

**Application of
Verizon Select Services Inc.**

EXHIBIT II
Certificate of Interexchange Authority

STATE OF ILLINOIS



ILLINOIS COMMERCE COMMISSION

June 23, 1995

Re: 95-0180

Dear Sir/Madam:

Enclosed is a certified copy of the Order entered by this Commission.

Sincerely,

Donna M. Caton

Donna M. Caton
Chief Clerk

Enc.

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

GTE Card Services, Inc. :
: :
Petition for Certificate of : 95-0180
Public Convenience and Necessity:
to operate as a resale carrier :
in the State of Illinois. :

ORDER

By the Commission:

On April 20, 1995, GTE Card Services, Inc. ("Petitioner" or "GTECS") filed a verified petition for authority to operate as a reseller of interexchange telecommunications services within the State of Illinois.

Pursuant to notice given in accordance with the law and the rules of the Commission, this matter came on for hearing before a duly authorized Hearing Examiner at the offices of the Commission in Springfield, Illinois, on June 6, 1995. Appearances were entered by counsel for Petitioner and by Mr. Al Talbott, Chief Telephone Engineer in the Public Utilities Division of the Commission ("Staff"). Mr. Gordon Allen, President of GTECS, testified in support of the petition. No other evidence was presented, and the record was marked "Heard and Taken" on June 6, 1995.

Petitioner is a Delaware corporation authorized to do business in Illinois, and it is a wholly-owned subsidiary of GTE Information Services. Petitioner has no affiliation with GTE Illinois in that it does not use any of the switching equipment, personnel, offices, or services of GTE Illinois.

Mr. Allen testified that GTECS will be offering prepaid calling card services to consumers through retail sales channels and direct marketing to end users. It owns no facilities in Illinois and will be using the transmission facilities and switching equipment of underlying carriers, primarily MCI. The end user will dial an 800 number, then dial the account number on the prepaid calling card and be advised of the amount of usage remaining on the card, and then be prompted to dial the number desired. Calls will originate, terminate and be switched over MCI's network via GTECS's switching facilities at its calling card operations center in Irving, Texas.

Petitioner has presented evidence which demonstrates that it has the necessary managerial, technical, and financial ability to operate as a reseller of telecommunications services. GTECS's technicians are on call 24 hours a day, 7 days a week, and have access to MCI's technicians in case there are any network problems.

The evidence indicates that GTECS employs experienced personnel to operate and manage its business. A toll-free customer service number will appear on the prepaid calling cards. Customer service representatives will respond to questions including billing issues and will refer problems to the appropriate entities within GTECS for resolution. Customers will be credited for poor quality of service.

GTECS is currently certified to operate in 15 states and has applications pending in 28 states. Mr. Allen testified that GTECS has had no complaints or investigatory proceedings filed against it or any of its officers or directors.

At the hearing, Staff representative Talbott cited 83 Ill. Adm. Code 770, the Commission's rules concerning alternative operator services which have been promulgated in response to consumer complaints about such services. Specifically, Section 13-901 of the Public Utilities Act requires the Commission to promulgate rules adopting and enforcing the following requirements: (1) that rates for operator-assisted calls be available upon request and without charge; (2) that operator service providers identify themselves prior to the call being completed; (3) that customers can access (a) the operator service provider of their choice where technically feasible, (b) the local exchange company operator, and (c) the emergency telephone number that serves the jurisdiction where the telephone is located. While Petitioner indicated that it does not intend to provide alternative operator services at this time, it acknowledged the fact that it would be required to comply with Section 13-901 and Part 700 if it provides such services.

Petitioner has requested that the Commission make certain declarations and grant certain waivers of the requirements of the Public Utilities Act ("Act") and from the rules and regulations of the Commission. Petitioner is required to file a tariff with the Commission under Section 13-501 of the Act describing the nature of its service, the applicable rates and charges and the terms and conditions of the service provided. The service Petitioner proposes to provide will be a competitive telecommunications service as described in Section 13-502(b) of the Act. If Petitioner files the required tariff in compliance with Section 13-502(e) and the rules adopted thereunder in 83 Ill. Adm. Code 745, many of the provisions of the Act as well as regulations adopted by the Commission in Title 83 of the Illinois Administrative Code will be inapplicable to Petitioner.

Absent waiver, a telecommunications carrier providing only competitive service would have to comply with 83 Ill. Adm. Code 710, Uniform System of Accounts, and 83 Ill. Adm. Code 735, which governs credit, billing, deposits and termination of service.

Pursuant to Section 13-402 of the Act, waivers of Part 710 and Part 735 should be granted because such action would reduce the economic burdens of regulation and would not be inconsistent with the law or the purposes and policies of Article XIII of the Act.

Petitioner also requests Commission approval to maintain its books and records at its principal place of business in the State of Texas pursuant to 83 Ill. Adm. Code 250.

The Commission, after reviewing the entire record and being fully advised in the premises, is of the opinion and finds that:

- (1) Petitioner is a Delaware corporation authorized to do business in Illinois and seeks a Certificate of Inter-exchange Service Authority to operate as a reseller of telecommunication services within the State of Illinois; as such, it seeks to become a telecommunications carrier within the meaning of Section 13-202 of the Public Utilities Act;
- (2) the Commission has jurisdiction over the Petitioner and the subject matter herein;
- (3) as required by Section 13-404 of the Act, Applicant possesses sufficient technical, financial and managerial resources and abilities to provide resold interexchange intraMSA and interMSA telecommunications services, and the petition should be granted as hereinafter set forth;
- (4) Petitioner should file with the Commission a tariff consisting of its rates, rules and regulations, in accordance with Sections 13-501 and 13-502 of the Act to be effective upon proper filing, before commencing service;
- (5) pursuant to Section 13-402 of the Act, a waiver should be granted to Petitioner of Parts 710 and 735 of 83 Ill. Adm. Code because such action will reduce the economic burden of regulation and is not inconsistent with the Act or the purposes and policies of Article XIII;
- (6) Petitioner should establish books of account such that revenues from its telecommunications services, subject to the public utility revenue tax, are segregated from the revenues derived from other business activities not regulated by this Commission;
- (7) subject to Section 5-106 of the Act and in accordance with the provisions of 83 Ill. Adm. Code 250, Petitioner

should be allowed to maintain its books and records at its principal place of business in the State of Texas;

- (8) to the extent applicable, Petitioner will comply with the requirements of Section 13-901 of the Act and any rules the Commission promulgates for companies providing alternative operator services.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that GTE Card Services, Inc. is granted a Certificate of Interexchange Service Authority.

IT IS FURTHER ORDERED that the Certificate of Interexchange Service Authority hereinabove granted shall be the following:

CERTIFICATE OF INTEREXCHANGE SERVICE AUTHORITY

IT IS HEREBY CERTIFIED that GTE, Inc., is authorized to provide resold interexchange intraMSA and interMSA telecommunications services within the State of Illinois.

IT IS FURTHER ORDERED that Petitioner shall file with this Commission a tariff consisting of its rates, rules and regulations, to be effective upon proper filing, before commencing service.

IT IS FURTHER ORDERED that 83 Ill. Adm. Code 710 and 735, are hereby waived in accordance with Finding (5) hereinabove.

IT IS FURTHER ORDERED that as a condition of the Certificate, Petitioner is directed to establish books of account such that revenues from its telecommunications services, subject to the public utility revenue tax, are segregated from the revenues derived from other business activities not regulated by the Commission.

IT IS FURTHER ORDERED that Petitioner is granted leave to maintain its books and records outside Illinois at its principal place of business in the State of Texas and shall fully comply with the provisions of 83 Ill. Adm. Code 250 and Section 5-106 of the Public Utilities Act.

IT IS FURTHER ORDERED that Petitioner shall comply with the requirements of Section 13-901 of the Public Utilities Act and any rules promulgated by the Commission pursuant thereto.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code

200.880, this Order is final; it is not subject to the Administrative Review Law.

By order of the Commission this 21st day of June, 1995.

(SIGNED) Dan Miller

Chairman

(S E A L)

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
CERTIFICATE

Re: 95-0180

I, DONNA M. CATON, do hereby certify that I am Chief Clerk of the Illinois Commerce Commission of the State of Illinois and keeper of the records and seal of said Commission with respect to all matters except those governed by Chapters 18a and 18c of The Illinois Vehicle Code.

I further certify that the above and foregoing is a true, correct and complete copy of order made and entered of record by said Commission on June 21, 1995.

Given under my hand and seal of said Illinois Commerce Commission at Springfield, Illinois, on June 23, 1995.

Donna M. Caton
Chief Clerk