reseller's use of the Authorized Phrase causes customer confusion, USWC may in its sole discretion, immediately terminate Reseller's right to use the Authorized Phrase.
 - f) Upon termination of the Reseller's right to use the Authorized Phrase or termination of this Agreement, all permission or right to use the Authorized Phrase shall immediately cease to exist and Reseller shall immediately cease any and all such use of the Authorized Phrase. Reseller shall either promptly return to USWC or destroy all materials in its possession or control displaying the Authorized Phrase.
4. Reseller acknowledges the value of the marks "U S WEST" and "U S WEST Communications" (the "Marks") and the goodwill associated therewith and acknowledges that such goodwill is a property right belonging to U S WEST, Inc. and USWC respectively (the "Owners"). Reseller recognizes that nothing contained in this Agreement is intended as an assignment or grant to Reseller of any right, title or interest in or to the Marks and that this Agreement does not confer any right or license to grant sublicenses or permission to third parties to use the Marks and is not assignable. Reseller will do nothing inconsistent with the Owner's ownership of the Marks, and all rights, if any, that may be acquired by use of the Marks shall inure to the benefit of the Owners. Reseller will not adopt, use (other than as authorized in Section 3 herein,) register or seek to register any mark anywhere in the world which is identical or confusingly similar to the Marks or which is so similar thereto as to constitute a deceptive colorable imitation thereof or to suggest or imply some association, sponsorship, or endorsement by the Owners; The

Owners make no warranties regarding its ownership of any rights in or the validity of the Marks.

K. Warranties.

NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, THE PARTIES AGREE THAT NEITHER PARTY HAS MADE, AND THAT THERE DOES NOT EXIST, ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

L. Assignment.

This Agreement is unique in nature and the result of negotiations between the Parties. As such, this Agreement can be assigned only with the prior written consent of the non-assigning Party, which consent shall not be unreasonably withheld.

M. Default.

If either Party defaults in the payment of any amount due hereunder, or if either Party violates any other provision of this Agreement, and such default or violation shall continue for thirty (30) days after written notice thereof, the other Party may terminate this Agreement forthwith by written instrument. The failure of either Party, to enforce any of the provisions of this Agreement or the waiver thereof in any instance shall not be construed as a general waiver or relinquishment on its part of any such provision, but the same shall, nevertheless, be and remain in full force and effect.

N. Severability.

The Parties recognize that the FCC has promulgated rules addressing issues contained in this Agreement. To the extent that certain of the rules contained in the FCC 1st Order and the FCC 2d Order are deemed by the courts to be not effective, this contract shall be modified to comport with the final court decisions and subsequent FCC or state Commission decisions or rules issued to comply with the courts' decisions. If any other term, condition or provision of this Agreement is held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not invalidate the entire Agreement. The Agreement shall be construed as if it did not contain the invalid or unenforceable provision or provisions, and the rights and obligations of each Party shall be construed and enforced accordingly; provided, however, that in the event that such invalid or unenforceable provision or provisions are essential elements of this Agreement and, in the opinion of either party, substantially impair the rights or obligations of either party, Reseller and USWC shall promptly negotiate a replacement provision or provisions. If the Parties cannot negotiate such a replacement provision or provisions, the Parties may agree to terminate the Agreement. In the event of termination as described herein, for service arrangements made available under this Agreement and existing at the time of termination, those

arrangements shall continue without interruption under either a) a new agreement executed by the Parties, b) standard resale terms and conditions approved and made generally effective by the Commission, or c) tariff terms and conditions generally available to resellers. If a) does not come about, or b) or c) are not available, the Agreement shall remain in effect until a replacement provision is determined through arbitration.

O. Nondisclosure

1. All information including, but not limited to, specifications, drawings, sketches, models, tools, technical information, employee records, maps, financial reports, and market data, (i) furnished by one Party to the other Party or to which one Party provides to the other Party access (such as to a database) dealing with customer specific, facility specific, or usage specific information, or (ii) in written, graphic, electromagnetic, or other tangible form and marked at the time of delivery as "Confidential", "Proprietary", or other similar legend, or (iii) communicated orally or by visual presentation and declared to the receiving Party at the time of delivery, or by written notice given to the receiving Party within ten (10) days after delivery, to be "Confidential" or "Proprietary" (collectively referred to as "Proprietary Information"), shall remain the property of the disclosing Party.
2. Upon request by the disclosing Party, the receiving Party shall return all tangible copies of Proprietary Information, whether written, graphic or otherwise, except that the receiving Party may retain one copy for archival purposes.
3. The receiving Party acknowledges and agrees that Proprietary Information constitutes trade secrets of the disclosing Party. The receiving Party shall maintain in confidence all of the disclosing Party's Proprietary Information and shall use the disclosing Party's Proprietary Information only for performing the covenants contained, or exercising any rights granted, in this Agreement. Only the employees and agents with a need to know shall have access to the Proprietary Information and each such employee and agent shall be advised of his or her obligations under this Section O. Neither Party shall use the other Party's Proprietary Information for any other purpose except upon such terms and conditions as may be agreed upon between the parties in writing.
4. Unless otherwise agreed, the obligations of confidentiality and non-use set forth in this Agreement do not apply to the extent that such Proprietary Information:
 - a. was at the time of receipt already known to the receiving Party free of any obligation to keep it confidential (evidenced by written records prepared prior to delivery by the disclosing Party);

- b. is or becomes publicly known through no wrongful act of the receiving Party;
 - c. is rightfully received from a third person having no direct or indirect secrecy or confidentiality obligation to the disclosing Party with respect to such information; or
 - d. is independently developed by receiving Party individuals who do not have access to the Proprietary Information;
 - e. is disclosed to a third person by the disclosing Party without restrictions on disclosure;
 - f. is approved for release by written authorization of the disclosing Party; or
 - g. is required to be made public by the receiving Party pursuant to applicable law, regulation, or governmental order, provided that the receiving Party shall give sufficient notice of the requirement to the disclosing Party to enable the disclosing Party to seek protective orders where possible.
5. USWC grants Reseller the limited, personal, nonexclusive right and license to access and use information contained in certain of USWC's databases (Directory Assistance and Operator Services databases, certain Advanced Intelligent Network databases and Operation Support System databases) but only to the extent as specifically required by the then applicable federal and state rules and regulations relating to access to and use of such databases, as they may be amended from time to time, and for no other purpose. Without limiting the generality of the foregoing, this right and license to Reseller does not include the license and right to extract or copy (including by any manual, mechanical or electronic means) or use any such database information, in whole or in part, to enhance the quality of any of Reseller's own database services or offerings, as inputs to Reseller's or other's directory assistance or directory publishing operations or for the creation of marketing databases, in the absence of USWC's prior written consent. Reseller agrees that any and all information contained in any of such USWC's databases shall be Proprietary Information subject to the terms and conditions of this section O; provided, however, that Sections 4 a, b, and c shall not apply even though the individual parts or components of the information contained in any such databases may otherwise fall within such Sections.
6. Notwithstanding any other provision of this Agreement, the Proprietary Information provisions of this Agreement shall apply to all information furnished by either Party to the other in furtherance of the purpose of this Agreement, even if furnished before the date of this Agreement.

7. The Parties acknowledge that this Agreement contains commercially confidential information that may be considered Proprietary Information by either or both Parties, and agree to limit distribution of this Agreement to those individuals in their respective companies with a need to know the contents of this Agreement.

P. Survival.

Any liabilities or obligations of a Party for acts or omissions prior to the cancellation or termination of this Agreement; any obligation of a Party under the provisions regarding indemnification, Confidential Information, limitations on liability, and any other provisions of this Agreement which, by their terms, are contemplated to survive (or to be performed after) termination of this Agreement, shall survive cancellation or termination thereof.

Q. Dispute Resolution.

Except as provided by the Act, if any claim, controversy or dispute between the Parties, their agents, employees, officers, directors or affiliated agents ("Dispute") cannot be settled through negotiation, it shall be resolved by arbitration conducted by a single arbitrator engaged in the practice of law, under the then current rules of the American Arbitration Association ("AAA"). The Federal Arbitration Act, 9 U.S.C. Secs. 1-16, not state law, shall govern the arbitrability of all Disputes. The arbitrator shall not have authority to award punitive damages. All expedited procedures prescribed by the AAA rules shall apply. The arbitrator's award shall be final and binding and may be entered in any court having jurisdiction thereof. Each Party shall bear its own costs and attorneys' fees, and shall share equally in the fees and expenses of the arbitrator. The laws of the state where the services subject to this Agreement are provided shall govern the construction and interpretation of this Agreement.

R. State Commission Arbitration Issues.

In the event Reseller and USWC are unable to agree on certain issues during negotiation, the Parties will identify such issues for arbitration before an appropriate state regulatory agency. Only those points identified by the Parties for arbitration will be submitted. All other terms on which the Parties reach agreement will be submitted for approval in their final form.

S. Governing Law.

This Agreement shall be deemed to be a contract made under and shall be construed, interpreted and enforced in accordance with the Act, where applicable, and the laws of the state where the services subject to this Agreement are provided and shall be subject to the exclusive jurisdiction of the courts in that state, unless otherwise provided by the Act.

USWC shall be responsible for obtaining and keeping in effect all Federal Communications Commission, state regulatory Commission, franchise authority and other regulatory approvals that may be required in connection with the performance of its obligations under this Agreement. Reseller shall be responsible for obtaining and keeping in effect all Federal Communications Commission, state regulatory Commission, franchise authority and other regulatory approvals that may be required in connection with its offering of services to Reseller Customers contemplated by this Agreement.

T. Limitation of Action.

No arbitration demand or judicial action, regardless of form, arising out of the transaction(s) under this Agreement, whether in contract, tort, or other theory, may be brought by either party more than two (2) years after the cause of action accrues.

U. Joint Work Product.

This Agreement is the joint work product of representatives of the Parties. For convenience, it has been drafted in final form by one of the Parties. Accordingly, in the event of ambiguities, no inferences will be drawn against either Party solely on the basis of authorship of this Agreement.

V. Notices.

Any notices or other communications required or permitted to be given or delivered under this Agreement shall be in hard-copy writing (unless otherwise specifically provided herein) and shall be sufficiently given if delivered personally or delivered by prepaid overnight express service to the following (unless otherwise specifically required by this Agreement to be delivered to another representative or point of contact)

Any notices required by or concerning this Agreement shall be sent to the Parties at the addresses shown below:

USWC

Mark Reynolds
U S WEST Communications
Interconnection Services
1600 7th Ave., Room 3001
Seattle, WA 98191

206-345-1568 (phone)
206-346-5715 (fax)

Reseller

Scott Scofield
Chief Operating Officer
PAM Oil, Inc.
200 Petro Ave.
Souix Falls, SD 57117

605-336-1788 (phone)
605-339-9909 (fax)

Each Party shall inform the other of any changes in the above addresses.

W. No Third-Party Beneficiaries

Except as may be specifically set forth in this Agreement, this Agreement does not provide and shall not be construed to provide third parties with any remedy, claim, liability, reimbursement, cause of action, or other privilege.

X. Publicity and Advertising

Neither party shall publish or use any advertising, sales promotions or other publicity materials that use the other party's name, logo, trademarks or service marks without the prior written approval of the other party.

Y. Amendments or Waivers

Except as otherwise provided in this Agreement, no amendment or waiver of any provision of this Agreement, and no consent to any default under this Agreement, shall be effective unless the same is in writing and signed by an officer of the Party against whom such amendment, waiver or consent is claimed.

Z. Most Favored Nation

US'VC shall make available to Reseller the terms and conditions of any other agreement for resale services, approved by a state Commission under Section 252 of the Act, in that agreement's entirety.

AA. Executed in Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original; but such counterparts shall together constitute one and the same instrument.

BB. Headings of No Force or Effect

The headings of Articles and Sections of this Agreement are for convenience of reference only, and shall in no way define, modify or restrict the meaning or interpretation of the terms or provisions of this Agreement.

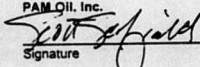
CC. Entire Agreement.

This Agreement constitutes the entire agreement between the Parties and supersedes all prior oral or written agreements, representations, statements, negotiations, understandings, proposals and undertakings with respect to the subject matter hereof. This Agreement shall prevail in the event of any conflict between a Tariff and the terms and conditions of this Agreement, or a conflict

between the "Resale Resource Guide" and the terms and conditions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives.

PAM Oil, Inc.


Signature

Scott Scofield

Name Printed/Typed

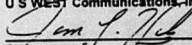
Chief Operating Officer

Title

November 1, 1996

Date

U S WEST Communications, Inc.


Signature

Joan V. Veer

Name Printed/Typed

Vice President

Title

8 Nov 96

Date

**APPENDIX A
LOCAL EXCHANGE SERVICES
RESALE OF SERVICES**

The Parties agree the following charges apply to the Resale of Local Services:

1. Nonrecurring Charges.

a. Customer Transfer Charge (CTC): The following nonrecurring charges apply when converting a USWC account to a Reseller account or when changing an end user from one reseller to another.

Per order	USOC	Nonrecurring Charge
• Business	NR9CV	\$56.00
• Residence	NR9CV	52.00

b. Product Specific Nonrecurring Charge: As set forth in USWC tariffs, the product specific nonrecurring charges, without discount, will apply when additional lines or trunks are added or when the end user adds features or services to existing lines or trunks.

2. The following USWC services are available for resale at the rates listed below:

Category:	Discount Rate
• Basic Exchange, Business, PBX Trunks	12%
• ISDN, Frame Relay	12%
• Listings, CO Features	12%

IntraLATA toll is available for resale at the contract toll rates listed below without application of a further wholesale discount:

<u>State:</u>	<u>Rate Per Minute of Use</u>
Arizona	\$.125
Colorado	.14
Idaho	.12
Iowa	.13
Minnesota	.135
Montana	.12
Nebraska	.175
New Mexico	.155
North Dakota	.16
Oregon	.09
South Dakota	.10
Utah	.11
Washington	.11
Wyoming	.16

EXHIBIT C

**ONE CALL TELECOM
BALANCE SHEET
JUNE 30, 1997**

ASSETS

	Actual	Budget
Current assets:		
Cash	\$ (54,447)	\$ 1,097,288
Account receivable	78,611	94,400
Accrued revenue	94,645	18,400
Prepaid expenses	67,735	32,200
Total current assets	<u>186,544</u>	<u>1,242,288</u>
Property and equipment, at cost:		
Computers and software	121,684	116,866
Office furniture	14,082	14,082
Office equipment	14,210	12,245
Voice mail	47,404	47,404
Less: accumulated depreciation	<u>(18,552)</u>	<u>(19,102)</u>
Total property and equipment, net	<u>178,828</u>	<u>171,495</u>
Other assets:		
Organization costs, being amortized	783	0
Trademark costs, being amortized	<u>1,985</u>	<u>0</u>
Total other assets	<u>2,768</u>	<u>0</u>
	<u>\$ 368,140</u>	<u>\$ 1,413,783</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Current portion of obligation under capital lease	\$ 22,141	\$ 26,000
Notes payable - Artesian Capital	137,000	0
Accounts payable	132,083	195,800
Accrued expenses and commissions	6,262	7,100
Unearned revenue	70	18,600
Sales tax payable	<u>(1,265)</u>	<u>12,100</u>
Total current liabilities	296,291	259,600
Obligation under capital lease	<u>73,228</u>	<u>76,659</u>
Total liabilities	<u>369,519</u>	<u>336,259</u>
Stockholders' equity:		
Stock and additional paid-in capital	919,892	2,242,892
Retained earnings	<u>(921,271)</u>	<u>(1,165,368)</u>
Total stockholders' equity	<u>(1,379)</u>	<u>1,077,524</u>
	<u>\$ 368,140</u>	<u>\$ 1,413,783</u>

ONE CALL TELECOM
STATEMENT OF OPERATIONS
FOR THE ONE MONTH AND SIX MONTHS ENDED JUNE 30, 1997

	Current Period				Year-to-Date			
	Actual		Budget		Actual		Budget	
	Percent		Percent		Percent		Percent	
Revenue	\$ 58,769	100.0	\$ 71,300	100.0	\$ 218,133	100.0	\$ 220,986	100.0
Cost of sales	40,188	68.4	47,800	67.0	150,774	69.1	158,443	71.7
Gross profit	18,581	31.6	23,500	33.0	67,359	30.9	62,543	28.3
Operating expenses:								
Payroll	52,459	89.3	65,400	91.7	282,130	129.3	310,608	140.6
Sales commissions	770	1.3	4,100	5.8	7,572	3.5	13,268	6.0
Payroll taxes	1,585	2.7	6,200	8.7	7,671	3.5	20,624	9.3
Fringe benefits	268	0.5	4,800	6.7	3,491	1.6	15,903	7.2
Travel and entertainment	1,548	2.6	3,500	4.9	9,011	4.1	15,059	6.8
Advertising and promotion	8,783	15.0	42,200	59.2	41,182	18.9	144,919	65.6
Rent	4,152	7.1	8,000	11.2	32,791	15.0	38,494	17.4
Telephone	242	0.4	3,600	5.1	5,219	2.4	14,278	6.5
Office supplies	1,334	2.3	1,800	2.5	9,873	4.5	10,002	4.5
Subscriptions	151	0.3	500	0.7	3,900	1.8	1,825	0.8
Bad debts	0	0.0	1,200	1.7	0	0.0	2,600	1.2
Postage	321	0.6	600	0.8	1,706	0.8	2,787	1.3
Insurance	102	0.2	600	0.8	787	0.4	2,106	1.0
Recruiting	20,826	35.4	6,500	9.1	37,156	17.0	51,826	23.5
Human resource expense	7,167	12.2	5,000	7.0	55,831	25.6	38,836	17.6
Computer maintenance	75	0.1	700	1.0	2,153	1.0	2,100	1.0
Professional services - legal	4,214	7.2	5,000	7.0	25,759	11.8	25,759	11.7
Professional services - accounting	2,685	4.6	4,000	5.6	27,537	12.6	28,602	12.9
Professional services - consulting	21,447	36.5	10,000	14.0	64,819	29.7	53,552	24.2
Professional services - market research	15,890	27.0	31,000	43.5	39,616	18.2	88,391	40.0
Professional services - temporary help	1,730	2.9	5,000	7.0	1,986	0.9	14,500	6.6
Computer processing	5,012	8.5	5,100	7.2	8,175	3.8	16,380	7.4
Total operating expenses	150,760	256.5	214,800	301.3	668,365	306.4	912,419	412.9
Income (loss) from operations	(132,179)	(224.9)	(191,300)	(268.3)	(601,006)	(275.5)	(849,876)	(384.6)
Depreciation and amortization	(3,050)	(5.2)	(3,200)	(4.5)	(16,700)	(7.7)	(16,950)	(7.7)
Gain on sale of equipment	0	0.0	0	0.0	1,752	0.8	0	0.0
Lease interest expense	(1,789)	(3.0)	(1,750)	(2.5)	(10,641)	(4.9)	(10,306)	(4.7)
Miscellaneous income	25	0.0	0	0.0	(1,593)	(0.7)	0	0.0
Miscellaneous expense	(14)	(0.0)	0	0.0	(142)	(0.1)	0	0.0
Interest income	225	0.4	2,700	3.8	3,911	1.8	6,000	2.7
Net income (loss)	\$ (136,781)	(232.7)	\$ (193,550)	(271.5)	\$ (624,419)	(286.3)	\$ (871,132)	(394.2)

ONE CALL TELECOM
STATEMENT OF CASH FLOWS
FOR THE ONE MONTH AND SIX MONTHS ENDED JUNE 30, 1997

	Current Month	Year-to-Date	Previous Month
Cash flows from operating activities:			
Net loss	\$ (136,781)	\$ (624,419)	\$ (123,289)
Adjustments to reconcile net loss to cash flows from operating activities:			
Depreciation and amortization	3,050	16,455	3,050
Gain on sale of equipment	0	(1,752)	0
Changes in operating assets and liabilities -			
Accounts receivable	(23,584)	(78,611)	(8,270)
Accrued revenue	(16,481)	(94,645)	(31,993)
Prepaid expenses	(922)	(56,289)	(20,382)
Accounts payable	23,587	53,953	14,724
Accrued expenses and commissions	0	5,468	0
Unearned revenue	(10)	70	(10)
Sales tax payable	(111)	(1,265)	(3,635)
Cash flows from operating activities	<u>(151,252)</u>	<u>(781,035)</u>	<u>(169,805)</u>
Cash flows from investing activities:			
Purchases of property and equipment	(352)	(75,418)	(458)
Proceeds from sale of equipment	0	1,752	0
Cash flows from investing activities	<u>(352)</u>	<u>(73,666)</u>	<u>(458)</u>
Cash flows from financing activities:			
Proceeds from issuance of common stock	0	275,000	25,000
Proceeds from issuance of preferred stock	0	4,000	1,000
Proceeds from notes payable - Artesian Capital	21,000	137,000	0
Payments on obligation under capital lease	(2,211)	(12,667)	(2,172)
Cash flows from financing activities	<u>18,789</u>	<u>403,333</u>	<u>23,828</u>
Increase(decrease) in cash	(132,815)	(451,368)	(146,435)
Cash, beginning	<u>78,368</u>	<u>396,921</u>	<u>224,803</u>
Cash, ending	<u>\$ (54,447)</u>	<u>\$ (54,447)</u>	<u>\$ 78,368</u>
Supplemental cash flows information			
Equipment purchased under capital lease	\$ 0	\$ 18,471	\$ 0

ONE CALL TELECOM
STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 1997

	Common Shares	Amount	Preferred Shares	Amount	Additional Paid in Capital	Stock Subscription Receivable	Retained Earnings (Deficit)	Total
Balance - December 31, 1996	1,600,000	\$ 16,000	743,446	\$ 7,434	\$ 694,938	\$ (77,500)	\$ (296,832)	\$ 344,040
Issuance of common stock	550,000	275,000	-	-	-	-	-	275,000
Issuance of preferred stock	-	-	8,000	4,000	-	-	-	4,000
Net loss	-	-	-	-	-	-	(624,419)	(624,419)
Balance - June 30, 1997	2,150,000	\$ 291,000	753,446	\$ 11,434	\$ 694,938	\$ (77,500)	\$ (921,271)	\$ (1,379)

ONE CALL TELECOM
STATEMENT OF REVENUE AND COST OF SALES
FOR THE ONE MONTH AND SIX MONTHS ENDED JUNE 30, 1997

	Current Period				Year-to-Date			
	Actual		Budget		Actual		Budget	
	Percent		Percent		Percent		Percent	
Revenue:								
Long distance	\$ 18,690	32%	\$ 21,600	30%	\$ 56,350	26%	\$ 70,055	32%
Local services	37,104	63%	41,600	58%	152,741	70%	132,510	60%
Voice messaging	2,250	4%	2,100	3%	7,691	4%	6,141	3%
800 services	60	0%	100	0%	265	0%	200	0%
Paging	665	1%	100	0%	1,006	0%	380	0%
Web page sales	0	0%	5,200	7%	0	0%	10,400	5%
Internet Access	0	0%	600	1%	80	0%	1,300	1%
Equipment	0	0%	0	0%	0	0%	0	0%
Total revenue	58,769	100%	71,300	100%	218,133	100%	220,986	100%
Cost of sales:								
Long distance	12,282	66%	17,300	80%	39,445	70%	57,967	83%
Local services	21,426	58%	17,900	43%	91,517	60%	69,560	52%
Voice messaging	1,818	81%	2,400	114%	8,449	110%	9,932	162%
800 services	0	0%	100	0%	0	0%	100	0%
Paging	649	98%	0	0%	649	65%	0	0%
Internet Access	26	#DIV/0!	400	8%	111	#DIV/0!	900	9%
Web page sales	100	#DIV/0!	2,500	0%	130	163%	6,184	0%
Equipment	1,391	0%	0	0%	4,999	0%	0	0%
Cut over charge	2,496	4%	7,200	0%	5,474	3%	13,800	0%
Total cost of sales	40,188	68%	47,800	67%	150,774	69%	158,443	72%
Gross profit	\$ 18,581	32%	\$ 23,500	33%	\$ 67,359	31%	\$ 62,543	28%

Cost of sales percentages are percent of related revenue.

EXHIBIT D

One Call TeleCom
Performs Balance Sheet
Years 1, 2, 3

[illegible]

One Call Telecom Proforma Balance Sheet Years 1, 2, 3

	Month 1	2	3	4	5	6	7	8	9	10	11	12
Current Assets												
Cash	\$60,300	\$11,407	\$61,307	\$67,700	\$74,226	\$82,400	\$87,804	\$93,877	\$99,604	\$104,872	\$110,460	\$116,442
Accounts Receivable	0	0	4,232	83,332	166,712	260,040	361,000	450,000	513,600	567,462	609,711	771,414
Accrued Revenue	0	0	0	18,152	40,220	60,440	80,660	100,880	121,100	141,320	161,540	181,760
Capital Expenses	5,000	4,000	4,000	4,700	4,600	4,500	4,400	4,300	4,200	4,100	4,000	3,900
Total Current Assets	\$65,300	\$15,397	\$80,539	\$164,872	\$1,025,798	\$1,447,880	\$1,804,885	\$1,497,574	\$1,807,366	\$1,808,795	\$2,076,370	\$2,321,157
Fixed Assets												
Computers and software	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Office Furniture	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Other Equipment	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Less: Accumulated Depreciation	0	(317)	(633)	(889)	(1,267)	(1,685)	(2,103)	(2,517)	(2,817)	(3,017)	(3,017)	(3,017)
Total Fixed	18,000	16,683	16,367	16,000	17,733	17,417	17,400	21,783	21,363	20,983	20,983	20,983
Total Assets	\$83,300	\$32,081	\$96,906	\$180,872	\$1,043,491	\$1,465,297	\$1,901,885	\$1,429,157	\$1,828,629	\$1,829,778	\$2,097,354	\$2,342,141
Current Liabilities												
Accounts Payable	0	0	21,642	46,000	116,000	181,000	266,000	341,000	417,116	484,572	570,660	656,176
Accrued Payroll	0	0	2,640	4,340	6,460	9,100	12,740	16,380	20,020	23,660	27,300	30,940
Deferred Payments	0	0	1,640	3,240	4,840	6,440	8,040	9,640	11,240	12,840	14,440	16,040
Notes and Etc. Pay	0	0	6,000	18,200	26,412	34,618	42,824	51,030	59,236	67,442	75,648	83,854
Total current Liabilities	0	0	44,786	108,010	214,308	326,799	449,914	586,426	679,996	805,714	923,541	1,058,068
Shareholder Equity												
Common Stock	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Net Income/Loss	(13,640)	(64,620)	(125,487)	(142,987)	(170,874)	(170,436)	(164,892)	(137,289)	(87,267)	44,022	178,313	312,783
Total Shareholders Equity	\$863,360	\$935,381	\$874,513	\$857,013	\$829,126	\$829,564	\$835,108	\$862,711	\$912,733	\$1,044,022	\$1,178,313	\$1,312,783
Total Liabilities/Shareholder equity	\$863,360	\$935,381	\$919,296	\$943,022	\$1,043,491	\$1,186,363	\$1,281,023	\$1,429,157	\$1,828,629	\$1,872,798	\$2,097,354	\$2,342,141

One Call TeleComm Performance Balance Sheet Years 1, 2, 3

Assets

Months

13 14 15 16 17 18 19 20 21 22 23 24

Current Assets

Cash

Accounts Receivable

Accounts Payable

Accrued Revenue

Prepaid Expenses

Total Current Assets

Fixed Assets

Companies and software

Office Furniture

Office Equipment

Lease Accumulated Depreciation

Total Fixed

Total Assets

Liabilities

Current Liabilities

Accounts Payable

Accrued expenses

Deferred Revenue

Notes and Easements

Total Current Liabilities

Shareholders Equity

Shareholders Equity

Net Income/Loss

Total Shareholders Equity

Total Liabilities/Shareholders equity

2,986,642	1,574,088	1,798,414	1,981,844	2,288,870	2,582,818	2,847,146	3,200,231	3,508,344	3,888,798	4,248,281	4,627,488	5,027,488
837,115	887,837	975,728	1,087,888	1,082,240	1,114,701	1,157,042	1,188,383	1,228,883	1,282,818	1,374,775	1,507,111	1,647,111
33,184	368,815	380,848	418,832	453,824	488,327	477,813	487,488	487,083	527,517	528,883	548,883	548,883
3,800	3,170	8,000	8,400	8,200	8,000	8,000	8,000	8,400	8,700	8,400	8,400	8,100

2,954,791	2,822,191	3,171,063	3,464,884	3,838,234	4,141,862	4,487,940	4,888,705	5,277,613	5,688,285	6,098,411	6,478,443	6,827,443
10,000	10,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
12,000	12,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
2,000	2,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
(4,217)	(4,817)	(5,017)	(6,059)	(7,083)	(8,117)	(8,159)	(10,183)	(11,217)	(13,250)	(13,538)	(14,889)	(14,889)
18,783	19,383	88,883	88,883	88,883	88,883	88,883	88,883	88,883	88,883	88,883	88,883	88,883

2,574,524	2,841,574	3,178,588	3,520,644	3,883,150	4,185,728	4,520,788	4,884,818	5,228,188	5,528,188	5,728,044	6,131,878	6,454,383
888,180	788,524	822,117	870,828	942,431	941,981	888,234	877,888	888,883	1,027,223	1,028,171	1,042,300	1,042,300
48,878	51,884	57,042	61,837	63,815	65,120	66,425	67,728	71,888	73,184	74,488	78,774	78,774
214,887	228,884	252,338	273,582	283,200	288,072	288,848	288,817	317,888	323,888	328,423	358,203	358,203
181,378	172,380	188,488	200,428	211,888	218,320	220,888	228,000	228,718	243,884	247,388	251,722	251,722

1,124,014	1,218,378	1,320,888	1,441,744	1,580,541	1,511,172	1,588,138	1,684,341	1,818,137	1,847,188	1,878,000	1,784,888	1,784,888
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
420,881	622,220	847,383	1,108,102	1,282,028	1,688,423	1,884,883	2,240,478	2,704,028	3,078,028	3,408,888	3,828,888	3,828,888
1,460,821	1,822,320	1,847,383	2,108,102	2,282,888	2,484,483	2,884,483	3,240,278	3,704,028	4,078,028	4,488,888	4,888,288	4,888,288

2,574,524	2,841,574	3,178,588	3,520,644	3,883,150	4,185,728	4,520,788	4,884,818	5,228,188	5,528,188	5,728,044	6,131,878	6,454,383
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[illegible][illegible]

6.002.002 7.364.271 7.023.046 8.204.870 8.718.647 8.170.883 8.647.223 10.118.666 10.903.065 11.001.216 11.304.028 12.677.046

25,000	30,000	35,000	40,000	45,000	50,000	55,000	60,000	65,000	70,000	75,000	80,000	85,000	90,000	95,000	100,000	105,000	110,000	115,000	120,000	125,000	130,000	135,000	140,000	145,000	150,000	155,000	160,000	165,000	170,000	175,000	180,000	185,000	190,000	195,000	200,000	205,000	210,000	215,000	220,000	225,000	230,000	235,000	240,000	245,000	250,000	255,000	260,000	265,000	270,000	275,000	280,000	285,000	290,000	295,000	300,000	305,000	310,000	315,000	320,000	325,000	330,000	335,000	340,000	345,000	350,000	355,000	360,000	365,000	370,000	375,000	380,000	385,000	390,000	395,000	400,000	405,000	410,000	415,000	420,000	425,000	430,000	435,000	440,000	445,000	450,000	455,000	460,000	465,000	470,000	475,000	480,000	485,000	490,000	495,000	500,000	505,000	510,000	515,000	520,000	525,000	530,000	535,000	540,000	545,000	550,000	555,000	560,000	565,000	570,000	575,000	580,000	585,000	590,000	595,000	600,000	605,000	610,000	615,000	620,000	625,000	630,000	635,000	640,000	645,000	650,000	655,000	660,000	665,000	670,000	675,000	680,000	685,000	690,000	695,000	700,000	705,000	710,000	715,000	720,000	725,000	730,000	735,000	740,000	745,000	750,000	755,000	760,000	765,000	770,000	775,000	780,000	785,000	790,000	795,000	800,000	805,000	810,000	815,000	820,000	825,000	830,000	835,000	840,000	845,000	850,000	855,000	860,000	865,000	870,000	875,000	880,000	885,000	890,000	895,000	900,000	905,000	910,000	915,000	920,000	925,000	930,000	935,000	940,000	945,000	950,000	955,000	960,000	965,000	970,000	975,000	980,000	985,000	990,000	995,000	1,000,000	1,005,000	1,010,000	1,015,000	1,020,000	1,025,000	1,030,000	1,035,000	1,040,000	1,045,000	1,050,000	1,055,000	1,060,000	1,065,000	1,070,000	1,075,000	1,080,000	1,085,000	1,090,000	1,095,000	1,100,000	1,105,000	1,110,000	1,115,000	1,120,000	1,125,000	1,130,000	1,135,000	1,140,000	1,145,000	1,150,000	1,155,000	1,160,000	1,165,000	1,170,000	1,175,000	1,180,000	1,185,000	1,190,000	1,195,000	1,200,000	1,205,000	1,210,000	1,215,000	1,220,000	1,225,000	1,230,000	1,235,000	1,240,000	1,245,000	1,250,000	1,255,000	1,260,000	1,265,000	1,270,000	1,275,000	1,280,000	1,285,000	1,290,000	1,295,000	1,300,000	1,305,000	1,310,000	1,315,000	1,320,000	1,325,000	1,330,000	1,335,000	1,340,000	1,345,000	1,350,000	1,355,000	1,360,000	1,365,000	1,370,000	1,375,000	1,380,000	1,385,000	1,390,000	1,395,000	1,400,000	1,405,000	1,410,000	1,415,000	1,420,000	1,425,000	1,430,000	1,435,000	1,440,000	1,445,000	1,450,000	1,455,000	1,460,000	1,465,000	1,470,000	1,475,000	1,480,000	1,485,000	1,490,000	1,495,000	1,500,000	1,505,000	1,510,000	1,515,000	1,520,000	1,525,000	1,530,000	1,535,000	1,540,000	1,545,000	1,550,000	1,555,000	1,560,000	1,565,000	1,570,000	1,575,000	1,580,000	1,585,000	1,590,000	1,595,000	1,600,000	1,605,000	1,610,000	1,615,000	1,620,000	1,625,000</
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62.833	61.517	60.200	60.863	78.200	77.517	76.833	74.160	72.487	62.763	60.753	66.663
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0 493 365 7 416 738 7 893 246 8 337 763 8 795 747 9 257 180 9 729 158 10 182 798 10 668 372 11 143 890 11 625 661 12 104 732

1,000,700	1,079,400	1,064,450	1,003,910	1,022,351	1,111,400	1,120,915	1,139,802	1,106,410	1,147,291	1,188,010	1,164,740
77,472	77,208	81,810	81,171	81,524	82,475	84,125	84,797	84,403	85,006	85,738	86,381
30,407	30,273	30,184	30,000	30,000	30,000	30,739	30,630	30,511	30,397	30,283	30,169
25,861	25,108	25,747	26,000	27,151	27,335	27,139	27,526	27,885	28,307	28,425	28,601

1,720,808 1,726,372 1,736,625 1,803,819 1,818,413 1,832,888 1,847,838 1,862,381 1,878,466 1,891,383 1,904,857 1,920,339

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4.224.487	4.869.385	5.004.671	5.533.944	5.977.335	6.434.294	6.975.320	7.530.415	7.799.477	8.292.805	8.719.504	9.185.429
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6.224.487 6.800.385 6.004.621 6.553.944 6.877.335 7.424.294 7.875.320 8.350.415 8.785.677 9.252.808 9.718.804 10.185.428

0.055, 288 : 7.415, 739 : 7.803, 246 : 0.337, 703 : 0.769, 747 : 0.257, 180 : 0.773, 119 : 10.112, 779 : 110.000 : 32.114, 61 : 99.114, 63 : 60.112, 105, 732

One Call TeleCom
Proforma P and L Statement
Twin City Market

[illegible]

THE

Call code ④ 4 days/department (Customer's
Class rate at 40%
cumulative Lines

Revenue
Long Distance
Local Service Free month free in your area
Video Messaging
800 service
Total Revenue

Cost of Sales	
Cost of Local Service Lines	
Cut over Charge	
Cost of Long distance	
Voice Mailings	
800 Service	
Total Cost	

Gross Morpho

- Operating Expenses
- Payroll
- State commission
- Physical losses
- Foreign benefits
- Travel and promotion
- Advertising
- Rent
- Telephone
- Office Supplies
- Subscriptions
- Bad Debts
- Depreciation
- Insurance
- Professional Services
- Computer processing
- Total additional Expenses

[illegible]

Month

13	14	15	16	17	18	19	20	21	22	23	24
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Cash sales @ 6% (cash/shipment) (Customers)

420	420	420	100	100	100	100	100	100	100	100	100
842	842	842	240	240	240	240	240	240	240	240	240
10,644	11,466	12,346	12,586	12,626	13,086	13,206	13,546	13,786	14,026	14,266	14,506

Cash ratio at 6%

10,644	11,466	12,346	12,586	12,626	13,086	13,206	13,546	13,786	14,026	14,266	14,506
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Customer Lines

360,542	362,042	413,620	446,782	464,427	483,081	471,765	480,419	466,063	467,742	504,741	516,076
78,076	82,555	88,425	98,314	98,186	100,086	101,825	103,802	105,874	107,946	109,416	111,250
7,277	7,308	8,000	8,267	8,441	8,621	8,801	8,981	9,161	9,341	9,521	9,701

Long Distance

823,248	879,646	904,817	1,044,862	1,081,089	1,163,725	1,132,661	1,167,067	1,217,063	1,246,066	1,282,166	1,304,261
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Advertising

296,805	291,000	316,316	338,570	346,170	362,770	366,270	366,870	372,570	378,170	384,770	392,370
22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532
22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532

Cost of Local Service Lines

296,805	291,000	316,316	338,570	346,170	362,770	366,270	366,870	372,570	378,170	384,770	392,370
22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532
22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532

Cost of New Changes

296,805	291,000	316,316	338,570	346,170	362,770	366,270	366,870	372,570	378,170	384,770	392,370
22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532
22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532	22,532

Video Advertising

31,744	34,673	37,560	40,492	41,236	42,025	42,811	43,607	44,393	45,179	45,965	46,751
5,467	5,564	6,460	6,546	7,061	7,216	7,361	7,486	7,621	7,756	7,891	8,026

Video Advertising

879,161	829,716	884,261	779,646	777,516	761,876	764,626	764,164	764,644	764,712	816,672	824,222
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Total Cost

244,207	248,626	264,626	317,244	323,883	342,846	379,486	371,743	424,846	442,346	461,713	466,876
30,776	32,476	35,476	36,576	32,776	32,876	32,876	32,776	34,776	34,776	34,776	34,776

Gross Margin

42,417	44,323	44,323	44,323	44,323	44,323	44,323	44,323	44,323	44,323	44,323	44,323
18,267	18,267	18,267	18,267	18,267	18,267	18,267	18,267	18,267	18,267	18,267	18,267
4,866	4,866	5,010	5,010	5,447	4,876	4,876	4,876	4,876	4,876	4,876	4,876

Operating Expenses

4,866	4,866	5,010	5,010	5,447	4,876	4,876	4,876	4,876	4,876	4,876	4,876
2,240	2,240	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440
3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000

Payroll Taxes

2,240	2,240	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440
3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000

Travel and promotion

2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500

Advertising

5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
800	800	800	800	800	800	800	800	800	800	800	800
800	800	800	800	800	800	800	800	800	800	800	800

Telephone

800	800	800	800	800	800	800	800	800	800	800	800
400	400	400	400	400	400	400	400	400	400	400	400
400	400	400	400	400	400	400	400	400	400	400	400

Subscriptions

50	100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100	100
100	100	100	100	100	100	100	100	100	100	100	100

Bad Dates

8,796	9,666	10,461	10,816	11,027	11,296	11,485	12,180	12,401	12,622	12,843	13,067
500	500	500	500	500	500	500	500	500	500	500	500
200	200	0	0	0	0	0	0	0	0	0	0

Insurance

3,000	3,000	0	0	0	0	0	0	0	0	0	0
2,004	2,186	0	0	0	0	0	0	0	0	0	0
110,886	114,646	91,641	82,186	78,446	78,446	78,446	78,446	78,446	78,446	78,446	78,446

Professional Services

110,886	114,646	91,641	82,186	78,446	78,446	78,446	78,446	78,446	78,446	78,446	78,446
110,886	114,646	91,641	82,186	78,446	78,446	78,446	78,446	78,446	78,446	78,446	78,446
110,886	114,646	91,641	82,186	78,446	78,446	78,446	78,446	78,446	78,446	78,446	78,446

Computer processing

110,886	114,646	91,641	82,186	78,446	78,446	78,446	78,446	78,446	78,446	78,446	78,446
110,886	114,646	91,641	82,186	78,446	78,446	78,446	78,446	78,446	78,446	78,446	78,446
110,886	114,646	91,641	82,186	78,446	78,446	78,446	78,446	78,446	78,446	78,446	78,446

Total additional Expenses

137,726	171,671	223,243	261,697	282,616	291,646	300,696	304,696	313,743	317,697	326,743	332,696
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Net Profit/loss

137,726	171,671	223,243	261,697	282,616	291,646	300,696	304,696	313,743	317,697	326,743	332,696
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South Dakota Public Utilities Commission

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



VIA FAX: 612-672-8397

August 7, 1997

Mr. Charles A. Hoffman
Attorney at Law
Maslon, Edelman, Borman & Brand
3300 Norwest Center
90 South Seventh Street
Minneapolis, MN 55402-4140

Capital Office
Telephone (605) 773-3201
FAX (605) 773-3009

Transportation/
Warehouse Division
Telephone (605) 773-5280
FAX (605) 773-3225

Consumer Hotline
1-800-332-1782

TTY Through
Relay South Dakota
1-800-877-1113

Internet
bills@puc.state.sd.us

Jim Berg
Chairman
Pam Nelson
Vice-Chairman
Laska Schoenfelder
Commissioner

William Bullard Jr.
Executive Director

Edward R. Anderson
Harlan Best
Marlin C. Bettmann
Charlie Bolle
Sue Cichos
Karen E. Cremer
Marlette Fischbach
Shirleen Fugitt
Lewis Hammond
Loni Healy
Cameron Honeck
Dave Jacobson
Bob Knadle
Delaine Kolbo
Terri J. Lesmeister
Jeffrey P. Lorensen
Terry Norum
Gregory A. Riskov
Tammi Stangohr
Steven M. Wegman
Rosalynne Alts Wiest

RE: APPLICATION FOR CERTIFICATE OF AUTHORITY
One Call Telecom, Inc.

Dear Mr. Hoffman:

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

SDCL 49-31-3: Each telecommunications company shall file an application for a certificate of authority with the commission no less than sixty days prior to initiating any telecommunications service in this state. Each telecommunications company shall submit a two hundred fifty dollar application fee with its application which shall be deposited into the gross receipts tax fund established pursuant to § 49-1A-2.

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

Thank you for your cooperation in this matter.

Sincerely,

Delaine Kolbo
Legal Secretary

Charles A. H.

MASLON EDELMAN BORMAN & BRAND, a Professional Limited Liability Partnership

015450

08/07/97 SOUTH DAKOTA PUBLIC UTILITIES COMMISSION - FILING FEE A25703 971291 102 250.00

TC97-140

08/07/97 15450

\$250.00

**MASLON
EDELMAN
BORMAN
& BRAND**

3300 NORTHWEST CENTER
MINNEAPOLIS, MN 55402-4140
612-672-8200

a Professional Limited Liability Partnership

NATIONAL CITY BANK
Minneapolis, MN 55480
17-115-910

015450

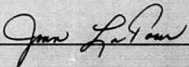
DATE CHECK NO. AMOUNT
08/07/97 15450 *****\$250.00

PAY

TWO HUNDRED FIFTY AND 00/100 DOLLARS

TO
THE
ORDER
OF

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION



⑈015450⑈ ⑆091001157⑆ 109-3185⑈

**MASLON
EDELMAN
BORMAN
& BRAND**

*Limited
Liability Partnership*

MARVIN BORMAN
WILL I. BRILL
WILLIAM B. HELLER
WILLIAM S. FORTLEVITCH
JOSEPH ALEXANDER
GARY J. BAUMER
TODD M. BORMAN
MICHAEL F. HALL
DAVID BAUMANN
DAVID F. HILL
J. LAWRENCE FORDY
JAMES D. O'CONNOR
MICHAEL G. VILAND
LEON I. STEINBERG
LAWRENCE B. WILSON
BONNIE A. TAYLOR
WILLIAM H. BORMAN, P.A.
LARRY A. BICE
VERONICA A. BRILL
JOHN P. VIEL
COOPER S. ASHLEY
BARRY STOLAR (BORMAN)
TOMMY DUNN
DAVID F. VORLEY
JOHN T. PUGH
BRYAN COHEN
CLARE T. WINTERSON
THOMAS A. WINTERSON
CHARLES A. HOFFMAN
DANIEL P. LAMBERT, P.A.
DAVID W. LEE
LOUIS L. BAKER
ALAN H. BARNETT
EDWARD A. BERRY
MICHAEL S. CLIFTON
JOSEPH A. BERRY
WILL I. BRILL
DAVID J. BORN
JAMES F. BORMAN
MICHAEL G. VILAND
BRYAN T. BORN
WILL I. BORN
BRYAN A. BORN
MICHAEL J. BORN
CYNTHIA F. BORN
PHILIP S. BORN
LARRY A. BORN
BRYAN C. BORN
PHILIP A. BORN
WILL I. BORN
BRYAN S. BORN
BRYAN S. BORN
BRYAN S. BORN

OF COUNSEL
CHARLES A. HOFFMAN, JR.
DAVID A. BORN
DAVID G. BORN
MICHAEL L. BORN
DAVID S. BORN
DAVID J. BORN

DAVID S. BORN
DAVID S. BORN
DAVID S. BORN

August 18, 1997

97-1291
Mr. William Bullard, Jr.
Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, SD 57501-5070

Re: One Call Telecom, Inc. Application for Certificate of Authority

Dear Mr. Bullard:

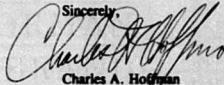
I am enclosing One Call Telecom's Supplemental Application for a Certificate, accompanied by appropriate exhibits. I have enclosed an original and 10 copies.

I have labeled this document a supplemental application because it is intended to supplement and replace the application filed by One Call on August 6, 1997. The principal change represented in this Supplemental Application is that One Call will no longer work with PAM Oil, Inc. as its South Dakota partner.

I have received your letter dated August 12, 1997, in which your staff set forth several questions for One Call to answer. We are in the process of preparing the answer to those questions and will forward them to you at the earliest possible opportunity.

Thank you for your assistance in this matter. As always, if you have any questions or comments, please do not hesitate to contact me.

Sincerely,



Charles A. Hoffman

CAH/cs
Enclosure
143441
cc: Joseph Rubin

TC97-140

3300 NORWEST CENTER
90 SOUTH SEVENTH STREET
MINNEAPOLIS, MINNESOTA 55402-4140
(612) 672-8200
FAX (612) 672-8897

Writer's Direct Dial
672-8368

VIA FEDERAL EXPRESS
RECEIVED

AUG 19 1997
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

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

RECEIVED
AUG 19 1997
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

**In the Matter of the Application of
One Call Telecom, Inc. for a Certificate
of Authority to Provide Local Exchange
Access and Exchange Access Services**

TC 96-97-140

SUPPLEMENTAL APPLICATION OF ONE CALL TELECOM, INC.

INTRODUCTION

One Call Telecom, Inc. ("One Call") hereby submits this supplemental application for authority to provide telecommunication services in South Dakota pursuant to S.D.C.L. §§ 49-31.3, and ARSD § 20:10:24.02, including local exchange services, intraLATA services and, as applicable, interLATA services.

One Call is presently a reseller of US West Telecommunications Services in Minnesota, focusing on the small and medium size business market. One Call believes that its extensive experience in both telecommunications and marketing should enable it to provide state-of-the-art telecommunications services in South Dakota at highly competitive rates and with superior customer service. One Call will operate in South Dakota as OCT, Inc.

RECITALS

I. The Company.

A. One Call Telecom, Inc., 706 Second Avenue South, Suite 1200, Minneapolis, Minnesota 55402, hereby submits this supplemental application for a certificate of authority to provide telecommunication services, including local exchange services, intraLATA services, and, as applicable, interLATA services, in the state of South Dakota pursuant to S.D.C.L. §§ 49-31.3, and ARSD 20:10:24.02.

B. One Call is presently a reseller of US WEST Telecommunication services in the state of Minnesota. Upon receipt of a Certificate of Authority to operate in South Dakota, One Call anticipates that it will expand its existing Agreement for Service Resale with US WEST Communications, and will provide local exchange services, intraLATA services and interLATA services as a reseller under the name of OCT, Inc. Discussions with US WEST regarding said expansion have begun. A copy of One Call's Resale Agreement with US WEST for Minnesota is attached as Exhibit B.

C. One Call is a privately held Minnesota corporation (see Exhibit A) with its principal place of business located at 706 Second Avenue South, Suite 1200, Minneapolis, Minnesota 55402. One Call has applied for a Certificate of Authority to do business in South Dakota as OCT, Inc. When that certificate is received, a copy will be provided to supplement this filing. One Cal. recognizes that its receipt of a Certificate of Authority as a telecommunications provider is conditional on receipt of a Certificate of Authority to do business.

D. Notices or communications regarding this application should be sent to:

Charles A. Hoffman
MASLON EDELMAN BORMAN & BRAND, LLP
3300 Norwest Center
Minneapolis, Minnesota 55402-4140
(612) 672-8368
FX: (612) 672-8397

Copies of such notices or communications should also be sent to:

Joseph Rubin
One Call Telecom, Inc.
706 Second Avenue South
Suite 1200
Minneapolis, MN 55402
Telephone: (612) 204-3500
FX: 204-3501

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E. OCT, Inc. will provide telecommunication services including local exchange services, intraLATA services and interLATA services on a reseller basis. The specific products and services are set forth in the US WEST Service Resale Agreement to which One Call is presently a party in Minnesota. A copy of that agreement is attached hereto as Exhibit B.

F. Initially, telecommunication services will be offered to commercial and industrial businesses located in South Dakota cities served by US WEST. As resale agreements with other local exchange companies are executed, OCT, Inc. will expand its service territory to include additional service areas. Eventually, OCT, Inc. hopes to offer telecommunication services throughout the state of South Dakota. As required by the South Dakota Public Utilities Commission, OCT, Inc. will request authority and authorization to offer telecommunication services in rural areas not served by US WEST.

G. Pursuant to ARSD 20:10:24:02(8), OCT, Inc. will file at the earliest opportunity a tariff of its services.

H. Officers One Call is a recent corporation, although its officers and staff are well experienced in the telecommunications industry.

Frank B. Bennett — Chairman. Mr. Bennett is the founder of One Call Telecom, Inc. and is responsible for finance, personnel, strategic planning and leadership. Mr. Bennett is also Chairman of Satellite Network Systems, Inc., and a Director of QuikPage, Inc. and Integ, Inc., a publicly-held medical technology company. Prior to founding Artesian Capital in 1989, he was a Vice President of Corporate Finance at Piper Jaffray, a regional investment banking firm. He was also one of the partners running Piper Jaffray Ventures. Mr. Bennett was a co-founder of Deltec Systems, Inc. and Education Alternatives, Inc.

01442474

Joseph Rubin — Mr. Rubin, who is presently President and CEO of One Call, has extensive experience in the telecommunications industry. He is a former executive with Norstan, Inc. He served as a Executive Vice President of Norstan, Inc., Executive Vice President and General Manager of Norstan Canada and Branch General Manager of Norstan's Wisconsin Operations.

Ron Mullins — COO. Mr. Mullins joined One Call as President and Director on October 1, 1996. Prior to then, he was a consultant to the company since its incorporation. Mr. Mullins is responsible for all technical, operations, sales, marketing and customer service. He is also a co-founder and senior partner in the telecommunications consulting firm, Ghyselinc & Associates. Ghyselinc's clients include Intermedia Communications, Harris Corporation and Northern Telecom. Prior to founding Ghyselinc, Mr. Mullins was with Contel and GTE for 26 years as a Senior Executive and Division President for all of Contel's telecom business in the Upper Midwest, a \$130 million division.

Karen Klein — Ms. Klein joined One Call in September, 1996, as Customer Service Manager for the Minneapolis office. She is responsible for designing, developing and maintaining the Customer Service Systems. Prior to joining One Call, Ms. Klein was Account Consultant for Progressive Telecom, the largest T-1 and high-speed data line service company in the Upper Midwest, where she managed the Customer Service function. Previously, she was Account Manager at ETI, in charge of customer service for the Minneapolis flagship office.

Michael L. Snow — Mr. Snow is a founder and Director of One Call. He is responsible for legal, finance and strategic planning. Mr. Snow is currently General Counsel and Director of Osmonics, Inc., and a Director of Navarre, Inc., Satellite Industries, Inc. and QuikPage, Inc. He

is a founder and Director of Miller Mining, Inc., and BruWest, Inc., a Bruegger's Bagels' franchisee. He was a founder of Valu Vision International, Inc. and Midwest Restaurants Associates, an Applebee's Restaurant franchisee. Prior to 1994, Mr. Snow was a partner at Maslon Edelman Borman & Brand, a limited liability partnership law firm located in Minneapolis, where he remains Of Counsel. He is also a partner at Artesian Capital.

Because One Call is a new company, it will naturally add employees and officers as needed to meet the needs of its customers.

I. Financing. One Call has obtained financing through Artestan Capital, Inc., a venture capital firm located in Minneapolis, Minnesota.

Exhibits C and D, attached to this application, set forth the pro forma financial projections for the company as well as current operating results.

II. DESCRIPTION OF SERVICE, MARKETS

A. Service. One Call is a complete integrator of value-added telecommunication products and services for businesses in the small to medium range. These products and services include:

B. Complete Telecommunication Consultive Services.

1. Planning — One Call fully analyzes customers' telephone systems. From this analysis, One Call may make recommendations for a telecommunications system that would better suit the customer's needs.
2. Training — One Call will fully train the customer in the operation of One Call's services and features.
3. Coordinating — One Call manages and coordinates all of a customer's telephone system.

4. Continuing Evaluation and Updating — One Call keeps its customers informed on what is now in the telecommunications industry.

C. Resale or Exchange Services Utilizing US WEST's Central Office

1. Services are accessed by direct dialing.
2. Features include touch tone services, detailed long distance billing, 3-way conferencing, call transfer, consultation hold, hunting speed dialing, call forwarding/variable, call pick-up, call hold, call forward/busy line, call forward/no answer.

OCT, Inc. will market first within US WEST's South Dakota exchanges. Later, upon receipt of appropriate approval from the Public Utilities Commission, OCT, Inc. expects to branch out to areas served by other local exchange providers.

D. Marketing OCT, Inc. will have a direct sales force calling on small to medium size businesses. The Company will not use any multi level marketing approaches to sell its products or services. OCT, Inc. will not open or operate any charity programs.

E. Customer Service OCT, Inc. will have a full customer service staff on duty during regular business hours, 7:00 a.m. - 6:00 p.m., Monday through Friday. One Call expects to maintain an office in South Dakota, in addition to its office in Minnesota, staffed with personnel who will be responsible for both marketing and customer service issues. This service will be available through a toll free number, 1-800-546-9450. In addition, this number will be routed through an answering/paging service during non-business hours and will have immediate access to service representatives on a 24-hour basis. The Company will also have customer service representatives individually assigned to customers so that personalized service can be provided while also handling the customer's problem more quickly and efficiently.

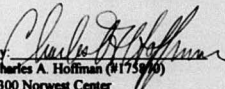
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F. **Billing** OCT, Inc. will use Intertech Management Group ("Intertech"). Intertech has extensive experience providing all data processing and billing services to telecommunication companies. Intertech has been in business since 1988. Intertech's billing system bills all aspects of local service, rates all long distance, and bills the results. OCT, Inc. will be using the following Intertech systems: Billing/Accounts Receivable.

WHEREFORE, One Call Telecom, Inc. respectfully requests that the South Dakota Public Utilities Commission granted authority to provide telecommunication services described herein and that it be authorized to provide such service as soon as possible.

MASLON EDELMAN BORMAN & BRAND, LLP

Dated: August 18, 1997.

By: 
Charles A. Hoffman (M173870)
3300 Norwest Center
90 South Seventh Street
Minneapolis, MN 55402-4140
(612) 672-8200

**ATTORNEYS FOR ONE CALL
TELECOM, INC.**

142259

**AGREEMENT
FOR SERVICE RESALE
Between
ONE CALL TELCOM, INC.
and
U S WEST COMMUNICATIONS, INC.**

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**AGREEMENT
FOR SERVICE RESALE**

This is an Agreement for Service Resale ("Agreement"), between One Call Telecom, Inc. ("Reseller"), a Certified Reseller and U S WEST Communications, Inc. ("USWC") (collectively, "the Parties") in which USWC will provide certain services to Reseller within the state of Minnesota. Where required, this Agreement or the portions of this Agreement relative to a particular state, will be submitted to the appropriate Public Utilities Commission ("Commission") and the Parties will specifically request that the Commission promptly approve this Agreement and refrain from taking any action to change, suspend or otherwise delay implementation of this Agreement. The Parties enter into this Agreement without prejudice to any positions they have taken previously, or may take in the future in any legislative, regulatory, or other public forum addressing any matters, including matters related to the types of arrangements prescribed by this Agreement.

The Parties agree and understand that USWC is proposing certain provisions in this contract based, in large part, on the FCC's First Report and Order, In the Matter of Implementing of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98, rel. Aug. 8, 1996 ("FCC 1st Order") and the Second Report and Order and Memorandum Opinion and Order, In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, rel. Aug. 8, 1996 ("FCC 2d Order"). To the extent that certain of the rules contained in the FCC 1st Order and the FCC 2d Order are deemed by the courts to be not effective, this contract shall be modified to comport with the final court decisions and subsequent FCC or state Commission decisions or rules issued to comply with the courts' decisions.

I. RECITALS & PRINCIPLES

WHEREAS, the Telecommunications Act of 1996 (the "Act") was signed into law on February 8, 1996, and

WHEREAS, the Act places certain duties and obligations upon, and grants certain rights to, Telecommunications Carriers; and

WHEREAS, USWC is an Incumbent Local Exchange Carrier or has a majority ownership interest in local exchange companies which are Incumbent Local Exchange Carriers; and

WHEREAS, the Telecommunications Act of 1996 has specific requirements for service resale, commonly referred to as a part of the "checklist" and USWC desires that this Agreement meet those checklist requirements; and

WHEREAS, USWC, for itself and its Affiliates, is willing to sell services for resale, on the terms and subject to the conditions of this Agreement; and,

WHEREAS, Reseller is a Telecommunications Carrier and has requested that USWC negotiate an Agreement with Reseller for the provision of USWC services for resale pursuant to the Act and in conformance with USWC's duties under the Act; and

WHEREAS, the parties have arrived at this Agreement through voluntary negotiations undertaken pursuant to the Act,

NOW, THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Reseller and USWC hereby covenant and agree as follows:

II. SCOPE OF AGREEMENT

- A. This Agreement sets forth the terms, conditions and prices under which USWC agrees to provide services for resale. Unless otherwise provided in this Agreement, USWC will perform all of its obligations hereunder to the extent provided in the Appendices attached hereto. The Agreement includes all accompanying appendices.
- B. In the performance of their obligations under this Agreement, the Parties shall act in good faith and consistently with the intent of the Act. Where notice, approval or similar action by a Party is permitted or required by any provision of this Agreement, the Act, FCC 1st and 2nd Orders, or a state Commission, (including, without limitation, the obligation of the parties to further negotiate the resolution of new or open issues under this Agreement) such action shall not be unreasonably delayed, withheld or conditioned.
- C. The Parties acknowledge that the terms and conditions herein represent a balancing of interests important to the parties, and for that reason will, unless otherwise agreed, implement this Agreement as an integrated package without alteration of any material term or condition, or the inclusion or deletion of terms and conditions that would serve to alter a material term or condition herein unless such term or condition is altered pursuant to Section IV, E. 1 herein or to comply with a court order or an FCC or state Commission order.
- D. This Agreement is entered into as a result of both private negotiations between the Parties and the incorporation of some of the results of arbitrated decisions by the Minnesota Commission(s) acting pursuant to Section 252 (b) of the Act involving interconnection/resale agreements of other parties. The Parties have included for convenience certain rates and services in this Agreement which reflect rates and services established in some of those other arbitrations. Reseller acknowledges (1) that those rates and services are extended only because of the arbitrated results in other dockets, (2) that USWC intends to appeal certain of those decisions and (3) that any negotiations, appeal, stay injunction, settlement or similar proceedings impacting the applicability of those rates and services to the local services providers who were parties to those arbitrations will similarly impact the applicability of those rates and services to Reseller.

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III. DEFINITIONS

- A. "Basic Exchange Telecommunications Service" means a service offered to end users which provides the end user with a telephonic connection to, and a unique local telephone number address on, the public switched telecommunications network, and which enables such end user to generally place calls to, or receive calls from, other stations on the public switched telecommunications network. Basic residence and business line services are Basic Exchange Telecommunication Services. As used solely in the context of this Agreement and unless otherwise agreed, Basic Exchange Telecommunication Services includes access to ancillary services such as 911, directory assistance and operator services.
- B. "Basic Exchange Switched features" are optional CLASS, Custom Calling, and AIN end user switched service features which include, but are not necessarily limited to: Automatic Call Back; Call Trace; Caller ID and Related Blocking Features; Distinctive Ringing/Call Waiting; Selective Call Forward; Selective Call Rejection. (See Bellcore documentation for definition.)
- C. "Commission" means the Public Utilities Commission(s) in the state of Minnesota.
- D. Directory Listings are any information: (1) identifying the listed names of subscribers of a telecommunications carrier and such subscribers' telephone numbers and addresses and (2) that the telecommunications carrier or an affiliate has published, caused to be published, or accepted for publication in any directory format.
- E. "Enhanced Services" means any service offered over common carrier transmission facilities that employ computer processing applications that act on format, content, code, protocol or similar aspects of the subscriber's transmitted information; that provide the subscriber with additional, different or restructured information; or involve customer interaction with stored information.
- F. "Pre-ordering and Ordering" includes the exchange of information between telecommunications carriers about current or proposed customer products and services.
- G. "Reseller" is a category of Local Exchange service providers that are certified to obtain dial tone and associated telecommunications services from another provider through the purchase of bundled finished services for resale to its end user customers.
- H. "Tariff Services" as used throughout this Agreement refers to USWC state tariffs, price lists, price schedules and catalogs.
- I. "Technically feasible". Branding of Operator Services and Directory Assistance shall be deemed technically feasible absent technical or operational concerns that prevent the fulfillment of a request by a telecommunications carrier for such

branding. A determination of technical feasibility does not include consideration of economic, accounting, billing, space, or site concerns, except that space and site concerns may be considered in circumstances where there is no possibility of expanding the space available. The fact that an incumbent LEC must modify its facilities or equipment to respond to such request does not determine whether satisfying such request is technically feasible. An incumbent LEC that claims that it cannot satisfy such request because of adverse network reliability impacts must prove to the state Commission by clear and convincing evidence that such interconnection, access, or methods would result in specific and significant adverse network reliability impacts.

- J. "Telecommunications Service(s)" means the offering of telecommunications for a fee directly to the public, or to such class of users as to be effectively available directly to the public, regardless of the facilities used. As used in this definition, "telecommunications" means the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information sent and received.

IV. RESALE SERVICES

A. Description.

USWC services (as defined in Section III.A. and B.) and intraLATA toll originating from USWC exchanges (hereinafter "intraLATA toll") will be available for resale by USWC pursuant to the Act and will reference terms and conditions (except prices) in USWC tariffs, where applicable. Appendix A lists services which are available for resale under this Agreement and the applicable discounts, and is attached and incorporated herein by this reference.

B. Scope.

1. Basic Exchange Telecommunications Service, Basic Exchange Switched Features and IntraLATA toll may be resold only for their intended or disclosed use and only to the same class of customer to whom USWC sells such services; e.g., residence service may not be resold to business customers.
2. USWC shall provide to Reseller services for resale that are equal in quality, subject to the same conditions (including the conditions in USWC's effective tariffs), within the same provisioning time intervals that USWC provides these services to others, including end users, and in accordance with any applicable state Commission service quality standards, including standards a state Commission may impose pursuant to Section 252 (e)(3) of the Act.

C. Ordering and Maintenance.

1. Reseller or Reseller's agent shall act as the single point of contact for its end users' service needs, including without limitation, sales, service

design, order taking, provisioning, change orders, training, maintenance, trouble reports, repair, post-sale servicing, billing, collection and inquiry. Reseller shall make it clear to its end users that they are customers of the Reseller for resold services. Reseller's end users contacting USWC will be instructed to contact the Reseller; however, nothing in this Agreement, except as provided in Section IV.C.7(e), shall be deemed to prohibit USWC from discussing its products and services with Reseller's customers who call USWC for any reason.

2. Reseller shall transmit to USWC all information necessary for the installation (billing, listing and other information), repair, maintenance and post-installation servicing according to USWC's standard procedures, as described in the USWC resale operations guide that will be provided to Reseller.

When USWC's end user or the end user's new service provider discontinues the end user's service in anticipation of moving to another service provider, USWC will render its closing bill to end user customer effective with the disconnection. If USWC is not the local service provider, USWC will issue a bill to Reseller for that portion of the service provided to the Reseller should Reseller's end user customer, a new service provider, or Reseller request service be discontinued to the end user. USWC will notify Reseller by FAX, OSS, or other processes when end user moves to another service provider. USWC will not provide Reseller with the name of the other reseller or service provider selected by the end user.

3. Reseller shall provide USWC and USWC shall provide Reseller with points of contact for order entry, problem resolution and repair of the resold services.
4. Prior to placing orders on behalf of the end user, Reseller shall be responsible for obtaining and have in its possession Proof of Authorization ("POA"). POA shall consist of documentation reasonably acceptable to USWC of the end user's selection of Reseller. Such selection may be obtained in any manner consistent with Minnesota and federal law.

Reseller shall make POAs available to USWC upon request. Prior to placing orders that will disconnect a line from another reseller's account the Reseller is responsible for obtaining all information needed to process the disconnect order and re-establish the service on behalf of the end user. If a Reseller is displaced by another reseller or service provider, the Reseller is responsible for coordination with the other reseller or service provider. Should an end user dispute or a discrepancy arise regarding the authority of Reseller to act on behalf of the end user, the Reseller is responsible for providing written evidence of its authority to USWC within three (3) business days. If there is a conflict between the end user designation and Reseller's written evidence of its authority,

USWC shall honor the designation of the end user and change the end user back to the previous service provider. If the Reseller does not provide the POA within three (3) business days, or if the end user disputes the authority of the POA, then the Reseller must, by the end of the third business day:

- notify USWC to change the end user back to the previous reseller or service provider, and
- provide any end user information and billing records the Reseller has obtained relating to the end user to the previous reseller, and
- notify the end user and USWC that the change has been made,
- remit to USWC a charge of \$100.00 ("slamming charge") as compensation for the change back to the previous reseller or service provider.

If an end user customer is switched from Reseller back to USWC and there is a dispute or discrepancy with respect to such change in service provider, Reseller may request to see a copy of the POA which USWC has obtained from the end user to effectuate a return to USWC as the end user's service provider. If USWC is unable to produce a POA within three (3) business days, USWC shall change the end user back to Reseller (or other previous reseller) without imposition of any Customer Transfer Charge.

5. Reseller shall designate Primary Interexchange Carrier (PIC) assignments on behalf of its end-users for interLATA services and intraLATA services when intraLATA presubscription is implemented.
6. When end user customers switch from USWC to Reseller, or to Reseller from any other reseller, such customers shall be permitted to retain their current telephone numbers if they so desire and do not change their service address to an address served by a different central office. USWC shall take no action to prevent Reseller customers from retaining their current telephone numbers.
7. Reseller and USWC will employ the following procedures for handling misdirected repair calls:
 - a. Reseller and USWC will provide their respective customers with the correct telephone numbers to call for access to their respective repair bureaus.
 - b. Customers of Reseller shall be instructed to report all cases of trouble to Reseller. Customers of USWC shall be instructed to report all cases of trouble to USWC.

- c. To the extent the correct provider can be determined, misdirected repair calls will be referred to the proper provider of Basic Exchange Telecommunications Service.
- d. Reseller and USWC will provide their respective repair contact numbers to one another on a reciprocal basis.
- e. Notwithstanding the provisions of Section IV. C. 1., USWC will not discuss its products and services with Reseller's customers during the course of repair calls or visits.

D. Reseller Responsibilities.

- 1. Reseller must send USWC complete and accurate end-user listing information for Directory Assistance, Directory, and 911 Emergency Services using USWC's resale order form and process. Reseller must provide to USWC accurate end-user information to ensure appropriate listings in any databases in which USWC is required to retain and/or maintain end-user information. USWC assumes no liability for the accuracy of information provided by Reseller.
- 2. Reseller may not reserve blocks of USWC telephone numbers, except as allowed by tariffs.
- 3. Reseller is liable for all fraud associated with Service to its end-users and accounts. USWC takes no responsibility, will not investigate, and will make no adjustments to Reseller's account in cases of fraud unless such fraud is the result of any intentional act or gross negligence of USWC. Notwithstanding the above, if USWC becomes aware of potential fraud with respect to Reseller's accounts, USWC will promptly inform Reseller and, at the direction of Reseller, take reasonable action to mitigate the fraud where such action is possible.
- 4. Reseller will indicate the date it will offer to residential and business subscribers telephone exchange services. The Reseller will provide a two year forecast within ninety (90) days of signing this Agreement. During the first year of the term of this Agreement, the forecast shall be updated and provided to USWC on a quarterly basis. Thereafter, during the term of this Agreement, Reseller will provide updated forecasts from time to time, as requested by USWC. The initial forecast will provide:
 - The date service will be offered (by city and/or state)
 - The type and quantity of service(s) which will be offered
 - Reseller's anticipated order volume
 - Reseller's key contact personnel

The information provided pursuant to this paragraph shall be considered Proprietary Information under Section VII. O. of this Agreement.

5. In the event USWC terminates the provisioning of any resold services to Reseller for any reason, Reseller shall be responsible for providing any and all necessary notice to its end users of the termination. In no case shall USWC be responsible for providing notice to Reseller's end user customers. USWC will provide notice to Reseller of its termination of a resold service on a timely basis consistent with Commission rules and notice requirements.

E. Rates and Charges

1. Resold services as listed in Appendix A are available for resale at the applicable discount percentage or rate per minute set forth in Appendix A or at the retail tariff rates for services available for resale but excluded from the wholesale pricing arrangement in this Agreement.

The wholesale discounts rates in Appendix A were established as interim rates in Minnesota Docket Nos. P-442,421/M-96-855, P-5321,421/M-96-909 and P-3167,421/M-96-729, Order Resolving Issues after Reconsideration and Approving Contract, In the Matter of AT&T Communications of the Midwest, Inc., MCImetro Access Transmission Services, Inc., and MFS Communications Company (the "AT&T Rate").

If the AT&T Rate or applicability of the wholesale discounts rates and/or services set forth in Appendix A are changed by any negotiations, appeal, stay, injunction, settlement or similar proceeding with respect to AT&T/MCI or MFS, who were parties to the above-referenced arbitrations dockets which established the AT&T Rates and services, the Parties agree that the telecommunications services still available for resale following the proceeding will be available to Reseller, effective as of the date of the order in the proceeding or settlement, at a wholesale discount rate of 12% (the "Standard Rate") until such time as a final order establishes wholesale discount rates or until the proceeding impacting the rates and/or services reaches final resolution, which ever comes first. If the Standard Rate becomes effective pursuant to this paragraph, the Standard Rate will also be subject to true-up to the rates established in the final order for the period of that the Standard Rate was in effect.

2. If the resold services are purchased pursuant to Tariffs and the Tariff rates change, charges billed to Reseller for such services will be based upon the new Tariff rates less the applicable wholesale discount as agreed to herein or established by resale Tariff. The new rate will be effective upon Tariff effective date.
3. A Customer Transfer Charge (CTC) as specified in Appendix A applies when transferring any existing account or lines to a Reseller. Tariffed non-recurring charges will apply to new installations.
4. A Subscriber Line Charge (SLC) will continue to be paid by the Reseller without discount to USWC for each local exchange line resold under this

Agreement. All federal and state rules and regulations associated with SLC as found in the applicable tariffs also apply.

5. Reseller will pay to USWC the PIC change charge without discount associated with Reseller and user changes of inter-exchange or intraLATA carriers.
6. Reseller agrees to pay USWC when its end user activates any services or features that are billed on a per use or per activation basis subject to the applicable discount in Appendix A as such may be amended pursuant to Section IV.E.1 (e.g., continuous redial, last call return, call back calling, call trace, etc.).
7. Resold services are available only where facilities currently exist and are capable of providing such services without construction of additional facilities or enhancement of existing facilities. However, if Reseller requests that facilities be constructed or enhanced to provide resold services, USWC will review such requests on a case-by-case basis and determine, in its sole discretion, if it is economically feasible for USWC to build or enhance facilities. If USWC decides to build or enhance the requested facilities, USWC will develop and provide to Reseller a price quote for the construction. If the quote is accepted, Reseller will be billed the quoted price and construction will commence after receipt of payment.
8. Nonrecurring charges will not be discounted and will be billed at the applicable Tariff rates.
9. As part of the resold line, USWC provides and Reseller accepts, at this time, operator services, directory assistance, and IntraLATA long distance with standard USWC branding. Reseller is not permitted to alter the branding of these services in any manner when the services are a part of the resold line without the prior written approval of USWC. However, at the request of Reseller and where technically feasible, USWC will rebrand operator services and directory assistance in the Reseller's name, provided the costs associated with such rebranding are paid by Reseller.

F. Collateral and Training

The Parties will jointly develop procedures regarding Reseller's use of USWC's retail product training materials. Except for any rights granted by USWC to Reseller for the use or copying of product training material, product training provided under this Agreement shall be considered "Proprietary Information" as described in Section VII. O., and shall be subject to the terms and conditions specified therein.

G. Cooperation

The Parties agree that this Agreement involves the provision of USWC services in ways such services were not previously available and the introduction of new processes and procedures to provide and bill such services. Accordingly, the Parties agree to work jointly and cooperatively in testing and implementing processes for pre-ordering, ordering, maintenance, provisioning and billing and in reasonably resolving issues which result from such implementation on a timely basis.

V. ACCESS TO OPERATIONAL SUPPORT SYSTEMS (OSS)

- A. The Parties acknowledge that USWC is developing a proposal for access to its Operational Support Systems (OSS) to meet the requirements of the FCC's 1st and 2nd Orders and to provide Reseller and other telecommunications carriers with electronic interfaces for pre-ordering, ordering, repair and billing functions by January 1, 1997 for Plain Old Telephone services (POTs). Subsequent phases of the plan will incorporate the capabilities to support designed services for pre-ordering, ordering and repair, which are estimated to be available between the second and third quarters of 1997. Reseller understands that USWC is proposing that these interfaces will have the necessary mediation to protect the integrity of the network and protect the privacy of customer information.
- B. The Parties further acknowledge that USWC is, or soon will be, presenting its OSS proposal to state Commissions for approval, including approval of fees or cost recovery methods that USWC may charge or use to charge Reseller in connection with the design, implementation and on-going maintenance and support of the OSS ("OSS fees"). The Parties further acknowledge that, because the OSS is still in the conceptual stage of development at the time of execution of this Agreement, USWC is unable to specify or estimate the amount of OSS fees to be charged Reseller at this time.
- C. The Parties agree that, at such time as the interfaces to USWC's OSS become operational and a state Commission approves USWC's OSS plan and establishes OSS fees or cost recovery methods, the Parties will amend this Agreement to incorporate terms and conditions regarding Reseller's access to USWC's OSS, including OSS fees, on a state-by-state basis. The Parties further agree that Reseller may terminate this Agreement if the amount of OSS fees turns out to be so excessive as to make the overall terms and conditions of this Agreement uneconomic for Reseller. In the event of such termination, Reseller shall give USWC (sixty) 60 days written notice.
- D. Prior to approval and deployment of USWC's OSS interfaces, USWC shall continue to provide all pre-ordering, ordering, repair and billing functions and services through manual procedures outlined in a separately provided Resale Resource Guide. Such manual procedures shall be available where USWC's OSS interfaces are unable to handle pre-ordering, ordering, repair and billing functions for the services available to Reseller under this Agreement.

- E. Notwithstanding Section II.B., Reseller reserves the right to intervene and participate in any manner in any state Commission proceeding that addresses USWC's OSS interface proposal, including the establishment of OSS fees to the extent such participation is permitted by a Commission.

VI. DIRECTORY LISTING.

USWC will accept at no charge one primary listing for each main telephone number belonging to Reseller's end user customer based on end user information provided to USWC by Reseller. USWC will place Reseller's listings in USWC's directory listing database for directory assistance purposes and will make listings available to directory publishers and other third parties. Additional terms and conditions with respect to directory listings are described in Appendix B which by this reference is incorporated and made a part of this Agreement.

VII. GENERAL PROVISIONS

A. Term.

This Agreement shall be effective as of _____ for a period of two (2) years, and thereafter the Agreement shall continue in force and effect unless and until a new agreement, addressing all of the terms of this Agreement, becomes effective between the Parties. The Parties agree to commence negotiations on a new agreement at least six months prior to the termination of this Agreement. This Agreement shall be effective pursuant to Sections 251 and 252 of the Act.

B. Billing.

1. USWC shall bill Reseller and Reseller is responsible for all applicable charges for the resold services as provided herein. The Reseller shall also be responsible for all tariffed charges and charges separately identified in this Agreement associated with services that the Reseller resells to an end user under this Agreement.
2. USWC shall provide Reseller, on a monthly basis, within 7-10 days of the last day of the most recent billing period, in an agreed upon standard electronic billing format, billing information including (1) a summary bill, and (2) individual end user customer sub-account information consistent with the samples provided to Reseller for Reseller to render end user customer bills indicating all recurring and nonrecurring charges associated with each individual customer's account for the most recent billing period.

C. Payment.

1. Amounts payable under this Agreement are due and payable within thirty (30) days after the bill date of USWC's invoice. During the initial three billing cycles of this Agreement, Reseller and USWC agree that undisputed amounts shall be paid as provided herein. Reseller and

USWC further agree that, during said three billing cycle period, they will cooperate to resolve amounts in dispute or billing process issues in a timely manner but no later than sixty (60) days after the bill date of USWC's invoice or identification and notice of the billing process issue. Disputed amounts will be paid within thirty (30) days following resolution of the dispute.

2. After the three (3) month period outlined in Section C.1. above, the Reseller will pay the bill in full within 30 days after the bill date of the invoice. Billing disputes will be processed and jointly resolved. All attempts will be made to resolve such disputes within sixty (60) days. Any disputed amounts that USWC remits to the Reseller will be credited on the next billing cycle including an interest credit of 1.5% per month compounded.
3. A late payment charge of 1.5% applies to all billed balances which are not paid by 30 days after the bill date shown on the invoice. USWC agrees, however, that the application of this provision will be suspended for the initial three billing cycles of this Agreement and will not apply to amounts billed during those three cycles.
4. USWC may discontinue processing orders for the failure by Reseller to make full payment for the resold services provided under this Agreement within thirty (30) days of the due date on Reseller's bill. USWC agrees, however, that the application of this provision will be suspended for the initial three billing cycles of this Agreement and will not apply to amounts billed during those three cycles.
5. USWC may disconnect for the failure by Reseller to make full payment for the resold services provided under this Agreement within sixty (60) days of the due date on Reseller's bill. Reseller will pay the tariff charge required to reconnect each end user line disconnected pursuant to this paragraph. USWC agrees, however, that the application of this provision will be suspended for the first three billing cycles under this Agreement and will not apply to amounts billed during those three cycles.

USWC will not disconnect an end user customer without first obtaining the approval of the Commission. USWC will notify Reseller of the date of Reseller's disconnection thirty (30) days prior to the effective date of the disconnection. Reseller shall notify its end user customers that service will be disconnected on the date specified in USWC's notice to Reseller for Reseller's failure to make payments due hereunder ten (10) days prior to the effective date of Reseller's disconnection.

6. Collection procedures and the requirements for deposit are unaffected by the application of a late payment charge.
7. The Parties agree that this payment and dispute resolution process is a new procedure and they further agree that this Section VII. C. can be re-

opened for negotiation at any time within the first twelve (12) months of this Agreement.

8. USWC shall credit Reseller's account the amount due for any trouble or out-of-service conditions in the same manner that USWC credits the accounts of its own end-user customers and pursuant to any applicable provisions in USWC's tariffs. USWC shall reflect the amount of such credits on an individual customer telephone number basis in the billing information USWC provides Reseller.
9. In the event billing disputes relate to service quality issues, the dispute shall be referred to the USWC account executive assigned to Reseller who will evaluate the facts and circumstances of the service quality issues and will work with Reseller to resolve the dispute.

D. Deposit.

1. USWC may require Reseller to make a suitable deposit to be held by USWC as a guarantee of the payment of charges. Any deposit required of an existing reseller is due and payable within ten days after the requirement is imposed. The amount of the deposit shall be the estimated charges for the resold Service which will accrue for a two-month period.
2. When the service is terminated, or when Reseller has established satisfactory credit, the amount of the initial or additional deposit, with any interest due as set forth in applicable tariffs, will, at Reseller's option, either be credited to Reseller's account or refunded. Satisfactory credit for a reseller is defined as twelve consecutive months service as a reseller without a termination for nonpayment and with no more than one notification of intent to terminate Service for nonpayment. Interest will be paid on cash deposits at the rate applying to deposits under applicable Commission rules, regulations, or tariffs. Cash deposits and accrued interest will be credited to Resellers' account or refunded, as appropriate, upon the earlier of the termination of this Agreement or one full year of timely payments in full by Reseller. The fact that a deposit has been made does not relieve Reseller from any requirements of this Agreement.

E. Taxes.

Reseller shall be responsible for the collection, payment and remittance of all federal, state or local sales, use, excise or gross receipts taxes, fees or surcharges (collectively "Taxes") imposed on or with respect to its sale of services or equipment provided under this Agreement, except those Taxes which are explicitly required by a governmental authority to be collected by USWC. Reseller shall seek sale for resale exemptions from any applicable governmental or taxing body for payment of any and all Taxes related to Reseller's purchase of services or equipment from USWC under this Agreement. Until such time as exemptions are obtained or applicable, Reseller shall pay USWC for the amount

of any such Taxes that USWC is required to pay or collect. Reseller shall in no event be liable for payment of any income taxes payable by USWC.

F. Force Majeure.

Neither Party shall be responsible for delays or failures in performance resulting from acts or occurrences beyond the reasonable control of such Party, regardless of whether such delays or failures in performance were foreseen or foreseeable as of the date of this Agreement, including, without limitation: fire, explosion, power failure, acts of God, war, revolution, civil commotion, or acts of public enemies; any law, order, regulation, ordinance or requirement of any government or legal body; or labor unrest, including, without limitation, strikes, slowdowns, picketing or boycotts; or delays caused by the other Party or by other service or equipment vendors; or any other circumstances beyond the Party's reasonable control. In such event, the Party affected shall, upon giving prompt notice to the other Party, be excused from such performance on a day-to-day basis to the extent of such interference (and the other Party shall likewise be excused from performance of its obligations on a day-for-day basis to the extent such Party's obligations relate to the performance so interfered with). The affected Party shall use its best efforts to avoid or remove the cause of non-performance and both parties shall proceed to perform with dispatch once the causes are removed or cease.

G. Responsibility of Each Party.

Each Party is an independent contractor, and has and hereby retains the right to exercise full control of and supervision over its own performance of its obligations under this Agreement and retains full control over the employment, direction, compensation and discharge of all employees assisting in the performance of such obligations. Each Party will be solely responsible for all matters relating to payment of such employees, including compliance with social security taxes, withholding taxes and all other regulations governing such matters. Each Party will be solely responsible for proper handling, storage, transport and disposal at its own expense of all (i) substances or materials that it or its contractors or agents bring to, create or assume control over at Work Locations or, (ii) Waste resulting therefrom or otherwise generated in connection with its or its contractors' or agents' activities at the Work Locations. Subject to the limitations on liability and except as otherwise provided in this Agreement, each Party shall be responsible for (i) its own acts and performance of all obligations imposed by Applicable Law in connection with its activities, legal status and property, real or personal and, (ii) the acts of its own affiliates, employees, agents and contractors during the performance of that Party's obligations hereunder.

H. Limitation of Liability.

Except for indemnity obligations, each Party's liability to the other for any loss related to or arising out of any negligent act or omission in its performance of this Agreement, whether in contract or in tort, shall be limited to the total amount that

is or would have been charged to the other Party by such negligent or breaching Party for the service(s) or function(s) not performed or improperly performed.

In no event shall either Party be liable to the other in connection with the provision or use of services offered under this Agreement for indirect, incidental, consequential, reliance or special damages, including (without limitation) damages for lost profits, lost revenues, lost savings suffered by such other Parties regardless of the form of action, whether in contract, warranty, strict liability, or tort, including (without limitation) negligence of any kind and regardless of whether the Parties know the possibility that such damages could result. Nothing contained in this Section H shall limit USWC's or Reseller's liability to the other for (i) willful or intentional misconduct (including gross negligence); (ii) bodily injury, death or damage to tangible real or tangible personal property proximately caused by USWC's or Reseller's negligent act or omission or that of their respective agents, subcontractors or employees, nor shall anything contained in this section limit the parties indemnification obligations, as specified below.

I. Indemnification.

1. Each of the Parties agrees to release, indemnify, defend and hold harmless the other Party and each of its officers, directors, employees and agents (each an "Indemnitee") from and against and in respect of any loss, debt, liability, damage, obligation, claim, demand, judgment or settlement of any nature or kind, known or unknown, liquidated or unliquidated including, but not limited to, costs and attorneys' fees, whether suffered, made, instituted, or asserted by any other party or person, for invasion of privacy, personal injury to or death of any person or persons, or for loss, damage to, or destruction of property, whether or not owned by others, resulting from the indemnifying Party's performance, breach of Applicable Law, or status of its employees, agents and subcontractors; or for failure to perform under this Agreement, regardless of the form of action.
2. The indemnification provided herein shall be conditioned upon:
 - a. The indemnified Party shall promptly notify the indemnifying Party of any action taken against the indemnified Party relating to the indemnification. Failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of any liability that the Indemnifying Party might have, except to the extent that such failure prejudices the Indemnifying Party's ability to defend such Claim.
 - b. The indemnifying Party shall have sole authority to defend any such action, including the selection of legal counsel, and the indemnified Party may engage separate legal counsel only at its sole cost and expense.

- c. In no event shall the indemnifying Party settle or consent to any judgment pertaining to any such action without the prior written consent of the indemnified Party.

J. Patents and Trademarks.

1. Neither Party shall have any obligation to defend, indemnify or hold harmless, or acquire any license or right for the benefit of, or owe any other obligation or have any liability to, the other based on or arising from any claim, demand, or proceeding (hereinafter "claim") by any third party alleging or asserting that the use of any circuit, apparatus, or system, or the use of any software, or the performance of any service or method, or the provision of any facilities by either Party under this Agreement constitutes direct or contributory infringement, or misuse or misappropriation of any patent, copyright, trademark, trade secret, or any other proprietary or intellectual property right of any third party.
2. No license or affiliation.
 - a. Nothing in this Agreement shall be construed as the grant of a license, either express or implied, with respect to any patent, copyright, logo, trademark, tradename, trade secret or any other intellectual property right now or hereafter owned, controlled or licensable by either Party. Reseller may not use any patent, copyright, logo, trademark, tradename, trade secret or other intellectual property right of USWC or its affiliates without execution of a separate agreement between the Parties.
 - b. Reseller shall not, without the express written permission of USWC, state or imply that: 1) Reseller is connected, or in any way affiliated with USWC or its affiliates or, 2) Reseller is part of a joint business association or any similar arrangement with USWC or its affiliates or, 3) USWC and its affiliates are in any way sponsoring, endorsing or certifying Reseller and its goods and services or, 4) the resold goods and services are in any way associated with or originated from USWC or any of its affiliates. Notwithstanding the above, Reseller may state in response to a specific customer inquiry concerning the origin of the resold services that "Reseller is reselling USWC services." No other statements may be made.
3. Notwithstanding the above, unless otherwise prohibited by USWC pursuant to an applicable provision herein, Reseller may use the phrase "(Name of Reseller) is a reseller of U S WEST Communications services" (the "Authorized Phrase") in Reseller's printed materials provided:
 - a) The Authorized Phrase is not used in connection with any goods or services other than USWC services resold by Reseller.

- b) Reseller's use of the Authorized Phrase does not, in USWC's sole discretion, cause customers to believe that Reseller is USWC.
 - c) The Authorized Phrase, when displayed, appears only in text form (Reseller may not use the U S WEST logo) with all letters being the same font and point size. The point size of the Authorized Phrase shall be no greater than one fourth the point size of the smallest use of Reseller's name and in no even shall exceed 8 point size.
 - d) Reseller shall provide all printed materials to USWC for its prior written approval.
 - e) If USWC determines that Reseller's use of the Authorized Phrase causes customer confusion, USWC may in it's sole discretion, immediately terminate Reseller's right to use the Authorized Phrase.
 - f) Upon termination of the Reseller's right to use the Authorized Phrase or termination of this Agreement, all permission or right to use the Authorized Phrase shall immediately cease to exist and Reseller shall immediately cease any and all such use of the Authorized Phrase. Reseller shall either promptly return to USWC or destroy all materials in its possession or control displaying the Authorized Phrase.
4. Reseller acknowledges the value of the marks "U S WEST" and "U S WEST Communications" (the "Marks") and the goodwill associated therewith and acknowledges that such goodwill is a property right belonging to U S WEST, Inc. and USWC respectively (the "Owners"). Reseller recognizes that nothing contained in this Agreement is intended as an assignment or grant to Reseller of any right, title or interest in or to the Marks and that this Agreement does not confer any right or license to grant sublicenses or permission to third parties to use the Marks and is not assignable. Reseller will do nothing inconsistent with the Owner's ownership of the Marks, and all rights, if any, that may be acquired by use of the Marks shall inure to the benefit of the Owners. Reseller will not adopt, use (other than as authorized in Section 3 herein,) register or seek to register any mark anywhere in the world which is identical or confusingly similar to the Marks or which is so similar thereto as to constitute a deceptive colorable imitation thereof or to suggest or imply some association, sponsorship, or endorsement by the Owners; The Owners make no warranties regarding its ownership of any rights in or the validity of the Marks.
5. As a condition to the access or use of patents, copyrights, trade secrets and other intellectual property (including software) owned or controlled by a third party to the extent necessary to implement this Agreement or specifically required by the then applicable federal and state rules and

regulations relating to resale and access to telecommunications facilities and services, the party providing access may require the other upon written notice, from time to time, to obtain permission for such access or use, make all payments in connection with obtaining such permission, and providing evidence of such permission.

K. Warranties.

NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, THE PARTIES AGREE THAT NEITHER PARTY HAS MADE, AND THAT THERE DOES NOT EXIST, ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

L. Assignment.

This Agreement is unique in nature and the result of negotiations between the Parties. As such, this Agreement can be assigned only with the prior written consent of the non-assigning Party, which consent shall not be unreasonably withheld.

M. Default.

If either Party defaults in the payment of any amount due hereunder, or if either Party violates any other provision of this Agreement, and such default or violation shall continue for thirty (30) days after written notice thereof, the other Party may terminate this Agreement forthwith by written instrument. The failure of either Party to enforce any of the provisions of this Agreement or the waiver thereof in any instance shall not be construed as a general waiver or relinquishment on its part of any such provision, but the same shall, nevertheless, be and remain in full force and effect.

N. Severability.

The Parties recognize that the FCC has promulgated rules addressing issues contained in this Agreement. To the extent that certain of the rules contained in the FCC 1st Order and the FCC 2d Order are deemed by the courts to be not effective, this contract shall be modified to comport with the final court decisions and subsequent FCC or state Commission decisions or rules issued to comply with the courts' decisions. If any other term, condition or provision of this Agreement is held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not invalidate the entire Agreement. The Agreement shall be construed as if it did not contain the invalid or unenforceable provision or provisions, and the rights and obligations of each Party shall be construed and enforced accordingly, provided, however, that in the event that such invalid or unenforceable provision or provisions are essential elements of this Agreement and, in the opinion of either party, substantially impair the rights or obligations of either party, Reseller and USWC shall promptly negotiate a replacement provision or provisions. If the Parties cannot negotiate such a replacement

provision or provisions, the Parties may agree to terminate the Agreement, in the event of termination as described herein, for service arrangements made available under this Agreement and existing at the time of termination, those arrangements shall continue without interruption under either a) a new agreement executed by the Parties, b) standard resale terms and conditions approved and made generally effective by the Commission, or c) tariff terms and conditions generally available to resellers. If a) does not come about, or b) or c) are not available, the Agreement shall remain in effect until a replacement provision is determined through arbitration.

O. Nondisclosure.

1. All information including, but not limited to, specifications, drawings, sketches, models, tools, technical information, employee records, maps, financial reports, and market data, (i) furnished by one Party to the other Party or to which one Party provides to the other Party access (such as to a database) dealing with customer specific, facility specific, or usage specific information, or (ii) in written, graphic, electromagnetic, or other tangible form and marked at the time of delivery as "Confidential", "Proprietary", or other similar legend, or (iii) communicated orally or by visual presentation and declared to the receiving Party at the time of delivery, or by written notice given to the receiving Party within ten (10) days after delivery, to be "Confidential" or "Proprietary" (collectively referred to as "Proprietary Information"), shall remain the property of the disclosing Party.
2. Upon request by the disclosing Party, the receiving Party shall return all tangible copies of Proprietary Information, whether written, graphic or otherwise, except that the receiving Party may retain one copy for archival purposes.
3. The receiving Party acknowledges and agrees that Proprietary Information constitutes trade secrets of the disclosing Party. The receiving Party shall maintain in confidence all of the disclosing Party's Proprietary Information and shall use the disclosing Party's Proprietary Information only for performing the covenants contained, or exercising any rights granted, in this Agreement. Only the employees and agents with a need to know shall have access to the Proprietary Information and each such employee and agent shall be advised of his or her obligations under this Section O. Neither Party shall use the other Party's Proprietary Information for any other purpose except upon such terms and conditions as may be agreed upon between the parties in writing.
4. Unless otherwise agreed, the obligations of confidentiality and non-use set forth in this Agreement do not apply to the extent that such Proprietary Information:

- a. was at the time of receipt already known to the receiving Party free of any obligation to keep it confidential (evidenced by written records prepared prior to delivery by the disclosing Party);
 - b. is or becomes publicly known through no wrongful act of the receiving Party;
 - c. is rightfully received from a third person having no direct or indirect secrecy or confidentiality obligation to the disclosing Party with respect to such information; or
 - d. is independently developed by receiving Party individuals who do not have access to the Proprietary Information;
 - e. is disclosed to a third person by the disclosing Party without restrictions on disclosure;
 - f. is approved for release by written authorization of the disclosing Party; or
 - g. is required to be made public by the receiving Party pursuant to applicable law, regulation, or governmental order, provided that the receiving Party shall give sufficient notice of the requirement to the disclosing Party to enable the disclosing Party to seek protective orders where possible.
5. USWC grants Reseller the limited, personal, nonexclusive right and license to access and use information contained in certain of USWC's databases (Directory Assistance and Operator Services databases, certain Advanced Intelligent Network databases and Operation Support System databases) but only to the extent as specifically required by the then applicable federal and state rules and regulations relating to access to and use of such databases, as they may be amended from time to time, and for no other purpose. Without limiting the generality of the foregoing, this right and license to Reseller does not include the license and right to extract or copy (including by any manual, mechanical or electronic means) or use any such database information, in whole or in part, to enhance the quality of any of Reseller's own database services or offerings, as inputs to Reseller's or other's directory assistance or directory publishing operations or for the creation of marketing databases, in the absence of USWC's prior written consent. Reseller agrees that any and all information contained in any of such USWC's databases shall be Proprietary Information subject to the terms and conditions of this section O; provided, however, that Sections 4 a, b, and c shall not apply even though the individual parts or components of the information contained in any such databases may otherwise fall within such Sections.

6. Notwithstanding any other provision of this Agreement, the Proprietary Information provisions of this Agreement shall apply to all information furnished by either Party to the other in furtherance of the purpose of this Agreement, even if furnished before the date of this Agreement.
7. The Parties acknowledge that this Agreement contains commercially confidential information that may be considered Proprietary Information by either or both Parties, and agree to limit distribution of this Agreement to those individuals in their respective companies with a need to know the contents of this Agreement.

P. Survival.

Any liabilities or obligations of a Party for acts or omissions prior to the cancellation or termination of this Agreement, any obligation of a Party under the provisions regarding indemnification, Confidential Information, limitations on liability, and any other provisions of this Agreement which, by their terms, are contemplated to survive (or to be performed after) termination of this Agreement, shall survive cancellation or termination thereof.

Q. Dispute Resolution.

Except as provided by the Act, if any claim, controversy or dispute between the Parties, their agents, employees, officers, directors or affiliated agents ("Dispute") cannot be settled through negotiation, it shall be resolved by arbitration conducted by a single arbitrator engaged in the practice of law, under the then current rules of the American Arbitration Association ("AAA"). The Federal Arbitration Act, 9 U.S.C. Secs. 1-16, not state law, shall govern the arbitrability of all Disputes. The arbitrator shall not have authority to award punitive damages. All expedited procedures prescribed by the AAA rules shall apply. The arbitrator's award shall be final and binding and may be entered in any court having jurisdiction thereof. Each Party shall bear its own costs and attorneys' fees, and shall share equally in the fees and expenses of the arbitrator. The laws of the state where the services subject to this Agreement are provided shall govern the construction and interpretation of this Agreement.

R. State Commission Arbitration Issues.

In the event Reseller and USWC are unable to agree on certain issues during negotiation, the Parties will identify such issues for arbitration before an appropriate state regulatory agency. Only those points identified by the Parties for arbitration will be submitted. All other terms on which the Parties reach agreement will be submitted for approval in their final form.

S. Governing Law.

This Agreement shall be deemed to be a contract made under and shall be construed, interpreted and enforced in accordance with the Act, where

applicable, and the laws of the state where the services subject to this Agreement are provided and shall be subject to the exclusive jurisdiction of the courts in that state, unless otherwise provided by the Act.

USWC shall be responsible for obtaining and keeping in effect all Federal Communications Commission, state regulatory Commission, franchise authority and other regulatory approvals that may be required in connection with the performance of its obligations under this Agreement. Reseller shall be responsible for obtaining and keeping in effect all Federal Communications Commission, state regulatory Commission, franchise authority and other regulatory approvals that may be required in connection with its offering of services to Reseller Customers contemplated by this Agreement.

T. Limitation of Action.

No arbitration demand or judicial action, regardless of form, arising out of the transaction(s) under this Agreement, whether in contract, tort, or other theory, may be brought by either party more than two (2) years after the cause of action accrues.

U. Joint Work Product.

This Agreement is the joint work product of representatives of the Parties. For convenience, it has been drafted in final form by one of the Parties. Accordingly, in the event of ambiguities, no inferences will be drawn against either Party solely on the basis of authorship of this Agreement.

V. Notices.

Any notices or other communications required or permitted to be given or delivered under this Agreement shall be in hard-copy writing (unless otherwise specifically provided herein) and shall be sufficiently given if delivered personally or delivered by prepaid overnight express service to the following (unless otherwise specifically required by this Agreement to be delivered to another representative or point of contact)

Any notices required by or concerning this Agreement shall be sent to the Parties and to the Commission at the addresses shown below.

USWC

Katherine L. Fleming
U S WEST Communications
Interconnection Services
1801 California, Suite 4920
Denver, Colorado 80202-9184

303-896-6100 (phone)
303-896-9641 (fax)

Reseller

Dennis Desender
One Call Telcom, Inc.
708 2nd Avenue South
Suite 1200, Baker Bldg.
Minneapolis, MN 55402

612-204-3500 (phone)
612-204-3501 (fax)

Commission

Executive Secretary
Minnesota Public Utilities Commission
Metro Square Building, Suite 350
121 Seventh Place E
St. Paul, MN 55101-2147

Each Party and the Commission shall inform the other of any changes in the above addresses.

W. No Third-Party Beneficiaries

Except as may be specifically set forth in this Agreement, this Agreement does not provide and shall not be construed to provide third parties with any remedy, claim, liability, reimbursement, cause of action, or other privilege. The Commission is a third party beneficiary of this contract on behalf of the public. Accordingly, the Commission is entitled to notice and may intervene to protect the public interest in any lawsuit involving this Agreement.

X. Publicity and Advertising

Neither party shall publish or use any advertising, sales promotions or other publicity materials that use the other party's name, logo, trademarks or service marks without the prior written approval of the other party.

Y. Amendments or Waivers

Except as otherwise provided in this Agreement, no amendment or waiver of any provision of this Agreement, and no consent to any default under this Agreement, shall be effective unless the same is in writing and signed by an officer of the Party against whom such amendment, waiver or consent is claimed. The Parties acknowledge that they may not consent to the default of any requirement of federal or state law which affects the rights of end use customers.

Z. Most Favored Nation

The Parties agree that the provisions of Section 252(l) of the Act shall apply, including final state and federal interpretive regulations in effect from time to time.

AA. Executed in Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original; but such counterparts shall together constitute one and the same instrument.

BB. Headings of No Force or Effect

The headings of Articles and Sections of this Agreement are for convenience of reference only, and shall in no way define, modify or restrict the meaning or interpretation of the terms or provisions of this Agreement.

CC. Entire Agreement.

This Agreement constitutes the entire agreement between the Parties and supersedes all prior oral or written agreements, representations, statements, negotiations, understandings, proposals and undertakings with respect to the subject matter hereof. This Agreement shall prevail in the event of any conflict between the "Resale Resource Guide" and the terms and conditions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives.

One Call Telcom, Inc.

Donald W. Mullins
Signature

Donald W. Mullins
Name Printed/Typed

PRESIDENT
Title

30 MAY 97
Date

U S WEST Communications, Inc.

Kirk L. Fleming
Signature

Katherine L. Fleming
Name Printed/Typed

Exec Director - Intercconnect
Title

6/5/97
Date

Signature does not waive any rights of either Party to seek administrative/judicial review of all or part of this Agreement or to reform this Agreement as a result of successful administrative/judicial review and/or future settlement agreements between the Parties to this Agreement.

**APPENDIX A
LOCAL EXCHANGE SERVICES
RESALE OF SERVICES**

The Parties agree the following charges apply to the Resale of Local Services:

1. Nonrecurring Charges.

a. Customer Transfer Charge (CTC): The following nonrecurring charges apply when converting a USWC account to a Reseller account or when changing an end user from one reseller to another.

Mediated access	USOC	Nonrecurring Charge
• Residence		
First Line		\$12.64
Each Additional Line		\$11.16
• Business		
First Line		\$16.80
Each Additional Line		\$13.93
Non-Mediated Access (Manual)		
• Residence and Business		
First Line		\$22.20
Each Additional Line		\$16.38

b. Product Specific Nonrecurring Charge: As set forth in USWC tariffs, the product specific nonrecurring charges, without discount, will apply when additional lines or trunks are added or when the end user adds features or services to existing lines or trunks.

c. IntraLATA Toll Charges: Reseller shall have the choice of obtaining intraLATA toll resale at a 21.5% discount or at the below uniform rate. Whichever toll discount Reseller selects shall apply uniformly to all toll services resold by the Reseller.

<u>State:</u>	<u>Rate Per Minute of Use</u>
Minnesota	.135

2. The Parties agree the following charges apply to the Resale of Local Services in Minnesota:

a. Except as expressly listed in Paragraphs 2b. and 2c. of this Appendix, all USWC telecommunications tariffed services and rate elements offered now or in the future to retail customers shall be available for resale at a 21.5% discount.

b. Promotions of less than 90 days are not available for resale. Grandparented services are only available for resale to customers currently receiving such services.

APPENDIX A - CONTINUED

c. The following services are available only to the same class of customers eligible to purchase that service from USWC:

- Residential Service —
- Contract Services —
- Special Arrangements —
- Packaged and Discount Services —
- Promotional offerings of greater than 90 days —
- Grandfathered services —

d. USWC provides Lifeline-type services to resellers as residential basic exchange lines. Reseller is responsible for obtaining certification for Reseller's end users from the qualifying and funding organizations for these programs

APPENDIX B DIRECTORY LISTINGS

Directory Listings

1. Scope.

- a. Reseller Listings Service ("Listings") consists of USWC placing the names, addresses and telephone numbers of Reseller's end users in USWC's listing database, based on end user information provided to USWC by Reseller. USWC is authorized to use Listings in Directory Assistance (DA) and as noted in 1.D.i or 1.D.ii.
- b. Reseller will provide in standard, format, and USWC will accept at no charge, one primary listing for each main telephone number belonging to Reseller's end user customers. Primary listings are as defined for USWC end users in USWC's general exchange tariffs. Reseller will be charged for privacy listings and premium listings, e.g., additional, foreign, cross reference, informational, etc., at USWC's general exchange listing tariff rates minus the applicable standard resale discount in each state.
- c. USWC will furnish Reseller the Listings format specifications. USWC cannot accept Listings with advance completion dates.
- d. Reseller grants USWC a non-exclusive license to incorporate Listings information into its directory assistance database. Reseller hereby selects one of two options for USWC's use of Listings and dissemination of Listings to third parties.

EITHER:

- i. Treat the same as USWC's end user listings - No prior authorization is needed for USWC to release Listings to directory publishers or other third parties. USWC will incorporate Listings information in all existing and future directory assistance applications developed by USWC. Reseller will authorize USWC to sell and otherwise make Listings available to directory publishers including USWC's publisher affiliate for inclusion in white pages published on USWC's behalf. USWC shall be entitled to retain all revenue associated with any such sales. Listings shall not be provided or sold in such a manner as to segregate end users by carrier or reseller.

OR:

- ii. Restrict to USWC's directory assistance - Prior authorization required by Reseller for all other uses. Reseller makes its own, separate agreements with USWC, third parties and directory publishers for all uses of its listings beyond DA. USWC will sell Listings to directory publishers (including USWC's publisher affiliate for inclusion in white pages published on USWC's behalf), other third parties and USWC products only after third party presents proof of Reseller's authorization. USWC shall be entitled to retain all revenue associated with any such sales. Listings shall not be provided or sold in such a manner as to segregate end users by carrier or reseller.

**APPENDIX B
DIRECTORY LISTINGS**

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TC97-140

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AUG 21 1997

DENNIS C. MCFARLAND
LAWYER
LAW CENTER
505 W. NINTH STREET
SIOUX FALLS, SOUTH DAKOTA 57104-3603

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

TELEPHONE (605) 339-3500
FAX (605) 339-9773

DENNIS C. MCFARLAND
AMY L. WEIDENAAER

August 19, 1997

RECEIVED

AUG 21 1997

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

William Bullard, Jr.
Executive Director
South Dakota Public Utilities Commission
State Capital Building
500 East Capital Avenue
Pierre, SD 57501-5070

RE: One-Call Telcom, Inc. application for Certificate
of Authority.

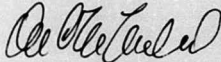
Dear Mr. Bullard:

PAM Oil, Inc. is no longer engaged in any negotiations with One-Call Telcom, Inc. On that basis, I am informing you that PAM Oil, Inc. will not be participating in the application of One-Call Telcom, Inc. for a Certificate of Authority to provide Local Exchange Access and Exchange Access Services.

PAM Oil, Inc. has no opposition to the granting of the license to One-Call Telcom, Inc. Their application should stand on it's own without any reference to PAM Oil, Inc. or any of it's operations or officers.

Thank you, and I remain,

Yours very truly,



Dennis C. McFarland

DCM/mab
cc: Scott Scofield
Jack Burke

TC97-142	Raymond & Genevieve Sand d/b/a Sand Construction vs U S WEST Communications. "Our complaint is in reference to telephone line location and moving line for Project AIP 3-46-0048-21 Rapid City Regional Airport County Road Relocation, County Road C232, and Construct Runway 14 Safety Area, Pennington County. Bid date for this project was May 9, 1997. At that time or before, the affected utilities were aware that utility relocation would be necessary. A pre-construction meeting was held on May 30, 1997. U S WEST representative Dennis Barling was present. Raymond Sand stated that he would like to begin the project as soon as possible—at least by June 9th. Dennis Barling said U S WEST was waiting for cable to arrive for the fiber optic line move and that expected arrival was June 3, 1997, after which they would proceed to install it. Sand Construction notified One Call Notification shortly after the meeting as a precautionary measure. We were issued ticket #23361. The project owners' project paperwork was not completed as rapidly as expected; therefore, Sand Construction didn't begin work until June 16, 1997. The telephone line relocation work in the county road work area was not completed, we had no choice but to try to work around it....We submit that Sand Construction has suffered losses due to the delay in utility relocation by U S WEST. We request recovery of these losses from U S WEST." (Staff: SNNRC)	08/01/97	NA
TC97-146	Terry Nagel vs U S WEST Communications. "On the morning of June 4 th , 1997, I called U S WEST to begin telephone service. At that time, they said a connector would be sent in 2 days to service us. No one arrived. When we called back, they said a new line would have to be run. (Our residence had a previous phone number, but it had been disconnected.) They estimated a target date of June 30. Another call, after that date stated July 30, work was back logged. Another call on August 1st was placed a month date to September 12, because they did not have cable on hand. This is over 3 months from the date of first contact. They did not call to provide a customer phone. And because of this location where house is located, the installation was not possible. I had the Commission let the U S WEST pay for my services and to get me a replacement of my telephone. They are only going to let me have the phone. They will not let me have the phone." (Staff: SNNRC)	08/19/97	NA

PAGE 2 OF 2

South Dakota Public Utilities Commission State Capitol 500 E. Capitol Pierre, SD 57501-5070 Phone: (800) 332-1782 Fax: (605) 773-3809		TELECOMMUNICATIONS SERVICE FILINGS These are the telecommunications service filings that the Commission has received for the period of: 08/08/97 through 08/21/97 If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five days of this filing.	
DOCKET NUMBER	TITLE/STAFF/SYNOPSIS	DATE FILED	INTERVENTION DEADLINE
REQUEST FOR CERTIFICATE OF AUTHORITY			
TC97-140	Application by One Call Telecom, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/IZ) "OCT, Inc. will provide telecommunications services including local exchange services, intraLATA services and interLATA services on a reseller basis. The specific products and services are set forth in the U S WEST Service Resale Agreement to which One Call is presently a party in Minnesota."	08/08/97	09/05/97
TC97-141	Application by International Telecommunications Corp. d/b/a Discount Direct Dialing for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/IZ) "ITC presently provides interstate "switchless resale" in several states. ITC is extending its service to meet the intrastate needs of its customers in several states and is filing the requisite applications in all other states to be certified as required. ITC proposes to provide service throughout the state."	08/08/97	09/05/97
TC97-144	Application by USN Communications Long Distance, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: DJ/KC) "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. Applicant does not intend to provide operator services, 900 or 700 services."	08/15/97	09/05/97
TC97-145	Application by VoCall Communications Corp. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: DJ/CH) "Applicant proposes to operate as a reseller of 1+ toll services (including MTS, 1+, 800 and 888, Out WATS, Travel Cards) as well as offer prepaid calling card services."	08/18/97	09/05/97
FORMAL COMPLAINT FILED			

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

IN THE MATTER OF THE APPLICATION OF) ONE CALL TELECOM, INC. FOR A) CERTIFICATE OF AUTHORITY TO PROVIDE) TELECOMMUNICATIONS SERVICES IN) SOUTH DAKOTA)	ORDER DENYING CERTIFICATE OF AUTHORITY TC97-140
--	--

On August 8, 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 One Call Telecom, Inc. (One Call).

One Call proposed to become a reseller of interexchange telecommunications services. A proposed tariff was filed by One Call. 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. Commission Staff requested additional information from One Call on numerous occasions. One Call failed to respond to Staff's requests.

No petitions to intervene or comments were filed and at its regularly scheduled June 11, 1998, meeting, the Commission considered One Call's request for a certificate of authority. Pursuant to ARSD 20:10-24:03, Commission Staff recommended denial of the application for a certificate of authority due to unresponsiveness of Staff's request for information on the application and a demonstrated financial capability.

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 One Call has not met the legal requirements established for the granting of a certificate of authority. One Call has not, in accordance with SDCL 49-31-3, demonstrated sufficient financial capabilities to offer telecommunications services in South Dakota. The Commission denies One Call's application for a certificate of authority. As the Commission's final decision in this matter, it is therefore

ORDERED, that One Call's application for a certificate of authority is hereby denied.

Dated at Pierre, South Dakota, this 19th day of June, 1998.

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 Melaine Kelsch

Date: 6/19/98

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner