

In the Matter of

IN THE MATTER OF THE
APPLICATION OF STERLING
INTERNATIONAL FUNDING, INC. D/B/A
RECONEX FOR A CERTIFICATE OF
AUTHORITY TO PROVIDE LOCAL
EXCHANGE TELECOMMUNICATIONS
SERVICES IN SOUTH DAKOTA

Public Utilities Commission of the State of South Dakota

DATE	MEMORANDA
9/24/97	Filed andocketed;
9/25/97	TC Fax Filing;
6/1/98	Order Denying COA;
6/1/98	ocket Closed
7/1/98	Motion and Order for Application of Rehearing;
7/2/98	TC Fax Filing;
8/1/98	Order Granting Motion for Application of Rehearing for a COA;
8/2/98	Revised Request Application;
8/2/98	Certificate of Authority from Sec. of State;
8/2/98	Cost Studies for the States of Colorado and Washington;
8/2/98	Revised Tariff;
10/1/98	Revised Tariff;
11/1/98	Order Granting COA;
12/1/98	Amended Order Granting COA;
12/1/98	ocket Closed

1-800-RECONEX

Because Everybody Needs A Phone

TC97-160

September 17, 1997

RECEIVED

SEP 24 1997

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Mr. William Bullard
South Dakota Public Utilities Commission
500 E. Capitol Ave.
Pierre, SD 57501-5070

Dear Mr. William Bullard:

Enclosed for filing please find the original plus ten (10) copies of the Application of Sterling International Funding, Inc., d/b/a Reconex for a Certificate of Authority to provide local exchange telecommunication services on a resold basis in the State of South Dakota.

Please acknowledge receipt of this filing by returning, file-stamped, the extra copy of this cover letter in the self addressed stamped envelope provided.

If you have any questions regarding this filing please do not hesitate to contact me directly at (503) 244-9059 ext. 1246.

Your courtesy and cooperation in this matter is greatly appreciated.

Very truly yours,



William E. Braun
Director of Legal Affairs

enclosures

TC97-160

RECEIVED

SEP 24 1997

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

BEFORE THE STATE OF

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

Application of Sterling International Funding, Inc.)
d/b/a Reconex, for a Certificate of Authority)
to provide local exchange telecommunication)
services on a resold basis in the State of South)
Dakota)

Application No. _____

To the South Dakota Public Utilities Commission:

1. IDENTITY OF THE APPLICANT: The name, address, telephone number and FAX number of the Applicant are:

Sterling International Funding, Inc.
d/b/a Reconex
9620 S.W. Barbur Blvd Suite 330
Portland, Oregon 97219-6000
(503) 244-9059
(503) 452-9495 (FAX)

Applicant has also operated within the preceding five (5) years as Ameritel Corporation with the same address, telephone number and FAX number as above. Applicant has no corporate parent.

Applicant will provide services under the d/b/a Reconex.

2. CONTACT PERSON: The name, title, address, telephone number, and FAX number of the person to whom questions about this Application and all regulatory matters should be addressed is:

William E. Braun
Director of Legal Affairs
9620 S.W. Barbur Blvd Suite 330
Portland, Oregon 97219-6000
(503) 244-9059 ext. 1246
(503) 452-9495 (FAX)

All general business, operating issues, customer inquiries and customer complaints should be addressed to:

James Wheeler
Vice-President of Operations
9620 S.W. Barbur Blvd. Suite 330
Portland, Oregon 97219-6000
(503) 244-9059 ext. 1218
(503) 452-9495 (FAX)

A toll free 1-800 number is provided for all customer inquiries and complaints.
(1-800-275-8223)

Applicant's registered agent for service of process in the state of South Dakota is:

CT Corporation System
319 S. Couteau Street
Pierre, SD 57501

3. BUSINESS ENTITY:

The Applicant is a corporation in good standing, duly organized and existing under the laws of the State of Nevada. The corporation was formed on December 7, 1995. A copy of Applicant's Certificate of Good Standing is attached hereto as Exhibit "A". Applicant has applied for Certificate of Authority as a foreign corporation to do business within the State of South Dakota and will supply that Certificate to this Commission when it is received.

Todd M. Meislahn is the sole, 100% shareholder of Applicant. His address is 9620 S.W. Barbur Blvd., Suite 330, Portland, Oregon 97219-6000

There exists no corporation, association, partnership, cooperative or individual which holds a 20% or greater ownership or a management interest in the Applicant other than stated above.

Applicant neither owns nor controls any subsidiaries.

4. FINANCIAL:

Attached and submitted as Exhibit "B" is Applicant's financial statements. The financial information provided clearly shows that Applicant possesses sufficient financial resources and abilities to provide local exchange telecommunication services on a resold basis. Applicant is one of the fastest growing local exchange

carriers in the industry. In 1995 revenues grew 54% over 1994 and in 1996 revenues grew 52% over 1995.

Applicant strictly monitors both revenue and expenses. As a result Applicant maintains no outside financing. All growth has been funded out of operations. Consequently, Applicant has sufficient resources, abilities and financial viability to provide local exchange telecommunication services on a resold basis.

Applicant does not issue Annual Reports.

The name, title, address, telephone number, and FAX number of the Applicant's custodian for its accounting records and supporting documents is

Judy O' Donnell
Controller
9620 S.W. Barbur Blvd., Suite 330
Portland, Oregon 97219-6000
(503) 244-9059
(503) 452-9495 (Fax)

5 DESCRIPTION OF SERVICE/MANAGERIAL EXPERIENCE:

Petitioner, Sterling International Funding, d/b/a Reconex™ is affiliated with Ameritel Corporation, a residential dial tone service provider which has been operating since 1992. As the leader in the prepaid dial tone industry, Applicant and its affiliate, have provided high quality local exchange service to thousands of customers.

Reconex is an alternative telephone company primarily furnishing prepaid local dial tone service to individuals who have had their telephone disconnected, have voluntarily left the their local exchange provider, or for money management reasons prefer to address their local calling needs in a prepaid fashion at a set fee, which represents their bottom line cost. We have provided high quality telephone service to literally thousands of otherwise disenfranchised customers who, without our offering, would be entirely without telephone service. Our service is consistent with and promotes the legislative goal of the Telecommunications Act of 1996 of "Universal Service".

Reconex is a non-facilities based reseller of incumbent Local Exchange Carrier (ILEC) service. Our local service package includes unlimited local calling, access to 911 emergency services and 1-800 toll free dialing. Our custom calling package includes 3-way calling, call waiting and caller ID. Reconex owns no switches or transmission equipment. Reconex contracts with the ILEC for local installation. Through a network of Reconex Dealers, the Company maintains a local presence in each market for service orders and payment transactions. Customers have access to customer service representatives through a toll-free 1-

800 number. This local presence combined with the efficiency of a single operations center, located in Portland, Oregon, enables Reconex to provide the highest quality customer service in the most efficient manner.

Reconex and its affiliate are certified to operate as a prepaid dial tone service in the following jurisdictions: Alabama, Arkansas, California, Florida, Texas, Oregon, Wisconsin, Tennessee, Utah and New Jersey. Additionally, Ameritel provides service in ten (10) states. Reconex is pursuing certification in all remaining states. We currently have multiple competitors which include, Fast Connections, Texas-Com South, Georgia-Com South, U.S. Teleco, Telnet, Smoke Signals, Tele Link, E Z Talk, Gtel, DMJ Comm, Local Phone Svc, Austico, American Telephone, Texas Teleconnect and EZ Cellular.

Reconex remains deeply committed to the specialized service standards that were pioneered by Ameritel for serving this unique customer base. These specialized standards include such things as:

1. "High Touch" customer service with live representatives
2. An extensive, convenient Dealer Network to accommodate customer cash payments
3. Sophisticated systems for real-time feedback to help each customer manage expense control and reestablish good credit.

Reconex continues to lead the industry with highly reliable telecommunications services by serving the unserved in a manner consistent with their ever changing needs.

Applicant possesses the managerial qualifications to provide local exchange services within the State of South Dakota. The senior management team has guided Applicant's affiliate, Ameritel, from a small start-up in 1992 to the largest alternative residential telephone company in the United States. Ameritel has been publicly recognized as one of the fastest growing private companies in the Pacific Northwest (Exhibit "C").

Applicant's management team is highly qualified; virtually all of its management personnel have prior telecommunications experience. In 1996 this team directed the combined companies to a 59% increase in customer base and 52% increase in revenues.

Reconex senior management is as follows:

Todd Meislahn - President

Mr Meislahn has been President of Ameritel/Reconex since 1992. Ameritel/Reconex provides local exchange service to thousands of customers in

ten states. For ten years prior to Ameritel/Reconex, Mr. Meislahn was Vice President of Operations for Forentco, Inc., a multistate furniture rental company. Mr. Meislahn graduated cum laude from Lewis and Clark College with a B.S. in Music and Business & Administrative Studies.

Jim Wheeler - Vice President of Operations

Mr. Wheeler joined Ameritel/Reconex in 1995. From 1992 to 1994 he was General Manager for the Hogan Company, a \$10M long distance reseller for Sprint. From 1984 to 1992 Mr. Wheeler worked as Collection Manager for the Boyd Group, owners and operators of six casinos in Las Vegas. From 1981 to 1984 Mr. Wheeler was Operations Manager for Vital Life Corporation, an international vitamin manufacturer and distributor. Mr. Wheeler holds a degree in Business Administration from Northwest Nazarene College.

Joe Brandes - Vice President of Sales & Marketing

Mr. Brandes joined Ameritel/Reconex in 1996. From 1990 to 1996 he was President of ProVision, Inc., a consumer products company manufacturing, marketing, and distributing golf products internationally. From 1987 to 1990 Mr. Brandes was Vice President of Marketing for O'Callahan's Restaurants, Inc., a \$9M multiple unit food and beverage operation. From 1978 to 1987 Mr. Brandes was Director of Marketing Operations and Distribution for Floating Point Systems, a \$150M scientific computer company. Mr. Brandes holds a B.S. in Finance from the University of Oregon and a M.B.A. from the University of Portland.

Judy O'Donnell - Controller

Ms. O'Donnell joined Ameritel/Reconex in 1996. As a Certified Public Accountant for the past 15 years she has provided advisory services related to systems, operations, taxes, financing, and personnel to closely held businesses in Oregon and Washington. From 1986 to 1990 she was a Manager for Laventhal & Horwath, a national accounting firm. From 1990 to 1996 she was a Manager with O'Donnell & Associates, P.C. Ms. O'Donnell holds a B.S. in Business Administration from Portland State University. She is a member of the American Institute of Certified Public Accountants and the Oregon Society of Certified Public Accountants.

Steven Veazie - Information Systems Manager

Mr. Veazie joined Ameritel/Reconex in 1996. From 1994 to 1995 he was Lead Senior Technical Support for PC & Networks at Supra Corporation, a world leader in communication peripherals. From 1990 to 1994 Mr. Veazie was a Computer Science Professor at Western Oregon State College. Mr. Veazie holds a B.S. in Computer Science with a minor in Business and a Masters in Education, both from Western Oregon State College.

William E. Braun - Director of Legal Affairs

Mr. Braun joined Ameritel/Reconex in 1997. Mr. Braun is an attorney licensed to practice in the states of Oregon and California. As an attorney for the past 14 years he has served in a litigation and advisory capacity for private firms, corporations and governmental entities. Mr. Braun holds a B.A. in Political Science from California State University, Long Beach and a J.D. from Northwestern School of Law of Lewis and Clark College. He is a member of the American Bar Association, the Oregon Bar Association and the California Bar Association.

6. TECHNICAL EXPERIENCE:

Applicant has demonstrated technical proficiency with regards to the provision of residential telephone services. Since early 1992, Applicant's affiliate, Ameritel, has provided high quality service on a resale basis to residential customers. As indicated earlier Applicant and its affiliate provide intrastate local exchange service in ten states.

Applicant is a pure reseller of residential telecommunications services. Applicant and Ameritel currently provide local exchange service to thousands of customers throughout their collective operating area. Consequently, Applicant possesses the technical qualifications to provide local exchange service on a resale basis.

As a reseller, Applicant will purchase local exchange service from the ILEC. Accordingly, the quality of the local exchange service provided by Applicant will meet or exceed the quality of the service which such customers receive from their current local service provider.

7. SERVICE TERRITORY:

Applicant proposes to offer service in the area and exchanges currently being served by the existing incumbent local exchange carrier (ILEC), US West.

8. CUSTOMER BILLING/CUSTOMER SERVICE:

Customer billings are handled by our monthly Service Reminder Notice. The Notice itemizes all charges, is provided fifteen (15) days before payment is due and contains our toll free 1-800 number should our customers have any questions regarding payment. Should payment not be received our customers receive a final notice which allows another ten (10) days to make their payment. Personal contact, by phone, is also made before a customers service will expire.

Applicant is committed to high quality and responsive customer service. Through our toll free 1-800 number our customers can contact our customer service representatives regarding any issues concerning charges for service, repair, quality of service or any other matters that may be critical to our customers. Our

customer service representatives are trained to handle all customer concerns courteously and expeditiously.

Applicant's commitment is borne out by the fact that we have never been the recipient of a consumer complaint filed with any state public utilities commission or public services commission where we are certified to conduct business. Nor have we ever been the recipient of any complaint filed with the Federal Communications Commission.

9. CERTIFICATION/REGISTRATION:

Applicant is fully certified in the following states:

1. Alabama
2. Arkansas
3. California
4. Florida
5. New Jersey
6. Oregon
7. Tennessee
8. Texas
9. Utah
10. Wisconsin

Applicant is nearing completion of a nationwide certification filing and has never been denied certification in any jurisdiction in which it has applied.

10. TARIFF

Applicant's Tariff is attached as Exhibit "D".

11. MARKETING

Sterling International Funding, Inc. d/b/a Reconex will market its services through advertising on television, radio and print. In addition, Reconex utilizes a network of local dealers who are responsible for taking new orders as well as accepting payments from existing customers. Our dealers provide a local presence for credibility as well as convenience for the customers.

Prospective customers are instructed to dial our toll free 1-800 number (1-800-RECONEX) whereupon they will be connected with one of our customer service representatives. Our customer service representatives are trained by management and are held to the highest standards of accountability and ethics.

3
4
4
4
3
Misrepresentations, deceptive practices, or misleading statements of any nature will not be tolerated. A customer service representative, guilty of such practice would be subject to discipline, with the possibility of termination.

Applicant does not engage in any form of multilevel marketing.

Enclosed are copies of brochures utilized by Applicant. Applicant's target market is the residential customer exclusively.

Applicant's sales and marketing personnel are led by Mr. Joe Brandes, Vice-President of Sales and Marketing whose biography appears above. Mr. Brandes is assisted by a full-time Marketing Manager, a Dealer Representative as well as a Sales and Marketing Assistant.

Applicant also utilizes the services of an outside advertising agency, McKinney, Johnson and Amato.

12. COST SUPPORT.

Applicant requests a waiver of the requirement to show cost support for rates shown in the company tariff as Applicant is a true non-facilities based reseller of the incumbent local exchange carrier, US West service.

WHEREFORE, Applicant, Sterling International Funding, Inc., d/b/a Reconex, respectfully requests that the Commission enter an order granting a Certificate of Authority to provide basic local exchange service on a resold basis within the State of South Dakota and granting all other appropriate relief.

Dated at Portland, Oregon this 17th day of September, 1997.

Sterling International Funding, Inc.

By: William E. Braun
William E. Braun, Director of Legal Affairs

EXHIBIT
"A"

SECRETARY OF STATE



CERTIFICATE OF EXISTENCE WITH STATUS IN GOOD STANDING

I, DEAN HELLER, the duly elected and qualified Nevada Secretary of State, do hereby certify that I am, by the laws of said State, the custodian of the records relating to filings by corporations, limited-liability companies, limited partnerships, and limited-liability partnerships pursuant to Title 7 of the Nevada Revised Statutes which are either presently in a status of good standing or were in good standing for a time period subsequent of 1976 and am the proper officer to execute this certificate.

I further certify that the records of the Nevada Secretary of State, at the date of this certificate, evidence, **STERLING INTERNATIONAL FUNDING, INC.**, as a corporation duly organized under the laws of Nevada and existing under and by virtue of the laws of the State of Nevada since December 7, 1995, and is in good standing in this state.

IN WITNESS WHEREOF, I have hereunto set my hand
and affixed the Great Seal of State, at my office, in
Carson City, Nevada, on September 4, 1997.



Dean Heller
Secretary of State

By *C. Ewert*
Certification Clerk

CONFIDENTIAL

1

EXHIBIT
"C"

NEXT

DOCUMENT (S)

DISREGARD

BACKGROUND

TOP 100 FASTEST-GROWING PRIVATE COMPANIES

Rank	Company Name	Address	Phone	Percent change in revenue from 1993 to 1995	Revenue 1995	Employees 1995	Profit margin	Start-up capital	Source of start-up capital	Description of business	CEO/President	Year founded	Fastest-growing
1	United Energy Inc.	427 S.W. 5th Ave., Suite 800 Portland, Ore. 97204	(503) 295-5802	870%	\$4,881,300	35	1%	\$1.5M	Savings	Powerplant products	James H. Smith president	1988	June
2	Northwest Builders Group Inc.	1700 S.W. Jefferson St. Clackamas, Ore. 97015	(503) 861-1022	611%	\$1,363,400	67	15%	\$1.1M	Personal funds	Commercial framing	Mark Peterson president	1988	Dec.
3	RT Technologies	4001 S.W. Harbor Blvd., Suite 200 Hawesbury, N.J. 07036	(908) 889-7000	520%	\$70,230,000	55	0%	\$25,250	Private investors	Project phone cards	Ton Hesse, CEO Bob Stearns, president	1989	May
4	Amertek Corp.	9501 S.W. Harbor Blvd., Suite 200 Portland, Ore. 97219	(503) 244-6668	463%	\$2,257,400	21	0%	\$1,000	Personal funds	Telecommunications	Todd Hesse, president	1982	Dec.
5	McCluskey Business Communications	1700 S.W. Harbor Blvd., Suite 200 Hawesbury, N.J. 07036	(908) 889-7000	441%	\$1,614,000	12	10%	\$5,000	The founders	High-technology software and public relations	Kerry McCluskey, president	1982	Dec.
6	West Coast Film and Print Inc. aka Super Jet	1740 S.W. Jefferson St., Suite 200 Clackamas, Ore. 97015	(503) 861-1022	336%	\$1,500,000	55	NA	\$325,000	Investors	Children's entertainment centers (retail)	Edward Olson, president	1982	Dec.
7	Portland-based software company	1740 S.W. Jefferson St., Suite 200 Clackamas, Ore. 97015	(503) 861-1022	296%	\$4,100,000	57	8%	\$5,000	Savings	Software training	Michael Peterson, president	1988	Dec.
8	Clackamas Builders Group Inc.	1740 S.W. Jefferson St., Suite 200 Clackamas, Ore. 97015	(503) 861-1022	241%	\$2,881,000	22	15%	\$1,000	Personal savings	Industrial and software	W. Thomas Hesse, president	1988	June
9	Legend Technologies Inc.	1740 S.W. Jefferson St., Suite 200 Clackamas, Ore. 97015	(503) 861-1022	214%	\$1,517,800	440	Low	\$20,000	Legend E.O. Latham	Public transportation	W. Thomas Hesse, president	1982	Dec.
10	PC & World Inc.	1740 S.W. Jefferson St., Suite 200 Clackamas, Ore. 97015	(503) 861-1022	211%	\$1,122,400	11	10%	\$150,000	Founders	Local-based design	David Hesse, president	1988	Dec.
11	Adaptive Systems Inc.	1740 S.W. Jefferson St., Suite 200 Clackamas, Ore. 97015	(503) 861-1022	205%	\$1,439,900	10	11%	\$500	Personal funds	Advertising	Michael Olson, CEO David Hesse, president	1981	Dec.
12	Northwest Communications Inc. aka NCI	1740 S.W. Jefferson St., Suite 200 Clackamas, Ore. 97015	(503) 861-1022	201%	\$1,118,000	170	0%	\$100,000	Investors	Database and software	Mark Peterson, president	1988	Dec.
13	Northwest Communications Inc. aka NCI	1740 S.W. Jefferson St., Suite 200 Clackamas, Ore. 97015	(503) 861-1022	201%	\$1,118,000	170	0%	\$100,000	Investors	Database and software	Mark Peterson, president	1988	Dec.
14	Northwest Communications Inc. aka NCI	1740 S.W. Jefferson St., Suite 200 Clackamas, Ore. 97015	(503) 861-1022	201%	\$1,118,000	170	0%	\$100,000	Investors	Database and software	Mark Peterson, president	1988	Dec.
15	Northwest Communications Inc. aka NCI	1740 S.W. Jefferson St., Suite 200 Clackamas, Ore. 97015	(503) 861-1022	201%	\$1,118,000	170	0%	\$100,000	Investors	Database and software	Mark Peterson, president	1988	Dec.
16	Northwest Communications Inc. aka NCI	1740 S.W. Jefferson St., Suite 200 Clackamas, Ore. 97015	(503) 861-1022	201%	\$1,118,000	170	0%	\$100,000	Investors	Database and software	Mark Peterson, president	1988	Dec.
17	Northwest Communications Inc. aka NCI	1740 S.W. Jefferson St., Suite 200 Clackamas, Ore. 97015	(503) 861-1022	201%	\$1,118,000	170	0%	\$100,000	Investors	Database and software	Mark Peterson, president	1988	Dec.
18	Northwest Communications Inc. aka NCI	1740 S.W. Jefferson St., Suite 200 Clackamas, Ore. 97015	(503) 861-1022	201%	\$1,118,000	170	0%	\$100,000	Investors	Database and software	Mark Peterson, president	1988	Dec.
19	Northwest Communications Inc. aka NCI	1740 S.W. Jefferson St., Suite 200 Clackamas, Ore. 97015	(503) 861-1022	201%	\$1,118,000	170	0%	\$100,000	Investors	Database and software	Mark Peterson, president	1988	Dec.
20	Northwest Communications Inc. aka NCI	1740 S.W. Jefferson St., Suite 200 Clackamas, Ore. 97015	(503) 861-1022	201%	\$1,118,000	170	0%	\$100,000	Investors	Database and software	Mark Peterson, president	1988	Dec.
21	Northwest Communications Inc. aka NCI	1740 S.W. Jefferson St., Suite 200 Clackamas, Ore. 97015	(503) 861-1022	201%	\$1,118,000	170	0%	\$100,000	Investors	Database and software	Mark Peterson, president	1988	Dec.
22	Northwest Communications Inc. aka NCI	1740 S.W. Jefferson St., Suite 200 Clackamas, Ore. 97015	(503) 861-1022	201%	\$1,118,000	170	0%	\$100,000	Investors	Database and software	Mark Peterson, president	1988	Dec.
23	Northwest Communications Inc. aka NCI	1740 S.W. Jefferson St., Suite 200 Clackamas, Ore. 97015	(503) 861-1022	201%	\$1,118,000	170	0%	\$100,000	Investors	Database and software	Mark Peterson, president	1988	Dec.
24	Northwest Communications Inc. aka NCI	1740 S.W. Jefferson St., Suite 200 Clackamas, Ore. 97015	(503) 861-1022	201%	\$1,118,000	170	0%	\$100,000	Investors	Database and software	Mark Peterson, president	1988	Dec.
25	Northwest Communications Inc. aka NCI	1740 S.W. Jefferson St., Suite 200 Clackamas, Ore. 97015	(503) 861-1022	201%	\$1,118,000	170	0%	\$100,000	Investors	Database and software	Mark Peterson, president	1988	Dec.

Continued on page 8

Footnotes

1. Percent change in revenue is a percentage of 1993 sales after taxes.
2. If 1994 data is not available, 1995 data is used.
3. Revenue is a company's total revenue from all sources.
4. Revenue is a company's total revenue from all sources.
5. Revenue is a company's total revenue from all sources.
6. Revenue is a company's total revenue from all sources.
7. Revenue is a company's total revenue from all sources.
8. Revenue is a company's total revenue from all sources.
9. Revenue is a company's total revenue from all sources.
10. Revenue is a company's total revenue from all sources.
11. Revenue is a company's total revenue from all sources.
12. Revenue is a company's total revenue from all sources.
13. Revenue is a company's total revenue from all sources.
14. Revenue is a company's total revenue from all sources.
15. Revenue is a company's total revenue from all sources.
16. Revenue is a company's total revenue from all sources.
17. Revenue is a company's total revenue from all sources.
18. Revenue is a company's total revenue from all sources.
19. Revenue is a company's total revenue from all sources.
20. Revenue is a company's total revenue from all sources.
21. Revenue is a company's total revenue from all sources.
22. Revenue is a company's total revenue from all sources.
23. Revenue is a company's total revenue from all sources.
24. Revenue is a company's total revenue from all sources.
25. Revenue is a company's total revenue from all sources.

Qualifications

1. Annual growth rate is the rate of growth in sales.
2. Revenue is a company's total revenue from all sources.
3. Revenue is a company's total revenue from all sources.
4. Revenue is a company's total revenue from all sources.
5. Revenue is a company's total revenue from all sources.
6. Revenue is a company's total revenue from all sources.
7. Revenue is a company's total revenue from all sources.
8. Revenue is a company's total revenue from all sources.
9. Revenue is a company's total revenue from all sources.
10. Revenue is a company's total revenue from all sources.
11. Revenue is a company's total revenue from all sources.
12. Revenue is a company's total revenue from all sources.
13. Revenue is a company's total revenue from all sources.
14. Revenue is a company's total revenue from all sources.
15. Revenue is a company's total revenue from all sources.
16. Revenue is a company's total revenue from all sources.
17. Revenue is a company's total revenue from all sources.
18. Revenue is a company's total revenue from all sources.
19. Revenue is a company's total revenue from all sources.
20. Revenue is a company's total revenue from all sources.
21. Revenue is a company's total revenue from all sources.
22. Revenue is a company's total revenue from all sources.
23. Revenue is a company's total revenue from all sources.
24. Revenue is a company's total revenue from all sources.
25. Revenue is a company's total revenue from all sources.

NA = Not available
NR = Not ranked
WD = Would not disclose

Source: A representative of each company

Research by Coopers & Lybrand LLP
and Nancy Nilles

EXHIBIT
"D"

LOCAL EXCHANGE SERVICE
REGULATIONS, RULES AND PRICE LIST SCHEDULES
OF
INTRASTATE CHARGES
FOR
STERLING INTERNATIONAL FUNDING, INC.

Issued 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 2

CHECK SHEET

The sheets of this Tariff are effective as of the date shown on at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original Tariff and are currently in effect as of the date on the bottom of this sheet.

<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>
1	Original	18	Original	35	Original
2	Original	19	Original	36	Original
3	Original	20	Original	37	Original
4	Original	21	Original	38	Original
5	Original	22	Original	39	Original
6	Original	23	Original	40	Original
7	Original	24	Original	41	Original
8	Original	25	Original	42	Original
9	Original	26	Original	43	Original
10	Original	27	Original	44	Original
11	Original	28	Original	45	Original
12	Original	29	Original	46	Original
13	Original	30	Original	47	Original
14	Original	31	Original	48	Original
15	Original	32	Original	49	Original
16	Original	33	Original	50	Original
17	Original	34	Original	51	Original

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

TABLE OF CONTENTS

Title Sheet	1
Check Sheet	2
Table of Contents	3
Applicability	6
Explanation of Symbols	7
Tariff Format	8
1. Definitions	9
2. Regulations	11
2.1 Undertaking of the Company	11
2.1.1 Scope	11
2.1.2 Limitations	11
2.1.3 Terms and Conditions	12
2.1.4 Liability of the Company	13
2.1.5 Notification of Service-Affecting Activities	23
2.1.6 Provision of Equipment and Facilities	24
2.1.7 Ownership of Facilities	25
2.2 Prohibited Uses	25

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

TABLE OF CONTENTS

2.3	Obligations of the Customer	26
2.3.1	General	26
2.3.2	Claims	27
2.4	Reserved For Future Use	28
2.5	Payment Arrangements	29
2.5.1	Payment for Service	29
2.5.2	Collection of Charges	30
2.5.3	Disputed Charges	31
2.5.4	Reserved For Future Use	31
2.5.5	Security	31
2.5.6	Expiration of Service	32
2.6	Allowances for Interruptions of Service	38
2.6.1	Credit for Interruptions	38
2.6.2	Limitations on Allowances	40
2.7	Cancellation of Service	41
2.7.1	Cancellation of Application for Service	41
2.7.2	Cancellation of Service by the Customer	42
2.8	Transfer and Assignments	42
2.9	Notices and Communications	43
3.	Service Descriptions	44

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

TABLE OF CONTENTS

3.1	Local Exchange Service	44
3.1.1	Service Area	44
3.1.2	Local Line	45
3.2	Directory Assistance	47
3.3	Operator Assistance	47
3.4	Directory Listings	47
3.5	Miscellaneous Fixed One-Time Charges	50
3.6	Miscellaneous Monthly One-Time Charges	50
3.7	Emergency Services (Enhanced 911)	51
4.	Promotional Offerings	51

Issued 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

APPLICABILITY

This price list sets forth the service offerings, rates, terms and conditions applicable to the furnishing of intrastate residential communications services by Sterling International Funding, Inc. to residential Customers within the local exchange service area defined herein.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

EXPLANATION OF SYMBOLS

The following symbols shall be used for the purposes indicated below:

- C - To signify a changed condition or regulation
- D - To signify a discontinued rate, condition, or regulation
- I - To signify an increased rate
- M - To signify move in the location of text
- N - To signify new rate, condition, regulation, or sheet
- O - To signify no change*
- R - To signify reduced rate
- S - To signify matter appearing elsewhere or repeated for clarification
- T - To signify change in text for clarification
- Z - To signify a correction

*The use of the symbol "O" shall be discretionary unless its use in the interest of clarity is evident or specifically requested by the Commission.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 8

TARIFF FORMAT

- A. Sheet Numbering - Sheet numbers appear in the upper right corner of the sheet. Sheets are numbered sequentially. However, new sheets are occasionally added to the Tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. Sheet Revision Numbers - Revision numbers also appear in the upper right corner of each sheet. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc. the Commission follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff sheet in effect. Consult the Check Sheet for the sheet currently in effect.
- C. Paragraph Numbering Sequence - There are six levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2
 - 2 1
 - 2 1 1
 - 2 1 1 1
 - 2 1 1 1 1
 - 2 1 1 1 1 1
- D. Check Sheets - When a tariff filing is made with the Commission, an updated Check Sheet accompanies the filing. The Check Sheet lists the sheets contained in the Tariff, with a cross reference to the current revision number. When new sheets are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this sheet if these are the only changes made to it. The Tariff user should refer to the latest Check Sheet to find out if a particular sheet is the most current on file with the Commission.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P O Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 9

1.0 Definitions

Certain terms used generally throughout this Tariff are defined below.

Call Waiting: Provides the User with a burst of tone to indicate that another call is waiting. The second call can either be answered by flashing the switch-hook or hanging up the telephone and being rung back by the caller.

Caller ID: Provides the User with the calling party's name and telephone number. This information will be displayed only if the User provides the appropriate hardware. Such hardware is not available from the Company.

Company: Sterling International Funding Inc., a Nevada corporation, which is the issuer of this Tariff.

Custom Calling Package: An optional service consisting of Call Waiting and Three-Way Calling.

Customer: The person or other entity which ordered service and is responsible for the payment of charges and for compliance with the Company's Tariff regulations.

ILEC: The underlying incumbent Local Exchange Carrier, or other alternative carrier, which provides facilities and/or local exchange telephone services to the Company for resale to the Customer.

Monthly Charges: The monthly charges to the Customer for services which continue for the agreed-upon duration of the service.

Nonpublished Listing: A directory listing which is not printed in a directory nor available from directory assistance.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 10

1.0 Definitions (Cont'd)

One-Time Charges: The one-time initial charges for services including, but not limited to, charges for installation and special fees for which the Customer becomes liable at the time the Service Order is executed.

Prepaid: Payment in advance of the provision of services.

Reconnection Fee: A charge to re-establish previous Customer's account.

Reminder Notice: Notification mailed to Customer approximately ten (10) days prior to the expiration of the current prepaid period.

Service Continuation Fee: A one-time charge to extend service beyond the expiration of the prepaid period. Customer may elect to pay fee to avoid a reconnection fee, however Customer will be responsible to pay for all service provided during the service continuation period.

Service Order: The request for local exchange services initiated by the Customer in a format specified by the Company.

Services: The Company's telecommunication services offered to the Customer.

Set-Up Fee: A non-recurring charge to establish the Customer's account.

Station: Telephone equipment from or to which calls are placed.

Three-Way Calling: The User can sequentially call two other people and add them together to make up a three-way call.

User: A Customer or any other person authorized by the Customer to use service provided under this Tariff.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 11

2 0 Regulations

2 1 Undertaking of the Company

2 1 1 Scope

The Company undertakes to furnish communications service on a resale basis in connection with one-way and/or two-way information transmission between points within the State of South Dakota under the terms of this Tariff.

Customers may use services and facilities provided under this Tariff to obtain access to services offered by other service providers. The Company is responsible under this Tariff only for the services provided herein, and it assumes no responsibility for any service provided by any other entity.

2 1 2 Limitations

2 1 2 1 Service is offered subject to the availability of ILEC facilities and the provisions of this Tariff.

2 1 2 2 The Company reserves the right to discontinue furnishing service or limit the use of service necessitated by conditions beyond its control, or when the Customer is using service in violation of the law or the provisions of this Tariff.

Issued 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 12

2.0 Regulations (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.3 Terms and Conditions

- 2.1.3.1 Except as otherwise provided herein, service is prepaid and provided on the basis of a minimum period of at least one month, and shall continue to be provided until Customer fails to prepay for the subsequent month pursuant to Company's monthly service Reminder Notice. If Customer does not provide payment prior to the expiration of the prepaid service period Customer's service will be disconnected. Company may, in its sole discretion, extend the service period for up to 10 days to allow Customer to make full payment for the next 30 day period upon payment of a Service Continuation Fee. Unless otherwise specified herein, for the purpose of computing charges in this Tariff, a month is considered to have 30 days. All calculations of dates set forth in this Tariff shall be based on calendar days, unless otherwise specified herein.
- 2.1.3.2 Customers may be required to enter into written Service Orders which may contain or reference the name of the Customer, a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this Tariff.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 13

2.0 Regulations (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.3 Terms and Conditions (Cont'd)

2.1.3.3 This Tariff shall be interpreted and governed by the laws of the State of South Dakota without regard for the State's choice of laws provision.

2.1.3.4 Another telephone company must not interfere with the right of any person or entity to obtain service directly from the Company.

2.1.3.5 The Customer has no property right to the telephone number or any other call number designation associated with services furnished by the Company. The Company reserves the right to change such numbers, or the central office designation associated with such numbers, or both, assigned to the Customer, whenever the Company deems it necessary to do so in the conduct of its business.

Issued 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P O Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 14

2.0 Regulations (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company

2.1.4.1 The liability of the Company for damages arising out of the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays, or errors, other defects, or representations by the Company, or use of these services or damages arising out of the failure to furnish the service whether caused by acts or omission, shall be limited the extension of allowances for interruption as set forth in Section 2.6 below. The extension of such allowances for interruption shall be the sole remedy of the Customer and the sole liability of the Company. The Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to Customer as a result of any Company service, equipment or facilities, or the acts or omissions or negligence of the Company's employees or agents.

2.1.4.2 The Company's liability for willful misconduct, if established as a result of judicial or administrative proceedings, is not limited by this Tariff. With respect to any claim or suit, by a Customer or by any others, for damages associated with the ordering (including the reservation of any specific number for use with a service), installation (including delays thereof), provision, termination, maintenance, repair, interruption or restoration of any service or facilities offered under this Tariff, and subject to the provisions of Section 2.6, the Company's liability, if any, shall be limited as provided herein.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 15

2.0 Regulations (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company (Cont'd)

2.1.4.3 The Company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes, any law, order, regulation, direction, action or request of the United States government or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation or other instrumentality of any one or more of these federal, state, or local governments, or of any military authority, preemption of existing service in compliance with national emergencies, riots, wars, unavailability of rights-of-way or materials, or strikes, lockouts, work-stoppages, or other labor difficulties.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 16

2.0 Regulations (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company (Cont'd)

2.1.4.4 The Company shall not be liable for

- (a) Any act or omission of any entity furnishing the Company or the Company's Customers facilities or equipment used for or with the services the Company offers, or
- (b) For the acts or omissions of other common carriers or their employees or agents.

2.1.4.5 The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of Customer-provided equipment or facilities.

2.1.4.6 The Customer shall indemnify and hold the Company harmless from any and all loss, claims, demands, suits or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, condition, location or use of any installation provided by the Company. The Company reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this Section as a condition to such installations.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

Original Sheet No. 17

21 Undertaking of the Company (Cont'd)

2.1.4.7 The Company shall not be liable for any defacement of or damage to the Customer's premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof, unless such defacement or damage is caused by the willful misconduct of the Company's agents or employees. No agents or employees of other entities shall be deemed to be agents or employees of the Company.

2.1.4.8 Notwithstanding the Customer's obligations as set forth in Section 2.3.2, the Company shall be indemnified, defended, and held harmless by the Customer or by others authorized by it to use the service against any claim, loss or damage arising from Customer's use of services furnished under this Tariff, including:

- (a) Claims for libel, slander, invasion of privacy or infringement of copyright arising from the material, data, information, or other content transmitted via the Company's service, and
- (b) Patent infringement claims arising from combining or connecting the service offered by the Company with apparatus and systems of the Customer or others, and
- (c) All other claims arising out of any act or omission of the Customer or others, in connection with any service provided by the Company pursuant to this Tariff.

Effective

Issued by: Todd M. Meislahn, President
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 18

2.0 Regulations (Cont'd)2.1 Undertaking of the Company (Cont'd)2.1.4 Liability of the Company (Cont'd)

2.1.4.9 The entire liability of the Company for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid to the Company by the Customer for the specific services giving rise to the claim, and no action or proceeding against the Company shall be commenced more than one year after the service is rendered.

2.1.4.10 The Company makes no warranties or representations, expressed or implied either in fact or by operation of law, statutory or otherwise, including warranties of merchantability or fitness for a particular use, except those expressly set forth herein.

2.1.4.11 The Company shall not be liable for any act or omission of any other company or companies furnishing a portion of the service, or for damages associated with service, facilities or equipment which it does not furnish, or for damages which result from the operation of Customer-provided systems, equipment, facilities or services which are interconnected with Company services.

Issued 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P O Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 19

2 0 Regulations (Cont'd)

2 1 Undertaking of the Company (Cont'd)

2 1 4 Liability of the Company (Cont'd)

- 2 1 4 12 The Company does not guarantee nor make any warranty with respect to service installations at locations of which there is present atmosphere that is explosive, prone to fire, dangerous or otherwise unsuitable for such installations. The Customer shall indemnify and hold the Company harmless from any and all loss, claims, demands, suits or other action, or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party, for any personal injury to, or death of, any person or persons, or for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, locations or use of service furnished by the Company at such locations.

Issued 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 20

2 0 Regulations (Cont'd)

2 1 Undertaking of the Company (Cont'd)

2 1 4 Liability of the Company (Cont'd)

- 2 1 4 13 The Company shall not be liable for the Customer's failure to fulfill its obligations to take all necessary steps including, without limitation, obtaining, installing and maintaining all necessary equipment, materials and supplies, for interconnecting the Station, terminal equipment or communications system of the Customer, or any third-party acting as its agent, to the ILEC's network. The Customer shall secure all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection. In addition, the Customer shall insure that its equipment and/or system or that of its agent is properly interfaced with the Company's service, that the signals emitted into the ILEC's network are of the proper mode, band-width, power, data speed, and signal level for the intended use of the Customer and in compliance with the criteria set forth in Section 2 1 6 following, and that the signals do not damage Company or ILEC equipment, injure its personnel or degrade service to other Customers. If the Customer or its agent fails to maintain and operate its equipment and/or system or that of its agent properly, with resulting harm to Company or ILEC equipment, personnel, or the quality of service to other Customers, the Company may require the use of protective equipment at the Customer's expense or terminate the Customer's service without liability.

Issued 9/7/97

Effective _____

Issued by Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 21

2.0 Regulations (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company (Cont'd)

2.1.4.14 With respect to Emergency Number 911 Service

(a) This service is offered solely as part of the resold ILEC service, where available, as an aid in handling assistance calls in connection with fire, police and other emergencies. The Company is not responsible for any losses, claims, demands, suits or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or person for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused by:

- (1) Mistakes, omissions, interruptions, delays, errors or other defects in the provision of this service, or
- (2) Installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of equipment and facilities furnishing this service.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 22

2.0 Regulations (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company (Cont'd)

2.1.4.14 (Cont'd)

- (b) Neither is the Company responsible for any infringement or invasion of the right of privacy of any person or persons, caused or claimed to have been caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, occasion or use of enhanced 911 service features and the equipment associated therewith, or by any services furnished by the Company including, but not limited to, the identification of the telephone number, address or name associated with the telephone used by the party or parties accessing enhanced 911 service, and which arise out of the negligence or other wrongful act of the Company, the Customer, its Users, agencies or municipalities, or the employees or agents of any one of them.

- 2.1.4.15 The Company's liability arising from errors or omissions in Directory Listings, other than charged listings, shall be limited to the amount of actual impairment to the Customer's service. In cases of charged Directory Listings, the liability of the Company shall be limited to an amount not exceeding the amount of charges for the charged listings involved during the period covered by the directory in which the error or omission occurs.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 23

2.0 Regulations (Cont'd)2.1 Undertaking of the Company (Cont'd)2.1.4 Liability of the Company (Cont'd)

2.1.4.16 In conjunction with a Nonpublished Listing, as described in Section 3.4.2.2, the Company will not be liable for failure or refusal to complete any call to such telephone when the call is not placed by number. The Company will try to prevent the disclosure of the number of such telephone, but will not be liable should such number be divulged.

2.1.4.17 When a Customer with a Nonpublished Listing as defined herein, places a call to the Emergency 911 Service, the Company will release the name and address of the calling party, where such information can be determined, to the appropriate local governmental authority responsible for the Emergency 911 Service upon request of such governmental authority. By subscribing to service under this Tariff, Customer acknowledges and agrees with the release of information as described above.

2.1.5 Notification of Service-Affecting Activities

The Company will provide the Customer reasonable notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, Company or ILEC equipment or facilities additions, removals or rearrangements and routine preventative maintenance. Generally, such activities are not specific to an individual Customer but affect many Customers' services. No specific advance notification is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable notifications requirements. With some emergency or unplanned service-affecting conditions, such as outage

Issued 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 24

2.0 Regulations (Cont'd)

resulting from cable damage, notification to the Customer may not be possible.

2.1 Undertaking of the Company (Cont'd)

2.1.6 Provision of Equipment and Facilities

2.1.6.1 The Company shall use reasonable efforts to make available services to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with, the regulations contained in this Tariff. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.

2.1.6.2 The Company shall use reasonable efforts to cause the ILEC to maintain its own facilities which the Company furnishes to the Customer. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair or otherwise interfere with any of the facilities provided by the ILEC or the Company.

2.1.6.3 The Customer shall be responsible for the payment of service charges as set forth herein for visits by the Company's agents or employees to the Customer's premises when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the ILEC or the Company, including but not limited to the Customer.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 25

2 0 Regulations (Cont'd)

2 1 Undertaking of the Company (Cont'd)

2 1 6 Provision of Equipment and Facilities (Cont'd)

2 1 6 4 The Company shall not be responsible for the installation, operation, or maintenance of any Customer-provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this Tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this Tariff and to the maintenance and operation of such facilities. Beyond this responsibility, the Company shall not be responsible for:

- (a) The transmission of signals by Customer-provided equipment or for the quality of, or defects in, such transmission, or
- (b) The reception of signals by Customer-provided equipment.

2 1 7 Ownership of Facilities

Title to all facilities provided in accordance with this Tariff remains in the ILEC, its agents or contractors.

2 2 Prohibited Uses

The services of the Company shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P O Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 26

2.0 Regulations (Cont'd)2.3 Obligations of the Customer2.3.1 General

The Customer shall be responsible for:

- (a) The payment of all applicable charges pursuant to this Tariff;
- (b) Reimbursing the Company for damage to, or loss of, the Company's or ILEC's facilities or equipment caused by the acts or omissions of the Customer, or the noncompliance by the Customer, with these regulations; or by fire or theft or other casualty on the Customer's premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company. The Company will, upon reimbursement for damages, cooperate with the Customer in prosecuting a claim against the person causing such damage and the Customer shall be subrogated to the Company's right of recovery of damages to the extent of such payment;
- (c) Providing at no charge, as specified from time to time by the Company, any needed personnel, equipment, space and power to operate Company or ILEC facilities and equipment installed on the premises of the Customer;
- (d) Any costs associated with altering the structure to permit installation of the ILEC-provided facilities. The Company may require the Customer to demonstrate its compliance with this Section prior to accepting an order for service;

Issued 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 27

2.0 Regulations (Cont'd)

2.3 Obligations of the Customer (Cont'd)

- (e) Granting or obtaining permission for ILEC or Company agents or employees to enter the premises of the Customer at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of services as stated herein, removing Company or ILEC facilities or equipment;
- (f) Not creating or allowing to be placed or maintained any liens or other encumbrances on the Company's or ILEC's equipment or facilities

2.3.2 Claims

- 2.3.2.1 With respect to any service provided by the Company, the Customer shall indemnify, defend and hold harmless the Company from all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees for:
 - (a) Any loss, destruction or damage to property of the Company or any third party, or the death of or injury to persons, including, but not limited to, employees or invitees of either the Company or the Customer, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees; or

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 28

2.0 Regulations (Cont'd)

2.3 Obligations of Customer (Cont'd)

2.3.2 Claims (Cont'd)

(b) Any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the Customer, including, without limitation, use of the Company's services and facilities in a manner not contemplated by the agreement between the Customer and the Company.

2.3.2.2 Any disputes or controversies arising out of the subject matter of this Tariff, where the Customer or Customers claim damages individually or in the aggregate in excess of \$3,000.00, shall be decided by arbitration. The parties shall select a mutually agreeable arbitrator or, if one can not be mutually agreed upon, then the party with the claim may request the local court in the county in which the claimant resides to appoint an arbitrator in accordance with local law. The decision of the arbitrator will be final.

2.4 Reserved For Future Use

Issued 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 29

2.0 Regulations (Cont'd)

2.5 Payment Arrangements

2.5.1 Payment for Service

The Customer is responsible for payment of all charges for service provided by the Company to the Customer. If an entity other than the Company imposes charges on the Company, in addition to its own internal costs, in connection with a service for which a Company Non-Recurring Charge is specified, those charges may be passed on to the Customer.

2.5.1.1 Taxes

Federal, state, and any local taxes (e.g., gross receipts tax, sales tax, municipal utilities tax) are paid by the Company to the ILEC and are included in the rates stated in this Tariff.

2.5.1.2 Federal Access Charge

The end user common line charge imposed by order of the FCC is paid by the Company to the ILEC and will be charged in addition to the rates stated in this Tariff.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 30

2.0 Regulations (Cont'd)

2.5 Payment Arrangements (Cont'd)

2.5.2 Collection of Charges

- 2.5.2.1 Customers monthly service provided by Company shall be prepaid by Customer for each one-month period.
- 2.5.2.2 The Company shall present a Reminder Notice for Monthly Charges to the Customer in advance of the month for which service is provided.
- 2.5.2.3 For Customers who request service disconnection prior to the expiration of the prepaid service period the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have 30 days.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 31

2.0 Regulations (Cont'd)

2.5 Payment Arrangements (Cont'd)

2.5.3 Disputed Charges

The Customer shall notify the Company of any disputed charges within 30 days of notification of the charges. If the Customer and the Company are unable to resolve the dispute to their mutual satisfaction, the Customer may file a complaint with the State of South Dakota Public Utilities Commission in accordance with the Commission's rules of procedure.

2.5.3.1 The date of the dispute shall be the date the Company receives sufficient documentation to enable it to investigate the dispute. The date of the resolution is the date the Company completes its investigation and notifies the Customer of the disposition of the dispute.

2.5.4 Reserved For Future Use

2.5.5 Security

2.5.5.1 Customer Deposits

The Company does not require deposits from the Customer

Issued 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 32

2 0 Regulations (Cont'd)

2 5 Payment Arrangements (Cont'd)

2 5 6 Expiration of Service

- 2 5 6 1 Customer's service will expire at the expiration of any prepaid service period unless Customer has paid to Company a Service Continuation Fee.

Issued 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 33

2.0 Regulations (Cont'd)

2.5 Payment Arrangements (Cont'd)

2.5.6 Expiration of Service (Cont'd)

2.5.6.2 The Customer's service may expire with the Company not incurring any liability:

2.5.6.2.1 Immediately and without notice if the Company deems that such action is necessary to prevent or to protect against fraud or to otherwise protect its or the ILEC's personnel, agents, facilities or services. The Company may discontinue service pursuant to this subsection 2.5.6.2.1 (a-i) if:

- (a) The Customer refuses to furnish information to the Company regarding the Customer's credit-worthiness, its past or current use of common carrier communications services or its planned use of service(s), or
- (b) The Customer provides false information to the Company regarding the Customer's identity, address, credit-worthiness, past or current use of common carrier communications services, or its planned use of the Company's service(s), or

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 34

2.0 Regulations (Cont'd)

2.5 Payment Arrangements (Cont'd)

2.5.6 Expiration of Service (Cont'd)

2.5.6.2 (Cont'd)

2.5.6.2.1 (Cont'd)

- (c) The Customer has failed to respond to the monthly Reminder Notice nor has paid the Service Reconnection Fee; or
- (d) The Customer uses service to transmit a message, locate a person or otherwise give or obtain information without payment for the service; or

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 35

2.0 Regulations (Cont'd)2.5 Payment Arrangements (Cont'd)2.5.6 Expiration of Service (Cont'd)

2.5.6.2 (Cont'd)

2.5.6.2.1 (Cont'd)

- (e) The Customer uses, or attempts to use, service with the intent to avoid the payment, either in whole or in part, of the tariff charges for the service by:
- (1) Using or attempting to use service by rearranging, tampering with, or making connections to the Company's service not authorized by this Tariff; or
 - (2) Using tricks, schemes, false or invalid numbers, false credit devices, electronic devices; or
 - (3) Any other fraudulent means or devices; or
- (f) The Customer causes toll or any other charge by any entity other than the ILEC to appear on the Company's billing from the ILEC; or
- (g) The service is abandoned by the Customer; or

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 36

2.0 Regulations (Cont'd)

2.5 Payment Arrangements (Cont'd)

2.5.6 Expiration of Service (Cont'd)

2.5.6.2 (Cont'd)

2.5.6.2.1 (Cont'd)

- (h) The service is used in such a manner as to interfere with the service of other users, or
- (i) The service is used for unlawful purposes.

2.5.6.2.2 Seven (7) days after sending the Customer written notice of noncompliance with any provision of this Tariff if the noncompliance is not corrected within that seven (7) day period.

2.5.6.3 The expiration of Customer's service(s) pursuant to this Section does not relieve the Customer of any obligation to pay the Company for charges due and owing for service(s) furnished during the time up to the expiration of service.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 37

2.0 Regulations (Cont'd)

2.5 Payment Arrangements (Cont'd)

2.5.6. Expiration of Service (Cont'd)

2.5.6.4 Upon the Customer's expiration of service under Section 2.5.6.1 or 2.5.6.2, all applicable charges shall become due. This is in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this Tariff.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 38

2.0 Regulations (Cont'd)

2.6 Allowances for Interruptions of Service

2.6.1 Credit for Interruptions When the use of service or facilities furnished by the Company is interrupted due to any cause other than the negligence or willful act of the Customer, or the operation or failure of the facilities or equipment provided by the Customer, a pro rata adjustment of the monthly Recurring Charges subject to interruption will be allowed for the service and facilities rendered useless and inoperative by reason of the interruption whenever said interruption continues for a period of 24 hours or more from the time the interruption is reported to or known to exist by the Company, except as otherwise specified in the Company's tariffs. If the Customer reports a service to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.

2.6.1.1 Credit allowance for the interruption of service which is not due to the ILEC's testing or adjusting, negligence of the Customer, or to the failure of channels or equipment provided by the Customer, are subject to the general liability provisions set forth in Section 2.1.4 herein. It shall be the obligation of the Customer to notify the Company immediately of any interruption in service for which a credit allowance is desired. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission by the Customer within the Customer's control, or is not in wiring or equipment, if any, furnished by the Customer and connected to the Company's or ILEC's facilities.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 39

2.0 Regulations (Cont'd)

2.6 Allowances for Interruptions of Service (Cont'd)

2.6.1 Credit for Interruptions (Cont'd)

- 2.6.1.2 The Customer shall be credited for any interruption in the same proportion that the ILEC credits the Company according to the following formula:

Customer Credit = $A/B \times C$, where:

A = Service credit to the Company from the ILEC

B = Total monthly charge for Customer's service to the Company from the ILEC

C = Monthly charge to the Customer by the Company

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 40

2.0 Regulations (Cont'd)2.6 Allowances for Interruption of Service (Cont'd)2.6.2 Limitations on Allowances

No credit allowance will be made for:

- (a) Interruption due to the negligence of, or noncompliance with the provisions of this Tariff by the Customer, any User, or other common carrier providing service connected to the service of the Company;
- (b) Interruptions due to the negligence of any person other than the Company including, but not limited to, the Customer or other common carrier connected to the Company's facilities;
- (c) Interruptions due to the failure or malfunction of non-Company equipment;
- (d) Interruptions of service during any period in which the Company and the ILEC are not given full and free access to their facilities and equipment for the purpose of investigating and correcting interruptions;
- (e) Interruption of service during a period in which the Customer continues to use the service on an impaired basis;
- (f) Interruptions of service during any period when the Customer has released service to the Company or ILEC for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
- (g) Interruption of service due to circumstances or causes beyond the control of the Company.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 41

2.0 Regulations (Cont'd)

2.7 Cancellation of Service

2.7.1 Cancellation of Application for Service

- 2.7.1.1 Applications for service are noncancelable unless the Company otherwise agrees. Where the Company permits the Customer to cancel an application for service prior to the start of service, no charges will be imposed except for those specified below.
- 2.7.1.2 Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of service ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service begun.
- 2.7.1.3 The special charges described in Section 2.7.1.2 will be calculated and applied on a case-by-case basis.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 42

2.0 Regulations (Cont'd)

2.7 Cancellation of Service (Cont'd)

2.7.2 Cancellation of Service by the Customer

If a Customer cancels a Service Order the Customer agrees to pay to the Company all charges reasonably expended by the Company to establish service to the Customer

2.8 Transfer and Assignments

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company (or the ILEC) without the written consent of the other party, except that the Company may assign its rights and duties (a) to any subsidiary, parent company or affiliate of the Company; (b) pursuant to any sale or transfer of any assets of the Company; or (c) pursuant to any financing, merger or reorganization of the Company.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 43

2.0 Regulations (Cont'd)

2.9 Notices and Communications

- 2.9.1 The Company shall mail or deliver all notices and other communications to the Customer at the service address, unless that Customer designates a separate address to which the Company's monthly Reminder Notice for service shall be mailed. In the case where a separate address for the Reminder Notice has been designated by the Customer, the Company shall also mail or deliver all notices and other communications to the designated separate address.
- 2.9.2 The Company shall designate on any Service Order, and on each Reminder Notice for service, an address to which the Customer shall mail or deliver all notices and other communications, except that Company may designate a separate address on each Reminder Notice for service to which the Customer shall mail payment on that Reminder Notice.
- 2.9.3 All notices or other communications required to be given pursuant to this Tariff will be in writing. Notices and other communications of either party, and all Reminder Notices mailed by the Company, shall be presumed to have been delivered to the other party on the third business day following deposit of the notice, communication or Reminder Notice with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.
- 2.9.4 The Company or the Customer shall advise the other party of any changes to the addresses designated for notices or other communications, by following the procedures for giving notice set forth herein.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 44

3.0 Service Descriptions

- 3.1 Local Exchange Service: The Company's local telephone service provides a Customer with the ability to connect to the ILEC's switching network which enables the Customer to:
- place or receive calls to any calling Station in the local calling area, as defined herein,
 - access enhanced 911 Emergency Service (where available through the ILEC),
 - Access Directory Assistance (as specified in Section 3.2),
 - Access operator services (as specified in Section 3.3),
 - place calls to 8XX telephone numbers.

The Company's service cannot be used to access interexchange carriers for: interLATA, intraLATA, interstate, or international calling; or access caller-paid information services (e.g., 900, 976). All 1+, 0+, 0-, and other numbers used for caller-paid services will be blocked by the Company through the ILEC's switch as permitted by state statute.

- 3.1.1 Service Area: Where facilities are available, the Company's service area incorporates the geographic regions and exchanges currently served by the following ILEC:

US West

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P O Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 45

3.0 Service Descriptions

3.1 Local Exchange Service (Cont'd)

3.1.1 Service Area (Cont'd)

- 3.1.1.1 Local Calling Areas: Exchanges and zones included in the local calling area for the Customer's exchange or zone may be found in the telephone directory published by the ILEC in the Customer's exchange area.

3.1.2 Local Line:

- 3.1.2.1 Standard Features: Local Line provides the Customer with a single, voice-grade communications channel. Each Local Line will include a telephone number.
- 3.1.2.2 Optional Features: A Local Line Customer may order the following optional features, at the rate specified in Section 3.1.2.3.1:

Custom Calling Package
Caller ID

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 46

3.0 Service Descriptions3.1 Local Exchange Service (Cont'd)3.1.2 Local Line (Cont'd)

3.1.2.3 Local Line Rates and Charges: A Local Line Customer will be charged applicable Non-Recurring and Monthly Recurring Charges as specified in Section 3.1.2.3.1 and 3.1.2.3.2 respectively. Local Line charges will vary based on the ILEC providing facilities to the Company in the Customer's exchange.

3.1.2.3.1 One-Time ChargesI L E CUSW

Set-Up Charge (per line)	\$69.00
Custom Calling Package (per line - no charge if included in Customer's original Service Order)	\$20.00
Caller ID (per line, no charge if included in Customer's original Service Order)	\$15.00

3.1.2.3.2 Monthly ChargesI L E CUSW

Local Line - Line Charge (per line)	\$49.95
Custom Calling Package	\$10.00
Caller ID	\$15.00

Issued 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 47

3.0 Service Descriptions (Cont'd)

3.2 Directory Assistance

Customers will have access to Directory Assistance only within the limitations imposed by the presence of the ILEC's toll restriction and billed number screening services as required by state statute.

3.3 Operator Assistance

Customers will have access to local operator services only within the limitations imposed by the presence of the ILEC's toll restriction and billed number screening services and as required by state statute.

3.4 Directory Listings

The Company shall provide for a single directory listing in the telephone directory published by the ILEC in the Customer's exchange area.

3.4.1 In order for listings to appear in an upcoming directory, the Customer must subscribe to service from the Company in time to meet the directory publishing schedule.

3.4.2 Directory listings are provided in connection with each Customer's service as specified herein.

3.4.2.1 Primary Listing. The listing shall include the first initial and last name of the Customer. The listing will not include the Customer's address.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 48

3.4 Directory Listings (Cont'd)

- 3.4.2.2 Nonpublished Listings: A Nonpublished telephone number will be furnished at the Customer's request providing for the omission or deletion of the Customer's telephone listing from the telephone directory and the directory assistance records subject to the provisions set forth in Section 2.1.4.

Charges for Nonpublished Listings are specified in Sections 3.4.2.3 and 3.4.2.4.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 49

3.0 Service Descriptions (Cont'd)3.4 Directory Listings (Cont'd)

3.4.2 (Cont'd)

- 3.4.2.3 One-Time Charges: Non-Recurring charges associated with Directory Listings are as follows:

I L E C
USW

Nonpublished Number \$20.00
(per line - no charge if
included in Customer's
original Service Order)

- 3.4.2.4 Monthly Charges: Monthly Recurring Charges associated with Directory Listings are as follows:

I L E C
USW

Nonpublished Number \$5.00

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President
Sterling International Funding, Inc.
P O Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 50

3.0 Service Descriptions (Cont'd)3.5 Miscellaneous Fixed One-Time Charges

	<u>ILEC</u>
	<u>USW</u>
Change Telephone Number (per line)	\$35.00
Transfer Account to New Address (per line)	\$39.00
Reconnection Fee (per line)	\$39.00
Service Continuation Fee	\$10.00

3.6 Miscellaneous One-Time Charges

- 3.6.1 For any incidental charges which appear on the Company's billing from the ILEC (e.g., directory assistance, call tracing, etc.), the charges are passed through to the Customer plus a handling charge in an amount equal to the incidental charges (with a maximum of \$5.00 per handling charge).
- 3.6.2 For any toll or other unauthorized charges appearing on the Company's billing from the ILEC as defined in Section 2.5.6.2.1 (f), the Customer is billed a handling charge of \$15.00 per ILEC billing.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 51

- 3.7 Emergency Services (Enhanced 911): Allows Customers to reach appropriate emergency services including police, fire and hospital. Enhanced 911 has the ability to selectively route an emergency call to the primary E911 provider so that it reaches the correct emergency service located closest to the caller. In addition, the Customer's address and telephone information will be provided to the primary E911 provider for display at the Public Service Answering Point (PSAP).

4.0 Promotional Offerings

The Company, from time to time, may make promotional offerings of its services which may include waiving or reducing the applicable charges for the promoted service. The promotional offerings may be limited as to the duration, the date and times of the offerings and the locations where the offerings are made.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

NEXT

DOCUMENT (S)

DISREGARD

BACKGROUND

TELEPHONE DISCONNECTED?



Service Restored

FAST

Regardless of back bill!

NO Deposits!
NO Credit Checks!

STANDARD SERVICES:

Unlimited Local Calling • 911 Emergency Access
Access to Toll-Free 800 Numbers

OPTIONAL SERVICES:

Call Waiting • Long Distance Calling Cards
3-way Calling • Non-published Numbers

1-800-RECONEX™

Because Everybody Needs A Phone

For more info, ask our service center representative or
Call **1-800-RECONEX (1-800-732-6639)**

¿TELÉFONO DESCONECTADO?



RECONECTAMOS
SU SERVICIO

RAPIDAMENTE

sin considerar deudas anteriores.

¡Sin depósitos!
¡Sin considerar sus deudas!

SERVICIOS BÁSICOS:

Llamadas locales sin límite • 9-1-1 Emergencias
Números gratis 1-800

SERVICIOS OPCIONALES:

Llamada en espera • Tarjetas para llamadas de larga distancia
Llamadas de 3 vías • Números no publicados

1-800-RECONEX™

Porque todos necesitamos un teléfono

Para más información, llame gratis a su representante o llámenos sin costo:

1-800-RECONEX (1-800-732-6639)

Get Your Phone Service Back with Reconex.

Without a phone? Have you been disconnected? It can be a real inconvenience. Family, friends, even your employer can't get in touch with you. And what about emer-



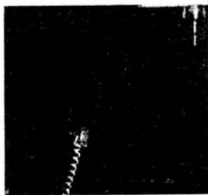
**Service Restored Fast ...
Regardless Of Back Bill!**

Sign-up for pre-paid home phone service with 1-800-RECONEX. There's no deposit, credit check, or I.D. required. In fact, we're not even concerned with back bills you may owe. You'll be making and receiving local calls again whenever you want. Long distance service available through any prepaid calling card.

▶ **NO Deposit!**
▶ **NO Credit Check!**
▶ **NO I.D. Needed!**

Regardless of Previous Payment History!

Don't wait! Someone wants to call you right now. Fill out the simple attached form, make your payment and you'll have phone service in as little as three to five days. Sign up for unlimited, pre-paid local calling from 1-800-RECONEX now.



1-800-RECONEX
Because Everybody Needs A Phone.
(1-800-732-6639)

Your Account Number:

Sign-up today... it's quick and easy!

1-800-RECONEX can get you talking again for as little as \$49.95 per month (plus one-time processing fee).

For your convenience, you can make all your payments at this location!

Cost Of Service

One-time Processing Fee from \$59.95
Call 1-800-RECONEX to verify rate in your state.

Basic Fee Each Month \$49.95
Most areas

Optional Service

- ☐ Call Waiting & 3-Way Calling _____
☐ Long Distance Calling Cards _____
☐ Non-published Numbers _____
☐ Caller I.D. (where available) _____



1-800-RECONEX
Because Everybody Needs A Phone.
(1-800-732-6639)

STERLING INT'L FUNDING, INC.

001887

DATE INVOICE NO COMMENT
09/18/97 CK001887

AMOUNT	DISCOUNT	NET AMOUNT
250.00	.00	250.00

TC97-160

CHECK: 001887 09/18/97 PUBLIC UTILITIES COMM - SD

CHK TOTAL: 250.00

STERLING INT'L FUNDING, INC.
DBA RECONEX
P.O. BOX 5395
PORTLAND, OR 97228-5607



KEY BANK NATIONAL ASSOC.
MEMBER OFFICE
1-800-KEY-1100
24-HR
1234

001887

PAY

*TWO HUNDRED FIFTY DOLLARS AND NO CENTS

DATE

AMOUNT

09/18/97

*****250.00*

TO THE
ORDER OF

PUBLIC UTILITIES COMM - SD

VOID AFTER SIX MONTHS

⑈001887⑈ ⑆123002011⑆ 370841001354⑈

SECURITY FEATURES: MICRO PRINT TOP & BOTTOM BORDERS. COLORED PATTERN. ARTIFICIAL WATERMARK (ON REVERSE SIDE). MISSING FEATURE INDICATES A COPY.

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:

09/19/97 through 09/25/97

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			
TC97-160	Application by Sterling International Funding, Inc. d/b/a Reconex for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/KC) "Petitioner, Sterling International Funding, d/b/a Reconex" is affiliated with Ameritel Corporation, a residential dial tone service provider which has been operating since 1992. As the leader in the prepaid dial tone industry, Applicant and its affiliate, have provided high quality local exchange service to thousands of customers. Reconex is an alternative telephone company primarily furnishing prepaid local dial tone service to individuals who have had their telephone disconnected, have voluntarily left their local exchange provider, or for money management reasons prefer to address their local calling needs in a prepaid fashion at a set fee, which represents their bottom line cost. Applicant proposes to offer service in the area and exchanges currently being served by the existing incumbent local exchange carrier, U S WEST."	09/24/97	10/10/97
TC97-161	Application by SBR, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: TS/CH) "Applicant is a switchless reseller which intends to offer 1+ direct dialing, 800 toll free, and travel card (no prepaid calling cards) service through the resale of telephone services provided by facilities-based interexchange carriers."	09/25/97	10/10/97
SALE OF JEFFERSON TELEPHONE CO. STOCK			
TC97-159	Jefferson Telephone Co. (Jefferson) and Jefferson Communications, LLC jointly apply to the Commission for approval of the sale of the Jefferson stock to Jefferson Communications. Jefferson would continue to operate and provide local telephone service under its existing Certificate of Authority after the stock sale. The sale is scheduled to close by December 31, 1997. FCC approval is not required. Therefore, the applicants respectfully request expedited treatment of this matter by the Commission to permit closing by that date. (Staff: DJ/CH)	09/23/97	10/10/97

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

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

IN THE MATTER OF THE APPLICATION OF)
STERLING INTERNATIONAL FUNDING, INC.)
D/B/A RECONEX FOR A CERTIFICATE OF)
AUTHORITY TO PROVIDE LOCAL)
EXCHANGE TELECOMMUNICATIONS)
SERVICES IN SOUTH DAKOTA)

ORDER DENYING
CERTIFICATE OF
AUTHORITY

TC97-160

On September 24, 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 Sterling International Funding, Inc. d/b/a Reconex (Reconex).

Reconex proposes to offer service in the areas and exchanges currently being served by U S WEST. Reconex is an alternative telephone company primarily furnishing prepaid local dial tone service to individuals who have had their telephone disconnected, have voluntarily left their local exchange provider, or for money management reasons, prefer to address their local calling needs in a prepaid fashion at a set fee. A proposed tariff was filed by Reconex. The Commission has classified long distance service as fully competitive.

On September 25, 1997, the Commission electronically transmitted notice of the filing and the intervention deadline of October 10, 1997, to interested individuals and entities. No petitions to intervene or comments were filed. On October 14, 1997, Commission Staff sent Reconex a request for additional data. Staff never received the requested information. Staff sent a second letter on April 27, 1998, which was returned on April 28, 1998. A copy of the Commission's May 28, 1998, agenda was electronically transmitted to Reconex on May 21, 1998. At its regularly scheduled May 28, 1998, meeting, the Commission considered Reconex's request for a certificate of authority. Commission Staff recommended denying the certificate of authority and closing the docket as Staff had not been able to establish contact with Reconex since the initial filing and had no way of contacting the company.

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

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

Dated at Pierre, South Dakota, this 4th 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 Debra K. Kiebo

Date 6/5/98

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

1-800-RECONEX
Because Everybody Needs A Phone.

June 26, 1998

RECEIVED

JUL 01 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Mr. William Bullard
South Dakota Public Utilities Commission
500 E. Capitol Avenue
Pierre, SD 57501-5070

Re: Application for Rehearing of Order Denying Certificate of Authority.

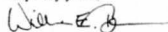
Dear Mr. Bullard:

Enclosed for filing, please find the original plus three (3) copies of the Motion and Order for Application of Rehearing for a Certificate of Authority to provide local exchange telecommunication services on a resold basis in the State of South Dakota.

Please acknowledge receipt of this filing by returning, file-stamped, the extra copy of this cover letter in the self addressed stamped envelope provided.

Thank you in advance for your kind, professional courtesies. Should you have any questions or concerns, please do not hesitate to call my paralegal, Jennifer Sikes, at (503) 982-5585 or me directly at (503) 982-5573.

Very truly yours,



William E. Braun
General Counsel

WEB:jes
Enclosures
S.D./ltr/0623-01

BEFORE THE STATE OF

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

Application of Sterling International Funding, Inc.,)	Application No.
d/b/a Reconex, for a Certificate of Authority)	
to provide local exchange telecommunication)	MOTION AND ORDER
service on a resold basis in the State of)	FOR APPLICATION
South Dakota)	OF REHEARING

COMES NOW Sterling International Funding, Inc., d/b/a Reconex, and respectfully requests the South Dakota Public Utilities Commission to grant an Order for Application for Rehearing. This Motion for Application of Rehearing is supported by the Affidavit of William E. Braun, General Counsel, attached hereto as "Exhibit A". The Application for a Certificate of Authority to provide local exchange telecommunication service on a resold basis in the State of South Dakota, date stamped received on September 24, 1997, by the South Dakota Public Utilities Commission, is attached hereto as "Exhibit B". This request is in compliance with the general rules of practice as set out by South Dakota Administrative Regulation 20:10:01:30.01.

WHEREFORE, Applicant, Sterling International Funding, Inc., d/b/a Reconex, respectfully requests that the Commission enter an order granting an Application of Rehearing for a Certificate of Authority to provide basic local exchange service on a resold basis within the State of South Dakota and granting all other appropriate relief.

Dated at Portland, Oregon this 26th day of June, 1998.

Sterling International Funding, Inc.

By: 
William E. Braun, General Counsel

ORDER

IT IS HEREBY ORDERED that the South Dakota Public Utilities Commission
does hereby:

1. _____ Grant
2. _____ Deny

the Application for Rehearing regarding the Application for Certificate of Authority to
Provide Local Exchange Telecommunications Services in South Dakota to Sterling
International Funding, Inc., d/b/a Reconex.

Dated at Pierre, South Dakota, this ____ day of _____, 1998.

BY ORDER OF THE COMMISSION:

JAMES A. BURG, Chairman

PAM NELSON, Commissioner

LASKA SCHOENFELDER, Commissioner

Submitted by:

William E. Braun, OSB # 91133
General Counsel
Sterling International Funding Inc., d/b/a Reconex
2500 Industrial Way
Hubbard, Oregon 97032
(503) 982-5573
Fax (503) 982-6077

EXHIBIT A

BEFORE THE STATE OF

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

Application of Sterling International Funding, Inc.,)	Application No.
d/b/a Reconex, for a Certificate of Authority)	
to provide local exchange telecommunication)	AFFIDAVIT OF
service on a resold basis in the State of)	WILLIAM E. BRAUN
South Dakota)	

I, William E. Braun, under oath do hereby say and depose that I am the General Counsel for Sterling International Funding, Inc., d/b/a Reconex. I make this affidavit in support of Applicant's Motion and Order for Application of Rehearing.

On or about September 17, 1997 Sterling International Funding, Inc., d/b/a Reconex, submitted an application for a Certificate of Authority to provide local exchange telecommunication service on a resold basis in the State of South Dakota, attached hereto at "Exhibit B". The South Dakota Public Utilities Commission received the above mentioned application on or about September 24, 1997.

On or about June 9, 1998, I received South Dakota Public Utilities Commission Order No. TC97-160, an Order Denying Certificate of Authority, attached hereto as "Exhibit C". The Commission based its denial of said Application on:

1. Applicant's failure to comply or respond to the first request of the Commission for additional information sent on or about October 14, 1997;
2. Applicant's failure to comply or respond to the second request of the Commission for additional information sent on or about April 27, 1998.

On or about June 1, 1998 and again on June 4, 1998 I spoke with Tammi Stanghor, Staff Analyst with the South Dakota Public Utilities Commission, regarding

the denial of the application. I indicated to Ms. Stanghor that I did not receive any correspondence from the Commission since I filed the application, including the correspondence that formed the basis of the denial of our application. Ms. Stanghor indicated that the correspondence of May 2, 1998 was returned to her office unopened and undeliverable to addressee. The October 14, 1997 correspondence was neither returned to the Commission office nor received by myself.

I requested and received, by facsimile, a copy of the envelope that was returned to the Commission, attached hereto as "Exhibit D". You will note that the Post Office correctly placed the change of address sticker on the correspondence. Why the correspondence was then returned to the Commission as opposed to simply being forwarded to our new location is difficult to comprehend. While I am not sure of the significance, please also note that our company name, Sterling International Funding, Inc. was left off the original correspondence from the Commission. This fact may be the reason that the October 14, 1997 correspondence was not delivered, however, in fairness to both parties, without having the original envelope to review, it is impossible to know.

Sterling International Funding, Inc., d/b/a Reconex has received its certificate to provide telecommunication services in thirty-two (32) jurisdictions. I have never failed to respond to a data request, or for that matter, any correspondence, from any Commission during any of the proceedings where we have obtained our certificate nor any pending proceedings. We have never been denied our application. As the Commission is well aware a frequently asked question by regulatory authorities is whether an entity has ever had an application denied. With all the positive work we have

been able to achieve at Reconex, I would hate to have to answer that question in the affirmative because of an error on the part of the United States Post Office.

For the foregoing reasons I would request that the Commission grant this Order for Rehearing. Thereafter, the Commission could resubmit any date requests that it has and, upon receipt of responses satisfactory to the Commission, again set the matter for hearing.

Dated at Portland, Oregon this 26th day of June 1998.

Respectfully Submitted,
Sterling International Funding, Inc.



By: [Signature]
William E. Braun, General Counsel

SWORN AND SUBSCRIBED before me on this 26th day of June 1998.

[Signature]
NOTARY PUBLIC FOR OREGON

EXHIBIT B

RECEIVED

SEP 24 1997

BEFORE THE STATE OF

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

Application of Sterling International Funding, Inc.,)
d/b/a Reconex, for a Certificate of Authority) Application No. _____
to provide local exchange telecommunication)
services on a resold basis in the State of South)
Dakota)

To the South Dakota Public Utilities Commission:

1. IDENTITY OF THE APPLICANT: The name, address, telephone number and FAX number of the Applicant are:

Sterling International Funding, Inc.
d/b/a Reconex
9620 S.W. Barbur Blvd. Suite 330
Portland, Oregon 97219-6000
(503) 244-9059
(503) 452-9495 (FAX).

Applicant has also operated within the preceding five (5) years as Ameritel Corporation with the same address, telephone number and FAX number as above. Applicant has no corporate parent.

Applicant will provide services under the d/b/a Reconex.

2. CONTACT PERSON: The name, title, address, telephone number, and FAX number of the person to whom questions about this Application and all regulatory matters should be addressed is:

William E. Braun
Director of Legal Affairs
9620 S.W. Barbur Blvd. Suite 330
Portland, Oregon 97219-6000
(503) 244-9059 ext. 1246
(503) 452-9495 (FAX)

All general business, operating issues, customer inquiries and customer complaints should be addressed to:

James Wheeler
Vice-President of Operations
6620 S.W. Barbur Blvd. Suite 330
Portland, Oregon 97219-6000
(503) 244-9059 ext. 1218
(503) 452-9495 (FAX)

A toll free 1-800 number is provided for all customer inquiries and complaints.
(1-800-275-8223)

Applicant's registered agent for service of process in the state of South Dakota is:

CT Corporation System
319 S. Couteau Street
Pierre, SD 57501

3. BUSINESS ENTITY:

The Applicant is a corporation in good standing, duly organized and existing under the laws of the State of Nevada. The corporation was formed on December 7, 1995. A copy of Applicant's Certificate of Good Standing is attached hereto as Exhibit "A". Applicant has applied for Certificate of Authority as a foreign corporation to do business within the State of South Dakota and will supply that Certificate to this Commission when it is received.

Todd M. Meislahn is the sole, 100% shareholder of Applicant. His address is 9620 S.W. Barbur Blvd., Suite 330, Portland, Oregon 97219-6000

There exists no corporation, association, partnership, cooperative or individual which holds a 20% or greater ownership or a management interest in the Applicant other than stated above.

Applicant neither owns nor controls any subsidiaries.

4. FINANCIAL:

Attached and submitted as Exhibit "B" is Applicant's financial statements. The financial information provided clearly shows that Applicant possesses sufficient financial resources and abilities to provide local exchange telecommunication services on a resold basis. Applicant is one of the fastest growing local exchange

carriers in the industry. In 1995 revenues grew 54% over 1994 and in 1996 revenues grew 52% over 1995.

Applicant strictly monitors both revenue and expenses. As a result Applicant maintains no outside financing. All growth has been funded out of operations. Consequently, Applicant has sufficient resources, abilities and financial viability to provide local exchange telecommunication services on a resold basis.

Applicant does not issue Annual Reports.

The name, title, address, telephone number, and FAX number of the Applicant's custodian for its accounting records and supporting documents is:

Judy O' Donnell
Controller
9620 S.W. Barbur Blvd., Suite 330
Portland, Oregon 97219-6000
(503) 244-9059
(503) 452-9495 (Fax)

5 DESCRIPTION OF SERVICE/MANAGERIAL EXPERIENCE:

Petitioner, Sterling International Funding, d/b/a Reconex™ is affiliated with Ameritel Corporation, a residential dial tone service provider which has been operating since 1992. As the leader in the prepaid dial tone industry, Applicant and its affiliate, have provided high quality local exchange service to thousands of customers.

Reconex is an alternative telephone company primarily furnishing prepaid local dial tone service to individuals who have had their telephone disconnected, have voluntarily left their local exchange provider, or for money management reasons prefer to address their local calling needs in a prepaid fashion at a set fee, which represents their bottom line cost. We have provided high quality telephone service to literally thousands of otherwise disenfranchised customers who, without our offering, would be entirely without telephone service. Our service is consistent with and promotes the legislative goal of the Telecommunications Act of 1996 of "Universal Service".

Reconex is a non-facilities based reseller of incumbent Local Exchange Carrier (ILEC) service. Our local service package includes unlimited local calling, access to 911 emergency services and 1-800 toll free dialing. Our custom calling package includes 3-way calling, call waiting and caller ID. Reconex owns no switches or transmission equipment. Reconex contracts with the ILEC for local installation. Through a network of Reconex Dealers, the Company maintains a local presence in each market for service orders and payment transactions. Customers have access to customer service representatives through a toll-free 1-

800 number. This local presence combined with the efficiency of a single operations center, located in Portland, Oregon, enables Reconex to provide the highest quality customer service in the most efficient manner.

Reconex and its affiliate are certified to operate as a prepaid dial tone service in the following jurisdictions: Alabama, Arkansas, California, Florida, Texas, Oregon, Wisconsin, Tennessee, Utah and New Jersey. Additionally, Ameritel provides service in ten (10) states. Reconex is pursuing certification in all remaining states. We currently have multiple competitors which include, Fast Connections, Texas-Com South, Georgia-Com South, U.S. Teleco, Telnet, Smoke Signals, Tele Link, E Z Talk, Gtel, DMJ Comm, Local Phone Svc, Austico, American Telephone, Texas Teleconnect and EZ Cellular.

Reconex remains deeply committed to the specialized service standards that were pioneered by Ameritel for serving this unique customer base. These specialized standards include such things as:

1. "High Touch" customer service with live representatives.
2. An extensive, convenient Dealer Network to accommodate customer cash payments.
3. Sophisticated systems for real-time feedback to help each customer manage expense control and reestablish good credit.

Reconex continues to lead the industry with highly reliable telecommunications services by serving the unserved in a manner consistent with their ever changing needs.

Applicant possesses the managerial qualifications to provide local exchange services within the State of South Dakota. The senior management team has guided Applicant's affiliate, Ameritel, from a small start-up in 1992 to the largest alternative residential telephone company in the United States. Ameritel has been publicly recognized as one of the fastest growing private companies in the Pacific Northwest (Exhibit "C").

Applicant's management team is highly qualified, virtually all of its management personnel have prior telecommunications experience. In 1996 this team directed the combined companies to a 59% increase in customer base and 52% increase in revenues.

Reconex senior management is as follows:

Todd Meislahn - President

Mr. Meislahn has been President of Ameritel/Reconex since 1992. Ameritel/Reconex provides local exchange service to thousands of customers in

ten states. For ten years prior to Ameritel/Reconex, Mr. Meislahn was Vice President of Operations for Forentco, Inc., a multistate furniture rental company. Mr. Meislahn graduated cum laude from Lewis and Clark College with a B.S. in Music and Business & Administrative Studies.

Jim Wheeler - Vice President of Operations

Mr. Wheeler joined Ameritel/Reconex in 1995. From 1992 to 1994 he was General Manager for the Hogan Company, a \$10M long distance reseller for Sprint. From 1984 to 1992 Mr. Wheeler worked as Collection Manager for the Boyd Group, owners and operators of six casinos in Las Vegas. From 1981 to 1984 Mr. Wheeler was Operations Manager for Vital Life Corporation, an international vitamin manufacturer and distributor. Mr. Wheeler holds a degree in Business Administration from Northwest Nazarene College.

Joe Brandes - Vice President of Sales & Marketing

Mr. Brandes joined Ameritel/Reconex in 1996. From 1990 to 1996 he was President of ProVision, Inc., a consumer products company manufacturing, marketing, and distributing golf products internationally. From 1987 to 1990 Mr. Brandes was Vice President of Marketing for O'Callahan's Restaurants, Inc., a \$9M multiple unit food and beverage operation. From 1978 to 1987 Mr. Brandes was Director of Marketing Operations and Distribution for Floating Point Systems, a \$150M scientific computer company. Mr. Brandes holds a B.S. in Finance from the University of Oregon and a M.B.A. from the University of Portland.

Judy O'Donnell - Controller

Ms. O'Donnell joined Ameritel/Reconex in 1996. As a Certified Public Accountant for the past 15 years she has provided advisory services related to systems, operations, taxes, financing, and personnel to closely held businesses in Oregon and Washington. From 1986 to 1990 she was a Manager for Laventhal & Horwath, a national accounting firm. From 1990 to 1996 she was a Manager with O'Donnell & Associates, P.C. Ms. O'Donnell holds a B.S. in Business Administration from Portland State University. She is a member of the American Institute of Certified Public Accountants and the Oregon Society of Certified Public Accountants.

Steven Veazie - Information Systems Manager

Mr. Veazie joined Ameritel/Reconex in 1996. From 1994 to 1995 he was Lead Senior Technical Support for PC & Networks at Supra Corporation, a world leader in communication peripherals. From 1990 to 1994 Mr. Veazie was a Computer Science Professor at Western Oregon State College. Mr. Veazie holds a B.S. in Computer Science with a minor in Business and a Masters in Education, both from Western Oregon State College.

William E. Braun - Director of Legal Affairs

Mr. Braun joined Ameritel/Reconex in 1997. Mr. Braun is an attorney licensed to practice in the states of Oregon and California. As an attorney for the past 14 years he has served in a litigation and advisory capacity for private firms, corporations and governmental entities. Mr. Braun holds a B.A. in Political Science from California State University, Long Beach and a J.D. from Northwestern School of Law of Lewis and Clark College. He is a member of the American Bar Association, the Oregon Bar Association and the California Bar Association.

6. TECHNICAL EXPERIENCE

Applicant has demonstrated technical proficiency with regards to the provision of residential telephone services. Since early 1992, Applicant's affiliate, Ameritel, has provided high quality service on a resale basis to residential customers. As indicated earlier Applicant and its affiliate provide intrastate local exchange service in ten states.

Applicant is a pure reseller of residential telecommunications services. Applicant and Ameritel currently provide local exchange service to thousands of customers throughout their collective operating area. Consequently, Applicant possesses the technical qualifications to provide local exchange service on a resale basis.

As a reseller, Applicant will purchase local exchange service from the ILEC. Accordingly, the quality of the local exchange service provided by Applicant will meet or exceed the quality of the service which such customers receive from their current local service provider.

7. SERVICE TERRITORY

Applicant proposes to offer service in the area and exchanges currently being served by the existing incumbent local exchange carrier (ILEC), US West.

8. CUSTOMER BILLING/CUSTOMER SERVICE:

Customer billings are handled by our monthly Service Reminder Notice. The Notice itemizes all charges, is provided fifteen (15) days before payment is due and contains our toll free 1-800 number should our customers have any questions regarding payment. Should payment not be received our customers receive a final notice which allows another ten (10) days to make their payment. Personal contact, by phone, is also made before a customers service will expire.

Applicant is committed to high quality and responsive customer service. Through our toll free 1-800 number our customers can contact our customer service representatives regarding any issues concerning charges for service, repair, quality of service or any other matters that may be critical to our customers. Our

customer service representatives are trained to handle all customer concerns courteously and expeditiously.

Applicant's commitment is borne out by the fact that we have never been the recipient of a consumer complaint filed with any state public utilities commission or public services commission where we are certified to conduct business. Nor have we ever been the recipient of any complaint filed with the Federal Communications Commission.

9. CERTIFICATION/REGISTRATION:

Applicant is fully certified in the following states:

- 1 Alabama
- 2 Arkansas
- 3 California
- 4 Florida
- 5 New Jersey
- 6 Oregon
- 7 Tennessee
- 8 Texas
- 9 Utah
- 10 Wisconsin

Applicant is nearing completion of a nationwide certification filing and has never been denied certification in any jurisdiction in which it has applied.

10. TARIFF

Applicant's Tariff is attached as Exhibit "D".

11. MARKETING

Sterling International Funding, Inc. d/b/a Reconex will market its services through advertising on television, radio and print. In addition, Reconex utilizes a network of local dealers who are responsible for taking new orders as well as accepting payments from existing customers. Our dealers provide a local presence for credibility as well as convenience for the customers.

Prospective customers are instructed to dial our toll free 1-800 number (1-800-RECONEX) whereupon they will be connected with one of our customer service representatives. Our customer service representatives are trained by management and are held to the highest standards of accountability and ethics.

Misrepresentations, deceptive practices, or misleading statements of any nature will not be tolerated. A customer service representative, guilty of such practice would be subject to discipline, with the possibility of termination.

Applicant does not engage in any form of multilevel marketing.

Enclosed are copies of brochures utilized by Applicant. Applicant's target market is the residential customer exclusively.

Applicant's sales and marketing personnel are led by Mr. Joe Brandes, Vice-President of Sales and Marketing whose biography appears above. Mr. Brandes is assisted by a full-time Marketing Manager, a Dealer Representative as well as a Sales and Marketing Assistant.

Applicant also utilizes the services of an outside advertising agency, McKinney, Johnson and Amato.

12. COST SUPPORT:

Applicant requests a waiver of the requirement to show cost support for rates shown in the company tariff as Applicant is a true non-facilities based reseller of the incumbent local exchange carrier, US West service.

WHEREFORE, Applicant, Sterling International Funding, Inc., d/b/a Reconex, respectfully requests that the Commission enter an order granting a Certificate of Authority to provide basic local exchange service on a resold basis within the State of South Dakota and granting all other appropriate relief.

Dated at Portland, Oregon this 17th day of September, 1997.

Sterling International Funding, Inc.

By: 
William E. Braun, Director of Legal Affairs

EXHIBIT
"A"

SECRETARY OF STATE



CERTIFICATE OF EXISTENCE WITH STATUS IN GOOD STANDING

I, DEAN HELLER, the duly elected and qualified Nevada Secretary of State, do hereby certify that I am, by the laws of said State, the custodian of the records relating to filings by corporations, limited-liability companies, limited partnerships, and limited-liability partnerships pursuant to Title 7 of the Nevada Revised Statutes which are either presently in a status of good standing or were in good standing for a time period subsequent of 1976 and am the proper officer to execute this certificate.

I further certify that the records of the Nevada Secretary of State, at the date of this certificate, evidence, **STERLING INTERNATIONAL FUNDING, INC.**, as a corporation duly organized under the laws of Nevada and existing under and by virtue of the laws of the State of Nevada since December 7, 1995, and is in good standing in this state.

IN WITNESS WHEREOF, I have hereunto set my hand
and affixed the Great Seal of State, at my office, in
Carson City, Nevada, on September 4, 1997.



Dean Heller
Secretary of State

By

C. Everett
Certification Clerk

EXHIBIT
"B"

CONFIDENTIAL

2

EXHIBIT
"C"

NEXT

DOCUMENT (S)

DISREGARD

BACKGROUND

EXHIBIT
"D"

LOCAL EXCHANGE SERVICE
REGULATIONS, RULES AND PRICE LIST SCHEDULES
OF
INTRASTATE CHARGES
FOR
STERLING INTERNATIONAL FUNDING, INC.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

LOCAL EXCHANGE SERVICE
REGULATIONS, RULES AND PRICE LIST SCHEDULES
OF
INTRASTATE CHARGES
FOR
STERLING INTERNATIONAL FUNDING, INC.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 2

CHECK SHEET

The sheets of this Tariff are effective as of the date shown on at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original Tariff and are currently in effect as of the date on the bottom of this sheet.

<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>
1	Original	18	Original	35	Original
2	Original	19	Original	36	Original
3	Original	20	Original	37	Original
4	Original	21	Original	38	Original
5	Original	22	Original	39	Original
6	Original	23	Original	40	Original
7	Original	24	Original	41	Original
8	Original	25	Original	42	Original
9	Original	26	Original	43	Original
10	Original	27	Original	44	Original
11	Original	28	Original	45	Original
12	Original	29	Original	46	Original
13	Original	30	Original	47	Original
14	Original	31	Original	48	Original
15	Original	32	Original	49	Original
16	Original	33	Original	50	Original
17	Original	34	Original	51	Original

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

TABLE OF CONTENTS

Title Sheet	1
Check Sheet	2
Table of Contents	3
Applicability	6
Explanation of Symbols	7
Tariff Format	8
1. Definitions	9
2. Regulations	11
2.1 Undertaking of the Company	11
2.1.1 Scope	11
2.1.2 Limitations	11
2.1.3 Terms and Conditions	12
2.1.4 Liability of the Company	13
2.1.5 Notification of Service-Affecting Activities	23
2.1.6 Provision of Equipment and Facilities	24
2.1.7 Ownership of Facilities	25
2.2 Prohibited Uses	25

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

TABLE OF CONTENTS

2.3	Obligations of the Customer	26
2.3.1	General	26
2.3.2	Claims	27
2.4	Reserved For Future Use	28
2.5	Payment Arrangements	29
2.5.1	Payment for Service	29
2.5.2	Collection of Charges	30
2.5.3	Disputed Charges	31
2.5.4	Reserved For Future Use	31
2.5.5	Security	31
2.5.6	Expiration of Service	32
2.6	Allowances for Interruptions of Service	38
2.6.1	Credit for Interruptions	38
2.6.2	Limitations on Allowances	40
2.7	Cancellation of Service	41
2.7.1	Cancellation of Application for Service	41
2.7.2	Cancellation of Service by the Customer	42
2.8	Transfer and Assignments	42
2.9	Notices and Communications	43
3.	Service Descriptions	44

Issued 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

TABLE OF CONTENTS

3.1	Local Exchange Service	44
3.1.1	Service Area	44
3.1.2	Local Line	45
3.2	Directory Assistance	47
3.3	Operator Assistance	47
3.4	Directory Listings	47
3.5	Miscellaneous Fixed One-Time Charges	50
3.6	Miscellaneous Monthly One-Time Charges	50
3.7	Emergency Services (Enhanced 911)	51
4.	Promotional Offerings	51

Issued 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

APPLICABILITY

This price list sets forth the service offerings, rates, terms and conditions applicable to the furnishing of intrastate residential communications services by Sterling International Funding, Inc. to residential Customers within the local exchange service area defined herein.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

EXPLANATION OF SYMBOLS

The following symbols shall be used for the purposes indicated below:

- C - To signify a changed condition or regulation
- D - To signify a discontinued rate, condition, or regulation
- I - To signify an increased rate
- M - To signify move in the location of text
- N - To signify new rate, condition, regulation, or sheet
- O - To signify no change*
- R - To signify reduced rate
- S - To signify matter appearing elsewhere or repeated for clarification
- T - To signify change in text for clarification
- Z - To signify a correction

*The use of the symbol "O" shall be discretionary unless its use in the interest of clarity is evident or specifically requested by the Commission.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

TARIFF FORMAT

- A. Sheet Numbering - Sheet numbers appear in the upper right corner of the sheet. Sheets are numbered sequentially. However, new sheets are occasionally added to the Tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. Sheet Revision Numbers - Revision numbers also appear in the upper right corner of each sheet. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc. the Commission follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff sheet in effect. Consult the Check Sheet for the sheet currently in effect.
- C. Paragraph Numbering Sequence - There are six levels of paragraph coding. Each level of coding is subservient to its next higher level.
- 2
 - 2.1
 - 2.1.1
 - 2.1.1.1
 - 2.1.1.1.1
 - 2.1.1.1.1.1
- D. Check Sheets - When a tariff filing is made with the Commission, an updated Check Sheet accompanies the filing. The Check Sheet lists the sheets contained in the Tariff, with a cross reference to the current revision number. When new sheets are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this sheet if these are the only changes made to it. The Tariff user should refer to the latest Check Sheet to find out if a particular sheet is the most current on file with the Commission.

Issued 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 10

1 0 Definitions (Cont'd)

One-Time Charges: The one-time initial charges for services including, but not limited to, charges for installation and special fees for which the Customer becomes liable at the time the Service Order is executed.

Prepaid: Payment in advance of the provision of services.

Reconnection Fee: A charge to re-establish previous Customer's account.

Reminder Notice: Notification mailed to Customer approximately ten (10) days prior to the expiration of the current prepaid period.

Service Continuation Fee: A one-time charge to extend service beyond the expiration of the prepaid period. Customer may elect to pay fee to avoid a reconnection fee, however Customer will be responsible to pay for all service provided during the service continuation period.

Service Order: The request for local exchange services initiated by the Customer in a format specified by the Company.

Services: The Company's telecommunication services offered to the Customer.

Set-Up Fee: A non-recurring charge to establish the Customer's account.

Station: Telephone equipment from or to which calls are placed.

Three-Way Calling: The User can sequentially call two other people and add them together to make up a three-way call.

User: A Customer or any other person authorized by the Customer to use service provided under this Tariff.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 11

2.0 Regulations

2.1 Undertaking of the Company

2.1.1 Scope

The Company undertakes to furnish communications service on a resale basis in connection with one-way and/or two-way information transmission between points within the State of South Dakota under the terms of this Tariff.

Customers may use services and facilities provided under this Tariff to obtain access to services offered by other service providers. The Company is responsible under this Tariff only for the services provided herein, and it assumes no responsibility for any service provided by any other entity.

2.1.2 Limitations

2.1.2.1 Service is offered subject to the availability of ILEC facilities and the provisions of this Tariff.

2.1.2.2 The Company reserves the right to discontinue furnishing service or limit the use of service necessitated by conditions beyond its control; or when the Customer is using service in violation of the law or the provisions of this Tariff.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 12

2 0 Regulations (Cont'd)

2 1 Undertaking of the Company (Cont'd)

2 1 3 Terms and Conditions

2 1 3 1 Except as otherwise provided herein, service is prepaid and provided on the basis of a minimum period of at least one month, and shall continue to be provided until Customer fails to prepay for the subsequent month pursuant to Company's monthly service Reminder Notice. If Customer does not provide payment prior to the expiration of the prepaid service period Customer's service will be disconnected. Company may, in its sole discretion, extend the service period for up to 10 days to allow Customer to make full payment for the next 30 day period upon payment of a Service Continuation Fee. Unless otherwise specified herein, for the purpose of computing charges in this Tariff, a month is considered to have 30 days. All calculations of dates set forth in this Tariff shall be based on calendar days, unless otherwise specified herein.

2 1 3 2 Customers may be required to enter into written Service Orders which may contain or reference the name of the Customer, a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this Tariff.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 13

2.0 Regulations (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.3 Terms and Conditions (Cont'd)

2.1.3.3 This Tariff shall be interpreted and governed by the laws of the State of South Dakota without regard for the State's choice of laws provision.

2.1.3.4 Another telephone company must not interfere with the right of any person or entity to obtain service directly from the Company.

2.1.3.5 The Customer has no property right to the telephone number or any other call number designation associated with services furnished by the Company. The Company reserves the right to change such numbers, or the central office designation associated with such numbers, or both, assigned to the Customer, whenever the Company deems it necessary to do so in the conduct of its business.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 14

2.0 Regulations (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company

2.1.4.1 The liability of the Company for damages arising out of the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays, or errors, other defects, or representations by the Company, or use of these services or damages arising out of the failure to furnish the service whether caused by acts or omission, shall be limited the extension of allowances for interruption as set forth in Section 2.6 below. The extension of such allowances for interruption shall be the sole remedy of the Customer and the sole liability of the Company. The Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to Customer as a result of any Company service, equipment or facilities, or the acts or omissions or negligence of the Company's employees or agents.

2.1.4.2 The Company's liability for willful misconduct, if established as a result of judicial or administrative proceedings, is not limited by this Tariff. With respect to any claim or suit, by a Customer or by any others, for damages associated with the ordering (including the reservation of any specific number for use with a service), installation (including delays thereof), provision, termination, maintenance, repair, interruption or restoration of any service or facilities offered under this Tariff, and subject to the provisions of Section 2.6, the Company's liability, if any, shall be limited as provided herein.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 15

2 0 Regulations (Cont'd)

2 1 Undertaking of the Company (Cont'd)

2 1 4 Liability of the Company (Cont'd)

2 1 4 3 The Company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes, any law, order, regulation, direction, action or request of the United States government or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation or other instrumentality of any one or more of these federal, state, or local governments, or of any military authority; preemption of existing service in compliance with national emergencies; riots, wars; unavailability of rights-of-way or materials, or strikes, lockouts, work-stoppages, or other labor difficulties.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 16

2.0 Regulations (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company (Cont'd)

2.1.4.4 The Company shall not be liable for:

- (a) Any act or omission of any entity furnishing the Company or the Company's Customers facilities or equipment used for or with the services the Company offers, or
- (b) For the acts or omissions of other common carriers or their employees or agents.

2.1.4.5 The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of Customer-provided equipment or facilities.

2.1.4.6 The Customer shall indemnify and hold the Company harmless from any and all loss, claims, demands, suits or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, condition, location or use of any installation provided by the Company. The Company reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this Section as a condition to such installations.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No 17

2.0 Regulations (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company (Cont'd)

2.1.4.7 The Company shall not be liable for any defacement of or damage to the Customer's premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof, unless such defacement or damage is caused by the willful misconduct of the Company's agents or employees. No agents or employees of other entities shall be deemed to be agents or employees of the Company.

2.1.4.8 Notwithstanding the Customer's obligations as set forth in Section 2.3.2, the Company shall be indemnified, defended, and held harmless by the Customer or by others authorized by it to use the service against any claim, loss or damage arising from Customer's use of services furnished under this Tariff, including:

- (a) Claims for libel, slander, invasion of privacy or infringement of copyright arising from the material, data, information, or other content transmitted via the Company's service, and
- (b) Patent infringement claims arising from combining or connecting the service offered by the Company with apparatus and systems of the Customer or others, and
- (c) All other claims arising out of any act or omission of the Customer or others, in connection with any service provided by the Company pursuant to this Tariff.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 18

2 0 Regulations (Cont'd)

2 1 Undertaking of the Company (Cont'd)

2 1 4 Liability of the Company (Cont'd)

- 2 1 4 9 The entire liability of the Company for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid to the Company by the Customer for the specific services giving rise to the claim, and no action or proceeding against the Company shall be commenced more than one year after the service is rendered.
- 2 1 4 10 The Company makes no warranties or representations, expressed or implied either in fact or by operation of law, statutory or otherwise, including warranties of merchantability or fitness for a particular use, except those expressly set forth herein.
- 2 1 4 11 The Company shall not be liable for any act or omission of any other company or companies furnishing a portion of the service, or for damages associated with service, facilities or equipment which it does not furnish, or for damages which result from the operation of Customer-provided systems, equipment, facilities or services which are interconnected with Company services.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 19

2 0 Regulations (Cont'd)

2 1 Undertaking of the Company (Cont'd)

2 1 4 Liability of the Company (Cont'd)

- 2 1 4 12 The Company does not guarantee nor make any warranty with respect to service installations at locations of which there is present atmosphere that is explosive, prone to fire, dangerous or otherwise unsuitable for such installations. The Customer shall indemnify and hold the Company harmless from any and all loss, claims, demands, suits or other action, or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party, for any personal injury to, or death of, any person or persons, or for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, locations or use of service furnished by the Company at such locations.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 20

2.0 Regulations (Cont'd)2.1 Undertaking of the Company (Cont'd)2.1.4 Liability of the Company (Cont'd)

- 2.1.4.13 The Company shall not be liable for the Customer's failure to fulfill its obligations to take all necessary steps including, without limitation, obtaining, installing and maintaining all necessary equipment, materials and supplies, for interconnecting the Station, terminal equipment or communications system of the Customer, or any third-party acting as its agent, to the ILEC's network. The Customer shall secure all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection. In addition, the Customer shall insure that its equipment and/or system or that of its agent is properly interfaced with the Company's service, that the signals emitted into the ILEC's network are of the proper mode, band-width, power, data speed, and signal level for the intended use of the Customer and in compliance with the criteria set forth in Section 2.1.6 following, and that the signals do not damage Company or ILEC equipment, injure its personnel or degrade service to other Customers. If the Customer or its agent fails to maintain and operate its equipment and/or system or that of its agent properly, with resulting harm to Company or ILEC equipment, personnel, or the quality of service to other Customers, the Company may require the use of protective equipment at the Customer's expense or terminate the Customer's service without liability.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 21

2 0 Regulations (Cont'd)

2 1 Undertaking of the Company (Cont'd)

2 1 4 Liability of the Company (Cont'd)

2 1 4 14 With respect to Emergency Number 911 Service:

- (a) This service is offered solely as part of the resold ILEC service, where available, as an aid in handling assistance calls in connection with fire, police and other emergencies. The Company is not responsible for any losses, claims, demands, suits or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or person for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused by:

- (1) Mistakes, omissions, interruptions, delays, errors or other defects in the provision of this service, or
- (2) Installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of equipment and facilities furnishing this service.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 22

2.0 Regulations (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company (Cont'd)

2.1.4.14 (Cont'd)

- (b) Neither is the Company responsible for any infringement or invasion of the right of privacy of any person or persons, caused or claimed to have been caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, occasion or use of enhanced 911 service features and the equipment associated therewith, or by any services furnished by the Company including, but not limited to, the identification of the telephone number, address or name associated with the telephone used by the party or parties accessing enhanced 911 service, and which arise out of the negligence or other wrongful act of the Company, the Customer, its Users, agencies or municipalities, or the employees or agents of any one of them.

- 2.1.4.15 The Company's liability arising from errors or omissions in Directory Listings, other than charged listings, shall be limited to the amount of actual impairment to the Customer's service. In cases of charged Directory Listings, the liability of the Company shall be limited to an amount not exceeding the amount of charges for the charged listings involved during the period covered by the directory in which the error or omission occurs.

Issued: 9/7/97

Effective: _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 23

2.0 Regulations (Cont'd)2.1 Undertaking of the Company (Cont'd)2.1.4 Liability of the Company (Cont'd)

2.1.4.16 In conjunction with a Nonpublished Listing, as described in Section 3.4.2.2, the Company will not be liable for failure or refusal to complete any call to such telephone when the call is not placed by number. The Company will try to prevent the disclosure of the number of such telephone, but will not be liable should such number be divulged.

2.1.4.17 When a Customer with a Nonpublished Listing as defined herein, places a call to the Emergency 911 Service, the Company will release the name and address of the calling party, where such information can be determined, to the appropriate local governmental authority responsible for the Emergency 911 Service upon request of such governmental authority. By subscribing to service under this Tariff, Customer acknowledges and agrees with the release of information as described above.

2.1.5 Notification of Service-Affecting Activities

The Company will provide the Customer reasonable notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, Company or ILEC equipment or facilities additions, removals or rearrangements and routine preventative maintenance. Generally, such activities are not specific to an individual Customer but affect many Customers' services. No specific advance notification is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable notifications requirements. With some emergency or unplanned service-affecting conditions, such as outage

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 24

2 0 Regulations (Cont'd)

resulting from cable damage, notification to the Customer may not be possible

2 1 Undertaking of the Company (Cont'd)

2 1 6 Provision of Equipment and Facilities

2 1 6 1 The Company shall use reasonable efforts to make available services to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with, the regulations contained in this Tariff. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.

2 1 6 2 The Company shall use reasonable efforts to cause the ILEC to maintain its own facilities which the Company furnishes to the Customer. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair or otherwise interfere with any of the facilities provided by the ILEC or the Company.

2 1 6 3 The Customer shall be responsible for the payment of service charges as set forth herein for visits by the Company's agents or employees to the Customer's premises when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the ILEC or the Company, including but not limited to the Customer.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 25

2.0 Regulations (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.6 Provision of Equipment and Facilities (Cont'd)

2.1.6.4 The Company shall not be responsible for the installation, operation, or maintenance of any Customer-provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this Tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this Tariff and to the maintenance and operation of such facilities. Beyond this responsibility, the Company shall not be responsible for:

- (a) The transmission of signals by Customer-provided equipment or for the quality of, or defects in, such transmission; or
- (b) The reception of signals by Customer-provided equipment.

2.1.7 Ownership of Facilities

Title to all facilities provided in accordance with this Tariff remains in the ILEC, its agents or contractors.

2.2 Prohibited Uses

The services of the Company shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 26

2 0 Regulations (Cont'd)

2 3 Obligations of the Customer

2 3 1 General

The Customer shall be responsible for:

- (a) The payment of all applicable charges pursuant to this Tariff;
- (b) Reimbursing the Company for damage to, or loss of, the Company's or ILEC's facilities or equipment caused by the acts or omissions of the Customer, or the noncompliance by the Customer, with these regulations, or by fire or theft or other casualty on the Customer's premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company. The Company will, upon reimbursement for damages, cooperate with the Customer in prosecuting a claim against the person causing such damage and the Customer shall be subrogated to the Company's right of recovery of damages to the extent of such payment;
- (c) Providing at no charge, as specified from time to time by the Company, any needed personnel, equipment, space and power to operate Company or ILEC facilities and equipment installed on the premises of the Customer;
- (d) Any costs associated with altering the structure to permit installation of the ILEC-provided facilities. The Company may require the Customer to demonstrate its compliance with this Section prior to accepting an order for service;

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 27

2.0 Regulations (Cont'd)

2.3 Obligations of the Customer (Cont'd)

- (e) Granting or obtaining permission for ILEC or Company agents or employees to enter the premises of the Customer at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of services as stated herein, removing Company or ILEC facilities or equipment;
- (f) Not creating or allowing to be placed or maintained any liens or other encumbrances on the Company's or ILEC's equipment or facilities.

2.3.2 Claims

2.3.2.1 With respect to any service provided by the Company, the Customer shall indemnify, defend and hold harmless the Company from all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees for:

- (a) Any loss, destruction or damage to property of the Company or any third party, or the death of or injury to persons, including, but not limited to, employees or invitees of either the Company or the Customer, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees, or

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 28

2.0 Regulations (Cont'd)

2.3 Obligations of Customer (Cont'd)

2.3.2 Claims (Cont'd)

- (b) Any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the Customer, including, without limitation, use of the Company's services and facilities in a manner not contemplated by the agreement between the Customer and the Company.

- 2.3.2.2 Any disputes or controversies arising out of the subject matter of this Tariff, where the Customer or Customers claim damages individually or in the aggregate in excess of \$3,000.00, shall be decided by arbitration. The parties shall select a mutually agreeable arbitrator or, if one can not be mutually agreed upon, then the party with the claim may request the local court in the county in which the claimant resides to appoint an arbitrator in accordance with local law. The decision of the arbitrator will be final.

2.4 Reserved For Future Use

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 29

2.0 Regulations (Cont'd)

2.5 Payment Arrangements

2.5.1 Payment for Service

The Customer is responsible for payment of all charges for service provided by the Company to the Customer. If an entity other than the Company imposes charges on the Company, in addition to its own internal costs, in connection with a service for which a Company Non-Recurring Charge is specified, those charges may be passed on to the Customer.

2.5.1.1 Taxes

Federal, state, and any local taxes (e.g., gross receipts tax, sales tax, municipal utilities tax) are paid by the Company to the ILEC and are included in the rates stated in this Tariff.

2.5.1.2 Federal Access Charge

The end user common line charge imposed by order of the FCC is paid by the Company to the ILEC and will be charged in addition to the rates stated in this Tariff.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 30

2.0 Regulations (Cont'd)

2.5 Payment Arrangements (Cont'd)

2.5.2 Collection of Charges

- 2.5.2.1 Customers monthly service provided by Company shall be prepaid by Customer for each one-month period.
- 2.5.2.2 The Company shall present a Reminder Notice for Monthly Charges to the Customer in advance of the month for which service is provided.
- 2.5.2.3 For Customers who request service disconnection prior to the expiration of the prepaid service period the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have 30 days.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 31

2.0 Regulations (Cont'd)

2.5 Payment Arrangements (Cont'd)

2.5.3 Disputed Charges

The Customer shall notify the Company of any disputed charges within 30 days of notification of the charges. If the Customer and the Company are unable to resolve the dispute to their mutual satisfaction, the Customer may file a complaint with the State of South Dakota Public Utilities Commission in accordance with the Commission's rules of procedure.

2.5.3.1 The date of the dispute shall be the date the Company receives sufficient documentation to enable it to investigate the dispute. The date of the resolution is the date the Company completes its investigation and notifies the Customer of the disposition of the dispute.

2.5.4 Reserved For Future Use

2.5.5 Security

2.5.5.1 Customer Deposits

The Company does not require deposits from the Customer.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 32

2.0 Regulations (Cont'd)

2.5 Payment Arrangements (Cont'd)

2.5.6 Expiration of Service

- 2.5.6.1 Customer's service will expire at the expiration of any prepaid service period unless Customer has paid to Company a Service Continuation Fee.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 33

2.0 Regulations (Cont'd)

2.5 Payment Arrangements (Cont'd)

2.5.6 Expiration of Service (Cont'd)

2.5.6.2 The Customer's service may expire with the Company not incurring any liability:

2.5.6.2.1 Immediately and without notice if the Company deems that such action is necessary to prevent or to protect against fraud or to otherwise protect its or the ILEC's personnel, agents, facilities or services. The Company may discontinue service pursuant to this subsection 2.5.6.2.1 (a-i) if:

- (a) The Customer refuses to furnish information to the Company regarding the Customer's credit-worthiness, its past or current use of common carrier communications services or its planned use of service(s); or
- (b) The Customer provides false information to the Company regarding the Customer's identity, address, credit-worthiness, past or current use of common carrier communications services, or its planned use of the Company's service(s); or

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 34

2 0 Regulations (Cont'd)

2 5 Payment Arrangements (Cont'd)

2 5 6 Expiration of Service (Cont'd)

2 5 6 2 (Cont'd)

2 5 6 2 1 (Cont'd)

- (c) The Customer has failed to respond to the monthly Reminder Notice nor has paid the Service Reconnection Fee; or
- (d) The Customer uses service to transmit a message, locate a person or otherwise give or obtain information without payment for the service; or

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 35

2 0 Regulations (Cont'd)

2 5 Payment Arrangements (Cont'd)

2 5 6 Expiration of Service (Cont'd)

2 5 6 2 (Cont'd)

2 5 6 2.1 (Cont'd)

- (e) The Customer uses, or attempts to use, service with the intent to avoid the payment, either in whole or in part, of the tariffed charges for the service by:
 - (1) Using or attempting to use service by rearranging, tampering with, or making connections to the Company's service not authorized by this Tariff, or
 - (2) Using tricks, schemes, false or invalid numbers, false credit devices, electronic devices; or
 - (3) Any other fraudulent means or devices; or
- (f) The Customer causes toll or any other charge by any entity other than the ILEC to appear on the Company's billing from the ILEC; or
- (g) The service is abandoned by the Customer, or

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 36

2.0 Regulations (Cont'd)

2.5 Payment Arrangements (Cont'd)

2.5.6 Expiration of Service (Cont'd)

2.5.6.2 (Cont'd)

2.5.6.2.1 (Cont'd)

- (h) The service is used in such a manner as to interfere with the service of other users; or
- (i) The service is used for unlawful purposes.

2.5.6.2.2 Seven (7) days after sending the Customer written notice of noncompliance with any provision of this Tariff if the noncompliance is not corrected within that seven (7) day period.

2.5.6.3 The expiration of Customer's service(s) pursuant to this Section does not relieve the Customer of any obligation to pay the Company for charges due and owing for service(s) furnished during the time up to the expiration of service.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 37

2.0 Regulations (Cont'd)

2.5 Payment Arrangements (Cont'd)

2.5.6 Expiration of Service (Cont'd)

- 2.5.6.4 Upon the Customer's expiration of service under Section 2.5.6.1 or 2.5.6.2, all applicable charges shall become due. This is in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this Tariff.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 38

2.0 Regulations (Cont'd)2.6 Allowances for Interruptions of Service

2.6.1 Credit for Interruptions When the use of service or facilities furnished by the Company is interrupted due to any cause other than the negligence or willful act of the Customer, or the operation or failure of the facilities or equipment provided by the Customer, a pro rata adjustment of the monthly Recurring Charges subject to interruption will be allowed for the service and facilities rendered useless and inoperative by reason of the interruption whenever said interruption continues for a period of 24 hours or more from the time the interruption is reported to or known to exist by the Company, except as otherwise specified in the Company's tariffs. If the Customer reports a service to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.

2.6.1.1 Credit allowance for the interruption of service which is not due to the ILEC's testing or adjusting, negligence of the Customer, or to the failure of channels or equipment provided by the Customer, are subject to the general liability provisions set forth in Section 2.1.4 herein. It shall be the obligation of the Customer to notify the Company immediately of any interruption in service for which a credit allowance is desired. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission by the Customer within the Customer's control, or is not in wiring or equipment, if any, furnished by the Customer and connected to the Company's or ILEC's facilities.

Issued 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 39

2.0 Regulations (Cont'd)

2.6 Allowances for Interruptions of Service (Cont'd)

2.6.1 Credit for Interruptions (Cont'd)

- 2.6.1.2 The Customer shall be credited for any interruption in the same proportion that the ILEC credits the Company according to the following formula:

Customer Credit = $A/B \times C$, where:

A = Service credit to the Company from the ILEC

B = Total monthly charge for Customer's service to the Company from the ILEC

C = Monthly charge to the Customer by the Company

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 40

2.0 Regulations (Cont'd)

2.6 Allowances for Interruption of Service (Cont'd)

2.6.2 Limitations on Allowances

No credit allowance will be made for:

- (a) Interruption due to the negligence of, or noncompliance with the provisions of this Tariff by the Customer, any User, or other common carrier providing service connected to the service of the Company;
- (b) Interruptions due to the negligence of any person other than the Company including, but not limited to, the Customer or other common carrier connected to the Company's facilities;
- (c) Interruptions due to the failure or malfunction of non-Company equipment;
- (d) Interruptions of service during any period in which the Company and the ILEC are not given full and free access to their facilities and equipment for the purpose of investigating and correcting interruptions;
- (e) Interruption of service during a period in which the Customer continues to use the service on an impaired basis;
- (f) Interruptions of service during any period when the Customer has released service to the Company or ILEC for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
- (g) Interruption of service due to circumstances or causes beyond the control of the Company.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 41

2.0 Regulations (Cont'd)

2.7 Cancellation of Service

2.7.1 Cancellation of Application for Service

- 2.7.1.1 Applications for service are noncancelable unless the Company otherwise agrees. Where the Company permits the Customer to cancel an application for service prior to the start of service, no charges will be imposed except for those specified below.
- 2.7.1.2 Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of service ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service begun.
- 2.7.1.3 The special charges described in Section 2.7.1.2 will be calculated and applied on a case-by-case basis.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 42

2.0 Regulations (Cont'd)

2.7 Cancellation of Service (Cont'd)

2.7.2 Cancellation of Service by the Customer

If a Customer cancels a Service Order the Customer agrees to pay to the Company all charges reasonably expended by the Company to establish service to the Customer.

2.8 Transfer and Assignments

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company (or the ILEC) without the written consent of the other party, except that the Company may assign its rights and duties (a) to any subsidiary, parent company or affiliate of the Company; (b) pursuant to any sale or transfer of any assets of the Company; or (c) pursuant to any financing, merger or reorganization of the Company.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 43

2.0 Regulations (Cont'd)2.9 Notices and Communications

- 2.9.1 The Company shall mail or deliver all notices and other communications to the Customer at the service address, unless that Customer designates a separate address to which the Company's monthly Reminder Notice for service shall be mailed. In the case where a separate address for the Reminder Notice has been designated by the Customer, the Company shall also mail or deliver all notices and other communications to the designated separate address.
- 2.9.2 The Company shall designate on any Service Order, and on each Reminder Notice for service, an address to which the Customer shall mail or deliver all notices and other communications, except that Company may designate a separate address on each Reminder Notice for service to which the Customer shall mail payment on that Reminder Notice.
- 2.9.3 All notices or other communications required to be given pursuant to this Tariff will be in writing. Notices and other communications of either party, and all Reminder Notices mailed by the Company, shall be presumed to have been delivered to the other party on the third business day following deposit of the notice, communication or Reminder Notice with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.
- 2.9.4 The Company or the Customer shall advise the other party of any changes to the addresses designated for notices or other communications, by following the procedures for giving notice set forth herein.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 44

3.0 Service Descriptions

3.1 Local Exchange Service: The Company's local telephone service provides a Customer with the ability to connect to the ILEC's switching network which enables the Customer to:

- place or receive calls to any calling Station in the local calling area, as defined herein,
- access enhanced 911 Emergency Service (where available through the ILEC),
- Access Directory Assistance (as specified in Section 3.2);
- Access operator services (as specified in Section 3.3);
- place calls to 8XX telephone numbers.

The Company's service cannot be used to access interexchange carriers for: interLATA, intraLATA, interstate, or international calling; or access caller-paid information services (e.g., 900, 976). All 1+, 0+, 0-, and other numbers used for caller-paid services will be blocked by the Company through the ILEC's switch as permitted by state statute.

3.1.1 Service Area: Where facilities are available, the Company's service area incorporates the geographic regions and exchanges currently served by the following ILEC:

US West

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 45

3.0 Service Descriptions

3.1 Local Exchange Service (Cont'd)

3.1.1 Service Area (Cont'd)

- 3.1.1.1 Local Calling Areas: Exchanges and zones included in the local calling area for the Customer's exchange or zone may be found in the telephone directory published by the ILEC in the Customer's exchange area.

3.1.2 Local Line

- 3.1.2.1 Standard Features: Local Line provides the Customer with a single, voice-grade communications channel. Each Local Line will include a telephone number.

- 3.1.2.2 Optional Features: A Local Line Customer may order the following optional features, at the rate specified in Section 3.1.2.3.1:

Custom Calling Package
Caller ID

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 46

3.0 Service Descriptions3.1 Local Exchange Service (Cont'd)3.1.2 Local Line (Cont'd)

- 3.1.2.3 Local Line Rates and Charges: A Local Line Customer will be charged applicable Non-Recurring and Monthly Recurring Charges as specified in Section 3.1.2.3.1 and 3.1.2.3.2 respectively. Local Line charges will vary based on the ILEC providing facilities to the Company in the Customer's exchange.

3.1.2.3.1 One-Time Charges

	<u>I L E C</u>
	<u>USW</u>
Set-Up Charge	\$69.00
(per line)	
Custom Calling Package	\$20.00
(per line - no charge if included in Customer's original Service Order)	
Caller ID	\$15.00
(per line, no charge if included in Customer's original Service Order)	

3.1.2.3.2 Monthly Charges

	<u>I L E C</u>
	<u>USW</u>
Local Line - Line Charge	\$49.95
(per line)	
Custom Calling Package	\$10.00
Caller ID	\$15.00

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 47

3.0 Service Descriptions (Cont'd)

3.2 Directory Assistance

Customers will have access to Directory Assistance only within the limitations imposed by the presence of the ILEC's toll restriction and billed number screening services as required by state statute.

3.3 Operator Assistance

Customers will have access to local operator services only within the limitations imposed by the presence of the ILEC's toll restriction and billed number screening services and as required by state statute.

3.4 Directory Listings

The Company shall provide for a single directory listing in the telephone directory published by the ILEC in the Customer's exchange area.

3.4.1 In order for listings to appear in an upcoming directory, the Customer must subscribe to service from the Company in time to meet the directory publishing schedule.

3.4.2 Directory listings are provided in connection with each Customer's service as specified herein:

3.4.2.1 Primary Listing: The listing shall include the first initial and last name of the Customer. The listing will not include the Customer's address.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 48

3.4 Directory Listings (Cont'd)

- 3.4.2.2 Nonpublished Listings A Nonpublished telephone number will be furnished at the Customer's request providing for the omission or deletion of the Customer's telephone listing from the telephone directory and the directory assistance records subject to the provisions set forth in Section 2.1.4.

Charges for Nonpublished Listings are specified in Sections 3.4.2.3 and 3.4.2.4.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 49

3.0 Service Descriptions (Cont'd)3.4 Directory Listings (Cont'd)

3.4.2 (Cont'd)

- 3.4.2.3
- One-Time Charges
- : Non-Recurring charges associated with Directory Listings are as follows:

ILLFC
USWNonpublished Number \$20.00
(per line - no charge if
included in Customer's
original Service Order)

- 3.4.2.4
- Monthly Charges
- : Monthly Recurring Charges associated with Directory Listings are as follows:

ILLEC
USW

Nonpublished Number \$5.00

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 50

3.0 Service Descriptions (Cont'd)3.5 Miscellaneous Fixed One-Time Charges

	<u>I L E C</u>
	<u>USW</u>
Change Telephone Number (per line)	\$35.00
Transfer Account to New Address (per line)	\$39.00
Reconnection Fee (per line)	\$39.00
Service Continuation Fee	\$10.00

3.6 Miscellaneous One-Time Charges

- 3.6.1 For any incidental charges which appear on the Company's billing from the ILEC (e.g., directory assistance, call tracing, etc.), the charges are passed through to the Customer plus a handling charge in an amount equal to the incidental charges (with a maximum of \$5.00 per handling charge).
- 3.6.2 For any toll or other unauthorized charges appearing on the Company's billing from the ILEC as defined in Section 2.5.6.2.1 (f), the Customer is billed a handling charge of \$15.00 per ILEC billing.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

SD U-1

Original Sheet No. 51

- 3.7 Emergency Services (Enhanced 911): Allows Customers to reach appropriate emergency services including police, fire and hospital. Enhanced 911 has the ability to selectively route an emergency call to the primary E911 provider so that it reaches the correct emergency service located closest to the caller. In addition, the Customer's address and telephone information will be provided to the primary E911 provider for display at the Public Service Answering Point (PSAP).

4.0 Promotional Offerings

The Company, from time to time, may make promotional offerings of its services which may include waiving or reducing the applicable charges for the promoted service. The promotional offerings may be limited as to the duration, the date and times of the offerings and the locations where the offerings are made.

Issued: 9/7/97

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
P.O. Box 5395
Portland, Oregon 97228-5395

001, 4A, 6403

NEXT

DOCUMENT (S)

DISREGARD

BACKGROUND

TELEPHONE DISCONNECTED?



Service Restored

FAST

Regardless of back bill!

NO Deposits!
NO Credit Checks!

STANDARD SERVICES:

Unlimited Local Calling • 911 Emergency Access
Access to Toll-Free 800 Numbers

OPTIONAL SERVICES:

Call Waiting • Long Distance Calling Cards
3-way Calling • Non-published Numbers

1-800-RECONEX™

Because Everybody Needs A Phone

For more info, ask our service center representative or
Call **1-800-RECONEX (1-800-732-6639)**

¿TELEFONO DESCONECTADO?



RECONECTAMOS
SU SERVICIO

RAPIDAMENTE

sin considerar deudas anteriores.

¡Sin depósitos!
¡Sin considerar sus deudas!

SERVICIOS BÁSICOS:

Llamadas locales sin límite • 9-1-1 Emergencias
Números gratis 1-800

SERVICIOS OPCIONALES:

Llamada en espera • Tarjetas para llamadas de larga distancia
Llamadas de 3 vías • Números no publicados

1-800-RECONEX™

Porque todos necesitamos un teléfono

Para más información, llame gratis a su representante o llámenos sin costo:

1-800-RECONEX (1-800-732-6639)

Name (First, middle initial, last)

Address

City

State

Zip

Security I.D. (First four digits of Social Security number)

It's easy to apply!

After your payment is received, you'll have phone service in three to five working days. Your first bill will be due the date your service is activated. Monthly service bills will be due on the date of service activation. Accounts not paid in full by the due date are subject to disconnection.

Signature _____

Date ____/____/____

Your Account Number:

To our new customers,

Reconex is America's oldest and largest alternative phone company. Our professional staff will treat you with courtesy and process your application quickly. Our state-of-the-industry equipment and systems ensure that your phone service will be maintained to the highest standards.

Keeping you a satisfied customer is our key goal. The fact that over 30% of our new accounts have been referred by satisfied customers is good indication we are achieving that goal.

We look forward to serving you!

Todd Meislabin
President



Sign up for
your phone
service today!

1-800-RECONEX
Because Everybody Needs A Phone.

1-800-RECONEX

Because Everybody Needs A Phone.



EXHIBIT C

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

IN THE MATTER OF THE APPLICATION OF) STERLING INTERNATIONAL FUNDING, INC.) D/B/A RECONEX FOR A CERTIFICATE OF) AUTHORITY TO PROVIDE LOCAL) EXCHANGE TELECOMMUNICATIONS) SERVICES IN SOUTH DAKOTA)	ORDER DENYING CERTIFICATE OF AUTHORITY TC97-160
--	--

On September 24, 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 Sterling International Funding, Inc. d/b/a Reconex (Reconex).

Reconex proposes to offer service in the areas and exchanges currently being served by U S WEST. Reconex is an alternative telephone company primarily furnishing prepaid local dial tone service to individuals who have had their telephone disconnected, have voluntarily left their local exchange provider, or for money management reasons, prefer to address their local calling needs in a prepaid fashion at a set fee. A proposed tariff was filed by Reconex. The Commission has classified long distance service as fully competitive.

On September 25, 1997, the Commission electronically transmitted notice of the filing and the intervention deadline of October 10, 1997, to interested individuals and entities. No petitions to intervene or comments were filed. On October 14, 1997, Commission Staff sent Reconex a request for additional data. Staff never received the requested information. Staff sent a second letter on April 27, 1998, which was returned on April 28, 1998. A copy of the Commission's May 28, 1998, agenda was electronically transmitted to Reconex on May 21, 1998. At its regularly scheduled May 28, 1998, meeting, the Commission considered Reconex's request for a certificate of authority. Commission Staff recommended denying the certificate of authority and closing the docket as Staff had not been able to establish contact with Reconex since the initial filing and had no way of contacting the company.

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

ORDERED that Reconex's application for a certificate of authority is hereby denied.

Dated at Pierre, South Dakota, this 4th 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 <u><i>Helaine Kalbo</i></u>
Date <u>6/5/98</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenelder
LASKA SCHOENELDER, Commissioner

EXHIBIT D



Public Utilities Commission

RETURN SERVICE REQUESTED

Sterling
William Braun

Director of Legal Affairs
9620 S.W. Barbur BLVD, Suite 330
Portland, Oregon 97219

STEREO 972193044 1200 15 05/02/90
RETURN TO SENDER
STERLING INTERNATIONAL
PO BOX 9
HUBBARD OR 97032-0009
RETURN TO SENDER

97219-6000 43

100

TC97-100	Sterling International Funding, Inc. d/b/a Reconex requests the Commission grant an Order for Application for Rehearing for a Certificate of Authority to provide basic local exchange service on a resold basis within South Dakota. The motion is supported by the Affidavit of William E. Braun, General Counsel. (Staff: TS/KC)	07/01/98	
----------	---	----------	--

You may receive this listing and other PUC publications via our website or via internet e-mail. You may subscribe to the PUC mailing list at <http://www.state.sd.us/state/executive/puc/puc.htm>

PAGE 2 OF 2

South Dakota Public Utilities Commission State Capitol 500 E. Capitol Pierre, SD 57501-5070 Phone: (605) 773-3705 Fax: (605) 773-3809		TELECOMMUNICATIONS SERVICE FILINGS These are the telecommunications service filings that the Commission has received for the period of: 06/26/98 through 07/02/98 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			
TC98-122	Application by ST Long Distance, Inc. for a Certificate of Authority to operate as a telecommunications company within the state of South Dakota. (Staff: DJ/EM) "The Applicant proposes to resell Message Toll Service, inbound Wide Area Telecommunications Service (800/888) and calling card services."	06/29/98	07/17/98
FORMAL COMPLAINT FILED			
TC98-123	Susan Schamber vs DTG Internet Services. "We have been internet customers of DTG since Feb 11, 1998. We had very good service until the end of March. At that time our internet began cutting out on us approximately every 2 minutes. DTG has record of how long our connection times were. We have made numerous calls to both DTG and our phone company, Golden West, trying to find out what the problem is and getting it resolved...Golden West tells me DTG has new modems and these modems can't keep up with the demand and DTG says they've had the modems since November with no problems until this time." What do you think the Commission should do to solve this problem? "We would like to know who is disconnecting our internet. We aren't getting straight answers. DTG should also quit advertising the \$14.95 unlimited rate if they can't give that service. I also want our bill credited since we are not receiving adequate service." (Staff: SW/KC)	06/09/98	
TC98-124	Don and Jenny Malsom vs U S WEST Communications. The problem with the telephone line goes "back at least 10" years. The sheriff's office receives 911 calls from their location when none were dialed, noise on the line is reported to U S WEST and when the repairman checks the line it is okay. Caller ID does not work, and calls can not "get thru to us." What do you think the Commission should do to solve this problem? "We are told we need new telephone lines - our equipment is too outdated - we request modern equipment like all others are on." (Staff: SW/KC)	06/29/98	
NONCOMPETITIVE TELECOMMUNICATIONS FILING			
TC98-125	U S WEST Communications filed "to remove the availability of three digit Carrier Identification Codes (CICs) from the Access Services Tariff per the Federal Communications Commission's order in Docket CC92-237. Effective July 1, 1998, only four digit CICs, 10XXXX and 101XXX dialing patterns will be permitted." (Staff: HB/EM)	07/01/98	07/17/98
APPLICATION FOR REHEARING			

PAGE 1 OF 2

July 28, 1998

Ms. Tammi Stanghor, Staff Analyst
South Dakota Public Utilities Commission
500 E. Capitol Avenue
Pierre, SD 57501-5070

RECEIVED

JUL 31 1998

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

Re: *Application for a Certificate of Authority to Provide Local Exchange
Telecommunication Services on a Resold Basis in the State of South
Dakota.*

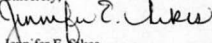
Dear Ms. Stanghor:

Thank you for your time and attendance at the South Dakota Public Utilities Commission Meeting wherein our Motion and Order for Application of Rehearing for a Certificate of Authority to provide local exchange telecommunication services on a resold basis in the State of South Dakota was heard and granted.

It is my understanding that the Commission will be requesting additional information from 1-800-Reconex, Inc. Please address all correspondence to my attention at 2500 Industrial Avenue, Hubbard, Oregon 97032 or by facsimile to 503-982-6077. I am looking forward to working with you regarding the above referenced matter.

Thank you in advance for your kind, professional courtesies. Should you have any questions or concerns, please do not hesitate to call me directly at (503) 982-5585.

Sincerely,


Jennifer E. Wikes
Paralegal

cc: Karen Cremer
William Bullard
File
SD/Correspondence/0728-01

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

IN THE MATTER OF THE APPLICATION BY)	ORDER GRANTING MOTION
STERLING INTERNATIONAL FUNDING, INC.)	FOR APPLICATION OF
D/B/A RECONEX FOR A CERTIFICATE OF)	REHEARING FOR A
AUTHORITY TO PROVIDE)	CERTIFICATE OF
TELECOMMUNICATIONS SERVICES IN)	AUTHORITY
SOUTH DAKOTA)	TC97-160

On September 24, 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 Sterling International Funding, Inc. d/b/a Reconex (Reconex).

Reconex proposed to offer service in the areas and exchanges currently being served by U S WEST. Reconex is an alternative telephone company primarily furnishing prepaid local dial tone service to individuals who have had their telephone disconnected, have voluntarily left their local exchange provider, or for money management reasons, prefer to address their local calling needs in a prepaid fashion at a set fee. A proposed tariff was filed by Reconex. The Commission has classified long distance service as fully competitive.

On September 25, 1997, the Commission electronically transmitted notice of the filing and the intervention deadline of October 10, 1997, to interested individuals and entities. No petitions to intervene or comments were filed. On October 14, 1997, Commission Staff sent Reconex a request for additional data. Staff never received the requested information. Staff sent a second letter on April 27, 1998, which was returned on April 28, 1998. A copy of the Commission's May 28, 1998, agenda was electronically transmitted to Reconex on May 21, 1998. At its regularly scheduled May 28, 1998, meeting, the Commission considered Reconex's request for a certificate of authority. Pursuant to ARSD 20:10:24:03, Commission Staff recommended denying the certificate of authority and closing the docket as Staff had not been able to establish contact with Reconex since the initial filing and had no way of contacting the company. The Commission found that Reconex had not met the legal requirements established for the granting of a certificate of authority. Reconex had not, in accordance with SDCL 49-31-3, demonstrated sufficient technical, financial and managerial capabilities to offer telecommunications services in South Dakota. The Commission voted to deny Reconex's application for a certificate of authority. On July 1, 1998, Reconex filed a Motion for Application of Rehearing for a Certificate of Authority.

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. On July 23, 1998, at its regularly scheduled meeting, the Commission voted to grant the Motion for Application of Rehearing for a Certificate of Authority. It is therefore

ORDERED, that Reconex's Motion for Application of Rehearing for a Certificate of Authority is hereby granted.

Dated at Pierre, South Dakota, this 14th day of August, 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 facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By

Melanie Kelbo

Date

8/14/98

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

1-800-RECONEX

Because Everybody Needs A Phone.

August 13, 1998

Ms. Tammi Stanghor, Staff Analyst
South Dakota Public Utilities Commission
500 E. Capitol Avenue
Pierre, SD 57501-5070

RECEIVED
AUG 24 1998
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Re: *SD PUC docket TC 97-160: Application of Sterling International Funding d/b/a 1-800-Reconex, Inc.*

Dear Ms. Stanghor:

In response to your letter dated July 28, 1998, please review the following items to aid in the process of reviewing the financial, technical and managerial capabilities of Sterling International Funding, Inc. d/b/a Reconex (hereinafter "Reconex").

- 1) Enclosed please find the original plus ten (10) insert pages for application SD PUC docket TC 97-160, the application received by your office on September 24, 1997, with Sterling International Funding, Inc., d/b/a Reconex's current address and phone numbers.
- 2) Enclosed please find the certificate of authority from South Dakota's Secretary of State's office.
- 3) Enclosed please find insert pages for the revisions to the tariff in case the customer cannot resolve a complaint at the company level.
- 4) The Reconex customer does not have a phone so we do not actually "switch" customers from either the ILCE or another CLEC to Reconex. In provisioning service to our customers we use the standard Local Service Request form (LSR) as defined by the Ordering and Billing Forum (OBF).
- 5) As stated in number 4 above, the Reconex customer does not have a phone, therefore any issues regarding number portability are not applicable.
- 6) Our experience with respect to our customers is that we enter into a Directory Listings Agreement with the ILEC and our customer's numbers are published in the ILEC directory.
- 7) Reconex does not collect either the 911 surcharge or the telecommunications fund for the deaf surcharge from our customers. Our customers pay a flat fee for monthly local exchange service. The only tax or fee our customers are required to pay is the \$3.50 Federal Access Charge. Reconex calculates all other amounts owed to various entities, such as the 911 or the deaf surcharge, and forwards that amount to the appropriate entity.

- 8) Based on our response to No. 7 above Reconex, as our customer is not responsible for those charges, does not anticipate disclosing those items.
- 9) Reconex has started interconnection proceedings with the ILEC, US West.
- 10) Reconex proposes to offer service in only those areas served by US West.
- 11) Enclosed please find cost studies for the states of Colorado and Washington. Reconex has not prepared one specifically for South Dakota, but our experience is that the Colorado and Washington studies are generally representative of what we see throughout the US West territory.

We believe our rates are just and reasonable. Our customers are primarily individuals of inconsistent income who possess poor money management skills and individuals with poor or nonexistent credit rating who have difficulty obtaining exchange and exchange access services from the ILEC. Reconex charges relatively higher rates for its service as a result of its relatively higher business risk. Just as insurance companies charge higher rates for drivers who pose higher financial risks, so too, Reconex charges a higher rate to absorb the financial risk factors of our customer base.

Our customer base is not able, for various reasons, to forge a relationship with the ILEC. As such, without our offering, they are left with options of payphone usage, expensive wireless service or no service at all. Reconex's presence in the marketplace ensures that basic local exchange service is available to literally thousands of disenfranchised customers.

Reconex prides itself on being able to provide telephone service to individuals who the large local exchange carriers will not serve or will only serve if substantial deposits are made. We have a tradition of treating our customers with the respect and dignity that they are not routinely afforded.

- 12) Reconex understands the rules regarding itemized bills and will comply with all of the rules.
- 13) Reconex has revised its tariff according to 20:10:10:03 (2). Enclosed are the original plus eight (8) copies.
- 14) Reconex does not have any pending complaints against it either with the FCC or any other state jurisdiction.
- 15) Reconex will market its services through advertising on television, radio, and print. In addition, Reconex will utilize a network of local dealers who are responsible for taking new orders as well as accepting payments from existing customers. Reconex dealers provide a local presence for credibility as well as customer convenience. All dealers are

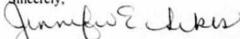
Tammi Strangohr
Page 3
August 13, 1998

trained by Reconex employees who are sent to each dealer site to present a live training program. Thereafter the dealers are continuously updated with the most current information relevant to their function and have at their disposal an 800 number that they can utilize at any time for any questions or concerns they may have. Reconex does not engage in multilevel Marketing.

Enclosed please find our company brochure.

Thank you in advance for your kind, professional courtesies. Should you have any questions or concerns, please do not hesitate to call me directly at (503) 982-5585.

Sincerely,



Jennifer E. Sikes
Paralegal

Enclosures

cc: File

SD\Correspondence\SD-0813

RECEIVED

AUG 24 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

BEFORE THE STATE OF

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

Application of Sterling International Funding, Inc.,)
d/b/a Reconex, for a Certificate of Authority) Application No. _____
to provide local exchange telecommunication)
services on a resold basis in the State of South)
Dakota)

To the South Dakota Public Utilities Commission:

1. IDENTITY OF THE APPLICANT: The name, address, telephone number and FAX number of the Applicant are:

Sterling International Funding, Inc.
d/b/a Reconex
2500 Industrial Avenue
Hubbard, Oregon 97032
(503) 982-8000
(503) 982-6077 (FAX).

Applicant has also operated within the proceeding five (5) years as Ameritel Corporation located at 9620 SW Barber Blvd. Suite 330, Portland, Oregon 97219, (503) 244-9059 and (503) 452-9495 FAX. Applicant has no corporate parent.

Applicant will provide services under the d/b/a Reconex.

2. CONTACT PERSON: The name, title, address, telephone number, and FAX number of the person to whom questions about this Application and all regulatory matters should be addressed is:

William E. Braun
General Counsel
2500 Industrial Avenue
Hubbard, Oregon 97032
(503) 982-5573
(503) 982-6077 (FAX).

All general business, operating issues, customer inquiries and customer complaints should be addressed to:

James Wheeler
Vice-President of Operations
2500 Industrial Avenue
Hubbard, Oregon 97032
(503) 982-4622
(503) 982-6077 (FAX).

A toll free 1-800 number is provided for all customer inquiries and complaints.
(1-800-275-8223).

Applicant's registered agent for service of process in the state of South Dakota is:

CT Corporation System
319 S. Couteau Street
Pierre, SD 57501

3. BUSINESS ENTITY:

The Applicant is a corporation in good standing, duly organized and existing under the laws of the State of Nevada. The corporation was formed on December 7, 1995. A copy of Applicant's Certificate of Good Standing is attached hereto as Exhibit "A". Applicant has applied for Certificate of Authority as a foreign corporation to do business within the State of South Dakota and will supply that Certificate to this Commission when it is received.

Todd M. Meislahn is the sole, 100% shareholder of Applicant. His address is 2500 Industrial Avenue Hubbard, Oregon 97032.

There exists no corporation, association, partnership, cooperative or individual which holds a 20% or greater ownership or a management interest in the Applicant other than stated above.

Applicant neither owns nor controls any subsidiaries.

4. FINANCIAL:

Attached and submitted as Exhibit "B" is Applicant's financial statements. The financial information provided clearly shows that Applicant possesses sufficient financial resources and abilities to provide local exchange telecommunication services on a resold basis. Applicant is one of the fastest growing local exchange

carriers in the industry. In 1995 revenues grew 54% over 1994 and in 1996 revenues grew 52% over 1995.

Applicant strictly monitors both revenue and expenses. As a result Applicant maintains no outside financing. All growth has been funded out of operations. Consequently, Applicant has sufficient resources, abilities and financial viability to provide local exchange telecommunication services on a resold basis.

Applicant does not issue Annual Reports.

The name, title, address, telephone number, and FAX number of the Applicant's custodian for its accounting records and supporting documents is:

Robert W. Lawson
VP of Finance
2500 Industrial Avenue
Hubbard, Oregon 97032
(503) 982-5568
(503) 982-6077 (FAX).

5. DESCRIPTION OF SERVICE/MANAGERIAL EXPERIENCE:

Petitioner, Sterling International Funding, d/b/a Reconex™ is affiliated with Ameritel Corporation, a residential dial tone service provider which has been operating since 1992. As the leader in the prepaid dial tone industry, Applicant and its affiliate, have provided high quality local exchange service to thousands of customers.

Reconex is an alternative telephone company primarily furnishing prepaid local dial tone service to individuals who have had their telephone disconnected, have voluntarily left the their local exchange provider, or for money management reasons prefer to address their local calling needs in a prepaid fashion at a set fee, which represents their bottom line cost. We have provided high quality telephone service to literally thousands of otherwise disenfranchised customers who, without our offering, would be entirely without telephone service. Our service is consistent with and promotes the legislative goal of the Telecommunications Act of 1996 of "Universal Service".

Reconex is a non-facilities based reseller of incumbent Local Exchange Carrier (ILEC) service. Our local service package includes unlimited local calling, access to 911 emergency services and 1-800 toll free dialing. Our custom-calling package includes 3-way calling, call waiting and caller ID. Reconex owns no switches or transmission equipment. Reconex contracts with the ILEC for local installation. Through a network of Reconex Dealers, the Company maintains a local presence in each market for service orders and payment transactions. Customers have access to customer service representatives through a toll-free 1-

State of South Dakota



OFFICE OF THE SECRETARY OF STATE

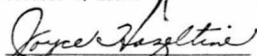
CERTIFICATE OF AUTHORITY

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

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

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at Pierre, the Capital, this _____
October 3, 1997.




JOYCE HAZELTINE
Secretary of State

	Retail		91% Tariff	
	New Acct	Recurring Acct	New Acct	Recurring Acct
Revenue ¹				
Set-up Fee	\$79.00		\$79.00	
Local Charge	\$49.95	\$49.95	\$49.95	\$49.95
Federal Access Charge	\$3.50	\$3.50	\$3.50	\$3.50
Total Revenue	\$132.45	\$53.45	\$132.45	\$53.45
Direct Cost of Revenue ²				
Installation Charge	\$35.00		\$35.00	
Local Charges				
Line Charge	\$14.93	\$14.93	\$13.59	\$13.59
Toll Restriction Charge	\$2.00	\$2.00	\$1.82	\$1.82
Federal Access Charge	\$3.50	\$3.50	\$3.50	\$3.50
Taxes-Installation Charge	\$2.35		\$2.14	
Excise Tax-Federal	\$0.57	\$0.57	\$0.52	\$0.52
Colorado Telecom Relay Fund	\$0.10	\$0.10	\$0.10	\$0.10
911 Surcharges	\$0.34	\$0.34	\$0.34	\$0.34
Municipal Charge	\$0.31	\$0.31	\$0.31	\$0.31
Excise Tax-State	\$0.76	\$0.76	\$0.76	\$0.76
Excise Tax-City	\$0.58	\$0.58	\$0.58	\$0.58
Excise Tax-County	\$0.09	\$0.09	\$0.09	\$0.09
Total Local Charges	\$25.53	\$23.18	\$23.75	\$21.61
Total Direct Costs	\$60.53	\$23.18	\$58.75	\$21.61
Gross Profit	\$68.42	\$26.77	\$70.20	\$28.34
Indirect Cost of Revenue ³				
Labor ⁴	\$19.77	\$15.51	\$19.77	\$15.51
Advertising ⁵	\$32.88	N/A	\$32.88	N/A
Promotion	\$1.36	\$1.07	\$1.36	\$1.07
Dealer Commission	\$2.14	\$1.68	\$2.14	\$1.68
Telephone Expense	\$2.58	\$2.02	\$2.58	\$2.02
Bad Debt	\$2.26	\$1.77	\$2.26	\$1.77
Postage	\$0.73	\$0.58	\$0.73	\$0.58
Bank Charges	\$0.17	\$0.13	\$0.17	\$0.13
Total Indirect Costs	\$61.89	\$22.76	\$61.89	\$22.76
Gross Profit after Indirect Costs	\$6.53	\$4.01	\$8.32	\$5.58
Operating Costs ⁶				
Professional Services	\$1.23	\$1.23	\$1.23	\$1.23
Emp Recruitment, Relations & Educ.	\$0.78	\$0.78	\$0.78	\$0.78
Travel, Meals & Auto	\$0.67	\$0.67	\$0.67	\$0.67
Printing & Supplies	\$0.57	\$0.57	\$0.57	\$0.57
Equipment Supplies	\$0.77	\$0.77	\$0.77	\$0.77
Depreciation	\$0.52	\$0.52	\$0.52	\$0.52
Rent	\$0.93	\$0.93	\$0.93	\$0.93
Ins, Licenses, Taxes, Interest & Misc	\$0.79	\$0.79	\$0.79	\$0.79
Total Operating Costs	\$6.25	\$6.25	\$6.25	\$6.25
Net Income Before Taxes	\$3.78	\$1.26	\$5.57	\$2.83
Return on Revenue	2.93%	2.52%	4.32%	5.67%

Net Income Before Taxes From Typical Account ⁷

Net Income	Return on
Before Taxes	Revenue
\$10.08	2.66%

Net Income	Return on
Before Taxes	Revenue
\$19.72	5.45%

FOOTNOTES

- 1 Service fees and local charges taken directly from the Company's proposed tariff.
- 2 All Direct Costs have been derived from a sampling of the Company's affiliate's (Ameritel's) Colorado account base.
- 3 All expense figures (both Indirect and Operating) have been calculated based on a four-month average from January 1 through April 30, 1997 and tie directly to the Companies' financial statements for the same period. Indirect Costs are higher for New Account activation than for Recurring Accounts due to increased handling.
- 4 New Accounts include Recurring Account costs plus initial administration set-up costs.
- 5 Advertising costs are incurred only in obtaining New Accounts and are not included in Recurring Account costs.
- 6 Operating Costs tend to be relatively fixed and do not vary between the processing of New Accounts and Recurring Accounts.
- 7 This calculation demonstrates Net Income Before Taxes derived from an average customer account. Historically with Ameritel, typical customers maintain their tenure for approximately six months. The Net Income Before Taxes generated on the average account yields a net Return on Revenue of \$10.08 (2.66%) at Retail Cost and \$19.72 (5.21%) at 91% of Retail Cost, as shown.

Revenue ¹	US West Area		GTE Area	
	New Acct	Recurring Acct	New Acct	Recurring Acct
Set-up Fee	\$69.00		\$69.00	
Local Charge	\$49.95	\$49.95	\$59.95	\$59.95
Federal Access Charge	\$3.50	\$3.50	\$3.50	\$3.50
Total Revenue	\$122.45	\$53.45	\$132.45	\$63.45
Direct Cost of Revenue ²				
Installation Charge	\$31.00		\$43.25	
Local Charges				
Line Charge	\$10.50	\$10.50	\$12.57	\$12.57
Toll Restriction Charge	\$2.00	\$2.00	\$3.40	\$3.40
Extended Area Charge			\$0.28	\$0.28
Federal Access Charge	\$3.50	\$3.50	\$3.50	\$3.50
Excise Tax-Federal	\$0.49	\$0.49	\$1.91	\$0.61
Excise Tax-City	\$0.97	\$0.30	\$0.64	\$0.64
Excise Tax-County 911	\$0.45	\$0.45	\$0.50	\$0.50
Excise Tax-State 911	\$0.20	\$0.20	\$0.20	\$0.20
Sales Tax-State			\$3.44	
Excise Tax-TRS	\$0.14	\$0.14	\$0.14	\$0.14
Excise Tax-WATAP	\$0.13	\$0.13	\$0.13	\$0.13
Total Local Charges	\$18.38	\$17.71	\$26.71	\$21.97
Total Direct Costs	\$49.38	\$17.71	\$69.96	\$21.97
Gross Profit	\$73.07	\$35.74	\$62.49	\$41.48
Indirect Cost of Revenue ³				
Labor ⁴	\$22.57	\$17.71	\$25.96	\$20.37
Advertising ⁵	\$32.88	N/A	\$32.88	N/A
Promotion	\$1.36	\$1.07	\$1.36	\$1.07
Dealer Commission	\$2.14	\$1.68	\$2.14	\$1.68
Telephone Expense	\$2.58	\$2.02	\$2.58	\$2.02
Bad Debt	\$2.26	\$1.77	\$2.26	\$1.77
Postage	\$0.73	\$0.58	\$0.73	\$0.58
Bank Charges	\$0.17	\$0.13	\$0.17	\$0.13
Total Indirect Costs	\$64.69	\$24.96	\$68.08	\$27.62
Gross Profit after Indirect Costs	\$8.38	\$10.78	(\$5.59)	\$13.86
Operating Costs ⁶				
Professional Services	\$1.57	\$1.23	\$1.57	\$1.23
Emp Recruitment, Relations & Edac	\$0.99	\$0.78	\$0.99	\$0.78
Travel, Meals & Auto	\$0.85	\$0.67	\$0.85	\$0.67
Printing & Supplies	\$0.73	\$0.57	\$0.73	\$0.57
Equipment Supplies	\$0.98	\$0.77	\$0.98	\$0.77
Depreciation	\$0.66	\$0.52	\$0.66	\$0.52
Rent	\$1.18	\$0.93	\$1.18	\$0.93
Ins, Licenses, Taxes, Interest & Misc	\$1.01	\$0.79	\$1.01	\$0.79
Total Operating Costs	\$7.97	\$6.25	\$7.97	\$6.25
Net Income Before Taxes	\$0.41	\$4.53	(\$13.55)	\$7.61
Return on Revenue	0.34%	8.47%	-10.23%	12.00%

Net Income Before Taxes From Typical Account

Net Income Before Taxes	Return on Revenue	Net Income Before Taxes	Return on Revenue
\$23.06	5.92%	\$24.51	5.45%

FOOTNOTES

- 1 Service fees and local charges taken directly from the Company's proposed tariff.
- 2 All Direct Costs have been derived from a sampling of the Company's affiliate's (Ameritel's) Washington account base.
- 3 All expense figures (both Indirect and Operating) have been calculated based on a four-month average from January 1 through April 30, 1997 and tie directly to the Companies' financial statements for the same period. Indirect Costs are higher for New Account activation than for Recurring Accounts due to increased handling. There is no Indirect Cost differential between activating a US West or GTE service area account.
- 4 New Accounts include Recurring Account costs plus initial administration set-up costs. US West service areas yield lower costs on a per account basis due to economies of scale, i.e., US West will account for approximately 80% of the Company's volume, GTE for 20%. This cost distribution is applicable both to New Account and Recurring Account charges.
- 5 Advertising costs are incurred only in obtaining New Accounts and are not included in Recurring Account costs. There is no cost differential between capturing a US West or GTE service area account.
- 6 Operating Costs tend to be relatively fixed and do not vary between the processing of New Accounts and Recurring Accounts, nor do they vary between the processing of US West and GTE service area customers.
- 7 This calculation demonstrates Net Income Before Taxes derived from an average customer account. Historically with Ameritel, typical customers maintain their tenure for approximately six months. The Net Income Before Taxes generated on the average account yields a net Return on Revenue of \$20.78 (4.96%) for a US West service area account and \$22.08 (4.52%) for a GTE service area account as shown.

SD U-1

Original Sheet No. 1

RECEIVED

AUG 24 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

LOCAL EXCHANGE SERVICE

REGULATIONS, RULES AND PRICE LIST SCHEDULES

OF

INTRASTATE CHARGES

FOR

STERLING INTERNATIONAL FUNDING, INC.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

First Revised Sheet No. 2 Cancelling Original Sheet No. 2

CHECK SHEET

The sheets of this Tariff are effective as of the date shown on at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original Tariff and are currently in effect as of the date on the bottom of this sheet.

<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>
1	Original	18	Original	35	Original
2	1 st Revised	19	Original	36	Original
3	Original	20	Original	37	Original
4	Original	21	Original	38	Original
5	Original	22	Original	39	Original
6	Original	23	Original	40	Original
7	Original	24	Original	41	Original
8	Original	25	Original	42	Original
9	Original	26	Original	43	Original
10	Original	27	Original	44	Original
11	Original	28	Original	45	Original
12	Original	29	Original	46	Original
13	Original	30	1 st Revised	47	Original
14	Original	31	1 st Revised	48	Original
15	Original	32	Original	49	Original
16	Original	33	Original	50	Original
17	Original	34	Original	51	Original

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

TABLE OF CONTENTS

Title Sheet	1
Check Sheet	2
Table of Contents	3
Applicability	6
Explanation of Symbols	7
Tariff Format	8
1. Definitions	9
2. Regulations	11
2.1 Undertaking of the Company	11
2.1.1 Scope	11
2.1.2 Limitations	11
2.1.3 Terms and Conditions	12
2.1.4 Liability of the Company	13
2.1.5 Notification of Service-Affecting Activities	23
2.1.6 Provision of Equipment and Facilities	24
2.1.7 Ownership of Facilities	25
2.2 Prohibited Uses	25

TABLE OF CONTENTS

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 4

2.3	Obligations of the Customer	26
2.3.1	General	26
2.3.2	Claims	27
2.4	Reserved For Future Use	28
2.5	Payment Arrangements	29
2.5.1	Payment for Service	29
2.5.2	Collection of Charges	30
2.5.3	Disputed Charges	31
2.5.4	Reserved For Future Use	31
2.5.5	Security	31
2.5.6	Expiration of Service	32
2.6	Allowances for Interruptions of Service	38
2.6.1	Credit for Interruptions	38
2.6.2	Limitations on Allowances	40
2.7	Cancellation of Service	41
2.7.1	Cancellation of Application for Service	41
2.7.2	Cancellation of Service by the Customer	42
2.8	Transfer and Assignments	42
2.9	Notices and Communications	43
3.	Service Descriptions	44

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

TABLE OF CONTENTS

3.1	Local Exchange Service	44
3.1.1	Service Area	44
3.1.2	Local Line	45
3.2	Directory Assistance	47
3.3	Operator Assistance	47
3.4	Directory Listings	47
3.5	Miscellaneous Fixed One-Time Charges	50
3.6	Miscellaneous Monthly One-Time Charges	50
3.7	Emergency Services (Enhanced 911)	51
4.	Promotional Offerings	51

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

APPLICABILITY

This price list sets forth the service offerings, rates, terms and conditions applicable to the furnishing of intrastate residential communications services by Sterling International Funding, Inc. to residential Customers within the local exchange service area defined herein.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

EXPLANATION OF SYMBOLS

The following symbols shall be used for the purposes indicated below:

- C - To signify a changed condition or regulation
- D - To signify a discontinued rate, condition, or regulation
- I - To signify an increased rate
- M - To signify move in the location of text
- N - To signify new rate, condition, regulation, or sheet
- O - To signify no change*
- R - To signify reduced rate
- S - To signify matter appearing elsewhere or repeated for clarification
- T - To signify change in text for clarification
- Z - To signify a correction

*The use of the symbol "O" shall be discretionary unless its use in the interest of clarity is evident or specifically requested by the Commission.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 8

TARIFF FORMAT

- A. Sheet Numbering - Sheet numbers appear in the upper right corner of the sheet. Sheets are numbered sequentially. However, new sheets are occasionally added to the Tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. Sheet Revision Numbers - Revision numbers also appear in the upper right corner of each sheet. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc. the Commission follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff sheet in effect. Consult the Check Sheet for the sheet currently in effect.
- C. Paragraph Numbering Sequence - There are six levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2.
 - 2.1
 - 2.1.1
 - 2.1.1.1
 - 2.1.1.1.1
 - 2.1.1.1.1.1
- D. Check Sheets - When a tariff filing is made with the Commission, an updated Check Sheet accompanies the filing. The Check Sheet lists the sheets contained in the Tariff, with a cross reference to the current revision number. When new sheets are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this sheet if these are the only changes made to it. The Tariff user should refer to the latest Check Sheet to find out if a particular sheet is the most current on file with the Commission.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 9

1.0 Definitions

Certain terms used generally throughout this Tariff are defined below.

Call Waiting: Provides the User with a burst of tone to indicate that another call is waiting. The second call can either be answered by flashing the switch-hook or hanging up the telephone and being rung back by the caller.

Caller ID: Provides the User with the calling party's name and telephone number. This information will be displayed only if the User provides the appropriate hardware. Such hardware is not available from the Company.

Company: Sterling International Funding Inc., a Nevada corporation, which is the issuer of this Tariff.

Custom Calling Package: An optional service consisting of Call Waiting and Three-Way Calling.

Customer: The person or other entity which ordered service and is responsible for the payment of charges and for compliance with the Company's Tariff regulations.

ILEC: The underlying incumbent Local Exchange Carrier, or other alternative carrier, which provides facilities and/or local exchange telephone services to the Company for resale to the Customer.

Monthly Charges: The monthly charges to the Customer for services which continue for the agreed-upon duration of the service.

Nonpublished Listing: A directory listing which is not printed in a directory nor available from directory assistance.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 10

1.0 Definitions (Cont'd)

One-Time Charges: The one-time initial charges for services including, but not limited to, charges for installation and special fees for which the Customer becomes liable at the time the Service Order is executed.

Prepaid: Payment in advance of the provision of services.

Reconnection Fee: A charge to re-establish previous Customer's account.

Reminder Notice: Notification mailed to Customer approximately ten (10) days prior to the expiration of the current prepaid period.

Service Continuation Fee: A one-time charge to extend service beyond the expiration of the prepaid period. Customer may elect to pay fee to avoid a reconnection fee, however Customer will be responsible to pay for all service provided during the service continuation period.

Service Order: The request for local exchange services initiated by the Customer in a format specified by the Company.

Services: The Company's telecommunication services offered to the Customer.

Set-Up Fee: A non-recurring charge to establish the Customer's account.

Station: Telephone equipment from or to which calls are placed.

Three-Way Calling: The User can sequentially call two other people and add them together to make up a three-way call.

User: A Customer or any other person authorized by the Customer to use service provided under this Tariff.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 11

2.0 Regulations

2.1 Undertaking of the Company

2.1.1 Scope

The Company undertakes to furnish communications service on a resale basis in connection with one-way and/or two-way information transmission between points within the State of South Dakota under the terms of this Tariff.

Customers may use services and facilities provided under this Tariff to obtain access to services offered by other service providers. The Company is responsible under this Tariff only for the services provided herein, and it assumes no responsibility for any service provided by any other entity.

2.1.2 Limitations

2.1.2.1 Service is offered subject to the availability of ILEC facilities and the provisions of this Tariff.

2.1.2.2 The Company reserves the right to discontinue furnishing service or limit the use of service necessitated by conditions beyond its control; or when the Customer is using service in violation of the law or the provisions of this Tariff.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 12

2.0 Regulations (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.3 Terms and Conditions

- 2.1.3.1 Except as otherwise provided herein, service is prepaid and provided on the basis of a minimum period of at least one month, and shall continue to be provided until Customer fails to prepay for the subsequent month pursuant to Company's monthly service Reminder Notice. If Customer does not provide payment prior to the expiration of the prepaid service period Customer's service will be disconnected. Company may, in its sole discretion, extend the service period for up to 10 days to allow Customer to make full payment for the next 30 day period upon payment of a Service Continuation Fee. Unless otherwise specified herein, for the purpose of computing charges in this Tariff, a month is considered to have 30 days. All calculations of dates set forth in this Tariff shall be based on calendar days, unless otherwise specified herein.
- 2.1.3.2 Customers may be required to enter into written Service Orders which may contain or reference the name of the Customer, a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this Tariff.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 13

2.0 Regulations (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.3 Terms and Conditions (Cont'd)

2.1.3.3 This Tariff shall be interpreted and governed by the laws of the State of South Dakota without regard for the State's choice of laws provision.

2.1.3.4 Another telephone company must not interfere with the right of any person or entity to obtain service directly from the Company.

2.1.3.5 The Customer has no property right to the telephone number or any other call number designation associated with services furnished by the Company. The Company reserves the right to change such numbers, or the central office designation associated with such numbers, or both, assigned to the Customer, whenever the Company deems it necessary to do so in the conduct of its business.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 14

2.0 Regulations (Cont'd)2.1 Undertaking of the Company (Cont'd)2.1.4 Liability of the Company

2.1.4.1 The liability of the Company for damages arising out of the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays, or errors, other defects, or representations by the Company, or use of these services or damages arising out of the failure to furnish the service whether caused by acts or omission, shall be limited the extension of allowances for interruption as set forth in Section 2.6 below. The extension of such allowances for interruption shall be the sole remedy of the Customer and the sole liability of the Company. The Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to Customer as a result of any Company service, equipment or facilities, or the acts or omissions or negligence of the Company's employees or agents.

2.1.4.2 The Company's liability for willful misconduct, if established as a result of judicial or administrative proceedings, is not limited by this Tariff. With respect to any claim or suit, by a Customer or by any others, for damages associated with the ordering (including the reservation of any specific number for use with a service), installation (including delays thereof), provision, termination, maintenance, repair, interruption or restoration of any service or facilities offered under this Tariff, and subject to the provisions of Section 2.6, the Company's liability, if any, shall be limited as provided herein.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 15

2.0 Regulations (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company (Cont'd)

2.1.4.3 The Company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes, any law, order, regulation, direction, action or request of the United States government or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation or other instrumentality of any one or more of these federal, state, or local governments, or of any military authority; preemption of existing service in compliance with national emergencies; riots, wars; unavailability of rights-of-way or materials, or strikes, lockouts, work-stoppages, or other labor difficulties.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 16

2.0 Regulations (Cont'd)2.1 Undertaking of the Company (Cont'd)2.1.4 Liability of the Company (Cont'd)

2.1.4.4 The Company shall not be liable for:

- (a) Any act or omission of any entity furnishing the Company or the Company's Customers facilities or equipment used for or with the services the Company offers, or
- (b) For the acts or omissions of other common carriers or their employees or agents.

2.1.4.5 The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of Customer-provided equipment or facilities.

2.1.4.6 The Customer shall indemnify and hold the Company harmless from any and all loss, claims, demands, suits or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, condition, location or use of any installation provided by the Company. The Company reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this Section as a condition to such installations.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 17

2.0 Regulations (Cont'd)2.1 Undertaking of the Company (Cont'd)2.1.4 Liability of the Company (Cont'd)

2.1.4.7 The Company shall not be liable for any defacement of or damage to the Customer's premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof, unless such defacement or damage is caused by the willful misconduct of the Company's agents or employees. No agents or employees of other entities shall be deemed to be agents or employees of the Company.

2.1.4.8 Notwithstanding the Customer's obligations as set forth in Section 2.3.2, the Company shall be indemnified, defended, and held harmless by the Customer or by others authorized by it to use the service against any claim, loss or damage arising from Customer's use of services furnished under this Tariff, including:

- (a) Claims for libel, slander, invasion of privacy or infringement of copyright arising from the material, data, information, or other content transmitted via the Company's service, and
- (b) Patent infringement claims arising from combining or connecting the service offered by the Company with apparatus and systems of the Customer or others, and
- (c) All other claims arising out of any act or omission of the Customer or others, in connection with any service provided by the Company pursuant to this Tariff.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 18

2.0 Regulations (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company (Cont'd)

2.1.4.9 The entire liability of the Company for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid to the Company by the Customer for the specific services giving rise to the claim, and no action or proceeding against the Company shall be commenced more than one year after the service is rendered.

2.1.4.10 The Company makes no warranties or representations, expressed or implied either in fact or by operation of law, statutory or otherwise, including warranties of merchantability or fitness for a particular use, except those expressly set forth herein.

2.1.4.11 The Company shall not be liable for any act or omission of any other company or companies furnishing a portion of the service, or for damages associated with service, facilities or equipment which it does not furnish, or for damages which result from the operation of Customer-provided systems, equipment, facilities or services which are interconnected with Company services.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 19

2.0 Regulations (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company (Cont'd)

- 2.1.4.12 The Company does not guarantee nor make any warranty with respect to service installations at locations of which there is present atmosphere that is explosive, prone to fire, dangerous or otherwise unsuitable for such installations. The Customer shall indemnify and hold the Company harmless from any and all loss, claims, demands, suits or other action, or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party, for any personal injury to, or death of, any person or persons, or for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, locations or use of service furnished by the Company at such locations.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 20

2.0 Regulations (Cont'd)2.1 Undertaking of the Company (Cont'd)2.1.4 Liability of the Company (Cont'd)

- 2.1.4.13 The Company shall not be liable for the Customer's failure to fulfill its obligations to take all necessary steps including, without limitation, obtaining, installing and maintaining all necessary equipment, materials and supplies, for interconnecting the Station, terminal equipment or communications system of the Customer, or any third-party acting as its agent, to the ILEC's network. The Customer shall secure all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection. In addition, the Customer shall insure that its equipment and/or system or that of its agent is properly interfaced with the Company's service, that the signals emitted into the ILEC's network are of the proper mode, band-width, power, data speed, and signal level for the intended use of the Customer and in compliance with the criteria set forth in Section 2.1.6 following, and that the signals do not damage Company or ILEC equipment, injure its personnel or degrade service to other Customers. If the Customer or its agent fails to maintain and operate its equipment and/or system or that of its agent properly, with resulting harm to Company or ILEC equipment, personnel, or the quality of service to other Customers, the Company may require the use of protective equipment at the Customer's expense or terminate the Customer's service without liability.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 21

2.0 Regulations (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company (Cont'd)

2.1.4.14 With respect to Emergency Number 911 Service:

- (a) This service is offered solely as part of the resold ILEC service, where available, as an aid in handling assistance calls in connection with fire, police and other emergencies. The Company is not responsible for any losses, claims, demands, suits or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or person for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused by:
- (1) Mistakes, omissions, interruptions, delays, errors or other defects in the provision of this service, or
- (2) Installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of equipment and facilities furnishing this service.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 22

2.0 Regulations (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company (Cont'd)

2.1.4.14 (Cont'd)

- (b) Neither is the Company responsible for any infringement or invasion of the right of privacy of any person or persons, caused or claimed to have been caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, occasion or use of enhanced 911 service features and the equipment associated therewith, or by any services furnished by the Company including, but not limited to, the identification of the telephone number, address or name associated with the telephone used by the party or parties accessing enhanced 911 service, and which arise out of the negligence or other wrongful act of the Company, the Customer, its Users, agencies or municipalities, or the employees or agents of any one of them.

- 2.1.4.15 The Company's liability arising from errors or omissions in Directory Listings, other than charged listings, shall be limited to the amount of actual impairment to the Customer's service. In cases of charged Directory Listings, the liability of the Company shall be limited to an amount not exceeding the amount of charges for the charged listings involved during the period covered by the directory in which the error or omission occurs.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 23

2.0 Regulations (Cont'd)2.1 Undertaking of the Company (Cont'd)2.1.4 Liability of the Company (Cont'd)

2.1.4.16 In conjunction with a Nonpublished Listing, as described in Section 3.4.2.2, the Company will not be liable for failure or refusal to complete any call to such telephone when the call is not placed by number. The Company will try to prevent the disclosure of the number of such telephone, but will not be liable should such number be divulged.

2.1.4.17 When a Customer with a Nonpublished Listing as defined herein, places a call to the Emergency 911 Service, the Company will release the name and address of the calling party, where such information can be determined, to the appropriate local governmental authority responsible for the Emergency 911 Service upon request of such governmental authority. By subscribing to service under this Tariff, Customer acknowledges and agrees with the release of information as described above.

2.1.5 Notification of Service-Affecting Activities

The Company will provide the Customer reasonable notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, Company or ILEC equipment or facilities additions, removals or rearrangements and routine preventative maintenance. Generally, such activities are not specific to an individual Customer but affect many Customers' services. No specific advance notification is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable notifications requirements. With some emergency or unplanned service-affecting conditions, such as outage

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 24

2.0 Regulations (Cont'd)

resulting from cable damage, notification to the Customer may not be possible.

2.1 Undertaking of the Company (Cont'd)

2.1.6 Provision of Equipment and Facilities

2.1.6.1 The Company shall use reasonable efforts to make available services to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with, the regulations contained in this Tariff. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.

2.1.6.2 The Company shall use reasonable efforts to cause the ILEC to maintain its own facilities which the Company furnishes to the Customer. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair or otherwise interfere with any of the facilities provided by the ILEC or the Company.

2.1.6.3 The Customer shall be responsible for the payment of service charges as set forth herein for visits by the Company's agents or employees to the Customer's premises when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the ILEC or the Company, including but not limited to the Customer.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 25

2.0 Regulations (Cont'd)2.1 Undertaking of the Company (Cont'd)2.1.6 Provision of Equipment and Facilities (Cont'd)

2.1.6.4 The Company shall not be responsible for the installation, operation, or maintenance of any Customer-provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this Tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this Tariff and to the maintenance and operation of such facilities. Beyond this responsibility, the Company shall not be responsible for:

- (a) The transmission of signals by Customer-provided equipment or for the quality of, or defects in, such transmission; or
- (b) The reception of signals by Customer-provided equipment.

2.1.7 Ownership of Facilities

Title to all facilities provided in accordance with this Tariff remains in the ILEC, it's agents or contractors.

2.2 Prohibited Uses

The services of the Company shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 26

2.0 Regulations (Cont'd)2.3 Obligations of the Customer2.3.1 General

The Customer shall be responsible for:

- (a) The payment of all applicable charges pursuant to this Tariff;
- (b) Reimbursing the Company for damage to, or loss of, the Company's or ILEC's facilities or equipment caused by the acts or omissions of the Customer; or the noncompliance by the Customer, with these regulations; or by fire or theft or other casualty on the Customer's premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company. The Company will, upon reimbursement for damages, cooperate with the Customer in prosecuting a claim against the person causing such damage and the Customer shall be subrogated to the Company's right of recovery of damages to the extent of such payment;
- (c) Providing at no charge, as specified from time to time by the Company, any needed personnel, equipment, space and power to operate Company or ILEC facilities and equipment installed on the premises of the Customer;
- (d) Any costs associated with altering the structure to permit installation of the ILEC-provided facilities. The Company may require the Customer to demonstrate its compliance with this Section prior to accepting an order for service;

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 27

2.0 Regulations (Cont'd)

2.3 Obligations of the Customer (Cont'd)

- (e) Granting or obtaining permission for ILEC or Company agents or employees to enter the premises of the Customer at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of services as stated herein, removing Company or ILEC facilities or equipment;
- (f) Not creating or allowing to be placed or maintained any liens or other encumbrances on the Company's or ILEC's equipment or facilities.

2.3.2 Claims

- 2.3.2.1 With respect to any service provided by the Company, the Customer shall indemnify, defend and hold harmless the Company from all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees for:
 - (a) Any loss, destruction or damage to property of the Company or any third party, or the death of or injury to persons, including, but not limited to, employees or invitees of either the Company or the Customer, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees; or

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 28

2.0 Regulations (Cont'd)

2.3 Obligations of Customer (Cont'd)

2.3.2 Claims (Cont'd)

- (b) Any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the Customer, including, without limitation, use of the Company's services and facilities in a manner not contemplated by the agreement between the Customer and the Company.

- 2.3.2.2 Any disputes or controversies arising out of the subject matter of this Tariff, where the Customer or Customers claim damages individually or in the aggregate in excess of \$3,000.00, shall be decided by arbitration. The parties shall select a mutually agreeable arbitrator or, if one can not be mutually agreed upon, then the party with the claim may request the local court in the county in which the claimant resides to appoint an arbitrator in accordance with local law. The decision of the arbitrator will be final.

2.4 Reserved For Future Use

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 29

2.0 Regulations (Cont'd)

2.5 Payment Arrangements

2.5.1 Payment for Service

The Customer is responsible for payment of all charges for service provided by the Company to the Customer. If an entity other than the Company imposes charges on the Company, in addition to its own internal costs, in connection with a service for which a Company Non-Recurring Charge is specified, those charges may be passed on to the Customer.

2.5.1.1 Taxes

Federal, state, and any local taxes (e.g., gross receipts tax, sales tax, municipal utilities tax) are paid by the Company to the ILEC and are included in the rates stated in this Tariff.

2.5.1.2 Federal Access Charge

The end user common line charge imposed by order of the FCC is paid by the Company to the ILEC and will be charged in addition to the rates stated in this Tariff.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

First Revised Sheet No. 30 Cancelling Original Sheet No. 30

2.0 Regulations (Cont'd)

2.5 Payment Arrangements (Cont'd)

2.5.2 Collection of Charges

- 2.5.2.1 Customers monthly service provided by Company shall be prepaid by Customer for each one-month period.
- 2.5.2.2 The Company shall present a Reminder Notice for Monthly Charges to the Customer twenty (20) days in advance of the month for which service is provided.
- 2.5.2.3 For Customers who request service disconnection prior to the expiration of the prepaid service period the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have 30 days.

(T)

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1 First Revised Sheet No. 31 Cancelling Original Sheet No. 31

2.0 Regulations (Cont'd)

2.5 Payment Arrangements (Cont'd)

2.5.3 Disputed Charges

The Customer shall notify the Company of any disputed charges within 30 days of notification of the charges. If the Customer and the Company are unable to resolve the dispute to their mutual satisfaction, the Customer may call the Consumer Hotline at 1-800-332-1782 and/or file a complaint with the State of South Dakota Public Utilities Commission in accordance with the Commission's rules of procedure.

(T)

2.5.3.1 The date of the dispute shall be the date the Company receives sufficient documentation to enable it to investigate the dispute. The date of the resolution is the date the Company completes its investigation and notifies the Customer of the disposition of the dispute.

2.5.4 Reserved For Future Use

2.5.5 Security

2.5.5.1 Customer Deposits

The Company does not require deposits from the Customer.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 32

2.0 Regulations (Cont'd)

2.5 Payment Arrangements (Cont'd)

2.5.6 Expiration of Service

- 2.5.6.1 Customer's service will expire at the expiration of any prepaid service period unless Customer has paid to Company a Service Continuation Fee.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 33

2.0 Regulations (Cont'd)

2.5 Payment Arrangements (Cont'd)

2.5.6 Expiration of Service (Cont'd)

2.5.6.2 The Customer's service may expire with the Company not incurring any liability:

2.5.6.2.1 Immediately and without notice if the Company deems that such action is necessary to prevent or to protect against fraud or to otherwise protect its or the ILEC's personnel, agents, facilities or services. The Company may discontinue service pursuant to this subsection 2.5.6.2.1 (a-i) if:

- (a) The Customer refuses to furnish information to the Company regarding the Customer's credit-worthiness, its past or current use of common carrier communications services or its planned use of service(s); or
- (b) The Customer provides false information to the Company regarding the Customer's identity, address, credit-worthiness, past or current use of common carrier communications services, or its planned use of the Company's service(s); or

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 34

2.0 Regulations (Cont'd)

2.5 Payment Arrangements (Cont'd)

2.5.6. Expiration of Service (Cont'd)

2.5.6.2 (Cont'd)

2.5.6.2.1 (Cont'd)

- (c) The Customer has failed to respond to the monthly Reminder Notice nor has paid the Service Reconnection Fee; or
- (d) The Customer uses service to transmit a message, locate a person or otherwise give or obtain information without payment for the service; or

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 35

2.0 Regulations (Cont'd)2.5 Payment Arrangements (Cont'd)2.5.6. Expiration of Service (Cont'd)

2.5.6.2 (Cont'd)

2.5.6.2.1 (Cont'd)

- (e) The Customer uses, or attempts to use, service with the intent to avoid the payment, either in whole or in part, of the tariffed charges for the service by:
 - (1) Using or attempting to use service by rearranging, tampering with, or making connections to the Company's service not authorized by this Tariff; or
 - (2) Using tricks, schemes, false or invalid numbers, false credit devices, electronic devices; or
 - (3) Any other fraudulent means or devices; or
- (f) The Customer causes toll or any other charge by any entity other than the ILEC to appear on the Company's billing from the ILEC; or
- (g) The service is abandoned by the Customer; or

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 36

2.0 Regulations (Cont'd)

2.5 Payment Arrangements (Cont'd)

2.5.6. Expiration of Service (Cont'd)

2.5.6.2 (Cont'd)

2.5.6.2.1 (Cont'd)

- (h) The service is used in such a manner as to interfere with the service of other users; or
- (i) The service is used for unlawful purposes.

2.5.6.2.2 Seven (7) days after sending the Customer written notice of noncompliance with any provision of this Tariff if the noncompliance is not corrected within that seven (7) day period.

2.5.6.3 The expiration of Customer's service(s) pursuant to this Section does not relieve the Customer of any obligation to pay the Company for charges due and owing for service(s) furnished during the time up to the expiration of service.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 37

2.0 Regulations (Cont'd)

2.5 Payment Arrangements (Cont'd)

2.5.6. Expiration of Service (Cont'd)

- 2.5.6.4 Upon the Customer's expiration of service under Section 2.5.6.1 or 2.5.6.2, all applicable charges shall become due. This is in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this Tariff.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 38

2.0 Regulations (Cont'd)2.6 Allowances for Interruptions of Service

2.6.1 Credit for Interruptions: When the use of service or facilities furnished by the Company is interrupted due to any cause other than the negligence or willful act of the Customer, or the operation or failure of the facilities or equipment provided by the Customer, a pro rata adjustment of the monthly Recurring Charges subject to interruption will be allowed for the service and facilities rendered useless and inoperative by reason of the interruption whenever said interruption continues for a period of 24 hours or more from the time the interruption is reported to or known to exist by the Company, except as otherwise specified in the Company's tariffs. If the Customer reports a service to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.

2.6.1.1 Credit allowance for the interruption of service which is not due to the ILEC's testing or adjusting, negligence of the Customer, or to the failure of channels or equipment provided by the Customer, are subject to the general liability provisions set forth in Section 2.1.4 herein. It shall be the obligation of the Customer to notify the Company immediately of any interruption in service for which a credit allowance is desired. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission by the Customer within the Customer's control, or is not in wiring or equipment, if any, furnished by the Customer and connected to the Company's or ILEC's facilities.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 39

2.0 Regulations (Cont'd)

2.6 Allowances for Interruptions of Service (Cont'd)

2.6.1 Credit for Interruptions (Cont'd)

- 2.6.1.2 The Customer shall be credited for any interruption in the same proportion that the ILEC credits the Company according to the following formula:

Customer Credit = $A/B \times C$, where:

A = Service credit to the Company from the ILEC

B = Total monthly charge for Customer's service to the Company from the ILEC

C = Monthly charge to the Customer by the Company

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 40

2.0 Regulations (Cont'd)2.6 Allowances for Interruption of Service (Cont'd)2.6.2 Limitations on Allowances

No credit allowance will be made for:

- (a) Interruption due to the negligence of, or noncompliance with the provisions of this Tariff by the Customer, any User, or other common carrier providing service connected to the service of the Company;
- (b) Interruptions due to the negligence of any person other than the Company including, but not limited to, the Customer or other common carrier connected to the Company's facilities;
- (c) Interruptions due to the failure or malfunction of non-Company equipment;
- (d) Interruptions of service during any period in which the Company and the ILEC are not given full and free access to their facilities and equipment for the purpose of investigating and correcting interruptions;
- (e) Interruption of service during a period in which the Customer continues to use the service on an impaired basis;
- (f) Interruptions of service during any period when the Customer has released service to the Company or ILEC for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
- (g) Interruption of service due to circumstances or causes beyond the control of the Company.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 41

2.0 Regulations (Cont'd)

2.7 Cancellation of Service

2.7.1 Cancellation of Application for Service

- 2.7.1.1 Applications for service are noncancelable unless the Company otherwise agrees. Where the Company permits the Customer to cancel an application for service prior to the start of service, no charges will be imposed except for those specified below.
- 2.7.1.2 Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of service ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service begun.
- 2.7.1.3 The special charges described in Section 2.7.1.2 will be calculated and applied on a case-by-case basis.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 42

2.0 Regulations (Cont'd)

2.7 Cancellation of Service (Cont'd)

2.7.2 Cancellation of Service by the Customer

If a Customer cancels a Service Order the Customer agrees to pay to the Company all charges reasonably expended by the Company to establish service to the Customer.

2.8 Transfer and Assignments

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company (or the ILEC) without the written consent of the other party, except that the Company may assign its rights and duties (a) to any subsidiary, parent company or affiliate of the Company; (b) pursuant to any sale or transfer of any assets of the Company; or (c) pursuant to any financing, merger or reorganization of the Company.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 43

2.0 Regulations (Cont'd)2.9 Notices and Communications

- 2.9.1 The Company shall mail or deliver all notices and other communications to the Customer at the service address, unless that Customer designates a separate address to which the Company's monthly Reminder Notice for service shall be mailed. In the case where a separate address for the Reminder Notice has been designated by the Customer, the Company shall also mail or deliver all notices and other communications to the designated separate address.
- 2.9.2 The Company shall designate on any Service Order, and on each Reminder Notice for service, an address to which the Customer shall mail or deliver all notices and other communications, except that Company may designate a separate address on each Reminder Notice for service to which the Customer shall mail payment on that Reminder Notice.
- 2.9.3 All notices or other communications required to be given pursuant to this Tariff will be in writing. Notices and other communications of either party, and all Reminder Notices mailed by the Company, shall be presumed to have been delivered to the other party on the third business day following deposit of the notice, communication or Reminder Notice with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.
- 2.9.4 The Company or the Customer shall advise the other party of any changes to the addresses designated for notices or other communications, by following the procedures for giving notice set forth herein.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 44

3.0 Service Descriptions

- 3.1 Local Exchange Service: The Company's local telephone service provides a Customer with the ability to connect to the ILEC's switching network which enables the Customer to:
- place or receive calls to any calling Station in the local calling area, as defined herein;
 - access enhanced 911 Emergency Service (where available through the ILEC);
 - Access Directory Assistance (as specified in Section 3.2);
 - Access operator services (as specified in Section 3.3);
 - place calls to 8XX telephone numbers.

The Company's service cannot be used to access interexchange carriers for: interLATA, intraLATA, interstate, or international calling; or access caller-paid information services (e.g., 900, 976). All 1+, 0+, 0-, and other numbers used for caller-paid services will be blocked by the Company through the ILEC's switch as permitted by state statute.

- 3.1.1 Service Area: Where facilities are available, the Company's service area incorporates the geographic regions and exchanges currently served by the following ILEC:

US West

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 45

3.0 Service Descriptions3.1 Local Exchange Service (Cont'd)3.1.1 Service Area (Cont'd)

- 3.1.1.1 Local Calling Areas: Exchanges and zones included in the local calling area for the Customer's exchange or zone may be found in the telephone directory published by the ILEC in the Customer's exchange area.

3.1.2 Local Line:

- 3.1.2.1 Standard Features: Local Line provides the Customer with a single, voice-grade communications channel. Each Local Line will include a telephone number.

- 3.1.2.2 Optional Features: A Local Line Customer may order the following optional features, at the rate specified in Section 3.1.2.3.1:

Custom Calling Package
Caller ID

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 46

3.0 Service Descriptions3.1 Local Exchange Service (Cont'd)3.1.2 Local Line (Cont'd)

- 3.1.2.3 Local Line Rates and Charges: A Local Line Customer will be charged applicable Non-Recurring and Monthly Recurring Charges as specified in Section 3.1.2.3.1 and 3.1.2.3.2 respectively. Local Line charges will vary based on the ILEC providing facilities to the Company in the Customer's exchange.

3.1.2.3.1 One-Time Charges

		<u>I L E C</u>
		<u>USW</u>
Set-Up Charge	\$69.00	
(per line)		
Custom Calling Package	\$20.00	
(per line - no charge if		
included in Customer's		
original Service Order)		
Caller ID	\$15.00	
(per line, no charge if		
included in Customer's		
original Service Order)		

3.1.2.3.2 Monthly Charges

		<u>I L E C</u>
		<u>USW</u>
Local Line - Line Charge	\$49.95	
(per line)		
Custom Calling Package	\$10.00	
Caller ID	\$15.00	

3.0 Service Descriptions (Cont'd)

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 47

3.2 Directory Assistance

Customers will have access to Directory Assistance only within the limitations imposed by the presence of the ILEC's toll restriction and billed number screening services as required by state statute.

3.3 Operator Assistance

Customers will have access to local operator services only within the limitations imposed by the presence of the ILEC's toll restriction and billed number screening services and as required by state statute.

3.4 Directory Listings

The Company shall provide for a single directory listing in the telephone directory published by the ILEC in the Customer's exchange area.

3.4.1 In order for listings to appear in an upcoming directory, the Customer must subscribe to service from the Company in time to meet the directory publishing schedule.

3.4.2 Directory listings are provided in connection with each Customer's service as specified herein:

3.4.2.1 Primary Listing: The listing shall include the first initial and last name of the Customer. The listing will not include the Customer's address.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 48

3.4 Directory Listings (Cont'd)

- 3.4.2.2 Nonpublished Listings: A Nonpublished telephone number will be furnished at the Customer's request providing for the omission or deletion of the Customer's telephone listing from the telephone directory and the directory assistance records subject to the provisions set forth in Section 2.1.4.

Charges for Nonpublished Listings are specified in Sections 3.4.2.3 and 3.4.2.4.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 49

3.0 Service Descriptions (Cont'd)3.4 Directory Listings (Cont'd)

3.4.2 (Cont'd)

- 3.4.2.3
- One-Time Charges
- : Non-Recurring charges associated with Directory Listings are as follows:

I L L E C
USWNonpublished Number \$20.00
(per line - no charge if
included in Customer's
original Service Order)

- 3.4.2.4
- Monthly Charges
- : Monthly Recurring Charges associated with Directory Listings are as follows:

I L L E C
USW

Nonpublished Number \$5.00

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 50

3.0 Service Descriptions (Cont'd)3.5 Miscellaneous Fixed One-Time Charges

		<u>I L E C</u>
		<u>USW</u>
Change Telephone Number (per line)	\$35.00	
Transfer Account to New Address (per line)	\$39.00	
Reconnection Fee (per line)	\$39.00	
Service Continuation Fee	\$10.00	

3.6 Miscellaneous One-Time Charges

- 3.6.1 For any incidental charges which appear on the Company's billing from the ILEC (e.g., directory assistance, call tracing, etc.), the charges are passed through to the Customer plus a handling charge in an amount equal to the incidental charges (with a maximum of \$5.00 per handling charge).
- 3.6.2 For any toll or other unauthorized charges appearing on the Company's billing from the ILEC as defined in Section 2.5.6.2.1 (f), the Customer is billed a handling charge of \$15.00 per ILEC billing.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 51

- 3.7 Emergency Services (Enhanced 911): Allows Customers to reach appropriate emergency services including police, fire and hospital. Enhanced 911 has the ability to selectively route an emergency call to the primary E911 provider so that it reaches the correct emergency service located closest to the caller. In addition, the Customer's address and telephone information will be provided to the primary E911 provider for display at the Public Service Answering Point (PSAP).

4.0 Promotional Offerings

The Company, from time to time, may make promotional offerings of its services which may include waiving or reducing the applicable charges for the promoted service. The promotional offerings may be limited as to the duration, the date and times of the offerings and the locations where the offerings are made.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

1-800-RECONEX

Because Everybody Needs A Phone.

October 5, 1998

RECEIVED

OCT 13 1998

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

Kylie Tracy, Staff Utility Analyst
South Dakota Public Utilities Commission
State Capitol Building
500 E. Capitol Avenue
Pierre, SD 57501-5070

Re: *SD PUC docket TC 97-160; Application of Sterling International Funding d/b/a
1-800-Reconex, Inc.*

Dear Ms. Tracy:

Pursuant to our telephone conversation today, I have made the changes to Section 2.5.3 of Applicant's tariff and enclosed the original plus ten (10) copies in their entirety. As discussed, there should be no revisions to our tariff until we have the Commission's approval regarding the original submittal. Please disregard the tariff previously submitted, as well as all revisions.

For the Commissions review, I have enclosed Applicant's responses to the Proposed Orders to Show Cause filed by Colorado Public Utility Commission. The responses were in reply to a cover letter from Director Smith inviting U.S. Telco and Ameritel/Sterling to respond before the Commission decides whether to move forward with hearings on the matters. Please note there are two separate filings, one for U.S. Telco, Ameritel and Sterling and one for Ameritel and Sterling only.

At the time of Applicant's filing with the South Dakota Public Utilities Commission and at the time of Applicant's August 13, 1998 response to the Commission's request for additional information, there were no pending complaints against Applicant with the FCC or any state jurisdictions. We received the respective letters from the Director of Colorado Public Utilities Commission on August 29, 1998, and September 4, 1998. It is our belief that once you have had the chance to review our responses you will feel comfortable with Reconex as a company and as a potential provider of telecommunications services in the state of South Dakota. The simple fact is that disputes do arise between jurisdictions and companies. This singular dispute with Colorado should not in any way diminish the extremely positive relationship we have in the thirty-seven (37) jurisdictions in which we are certificated.

You will note in your review of our filings that any business that was conducted in the state of Colorado was done with the full knowledge and acquiescence of the Public Utilities Commission. Please also note that there currently is not a show cause order pending. The Commission will review the responses that we have provided you and make a determination as to whether to proceed to a show cause hearing.

I hope the enclosed information will prove helpful to clearly understand the situation in the above referenced matter.

Kylie Tracy
Page 2
October 5, 1998

However, should you require further information or have additional questions or concerns, please do not hesitate to call me directly at (503) 982-5585.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jennifer E. Sikes".

Jennifer E. Sikes
Paralegal

Enclosures

cc: File

SD Correspondence-SD-1994

LOCAL EXCHANGE SERVICE
REGULATIONS, RULES AND PRICE LIST SCHEDULES
OF
INTRASTATE CHARGES
FOR
STERLING INTERNATIONAL FUNDING, INC.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 2

CHECK SHEET

The sheets of this Tariff are effective as of the date shown on at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original Tariff and are currently in effect as of the date on the bottom of this sheet.

<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>
1	Original	18	Original	35	Original
2	Original	19	Original	36	Original
3	Original	20	Original	37	Original
4	Original	21	Original	38	Original
5	Original	22	Original	39	Original
6	Original	23	Original	40	Original
7	Original	24	Original	41	Original
8	Original	25	Original	42	Original
9	Original	26	Original	43	Original
10	Original	27	Original	44	Original
11	Original	28	Original	45	Original
12	Original	29	Original	46	Original
13	Original	30	Original	47	Original
14	Original	31	Original	48	Original
15	Original	32	Original	49	Original
16	Original	33	Original	50	Original
17	Original	34	Original	51	Original

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 3

TABLE OF CONTENTS

Title Sheet	1
Check Sheet	2
Table of Contents	3
Applicability	6
Explanation of Symbols	7
Tariff Format	8
1. Definitions	9
2. Regulations	11
2.1 Undertaking of the Company	11
2.1.1 Scope	11
2.1.2 Limitations	11
2.1.3 Terms and Conditions	12
2.1.4 Liability of the Company	13
2.1.5 Notification of Service-Affecting Activities	23
2.1.6 Provision of Equipment and Facilities	24
2.1.7 Ownership of Facilities	25
2.2 Prohibited Uses	25

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 4

TABLE OF CONTENTS

2.3	Obligations of the Customer	26
2.3.1	General	26
2.3.2	Claims	27
2.4	Reserved For Future Use	28
2.5	Payment Arrangements	29
2.5.1	Payment for Service	29
2.5.2	Collection of Charges	30
2.5.3	Disputed Charges	31
2.5.4	Reserved For Future Use	31
2.5.5	Security	31
2.5.6	Expiration of Service	32
2.6	Allowances for Interruptions of Service	38
2.6.1	Credit for Interruptions	38
2.6.2	Limitations on Allowances	40
2.7	Cancellation of Service	41
2.7.1	Cancellation of Application for Service	41
2.7.2	Cancellation of Service by the Customer	42
2.8	Transfer and Assignments	42
2.9	Notices and Communications	43
3.	Service Descriptions	44

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 5

TABLE OF CONTENTS

3.1	Local Exchange Service	44
3.1.1	Service Area	44
3.1.2	Local Line	45
3.2	Directory Assistance	47
3.3	Operator Assistance	47
3.4	Directory Listings	47
3.5	Miscellaneous Fixed One-Time Charges	50
3.6	Miscellaneous Monthly One-Time Charges	50
3.7	Emergency Services (Enhanced 911)	51
4.	Promotional Offerings	51

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

APPLICABILITY

This price list sets forth the service offerings, rates, terms and conditions applicable to the furnishing of intrastate residential communications services by Sterling International Funding, Inc. to residential Customers within the local exchange service area defined herein.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

EXPLANATION OF SYMBOLS

The following symbols shall be used for the purposes indicated below:

- C - To signify a changed condition or regulation
- D - To signify a discontinued rate, condition, or regulation
- I - To signify an increased rate
- M - To signify move in the location of text
- N - To signify new rate, condition, regulation, or sheet
- O - To signify no change*
- R - To signify reduced rate
- S - To signify matter appearing elsewhere or repeated for clarification
- T - To signify change in text for clarification
- Z - To signify a correction

*The use of the symbol "O" shall be discretionary unless its use in the interest of clarity is evident or specifically requested by the Commission.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

TARIFF FORMAT

- A. Sheet Numbering - Sheet numbers appear in the upper right corner of the sheet. Sheets are numbered sequentially. However, new sheets are occasionally added to the Tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. Sheet Revision Numbers - Revision numbers also appear in the upper right corner of each sheet. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc. the Commission follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff sheet in effect. Consult the Check Sheet for the sheet currently in effect.
- C. Paragraph Numbering Sequence - There are six levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2.
 - 2.1
 - 2.1.1
 - 2.1.1.1
 - 2.1.1.1.1
 - 2.1.1.1.1.1
- D. Check Sheets - When a tariff filing is made with the Commission, an updated Check Sheet accompanies the filing. The Check Sheet lists the sheets contained in the Tariff, with a cross-reference to the current revision number. When new sheets are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this sheet if these are the only changes made to it. The Tariff user should refer to the latest Check Sheet to find out if a particular sheet is the most current on file with the Commission.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 9

1.0 Definitions

Certain terms used generally throughout this Tariff are defined below.

Call Waiting: Provides the User with a burst of tone to indicate that another call is waiting. The second call can either be answered by flashing the switch-hook or hanging up the telephone and being rung back by the caller.

Caller ID: Provides the User with the calling party's name and telephone number. This information will be displayed only if the User provides the appropriate hardware. Such hardware is not available from the Company.

Company: Sterling International Funding Inc., a Nevada corporation, which is the issuer of this Tariff.

Custom Calling Package: An optional service consisting of Call Waiting and Three-Way Calling.

Customer: The person or other entity that ordered service and is responsible for the payment of charges and for compliance with the Company's Tariff regulations.

ILEC: The underlying incumbent Local Exchange Carrier, or other alternative carrier, which provides facilities and/or local exchange telephone services to the Company for resale to the Customer.

Monthly Charges: The monthly charges to the Customer for services that continue for the agreed-upon duration of the service.

Nonpublished Listing: A directory listing which is neither printed in a directory nor available from directory assistance.

1.0 Definitions (Cont'd)

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

One-Time Charges: The one-time initial charges for services including, but not limited to, charges for installation and special fees for which the Customer becomes liable at the time the Service Order is executed.

Prepaid: Payment in advance of the provision of services.

Reconnection Fee: A charge to re-establish previous Customer's account.

Reminder Notice: Notification mailed to Customer approximately ten (10) days prior to the expiration of the current prepaid period.

Service Continuation Fee: A one-time charge to extend service beyond the expiration of the prepaid period. Customer may elect to pay fee to avoid a reconnection fee, however Customer will be responsible to pay for all service provided during the service continuation period.

Service Order: The request for local exchange services initiated by the Customer in a format specified by the Company.

Services: The Company's telecommunication services offered to the Customer.

Set-Up Fee: A non-recurring charge to establish the Customer's account.

Station: Telephone equipment from or to which calls are placed.

Three-Way Calling: The User can sequentially call two other people and add them together to make up a three-way call.

User: A Customer or any other person authorized by the Customer to use service provided under this Tariff.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 11

2.0 Regulations

2.1 Undertaking of the Company

2.1.1 Scope

The Company undertakes to furnish communications service on a resale basis in connection with one-way and/or two-way information transmission between points within the State of South Dakota under the terms of this Tariff.

Customers may use services and facilities provided under this Tariff to obtain access to services offered by other service providers. The Company is responsible under this Tariff only for the services provided herein, and it assumes no responsibility for any service provided by any other entity.

2.1.2 Limitations

2.1.2.1 Service is offered subject to the availability of ILEC facilities and the provisions of this Tariff.

2.1.2.2 The Company reserves the right to discontinue furnishing service or limit the use of service necessitated by conditions beyond its control; or when the Customer is using service in violation of the law or the provisions of this Tariff.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 12

2.0 Regulations (Cont'd)2.1 Undertaking of the Company (Cont'd)2.1.3 Terms and Conditions

2.1.3.1 Except as otherwise provided herein, service is prepaid and provided on the basis of a minimum period of at least one month, and shall continue to be provided until Customer fails to prepay for the subsequent month pursuant to Company's monthly service Reminder Notice. If Customer does not provide payment prior to the expiration of the prepaid service period Customer's service will be disconnected. Company may, in its sole discretion, extend the service period for up to 10 days to allow Customer to make full payment for the next 30-day period upon payment of a Service Continuation Fee. Unless otherwise specified herein, for the purpose of computing charges in this Tariff, a month is considered to have 30 days. All calculations of dates set forth in this Tariff shall be based on calendar days, unless otherwise specified herein.

2.1.3.2 Customers may be required to enter into written Service Orders which may contain or reference the name of the Customer, a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this Tariff.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 13

2.0 Regulations (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.3 Terms and Conditions (Cont'd)

2.1.3.3 This Tariff shall be interpreted and governed by the laws of the State of South Dakota without regard for the State's choice of laws provision.

2.1.3.4 Another telephone company must not interfere with the right of any person or entity to obtain service directly from the Company.

2.1.3.5 The Customer has no property right to the telephone number or any other call number designation associated with services furnished by the Company. The Company reserves the right to change such numbers, or the central office designation associated with such numbers, or both, assigned to the Customer, whenever the Company deems it necessary to do so in the conduct of its business.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

2.0 Regulations (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company

2.1.4.1 The liability of the Company for damages arising out of the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays, or errors, other defects, or representations by the Company, or use of these services or damages arising out of the failure to furnish the service whether caused by acts or omission, shall be limited the extension of allowances for interruption as set forth in Section 2.6 below. The extension of such allowances for interruption shall be the sole remedy of the Customer and the sole liability of the Company. The Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to Customer as a result of any Company service, equipment or facilities, or the acts or omissions or negligence of the Company's employees or agents.

2.1.4.2 The Company's liability for willful misconduct, if established as a result of judicial or administrative proceedings, is not limited by this Tariff. With respect to any claim or suit, by a Customer or by any others, for damages associated with the ordering (including the reservation of any specific number for use with a service), installation (including delays thereof), provision, termination, maintenance, repair, interruption or restoration of any service or facilities offered under this Tariff, and subject to the provisions of Section 2.6, the Company's liability, if any, shall be limited as provided herein.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 15

2.0 Regulations (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company (Cont'd)

2.1.4.3 The Company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes, any law, order, regulation, direction, action or request of the United States government or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation or other instrumentality of any one or more of these federal, state, or local governments, or of any military authority; preemption of existing service in compliance with national emergencies; riots, wars; unavailability of rights-of-way or materials, or strikes, lockouts, work-stoppages, or other labor difficulties.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 16

2.0 Regulations (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company (Cont'd)

2.1.4.4 The Company shall not be liable for:

- (a) Any act or omission of any entity furnishing the Company or the Company's Customers facilities or equipment used for or with the services the Company offers, or
- (b) For the acts or omissions of other common carriers or their employees or agents.

2.1.4.5 The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of Customer-provided equipment or facilities.

2.1.4.6 The Customer shall indemnify and hold the Company harmless from any and all loss, claims, demands, suits or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, condition, location or use of any installation provided by the Company. The Company reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this Section as a condition to such installations.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 17

2.0 Regulations (Cont'd)2.1 Undertaking of the Company (Cont'd)2.1.4 Liability of the Company (Cont'd)

2.1.4.7 The Company shall not be liable for any defacement of or damage to the Customer's premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof, unless such defacement or damage is caused by the willful misconduct of the Company's agents or employees. No agents or employees of other entities shall be deemed to be agents or employees of the Company.

2.1.4.8 Notwithstanding the Customer's obligations as set forth in Section 2.3.2, the Company shall be indemnified, defended, and held harmless by the Customer or by others authorized by it to use the service against any claim, loss or damage arising from Customer's use of services furnished under this Tariff, including:

- (a) Claims for libel, slander, invasion of privacy or infringement of copyright arising from the material, data, information, or other content transmitted via the Company's service, and
- (b) Patent infringement claims arising from combining or connecting the service offered by the Company with apparatus and systems of the Customer or others, and
- (c) All other claims arising out of any act or omission of the Customer or others, in connection with any service provided by the Company pursuant to this Tariff.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 18

2.0 Regulations (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company (Cont'd)

- 2.1.4.9 The entire liability of the Company for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid to the Company by the Customer for the specific services giving rise to the claim, and no action or proceeding against the Company shall be commenced more than one year after the service is rendered.
- 2.1.4.10 The Company makes no warranties or representations, expressed or implied either in fact or by operation of law, statutory or otherwise, including warranties of merchantability or fitness for a particular use, except those expressly set forth herein.
- 2.1.4.11 The Company shall not be liable for any act or omission of any other company or companies furnishing a portion of the service, or for damages associated with service, facilities or equipment which it does not furnish, or for damages which result from the operation of Customer-provided systems, equipment, facilities or services which are interconnected with Company services.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 19

2.0 Regulations (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company (Cont'd)

- 2.1.4.12 The Company does not guarantee nor make any warranty with respect to service installations at locations of which there is present atmosphere that is explosive, prone to fire, dangerous or otherwise unsuitable for such installations. The Customer shall indemnify and hold the Company harmless from any and all loss, claims, demands, suits or other action, or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party, for any personal injury to, or death of, any person or persons, or for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, locations or use of service furnished by the Company at such locations.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 20

2.0 Regulations (Cont'd)2.1 Undertaking of the Company (Cont'd)2.1.4 Liability of the Company (Cont'd)

- 2.1.4.13 The Company shall not be liable for the Customer's failure to fulfill its obligations to take all necessary steps including, without limitation, obtaining, installing and maintaining all necessary equipment, materials and supplies, for interconnecting the Station, terminal equipment or communications system of the Customer, or any third-party acting as its agent, to the ILEC's network. The Customer shall secure all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection. In addition, the Customer shall insure that its equipment and/or system or that of its agent is properly interfaced with the Company's service, that the signals emitted into the ILEC's network are of the proper mode, band-width, power, data speed, and signal level for the intended use of the Customer and in compliance with the criteria set forth in Section 2.1.6 following, and that the signals do not damage Company or ILEC equipment, injure its personnel or degrade service to other Customers. If the Customer or its agent fails to maintain and operate its equipment and/or system or that of its agent properly, with resulting harm to Company or ILEC equipment, personnel, or the quality of service to other Customers, the Company may require the use of protective equipment at the Customer's expense or terminate the Customer's service without liability.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 21

2.0 Regulations (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company (Cont'd)

2.1.4.14 With respect to Emergency Number 911 Service:

- (a) This service is offered solely as part of the resold ILEC service, where available, as an aid in handling assistance calls in connection with fire, police and other emergencies. The Company is not responsible for any losses, claims, demands, suits or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or person for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused by:
 - (1) Mistakes, omissions, interruptions, delays, errors or other defects in the provision of this service, or
 - (2) Installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of equipment and facilities furnishing this service.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 22

2.0 Regulations (Cont'd)2.1 Undertaking of the Company (Cont'd)2.1.4 Liability of the Company (Cont'd)

2.1.4.14 (Cont'd)

- (b) Neither is the Company responsible for any infringement or invasion of the right of privacy of any person or persons, caused or claimed to have been caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, occasion or use of enhanced 911 service features and the equipment associated therewith, or by any services furnished by the Company including, but not limited to, the identification of the telephone number, address or name associated with the telephone used by the party or parties accessing enhanced 911 service, and which arise out of the negligence or other wrongful act of the Company, the Customer, its Users, agencies or municipalities, or the employees or agents of any one of them.

- 2.1.4.15 The Company's liability arising from errors or omissions in Directory Listings, other than charged listings, shall be limited to the amount of actual impairment to the Customer's service. In cases of charged Directory Listings, the liability of the Company shall be limited to an amount not exceeding the amount of charges for the charged listings involved during the period covered by the directory in which the error or omission occurs.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 23

2.0 Regulations (Cont'd)2.1 Undertaking of the Company (Cont'd)2.1.4 Liability of the Company (Cont'd)

2.1.4.16 In conjunction with a Nonpublished Listing, as described in Section 3.4.2.2, the Company will not be liable for failure or refusal to complete any call to such telephone when the call is not placed by number. The Company will try to prevent the disclosure of the number of such telephone, but will not be liable should such number be divulged.

2.1.4.17 When a Customer with a Nonpublished Listing as defined herein, places a call to the Emergency 911 Service, the Company will release the name and address of the calling party, where such information can be determined, to the appropriate local governmental authority responsible for the Emergency 911 Service upon request of such governmental authority. By subscribing to service under this Tariff, Customer acknowledges and agrees with the release of information as described above.

2.1.5 Notification of Service-Affecting Activities

The Company will provide the Customer reasonable notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, Company or ILEC equipment or facilities additions, removals or rearrangements and routine preventative maintenance. Generally, such activities are not specific to an individual Customer but affect many Customers' services. No specific advance notification is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable notifications requirements. With some emergency or unplanned service-affecting conditions, such as outage

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 24

2.0 Regulations (Cont'd)

resulting from cable damage, notification to the Customer may not be possible.

2.1 Undertaking of the Company (Cont'd)

2.1.6 Provision of Equipment and Facilities

2.1.6.1 The Company shall use reasonable efforts to make available services to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with, the regulations contained in this Tariff. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.

2.1.6.2 The Company shall use reasonable efforts to cause the ILEC to maintain its own facilities which the Company furnishes to the Customer. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair or otherwise interfere with any of the facilities provided by the ILEC or the Company.

2.1.6.3 The Customer shall be responsible for the payment of service charges as set forth herein for visits by the Company's agents or employees to the Customer's premises when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the ILEC or the Company, including but not limited to the Customer.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 25

2.0 Regulations (Cont'd)2.1 Undertaking of the Company (Cont'd)2.1.6 Provision of Equipment and Facilities (Cont'd)

2.1.6.4 The Company shall not be responsible for the installation, operation, or maintenance of any Customer-provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this Tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this Tariff and to the maintenance and operation of such facilities. Beyond this responsibility, the Company shall not be responsible for:

- (a) The transmission of signals by Customer-provided equipment or for the quality of, or defects in, such transmission; or
- (b) The reception of signals by Customer-provided equipment.

2.1.7 Ownership of Facilities

Title to all facilities provided in accordance with this Tariff remains in the ILEC, it's agents or contractors.

2.2 Prohibited Uses

The services of the Company shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 26

2.0 Regulations (Cont'd)

2.3 Obligations of the Customer

2.3.1 General

The Customer shall be responsible for:

- (a) The payment of all applicable charges pursuant to this Tariff;
- (b) Reimbursing the Company for damage to, or loss of, the Company's or ILEC's facilities or equipment caused by the acts or omissions of the Customer; or the noncompliance by the Customer, with these regulations; or by fire or theft or other casualty on the Customer's premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company. The Company will, upon reimbursement for damages, cooperate with the Customer in prosecuting a claim against the person causing such damage and the Customer shall be subrogated to the Company's right of recovery of damages to the extent of such payment;
- (c) Providing at no charge, as specified from time to time by the Company, any needed personnel, equipment, space and power to operate Company or ILEC facilities and equipment installed on the premises of the Customer;
- (d) Any costs associated with altering the structure to permit installation of the ILEC-provided facilities. The Company may require the Customer to demonstrate its compliance with this Section prior to accepting an order for service;

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 27

2.0 Regulations (Cont'd)

2.3 Obligations of the Customer (Cont'd)

- (e) Granting or obtaining permission for ILEC or Company agents or employees to enter the premises of the Customer at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of services as stated herein, removing Company or ILEC facilities or equipment;
- (f) Not creating or allowing to be placed or maintained any liens or other encumbrances on the Company's or ILEC's equipment or facilities.

2.3.2 Claims

- 2.3.2.1 With respect to any service provided by the Company, the Customer shall indemnify, defend and hold harmless the Company from all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees for:
 - (a) Any loss, destruction or damage to property of the Company or any third party, or the death of or injury to persons, including, but not limited to, employees or invitees of either the Company or the Customer, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees; or

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 28

2.0 Regulations (Cont'd)

2.3 Obligations of Customer (Cont'd)

2.3.2 Claims (Cont'd)

- (b) Any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the Customer, including, without limitation, use of the Company's services and facilities in a manner not contemplated by the agreement between the Customer and the Company.

- 2.3.2.2 Any disputes or controversies arising out of the subject matter of this Tariff, where the Customer or Customers claim damages individually or in the aggregate in excess of \$3,000.00, shall be decided by arbitration. The parties shall select a mutually agreeable arbitrator or, if one can not be mutually agreed upon, then the party with the claim may request the local court in the county in which the claimant resides to appoint an arbitrator in accordance with local law. The decision of the arbitrator will be final.

2.4 Reserved For Future Use

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 29

2.0 Regulations (Cont'd)2.5 Payment Arrangements2.5.1 Payment for Service

The Customer is responsible for payment of all charges for service provided by the Company to the Customer. If an entity other than the Company imposes charges on the Company, in addition to its own internal costs, in connection with a service for which a Company Non-Recurring Charge is specified, those charges may be passed on to the Customer.

2.5.1.1 Taxes

Federal, state, and any local taxes (e.g., gross receipts tax, sales tax, municipal utilities tax) are paid by the Company to the ILEC and are included in the rates stated in this Tariff.

2.5.1.2 Federal Access Charge

The end user common line charge imposed by order of the FCC is paid by the Company to the ILEC and will be charged in addition to the rates stated in this Tariff.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 30

2.0 Regulations (Cont'd)

2.5 Payment Arrangements (Cont'd)

2.5.2 Collection of Charges

- 2.5.2.1 Customers monthly service provided by Company shall be prepaid by Customer for each one-month period.
- 2.5.2.2 The Company shall present a Reminder Notice for Monthly Charges to the Customer twenty (20) days in advance of the month for which service is provided.
- 2.5.2.3 For Customers who request service disconnection prior to the expiration of the prepaid service period the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have 30 days.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 31

2.0 Regulations (Cont'd)2.5 Payment Arrangements (Cont'd)2.5.3 Disputed Charges

The Customer shall first notify the Company of any disputed charges within 30 days of notification of the charges by calling 1-800-275-8223 and/or writing to 2500 Industrial Avenue, Hubbard, Oregon 97032. If the Customer and the Company are unable to resolve the dispute to their mutual satisfaction, the Customer may then call the Consumer Hotline at 1-800-332-1782 and/or file a complaint with the State of South Dakota Public Utilities Commission, State Capitol Building, 500 East Capitol Avenue, Pierre, South Dakota 57501-5070, in accordance with the Commission's rules of procedure.

2.5.3.1 The date of the dispute shall be the date the Company receives sufficient documentation to enable it to investigate the dispute. The date of the resolution is the date the Company completes its investigation and notifies the Customer of the disposition of the dispute.

2.5.4 Reserved For Future Use2.5.5 Security2.5.5.1 Customer Deposits

The Company does not require deposits from the Customer.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 32

2.0 Regulations (Cont'd)

2.5 Payment Arrangements (Cont'd)

2.5.6 Expiration of Service

- 2.5.6.1 Customer's service will expire at the expiration of any prepaid service period unless Customer has paid to Company a Service Continuation Fee.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 33

2.0 Regulations (Cont'd)

2.5 Payment Arrangements (Cont'd)

2.5.6 Expiration of Service (Cont'd)

2.5.6.2 The Customer's service may expire with the Company not incurring any liability:

2.5.6.2.1 Immediately and without notice if the Company deems that such action is necessary to prevent or to protect against fraud or to otherwise protect its or the ILEC's personnel, agents, facilities or services. The Company may discontinue service pursuant to this subsection 2.5.6.2.1 (a-i) if:

- (a) The Customer refuses to furnish information to the Company regarding the Customer's credit-worthiness, its past or current use of common carrier communications services or its planned use of service(s); or
- (b) The Customer provides false information to the Company regarding the Customer's identity, address, credit-worthiness, past or current use of common carrier communications services, or its planned use of the Company's service(s); or

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 34

2.0 Regulations (Cont'd)

2.5 Payment Arrangements (Cont'd)

2.5.6. Expiration of Service (Cont'd)

2.5.6.2 (Cont'd)

2.5.6.2.1 (Cont'd)

- (c) The Customer has failed to respond to the monthly Reminder Notice nor has paid the Service Reconnection Fee; or
- (d) The Customer uses service to transmit a message, locate a person, or otherwise give or obtain information without payment for the service; or

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 35

2.0 Regulations (Cont'd)

2.5 Payment Arrangements (Cont'd)

2.5.6. Expiration of Service (Cont'd)

2.5.6.2 (Cont'd)

2.5.6.2.1 (Cont'd)

- (e) The Customer uses, or attempts to use, service with the intent to avoid the payment, either in whole or in part, of the tariffed charges for the service by:
 - (1) Using or attempting to use service by rearranging, tampering with, or making connections to the Company's service not authorized by this Tariff; or
 - (2) Using tricks, schemes, false or invalid numbers, false credit devices, electronic devices; or
 - (3) Any other fraudulent means or devices; or
- (f) The Customer causes toll or any other charge by any entity other than the ILEC to appear on the Company's billing from the ILEC; or
- (g) The service is abandoned by the Customer; or

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 36

2.0 Regulations (Cont'd)

2.5 Payment Arrangements (Cont'd)

2.5.6. Expiration of Service (Cont'd)

2.5.6.2 (Cont'd)

2.5.6.2.1 (Cont'd)

- (h) The service is used in such a manner as to interfere with the service of other users; or
- (i) The service is used for unlawful purposes.

2.5.6.2.2 Seven (7) days after sending the Customer written notice of noncompliance with any provision of this Tariff if the noncompliance is not corrected within that seven (7) day period.

2.5.6.3 The expiration of Customer's service(s) pursuant to this Section does not relieve the Customer of any obligation to pay the Company for charges due and owing for service(s) furnished during the time up to the expiration of service.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 37

2.0 Regulations (Cont'd)

2.5 Payment Arrangements (Cont'd)

2.5.6. Expiration of Service (Cont'd)

- 2.5.6.4 Upon the Customer's expiration of service under Section 2.5.6.1 or 2.5.6.2, all applicable charges shall become due. This is in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this Tariff.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 38

2.0 Regulations (Cont'd)2.6 Allowances for Interruptions of Service

2.6.1 Credit for Interruptions: When the use of service or facilities furnished by the Company is interrupted due to any cause other than the negligence or willful act of the Customer, or the operation or failure of the facilities or equipment provided by the Customer, a pro rata adjustment of the monthly Recurring Charges subject to interruption will be allowed for the service and facilities rendered useless and inoperative by reason of the interruption whenever said interruption continues for a period of 24 hours or more from the time the interruption is reported to or known to exist by the Company, except as otherwise specified in the Company's tariffs. If the Customer reports a service to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.

2.6.1.1 Credit allowance for the interruption of service which is not due to the ILEC's testing or adjusting, negligence of the Customer, or to the failure of channels or equipment provided by the Customer, are subject to the general liability provisions set forth in Section 2.1.4 herein. It shall be the obligation of the Customer to notify the Company immediately of any interruption in service for which a credit allowance is desired. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission by the Customer within the Customer's control, or is not in wiring or equipment, if any, furnished by the Customer and connected to the Company's or ILEC's facilities.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 39

2.0 Regulations (Cont'd)

2.6 Allowances for Interruptions of Service (Cont'd)

2.6.1 Credit for Interruptions (Cont'd)

- 2.6.1.2 The Customer shall be credited for any interruption in the same proportion that the ILEC credits the Company according to the following formula:

Customer Credit = $A/B \times C$, where:

A = Service credit to the Company from the ILEC

B = Total monthly charge for Customer's service to the Company from the ILEC

C = Monthly charge to the Customer by the Company

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 40

2.0 Regulations (Cont'd)2.6 Allowances for Interruption of Service (Cont'd)2.6.2 Limitations on Allowances

No credit allowance will be made for:

- (a) Interruption due to the negligence of, or noncompliance with the provisions of this Tariff by the Customer, any User, or other common carrier providing service connected to the service of the Company;
- (b) Interruptions due to the negligence of any person other than the Company including, but not limited to, the Customer or other common carrier connected to the Company's facilities;
- (c) Interruptions due to the failure or malfunction of non-Company equipment;
- (d) Interruptions of service during any period in which the Company and the ILEC are not given full and free access to their facilities and equipment for the purpose of investigating and correcting interruptions;
- (e) Interruption of service during a period in which the Customer continues to use the service on an impaired basis;
- (f) Interruptions of service during any period when the Customer has released service to the Company or ILEC for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
- (g) Interruption of service due to circumstances or causes beyond the control of the Company.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 41

2.0 Regulations (Cont'd)

2.7 Cancellation of Service

2.7.1 Cancellation of Application for Service

- 2.7.1.1 Applications for service are noncancelable unless the Company otherwise agrees. Where the Company permits the Customer to cancel an application for service prior to the start of service, no charges will be imposed except for those specified below.
- 2.7.1.2 Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of service ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service begun.
- 2.7.1.3 The special charges described in Section 2.7.1.2 will be calculated and applied on a case-by-case basis.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 42

2.0 Regulations (Cont'd)

2.7 Cancellation of Service (Cont'd)

2.7.2 Cancellation of Service by the Customer

If a Customer cancels a Service Order the Customer agrees to pay to the Company all charges reasonably expended by the Company to establish service to the Customer.

2.8 Transfer and Assignments

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company (or the ILEC) without the written consent of the other party, except that the Company may assign its rights and duties (a) to any subsidiary, parent company or affiliate of the Company; (b) pursuant to any sale or transfer of any assets of the Company; or (c) pursuant to any financing, merger or reorganization of the Company.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 43

2.0 Regulations (Cont'd)

2.9 Notices and Communications

- 2.9.1 The Company shall mail or deliver all notices and other communications to the Customer at the service address, unless that Customer designates a separate address to which the Company's monthly Reminder Notice for service shall be mailed. In the case where a separate address for the Reminder Notice has been designated by the Customer, the Company shall also mail or deliver all notices and other communications to the designated separate address.
- 2.9.2 The Company shall designate on any Service Order, and on each Reminder Notice for service, an address to which the Customer shall mail or deliver all notices and other communications, except that Company may designate a separate address on each Reminder Notice for service to which the Customer shall mail payment on that Reminder Notice.
- 2.9.3 All notices or other communications required to be given pursuant to this Tariff will be in writing. Notices and other communications of either party, and all Reminder Notices mailed by the Company, shall be presumed to have been delivered to the other party on the third business day following deposit of the notice, communication or Reminder Notice with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.
- 2.9.4 The Company or the Customer shall advise the other party of any changes to the addresses designated for notices or other communications, by following the procedures for giving notice set forth herein.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 44

3.0 Service Descriptions

3.1 Local Exchange Service: The Company's local telephone service provides a Customer with the ability to connect to the ILEC's switching network which enables the Customer to:

- place or receive calls to any calling Station in the local calling area, as defined herein;
- access enhanced 911 Emergency Service (where available through the ILEC);
- Access Directory Assistance (as specified in Section 3.2);
- Access operator services (as specified in Section 3.3);
- place calls to 8XX telephone numbers.

The Company's service cannot be used to access interexchange carriers for: interLATA, intraLATA, interstate, or international calling; or access caller-paid information services (e.g., 900, 976). All 1+, 0+, 0-, and other numbers used for caller-paid services will be blocked by the Company through the ILEC's switch as permitted by state statute.

3.1.1 Service Area: Where facilities are available, the Company's service area incorporates the geographic regions and exchanges currently served by the following ILEC:

US West

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 45

3.0 Service Descriptions3.1 Local Exchange Service (Cont'd)3.1.1 Service Area (Cont'd)

3.1.1.1 Local Calling Areas: Exchanges and zones included in the local calling area for the Customer's exchange or zone may be found in the telephone directory published by the ILEC in the Customer's exchange area.

3.1.2 Local Line:

3.1.2.1 Standard Features: Local Line provides the Customer with a single, voice-grade communications channel. Each Local Line will include a telephone number.

3.1.2.2 Optional Features: A Local Line Customer may order the following optional features, at the rate specified in Section 3.1.2.3.1:

Custom Calling Package
Caller ID

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 46

3.0 Service Descriptions3.1 Local Exchange Service (Cont'd)3.1.2 Local Line (Cont'd)

- 3.1.2.3 Local Line Rates and Charges: A Local Line Customer will be charged applicable Non-Recurring and Monthly Recurring Charges as specified in Section 3.1.2.3.1 and 3.1.2.3.2 respectively. Local Line charges will vary based on the ILEC providing facilities to the Company in the Customer's exchange.

3.1.2.3.1 One-Time ChargesI L E CUSW

Set-Up Charge	\$69.00
(per line)	
Custom Calling Package	\$20.00
(per line - no charge if included in Customer's original Service Order)	
Caller ID	\$15.00
(per line, no charge if included in Customer's original Service Order)	

3.1.2.3.2 Monthly ChargesI L E CUSW

Local Line - Line Charge	\$49.95
(per line)	
Custom Calling Package	\$10.00
Caller ID	\$15.00

3.0 Service Descriptions (Cont'd)

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 47

3.2 Directory Assistance

Customers will have access to Directory Assistance only within the limitations imposed by the presence of the ILEC's toll restriction and billed number screening services as required by state statute.

3.3 Operator Assistance

Customers will have access to local operator services only within the limitations imposed by the presence of the ILEC's toll restriction and billed number screening services and as required by state statute.

3.4 Directory Listings

The Company shall provide for a single directory listing in the telephone directory published by the ILEC in the Customer's exchange area.

3.4.1 In order for listings to appear in an upcoming directory, the Customer must subscribe to service from the Company in time to meet the directory publishing schedule.

3.4.2 Directory listings are provided in connection with each Customer's service as specified herein:

3.4.2.1 Primary Listing: The listing shall include the first initial and last name of the Customer. The listing will not include the Customer's address.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 48

3.4 Directory Listings (Cont'd)

- 3.4.2.2 Nonpublished Listings: A Nonpublished telephone number will be furnished at the Customer's request providing for the omission or deletion of the Customer's telephone listing from the telephone directory and the directory assistance records subject to the provisions set forth in Section 2.1.4.

Charges for Nonpublished Listings are specified in Sections 3.4.2.3 and 3.4.2.4.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 49

3.0 Service Descriptions (Cont'd)3.4 Directory Listings (Cont'd)

3.4.2 (Cont'd)

- 3.4.2.3
- One-Time Charges
- : Non-Recurring charges associated with Directory Listings are as follows:

USW I L L E C

Nonpublished Number \$20.00
(per line - no charge if
included in Customer's
original Service Order)

- 3.4.2.4
- Monthly Charges
- : Monthly Recurring Charges associated with Directory Listings are as follows:

USW I L L E C

Nonpublished Number \$5.00

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 50

3.0 Service Descriptions (Cont'd)3.5 Miscellaneous Fixed One-Time Charges

	<u>ILEC</u>
	<u>USW</u>
Change Telephone Number (per line)	\$35.00
Transfer Account to New Address (per line)	\$39.00
Reconnection Fee (per line)	\$39.00
Service Continuation Fee	\$10.00

3.6 Miscellaneous One-Time Charges

- 3.6.1 For any incidental charges which appear on the Company's billing from the ILEC (e.g., directory assistance, call tracing, etc.), the charges are passed through to the Customer plus a handling charge in an amount equal to the incidental charges (with a maximum of \$5.00 per handling charge).
- 3.6.2 For any toll or other unauthorized charges appearing on the Company's billing from the ILEC as defined in Section 2.5.6.2.1 (f), the Customer is billed a handling charge of \$15.00 per ILEC billing.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

SD U-1

Original Sheet No. 51

- 3.7 Emergency Services (Enhanced 911): Allows Customers to reach appropriate emergency services including police, fire and hospital. Enhanced 911 has the ability to selectively route an emergency call to the primary E911 provider so that it reaches the correct emergency service located closest to the caller. In addition, the Customer's address and telephone information will be provided to the primary E911 provider for display at the Public Service Answering Point (PSAP).

4.0 Promotional Offerings

The Company, from time to time, may make promotional offerings of its services that may include waiving or reducing the applicable charges for the promoted service. The promotional offerings may be limited as to the duration, the date and times of the offerings and the locations where the offerings are made.

Issued: 8/18/98

Effective _____

Issued by: Todd M. Meislahn, President _____
Sterling International Funding, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032

Decision No.

RECEIVED

OCT 19 1998

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO
PUBLIC UTILITIES COMMISSION

Docket No.

IN THE MATTER OF THE INVESTIGATION OF THE PROVISION IN COLORADO OF
LOCAL EXCHANGE TELECOMMUNICATION SERVICES BY U. S. TELCO, INC.,
RESPONDENT, AND STERLING INTERNATIONAL FUNDING, INC., DOING BUSINESS
AS RECONEX, AND AMERITEL CORPORATION, CO-RESPONDENTS.

RESPONSE TO PROPOSED ORDER TO SHOW CAUSE AND NOTICE OF HEARING

I. INTRODUCTION:

On August 31, 1998, correspondence was sent from the State of Colorado Public Service Commission ("Commission") addressed to the Current President of U.S. Telco, Mr. Todd M. Meislahn, President of Ameritel Corporation and Sterling International Funding, Inc., d/b/a Reconex and Mr. William E. Braun, General Counsel of Sterling International Funding, Inc. d/b/a Reconex ("Respondents").

On behalf of all the named co-respondents, 1-800-RECONEX Inc., by and through its General Counsel, William E. Braun, submits the following written data, views, and arguments with respect to the possible violations set forth in the Commission's letter of August 31, 1998. Pursuant to that correspondence, Respondents' submission must be delivered by September 30, 1998.

As the Commission correctly sets forth, U.S Telco was granted a certificate of public convenience and necessity on August 12, 1997, by Decision No. R97-804, in Docket No.

97A-155T. On December 16, 1997, U.S. Telco's initial tariff became effective by operation of law. On December 16, 1997, the Office of Consumer Counsel filed a formal complaint, Docket No. 97F-624T, alleging that U.S. Telco's rates were unjust, unreasonable, not affordable, and violated the statutory rate cap for residential service. Finally, on April 6, 1998, U.S. Telco filed an application to discontinue service. Effective May 31, 1998, by Decision No. C98-513, in Docket No. 98A-152T, U.S. Telco was authorized to discontinue service, its certificate of public convenience and necessity was cancelled and its tariff was cancelled.

The allegations stem from these facts as well as the additional allegations that:

- a. The 1997 annual report of U.S. Telco filed with the Commission lists the officers of Sterling International Funding, Inc., d/b/a Reconex and Ameritel Corporation as the current officers of U.S. Telco, and;
- b. Staff has discovered that U.S. Telco was providing residential service in June and July of 1998. It is specifically alleged that U.S. Telco provided seventy-four lines in June and twenty-three lines in July.

II. DISCUSSION:

Respondents respectfully submit the following response to the allegations contained in the Commission correspondence of August 31, 1998. The allegations will be addressed in the order presented:

ALLEGATION NO. 1.: U.S. Telco may have violated § 40-15-202(2), C.R.S., by operating within this state as a provider of regulated services after its certificate was cancelled on May 31, 1998.

ALLEGATION NO. 2.: U.S. Telco may have violated § 40-3-102 and 103, C.R.S., by collecting and enforcing illegal and unlawful rates and charges for regulated local exchange telecommunication services after its tariff was canceled on May 31, 1998.

ALLEGATION NO. 3.: U.S. Telco may have violated § 40-3-103, C.R.S., by failing to file with the Commission tariffs showing rates, charges, rules, and regulations collected or enforced for the provision of regulated local exchange telecommunication services.

ALLEGATION NO. 4.: U.S. Telco may have violated Rule 4 CCR 723-2-40.1.1 by failing to file and maintain on file tariffs showing all rates, tolls, rentals, charges, and classifications collected or enforced, or to (be) collected and enforced.

RESPONSE TO ALLEGATIONS No. 1-4.: As the Response to Allegations No 2, 3 and 4 are merely a logical extension of the Response to Allegation No. 1 they have been combined in this single response:

An internal investigation has revealed that, in fact, some customers were provided service after the date of May 31, 1998. This service was provided due to a misunderstanding between U.S. Telco and 1-800-RECONEX, the successor corporation of Sterling

International Funding, Inc., d/b/a Reconex, which acquired U.S. Telco on approximately March 1, 1998. Immediately upon the purchase of U.S. Telco, Reconex had made the decision that neither U.S. Telco nor Reconex would provide service in the State of Colorado. In the case of U.S. Telco, this involved the filing of an application to discontinue service. In the case of Reconex, this involved withdrawing its Advice Letter and not proceeding with its attempt to gain approval of its tariff.

Staff of U.S. Telco was informed that as of May 31, 1998, U.S. Telco would no longer be providing service in the State of Colorado. U.S. Telco interpreted this to mean that they would no longer accept orders after May 31, 1998, but that those customers who had paid for service which would run past that date would still receive that service. This interpretation was clearly incorrect. As the Commission is aware, many times during the period shortly after an acquisition, there is a good deal of confusion with respect to combining the entities. In this instance, the confusion was compounded as U.S. Telco was located in Dallas, Texas, and Reconex in Hubbard, Oregon. In fact, this mistake was not even discovered until the Commission's correspondence of August 31, 1998, was received and Respondents commenced this investigation. It was assumed by Reconex that as of May 31, 1998, that U.S. Telco was not providing service in the State of Colorado. The mistake was further compounded by the fact that each company maintained its own computer system which tracks customer accounts. Therefore, the routine review of the Reconex account base did not indicate that there were, in fact, Colorado customers remaining in U.S. Telco. The U.S. Telco reports were not reviewed in the normal course as the plan was to consolidate the accounts into the Reconex system.

The U.S. Telco "Customer Pay History in Colorado" (Attached as Exhibit "A") shows 52 customer payments made between May 2, 1998, and June 8, 1998. For these customers, their service would therefore expire after the May 31, 1998, discontinuance date. It was determined that the payments taken after May 31, 1998, were due to the electronic nature of the ACE dealer locations combined with the fact that not all ACE stores received notice that they were not to accept further payments. In the electronic ordering environment if there is not a problem with an order a human does not touch the account. When a problem did occur, a U.S. Telco representative immediately noticed that ACE was continuing to accept orders which they were not supposed to be doing and resolved the issue. This action and the fact that the undersigned was not notified is consistent with the confusion on the part of U.S. Telco as to the ramifications of the application to discontinue service.

It should be noted that at all times both Reconex and U.S. Telco was acting in complete good faith in attempting to discontinue service in Colorado. As a business decision had been made to stop providing service in the State, neither entity had any desire or motivation to extend the provision of service. Unfortunately, 52 customers did in fact receive service after May 31, 1998; however, it needs to be understood that those customers were fully and completely served in the manner to which they had grown accustomed. Specifically, they were provided with thirty (30) days of local exchange telecommunication service. This good faith effort is further demonstrated by the following issues which arose between U.S. Telco and OCC.

In early May of 1998, an issue arose which was brought to our attention by the Office of Consumer Counsel (OCC). Respondents received a phone call from the OCC Administrative Director, Dian Callaghan and OCC Counsel, Simon Lipstein. Ms. Callaghan and Mr. Lipstein expressed concern over customers whose service was set to expire in early May as they may not have sufficient time to find a new carrier. They requested that those customers be allowed to remain U.S. Telco customers through May 31, 1998, despite the fact that they had not paid for service through that period. OCC, of course, permitted U.S. Telco to accept payments for that short period of service if they so desired. The undersigned discussed the matter with U.S. Telco representatives and thereupon entered into an agreement with OCC that those customers would be carried through to May 31, 1998, at no additional charge. U.S. Telco of course was billed by the local exchange carrier for the service provided to its customers during this period.

In a second instance of cooperation with OCC during the discontinuance proceeding, OCC requested that it be allowed to send correspondence to the U.S. Telco customers offering OCC's assistance in obtaining local exchange service with another company. Respondents not only approved of such a letter but provided OCC with a list of the customers names and addresses to which the correspondence could be sent.

The discussion above clearly sets out the confusion that existed among the Respondents that ultimately led to the mistake of providing service to a limited number of individuals after May 31, 1998. On one hand, counsel for Respondents is clearly acting with the

May 31, 1998, discontinuance date clearly in mind and all the while U.S. Telco staff is of the belief that service did not expire on May 31, 1998, but that they merely were to stop taking additional payments at that point in time.

Respondents apologize to the Commission for not meeting with exact precision the May 31, 1998, date for discontinuance but wishes the Commission to consider the following:

- a. The action on behalf of the Respondents were neither willful, deliberate, nor posed a substantial danger to the public health and safety. Respondents simply made a mistake.
- b. The customers did receive value for their payments. All customers who were mistakenly kept on after May 31, 1998, received all local exchange service for which they had paid and for which they had grown accustomed to as U.S. Telco customers.
- c. Respondents' cooperation with OCC in facilitating the discontinuance of service process.
- d. Respondents are not currently doing business in the State of Colorado nor do they currently have any plans to request the authority to do business.
- e. Respondents stand ready, willing, and able to comply with any request of the Commission with respect to this issue.

With the foregoing in mind, it is clear that from any provision of service after May 31, 1998, would naturally flow a technical violation of Allegations No. 2, 3 and 4. I use the

term technical as there was clearly no deliberate or willful attempt to violate those Statutes and Commission Rules but merely an honest mistake on the part of Respondents. It was never the intent of Respondents to provide service under illegal or unlawful rates or tariffs. Respondents' only intent was to remove themselves from the Colorado market in the most expeditious fashion with as little disruption of our customers lives as possible.

ALLEGATION NO. 5: U.S. Telco may have violated Rule 4 CCR 723-36-3 by failing to file an application to abandon, to discontinue, or to curtail basic local exchange service

RESPONSE TO ALLEGATION NO. 5:

As the Commission sets out in its proposed order Respondents did in fact file an application to discontinue local exchange service (Attached as Exhibit "B"). As fully set forth above, Respondents erred in providing service to certain customers past May 31, 1998. Respondents did however, file the application as required under Colorado law and made a good faith effort to fully comply with the Statute.

ALLEGATION NO. 6: U.S. Telco may have violated Rule 4 CCR 723-36-3.3 and/or Rule 4 CCR 723-36-4.3 by failing to provide notice of the proposed abandonment, discontinuance, or curtailment to each of the affected customers, and to others as required.

RESPONSE TO ALLEGATION NO. 6: An internal investigation has revealed that Respondents did in fact fail to notify forty-three (43) customers who should have received notification. As a new entrant into local telecommunications, system errors were unfortunately part of the equation for U.S. Telco. Again, until the Commission correspondence of August 31, 1998, U.S. Telco had no reason to believe that any customer had not been properly notified. Neither phone calls nor written correspondence from customers or any information obtained from U.S. Telco dealers would have led the company to believe that forty-three (43) customers had not been properly notified.

Upon receipt of the Commission correspondence, U.S. Telco representatives were asked to revisit the issue and only then was the discrepancy discovered.

As stated above U.S. Telco and Respondents stand ready, willing, and able to comply with any Commission or Staff request with respect to resolution of this issue.

ALLEGATION NO. 7: U.S. Telco, as the transferor, may have violated Rule 4 CCR 723-37-3 by failing to obtain permission to execute a transfer to Ameritel Corporation and/or Sterling International Funding, Inc., doing business as Reconex.

RESPONSE TO ALLEGATION NO. 7: As indicated above U.S. Telco was purchased by 1-800-RECONEX, Inc., on March 1, 1998. At the time of the purchase the decision was made to discontinue the U.S. Telco service in the State of Colorado and to

not pursue the final tariff approval necessary for Reconex to conduct business in Colorado.

Having made the decision to file the application to discontinue service it appeared to be inconsistent, unduly time consuming, expensive, and unnecessary to file to obtain permission for the transfer.

4 CCR 723-37 applies to the transfer of assets not in the ordinary course of business of a provider of local telecommunication services. A provider of local telecommunication services is defined as a person who holds a certificate of public convenience and necessity to provide local exchange services. Having set in motion the process whereby U.S. Telco would surrender its certificate of public convenience and necessity, it seemed logical that an application to approve the transfer need not be addressed. Further, it appeared that proceeding with such an application would also be a waste of the Commission's, as well as the Respondents', resources as the ultimate goal of Respondents, as well as the intent of the application to discontinue service, was that Respondents would not be providers of local telecommunication services in the State of Colorado.

Further, as stated above the decision was made that Reconex would not pursue final tariff approval which would allow Reconex to provide service in Colorado. Having made the decision that neither company would be doing business in Colorado, the application to discontinue was the logical way to proceed. The current status is what was anticipated in

that neither U.S. Telco nor Reconex are doing business, or plan to do business, in the state of Colorado.

Had U.S. Telco (or for that matter Reconex) filed the application to transfer, either of the following situations would have occurred:

1. The application to transfer would have been approved a mere days before the application to discontinue service was granted, or;
2. The application to discontinue would have been approved before the application to transfer which, of course, would have rendered the application to transfer moot.

Presented with these alternatives it seemed logical, from the perspective of the most efficient use of the Commission's, as well as the Applicant's resources, to proceed with the U.S. Telco application to discontinue service.

Respondents would indicate that should the Commission or Staff disagree with the above analysis we stand ready, willing, and able to comply with any Commission or Staff request.

III. SUMMARY:

For the foregoing reasons, Respondents would respectfully request that an order to show cause not be issued in this matter. Respondents reiterates that:

- a. Any action on behalf of Respondents were neither willful, deliberate, nor posed a substantial danger to the public health and safety. Respondents simply made an honest mistake.
- b. The customers did receive value for their payments. All customers who were mistakenly kept on after May 31, 1998, received all local exchange service for which they had paid and for which they had grown accustomed to as U.S. Telco customers.
- c. Respondents cooperation with OCC in facilitating the discontinuance of service process.
- d. Respondents are not currently doing business in the State of Colorado nor do they currently have any plans to request the authority to do business.
- e. Respondents stand ready, willing and able to comply with any request of the Commission with respect to this issue.

Respondents would further indicate that it believes that a formal show cause procedure is unnecessary to resolve these issues. We invite the Commission, Commission Staff, or the OCC to simply indicate what it is they would like us to do in order to fully and completely resolve this matter. A formal hearing would serve no purpose other than to involve significant expenditures of time, money, and resources for all parties on issues which Respondents believe a consensus can be reached. The only information Respondents have is that as presented above. A formal hearing will glean no new information. It is Respondents' desire to be in compliance with the Statutes and

Commission Rules and again invites the Commission to indicate to us the most efficient way to resolve this matter to the Commission's complete satisfaction.

Respectfully Submitted,

By: _____

William E. Braun

General Counsel
1-800-RECONEX, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032
(503) 982-5573
(503) 982-6077 (Fax)

RECEIVED

OCT 19 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Decision No.

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

Docket No.

IN THE MATTER OF THE INVESTIGATION OF THE PROVISION IN COLORADO OF
LOCAL EXCHANGE TELECOMMUNICATION SERVICES BY AMERITEL
CORPORATION AND STERLING INTERNATIONAL FUNDING, INC., DOING BUSINESS
AS RECONEX.

RESPONSE TO PROPOSED ORDER TO SHOW CAUSE AND NOTICE OF HEARING

I. INTRODUCTION:

On September 4, 1998, correspondence was sent from the State of Colorado Public Service Commission ("Commission") addressed to Mr. Todd M. Meislahn, President of Ameritel Corporation and Sterling International Funding, Inc. d/b/a Reconex and Mr. William E. Braun, General Counsel of Sterling International Funding, Inc. d/b/a Reconex ("Respondents").

On behalf of the named parties, 1-800-RECONEX Inc., by and through its General Counsel, William E. Braun, submits the following written data, views and arguments with respect to the possible violations set forth in the Commission's letter of September 4, 1998. Pursuant to that correspondence, Respondents' submission must be delivered by October 5, 1998.

On September 5, 1996, Bruce N. Smith, Director of the Colorado Public Utilities Commission, delivered a letter to Ameritel Corporation indicating that Ameritel, under

the newly enacted State and Federal legislation, needed to file for a certificate of public convenience and necessity to provide local exchange telecommunications in the State of Colorado. Ameritel had been providing local exchange telecommunication services prior to the newly enacted State and Federal laws, as well as the newly enacted Commission Rules. Mr. Smith allowed Ameritel to continue operating providing Ameritel have a completed application on file by September 30, 1996.

On October 1, 1996, an application was filed under the name of Sterling International Funding, Inc., d/b/a Reconex ("Reconex"). Mr. Meislahn, in his September 30, 1996, cover letter, explained that Ameritel was the "pre-certification" entity which had been operating in various western states pre-Telecommunications Act of 1996.

Pursuant to a Stipulation filed March 20, 1997, between all the parties of record, Reconex, Staff, the Office of Consumer Counsel (OCC) and US West, it was agreed that Reconex would be granted its certificate of public convenience and necessity. That certificate was granted by the Commission by Decision No. R97-361 in Docket No. 96A-437T. The Recommended Decision included and adopted the above-referenced Stipulation as part of the Order.

Reconex thereafter filed its Advice Letter No. 1 and Amended Advice Letter No. 1 on June 24, 1997, and July 18, 1997, respectively. The Commission suspended the effective date and set the matter for hearing.

On November 19, 1997, Reconex filed a request to withdraw the suspended tariff. That request was granted November 25, 1997. To date Reconex has not refiled its tariff.

On April 20, 1998, the undersigned delivered a letter to the Commission which indicated that Ameritel, which was operating pursuant to the above-referenced stipulation, would not be offering service to new customers who contacted Ameritel seeking service. The letter indicated that the existing customers would be provided service until they no longer desired the service or are disconnected for nonpayment. Ameritel heard nothing from the Commission regarding that correspondence until its mention in the instant letter dated September 4, 1998.

II. DISCUSSION:

Respondents respectfully submit the following response to the allegations contained in the Commission correspondence of September 4, 1998. The allegations will be addressed in the order presented. The responses will be combined where the allegations reference the same or similar facts and/or subject matter.

ALLEGATION NO. 1: Ameritel may have violated § 40-15-202(2), C.R.S., by operating within this state as a provider of regulated services without first having obtained from the Commission a certificate of public convenience and necessity declaring that the present or future public convenience and necessity requires or will require such operation.

ALLEGATION NO. 2.: Ameritel may have violated § 40-3-102 and 103, C.R.S., by collecting and enforcing illegal and unlawful rates and charges for regulated local exchange telecommunication services.

RESPONSE TO ALLEGATIONS NO. 1 & 2.: As the above introductory facts indicate, as well as the facts contained in the Proposed Order To Show Cause, Ameritel continued to operate after September 5, 1996, with the blessing of Director Smith in his correspondence of that date. The correspondence indicates that if Ameritel commences the process of filing for its certificate by September 30, 1996, then it may continue to operate for a limited period of time. The correspondence states at page 2 paragraph 1:

Ameritel has been providing local exchange service on a resale basis prior to the enactment of the Commission rules cited above. Therefore, the Commission will allow continued operation, *without penalty or other recourse*, for a limited period of time. (Emphasis Added).

The application was filed under the name Sterling International Funding, Inc., d/b/a Reconex on October 1, 1996, under cover letter dated September 30, 1996. As such, Ameritel was allowed to operate during the time the application was under consideration.

Pursuant to Stipulation, and ultimate Order, Reconex was granted its certificate effective April 27, 1996. (Recommended Decision attached as Exhibit A.) The Stipulation, as stated above, was approved by all parties to the proceeding; Commission Staff, OCC, US West, and Reconex. The Recommended Decision states at page 3 subparagraph H. in part:

Sterling further stipulates that its affiliate, Ameritel Corporation ("Ameritel") will not advertise in any medium after the date on which the Stipulation becomes

effective upon acceptance by the Commission, however, Ameritel will not be precluded from accepting new customers who contact Ameritel for service.

It is clear from the foregoing that Ameritel was allowed to operate with full and complete knowledge on the part of the Commission, Commission Staff, and OCC as an unregulated entity pending the outcome of the Reconex application, i.e. the successful filing and approval of its Advice Letter. The operation, however, was limited to merely signing up customers who requested service. Ameritel was prohibited from soliciting business through advertising. Upon approval of the Reconex application the Ameritel accounts would be folded into Reconex.

During the pendency of the Reconex application, neither the Commission, Commission Staff, nor the OCC sought to amend the Stipulation in any fashion. Reconex was not at any time contacted by any party and requested to proceed in any different manner with respect to the Ameritel accounts.

Pursuant to the correspondence dated April 20, 1998, Ameritel has indicated that it will no longer accept new customers pursuant to its ability to do so under the Stipulation. Ameritel stated that it would serve its existing customers until they no longer desired the service or until they were disconnected for nonpayment. Neither the Commission, Commission Staff, nor OCC responded in any manner to this letter directing or requesting that Ameritel proceed in any other fashion with respect to its customers. Should any of those entities have such a request they merely need to contact us and we would be pleased to discuss the matter. However, to now suggest that Ameritel is

operating without a certificate when it is in fact operating under the authority granted by the Commission, upon a Stipulation entered into between Commission Staff, OCC and Reconex, and with full knowledge on the part of all those parties seems unfair at best.

As stated above, due to the fact that Reconex has no immediate plans to refile its Advice Letter we would be pleased to entertain requests by Commission, Commission Staff, or OCC regarding the remaining Ameritel customers. As of September 22, 1998, the number of customers totals 128. As Staff is aware our customers tenure is normally of short duration. Therefore the 128 customers will decline by attrition a relatively rapid rate.

For all the foregoing reasons and essentially because Ameritel was allowed to operate as an unregulated entity it would not be subject to the rates and charges for "regulated" local exchange telecommunication services. The Commission Staff and OCC were at all times intimately familiar with what Ameritel charged its customers for service. Again, at no time during the negotiation of the Stipulation, nor at any other time, did any party make any specific request of Ameritel with respect to rates.

ALLEGATIONS NO. 3: Ameritel may have violated § 40-2-111, C.R.S., by failing to file returns with the Department of Revenue setting forth the gross operating revenues of such public utility from intrastate utility business transacted in the State of Colorado.

ALLEGATION NO. 4: Ameritel may have violated § 40-2-113, C.R.S., by failing to pay fees to the Department of Revenue on or before July 15, October 15, January 15, and April 15 in each fiscal year, together with penalties and interest.

RESPONSE TO ALLEGATIONS 3. & 4.: Respondents would incorporate by reference its response to Allegations No. 1 & 2 above and would add the following:

Upon initial entry into Colorado, Mr. Meislahn was informed that as a third party dial tone provider that he was not a public utility. Further, it was not deemed necessary for Ameritel to register as a Foreign Corporation as the entity was not deemed to be transacting business. By engaging in the activity of "Soliciting or procuring orders, whether by mail or through employers or agents or otherwise, where such orders require acceptance outside of this state (Colorado) before becoming binding contracts", Ameritel was not a corporation subject to the Foreign Corporation filing requirements.

As an unregulated entity it has been the position of Ameritel that it is not responsible for the returns and fees cited in §'s 40-2-111 and 113, C.R.S.. We have never received any correspondence from the Department of Revenue regarding any returns or fees that may be owing.

§ 40-2-109, C.R.S., provides in pertinent part:

On March 1, of each year, the public utilities commission shall furnish the executive director of the department of revenue with a list of those public utilities subject to its jurisdiction, supervision, and regulation on January 1 of each year...

Having not been notified by the Department of Revenue would indicate that the Public Utilities Commission has never submitted our name to the Department of Revenue pursuant to the above statute. Further, the actions of the Public Utility Commission in not submitting the Ameritel name would indicate the Commission's complete understanding of the status of Ameritel, i.e. that of an unregulated entity.

It is understood that Ameritel was only to exist as an unregulated entity until Reconex gained complete approval to operate. As all parties are aware Reconex has declined to move forward with its application. As such, we would again invite the Commission and/or the Department of Revenue to contact us and, with the current state of the facts in mind, advise as to how they wish us to proceed.

All taxes and appropriate tax filings have been made, and the tax remitted, in the State of Oregon.

ALLEGATION NO. 5.: Ameritel and/or Reconex may have violated § 40-3-103, C.R.S., by failing to file with the Commission tariffs showing rates, charges, rules, and regulations collected or enforced for the provision of regulated local telecommunication services.

RESPONSE TO ALLEGATION NO. 5.: Respondents would incorporate by reference its response to Allegations No. 1 & 2 above and would add the following:

014444316

Ameritel was never a "regulated" provider of local telecommunication service. As such it was not subject to the rates, charges, rules etc. described in the above referenced Section. Of greater significance is the fact that Ameritel was allowed to operate (without advertising) under the Stipulation entered into with Commission Staff and OCC, and neither Commission Staff nor OCC nor any other party requested that Ameritel make any filing with respect to rates as part of that Stipulation, despite the fact that all parties had complete and total knowledge of the rates charged. In fact, it should be noted that in Reconex's Request to Withdraw Application filed on November 17, 1997, it stated at page 2, paragraph 2:

It is understood that the withdrawal in no way prejudices Sterling's ability to refile after the rulemaking and order has been rendered in Docket No. 97R-177T and that in the interim Sterling's affiliate, Ameritel, will continue to operate under the constraints of the stipulation dated April 7, 1997.

This once again allowed Commission Staff or OCC the opportunity to renegotiate the terms of the Stipulation. Neither party chose to do so.

Again, to come back at this juncture and claim a violation for failure to file rates, charges, etc. pursuant to this Section appears to violate the terms and spirit of the Stipulation.

It is the opinion of Respondents that the various Allegations contained in this Proposed Order would have been well taken and timely if contained in Director Smith's initial correspondence of September 5, 1996. By the language in Directors Smith's letter as well as the subsequent Stipulation, Commission Staff apparently had made the decision to allow Ameritel to operate, in essence, as an unregulated entity, pending the approval of the Reconex application. If there was any other intention on the part of Commission

Staff it was never communicated to Ameritel. To indicate such a position at this point in time, again, seems to raise a significant issue of fairness.

ALLEGATION NO. 6.: Ameritel and/or Reconex may have violated Rule 4 CCR 723-36-3 by failing to file an application to abandon, to discontinue, or to curtail basic local exchange service.

ALLEGATION NO. 7.: Ameritel and/or Reconex may have violated Rule 4 CCR 723-36-4.3 by failing to provide notice of the proposed abandonment, discontinuance, or curtailment to each of the affected customers, and to others as required.

RESPONSE TO ALLEGATIONS NO. 6. & 7.: Respondents would incorporate by reference its response to Allegations No. 1 & 2 above and would add the following:

Rule 4 CCR 723-36 applies to all local exchange telecommunications service providers. The definition of "Provider of local exchange telecommunications services or provider" contained at Rule 4 CCR 723-36-2.9 is a "Person who holds a certificate of public convenience and necessity to provide local exchange telecommunication services".

Ameritel was never a holder of a certificate of public convenience and necessity and as such was not a provider of telecommunications services under the Rule. Therefore, the Rule is not applicable to Ameritel.

Reconex, while a holder of a certificate of public convenience and necessity never was able to achieve approval of its Advice Letter and Tariff and thus never offered service in the State of Colorado.

Despite the fact that Ameritel was under no obligation to file an application to abandon, discontinue or curtail, Ameritel did in fact inform the Commission and its customers of its intention to discontinue service. Ameritel's letter to the Commission of April 20, 1998, informed the Commission of the action Ameritel would be taking. Further, and of greater significance, with respect to the Colorado consumer, a letter was sent to all Ameritel customers informing them of the changes to their service. The letter states in pertinent part:

This letter will serve as notice that Ameritel will be discontinuing prepaid telephone service in the state of Colorado. However, Ameritel will continue to provide your telephone service as long as your account is paid in full on or before your due date every month. If service is disconnected for any reason, Ameritel will not be able to reconnect your telephone.

ALLEGATION NO. 8.: Ameritel and/or Reconex, as the transferee, may have violated Rule 4 CCR 723-37-3 by failing to obtain permission to execute a transfer from U.S. Telco, Inc.

RESPONSE TO ALLEGATION NO. 8.: On March 1, 1998, 1-800-RECONEX, Inc., purchased U.S. Telco pursuant to a stock transfer agreement. At the time of the purchase the decision was made to discontinue the U.S. Telco service in the State of Colorado and to not pursue the final tariff approval necessary for Reconex to conduct business in

Colorado. Ameritel, not possessing a certificate of public convenience and necessity, would have no duty under Rule 4 to make such a filing.

Having made the decision to file the application to discontinue service for U.S. Telco, it appeared to be inconsistent, unduly time consuming, expensive, and unnecessary to file to obtain permission for the transfer.

4 CCR 723-37 applies to the transfer of assets not in the ordinary course of business of a provider of local telecommunication services. A provider of local telecommunication services is defined as a person who holds a certificate of public convenience and necessity to provide local exchange services. Having set in motion the process whereby U.S. Telco would surrender its certificate of public convenience and necessity it seemed logical that an application to approve the transfer need not be addressed. Further, it appeared that proceeding with such an application would also be a waste of the Commission's, as well as the Respondents', resources as the ultimate goal of Respondents, as well as the intent of the application to discontinue service, was that Respondents would not be providers of local telecommunication services in the State of Colorado.

Further, as stated above, the decision was made that Reconex would not pursue final tariff approval which would allow Reconex to provide service in Colorado. Having made the decision that neither company would be doing business in Colorado the application to discontinue was the logical way to proceed. The current status is what was anticipated in

that neither U.S. Telco nor Reconex are doing business, nor plan to do business, in the state of Colorado.

Had Reconex (or for that matter U.S. Telco) filed the application to transfer, either of the following situations would have occurred:

1. The application to transfer would have been approved a mere days before the application to discontinue service was granted, or
2. The application to discontinue would have been approved before the application to transfer which, of course, would have rendered the application to transfer moot.

Presented with these alternatives it seemed logical, from the perspective of the most efficient use of the Commission's, as well as the Applicant's resources, to proceed with the U.S. Telco application to discontinue service.

Respondents would indicate that should the Commission or Staff disagree with the above analysis we stand ready, willing and able to comply with any Commission or Staff request.

III. SUMMARY:

For the foregoing reasons Respondents would respectfully request that an order to show cause not be issued in this matter. Respondents would like the opportunity to resolve these matters with the Commission and/or Commission Staff before a formal hearing is

set. It is our belief that after Staff has had the opportunity to review the above response that they will be in agreement and that no hearing need be set at this juncture.

Respondents believe that a formal show cause procedure is unnecessary to resolve these issues. We invite the Commission, Commission Staff, or the OCC to simply indicate what it is they would like us to do in order to fully and completely resolve this matter. A formal hearing would serve no purpose other than to involve significant expenditures of time, money, and resources for all parties on issues which Respondents believe a consensus can be reached. It is Respondents' desire to be in compliance with the Statutes and Commission Rules and again invites the Commission to indicate to us the most efficient way to resolve this matter to the Commission's complete satisfaction.

Respectfully Submitted,

By: _____

William E. Braun

General Counsel
1-800-RECONEX, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032
(503) 982-5573
(503) 982-6077 (Fax)

RECEIVED

OCT 19 1998

BEFORE THE STATE OF

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

Application of Sterling International Funding, Inc.,) SD PUC Docket: TC 97-160
d/b/a Reconnex, for a Certificate of Authority)
to provide local exchange telecommunication) AFFIDAVIT OF
service on a resold basis in the State of) WILLIAM E. BRAUN
South Dakota)

I, William E. Braun, under oath do hereby say and depose that I am the General Counsel for Sterling International Funding, Inc., d/b/a Reconnex. I make this affidavit in support of Applicant's responses to the South Dakota Public Utilities Commission's requests in their September 30, 1998 correspondence.

I do hereby say and depose that the enclosed documents, 1) letter to Kylie Tracy, Staff Utilities Analyst for the South Dakota Public Utilities Commission, from Jennifer Sikes, Paralegal for 1-800-Reconnex, Inc., dated October 6, 1998; 2) Sterling International Funding d/b/a Reconnex's tariff and; 3) Responses to Proposed Orders to Show Cause and Notice of Hearing are accurate and true.

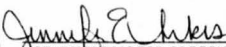
Dated this 6th day of October 1998.

Respectfully Submitted,
Sterling International Funding, Inc.

By: 
William E. Braun, General Counsel

SWORN AND SUBSCRIBED before me on this 6th day of October 1998.




NOTARY PUBLIC FOR OREGON

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

IN THE MATTER OF THE APPLICATION OF)	ORDER GRANTING
STERLING INTERNATIONAL FUNDING, INC.)	CERTIFICATE OF
D/B/A RECONEX FOR A CERTIFICATE OF)	AUTHORITY
AUTHORITY TO PROVIDE)	
TELECOMMUNICATIONS SERVICES IN)	TC97-160
SOUTH DAKOTA)	

On September 24, 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 Sterling International Funding, Inc. d/b/a Reconex (Reconex).

Reconex proposes to offer service in the areas and exchanges currently being served by L' S WEST. Reconex is an alternative telephone company primarily furnishing prepaid local dial tone service to individuals who have had their telephone disconnected, have voluntarily left their local exchange provider, or for money management reasons, prefer to address their local calling needs in a prepaid fashion at a set fee. A proposed tariff was filed by Reconex. The Commission has classified long distance service as fully competitive.

On September 25, 1997, the Commission electronically transmitted notice of the filing and the intervention deadline of October 10, 1997, to interested individuals and entities. No petitions to intervene or comments were filed. At its regularly scheduled May 28, 1998, meeting, the Commission considered Reconex's request for a certificate of authority. The Commission found that Reconex had not met the legal requirements established for the granting of a certificate of authority and denied the application. On July 1, 1998, Reconex filed a Motion for Application of Rehearing for a Certificate of Authority which the Commission granted on July 23, 1998.

Commission Staff submitted a data request to Reconex which the company responded to in a timely manner. At its regularly scheduled October 27, 1998, meeting, the Commission considered Reconex's request for a certificate of authority. Commission Staff recommended granting a certificate of authority.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-31, specifically 49-31-3 and ARSD 20.10.24.02 and 20.10.24.03. The Commission finds that Reconex has met the legal requirements established for the granting of a certificate of authority. Reconex has, in accordance with SDCL 49-31-3, demonstrated sufficient technical, financial and managerial capabilities to offer telecommunications services in South Dakota. The Commission approves Reconex's application for a certificate of authority. As the Commission's final decision in this matter, it is therefore

ORDERED, that Reconex's application for a certificate of authority is hereby granted. It is

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

Dated at Pierre, South Dakota, this 4th day of November, 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 facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.	
By	<u>Helaine Karbo</u>
Date	<u>11/4/98</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

CERTIFICATE OF AUTHORITY

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

Authority was Granted October 27, 1998
Docket No. TC97-160

This is to certify that

STERLING INTERNATIONAL FUNDING, INC. D/B/A RECONEX

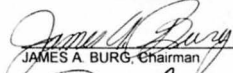
is authorized to provide telecommunications services in South Dakota.

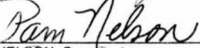
This certificate is issued in accordance with SDCL 49-31-3 and ARSD 20:10:24:02, and is subject to all of the conditions and limitations contained in the rules and statutes governing its conduct of offering telecommunications services.

Dated at Pierre, South Dakota, this 4th day of December, 1998

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION:**




JAMES A. BURG, Chairman


PAM NELSON, Commissioner


LASKA SCHOENFELDER, Commissioner

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

IN THE MATTER OF THE APPLICATION OF)	AMENDED ORDER
STERLING INTERNATIONAL FUNDING, INC.)	GRANTING CERTIFICATE
D/B/A RECONEX FOR A CERTIFICATE OF)	OF AUTHORITY
AUTHORITY TO PROVIDE)	
TELECOMMUNICATIONS SERVICES,)	TC97-160
INCLUDING LOCAL EXCHANGE SERVICES, IN)	
SOUTH DAKOTA)	

On September 24, 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 Sterling International Funding, Inc. d/b/a Reconex (Reconex).

Reconex proposes to offer service in the areas and exchanges currently being served by U S WEST. Reconex is an alternative telephone company primarily furnishing prepaid local dial tone service to individuals who have had their telephone disconnected, have voluntarily left their local exchange provider, or for money management reasons, prefer to address their local calling needs in a prepaid fashion at a set fee. A proposed tariff was filed by Reconex. The Commission has classified long distance service as fully competitive.

On September 25, 1997, the Commission electronically transmitted notice of the filing and the intervention deadline of October 10, 1997, to interested individuals and entities. No petitions to intervene or comments were filed. At its regularly scheduled May 28, 1998, meeting, the Commission considered Reconex's request for a certificate of authority. The Commission found that Reconex had not met the legal requirements established for the granting of a certificate of authority and denied the application. On July 1, 1998, Reconex filed a Motion for Application of Rehearing for a Certificate of Authority which the Commission granted on July 23, 1998.

Commission Staff submitted a data request to Reconex which the company responded to in a timely manner. At its regularly scheduled October 27, 1998, meeting, the Commission considered Reconex's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to rural safeguards. Commission Staff further recommended a waiver of 20:10:24:02(8).

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 Reconex has met the legal requirements established for the granting of a certificate of authority. Reconex has, in accordance with SDCL 49-31-1, demonstrated sufficient technical, financial and managerial capabilities to offer telecommunications services in South Dakota. Further, the Commission finds that there is good cause to waive subparagraph (8) of ARSD 20:10:24:02.

The Commission approves Reconex's application for a certificate of authority, subject to rural safeguards. The certificate of authority for Reconex shall authorize it to offer local exchange services in those areas in South Dakota where U S WEST Communications, Inc. is the incumbent local exchange carrier. In the future, should Reconex choose to provide local exchange services statewide, with respect to rural telephone companies, Reconex will have to come before the Commission in another proceeding before being able to provide local service in that rural service area pursuant to 47 U.S.C. § 253(f) which allows the Commission to require a company that seeks to provide service in a rural service area to meet the requirements in 47 U.S.C. § 214(e)(1) for designation as an eligible telecommunications carrier. In addition, the granting of statewide certification will not affect the exemptions, suspensions, and modifications for rural telephone companies found in 47 U.S.C. § 251(f). It is therefore

ORDERED, that Reconex's application for a Certificate of Authority to provide telecommunications services, including local exchange services, is granted; and it is

FURTHER ORDERED, that Reconex shall file informational copies of tariff changes with the Commission as the changes occur; and it is

FURTHER ORDERED, that the Commission shall authorize Reconex to offer its services in those areas in South Dakota where U S WEST Communications, Inc. is the incumbent local exchange carrier; and it is

FURTHER ORDERED, that the Commission finds good cause to waive subparagraph (8) of ARSD 20:10:24.02.

Dated at Pierre, South Dakota, this 4th day of December, 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 facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.	
By	<u><i>William Kachis</i></u>
Date	<u>12/8/98</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner