

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
APPLICATION FOR CERTIFICATE OF SERVICE AUTHORITY
UNDER THE PUBLIC UTILITIES ACT**

INTERNATIONAL PAYPHONE)
CORPORATION)
)
Application for a Certificate of)
Service Authority to provide)
pay telephone service)
within the State of Illinois.)

Docket No. 00-0548

DIRECT TESTIMONY OF ROBERT LANE

- 1. Q. Please state your name and business address.
A. My name is Robert Lane. I am the president of International Payphone Corporation and my principle place of business is 406 Farmington Ave., Farmington, CT 06032.
- 2. Q. Please describe the nature and purpose of your testimony today.
A. The purpose of my testimony is to describe the nature of International Payphone Corporation and to describe the company's technical, financial and managerial qualifications supporting its application for a Certificate of Service Authority to provide competitive resale of interexchange and local exchange telecommunications services by means of pay telephones within the State of Illinois.
- 3. Q. Would you list the key employees of the corporation.
A. I am the only key employee, but the company has engaged the services of Phil Stewart of Peoria, Illinois to provide us with installation, collection, cleaning, service & repair of our Illinois payphones.
- 4. Q. Please describe the relevant business or professional expertise that you bring to the company.

As for relevant payphone experience, I founded, operated and eventually sold a

successful payphone company that does business in Washington, D.C., Virginia and Maryland. I built this payphone company from the ground up and my duties included filling every executive and technical position in the company.

In addition, I have also provided management, consulting and oversight in all operational and fiscal aspects to numerous successful "start-up" independent payphone operations and existing payphone providers throughout the United States. I have served as consultant of record for a number of payphone investment companies in South Carolina, Pennsylvania, Virginia, Maryland, Tennessee, Mississippi and Florida. In that capacity, I was instrumental in the acquisition and performance of the due diligence research of the originating payphone operations which are valued in the millions of dollars.

Further, I own and operate two Internet Web Sites that are devoted to the payphone industry and provide a wide range of information and a free classified ad forum for that industry. They can be found at: <http://www.payphones-usa.com> & <http://www.telefone.com>.

I have served as co-founder and past Vice President of the Atlantic Payphone Association, serving Washington, D.C., Maryland and Virginia in partnership with the American Public Communications Council.

I will be the primary contact responsible for the maintenance and repair of the payphones owned by the Company. However, as mentioned above, the company has engaged the services of Phil Stewart of Peoria Illinois, an experienced provider of payphone service repairs, to provide us with installation, collection, cleaning, service & repair of our Illinois payphones.

5. Q. Do you believe that you possess the necessary technical and managerial expertise to provide resale of interexchange and local exchange telecommunications services by means of non-local exchange carrier pay telephones within the State of Illinois?

A. Yes, I do. In addition to the years of hands-on experience running all operations in a successful payphone company, I have also consulted on a payphone equipment development project for Northern Telecom (Nortel), a major provider of payphone systems. Further, as mentioned above, the company has contracted with Phil Stewart of Peoria, Illinois to provide us with installation, collection, cleaning, service & repair of our Illinois payphones.

6. Q. In order to acquaint the Hearing Officer and the Commission with the operations of your company, could you please describe your current marketing plans for the

installation of pay telephone services within the state.

A. The company contracts with various premise owners for the installation and operation of our coin phone equipment at their site. In exchange for the use of the site, the premise owner receives a commission on the revenues collected from the coin phones located thereon. The company retains ownership of, and responsibility for, servicing the telephone at all times.

7. Q. Please describe how you service your telephones, including a description of any service contracts you have for repair and maintenance of the telephones.

A. The company is responsible for repair and service of its telephones pursuant to its contract with the location site owner. Each location is computer checked daily to assure proper operation. Additionally, the company will respond to any complaints of malfunction with immediate inspection and with repair or replacement within twenty-four hours.

8. Q. Please describe the nature of your agreement with the local exchange companies.

A. The company purchases customer owned pay telephone services from the local exchange companies and is treated the same as any other company providing competitive pay telephone services.

9. Q. Do you intend to use telephones which meet the requirements as set forth by the Federal Communications Commission?

A. Yes.

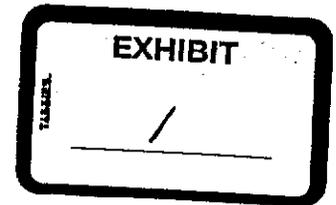
10. Q. Will your telephones provide the following features?

- a. Touch dialing;
- b. Access to 911 emergency service and "0" operator without the use of a coin;
- c. Compliance with the statutes or rules concerning use of pay stations by disabled persons;
- d. Ability to complete both local and long distances calls;

- e. Unlimited duration for local calls through the deposit of additional coins or otherwise;
 - f. A message explaining the telephones general operation, owners name, method of recording service problems and method of receiving credit for faulty calls.
- A. Yes, my telephones will contain features which comply with all of the requirements set forth in finding (9) of the order entered by the Commission in Docket no. 84-0464.
11. Q. Do you have the financial ability to provide pay telephone service to your customers as you have described that service?
- A. Yes. I have attached a financial sheet to my testimony as Exhibit 1 which lists the company's accounts receivable and cash, along with other financial information.
12. Q. Why are you applying to the Commission for the Certificate of Service Authority.
- A. I am applying for the Certificate of Service Authority to comply with the Illinois Universal Telephone Service Protection Law as interpreted by the Commission in Docket No. 84-0442.
13. Q. Will the telecommunications services you provide be competitive as that term is used in the Universal Telephone Service Protection Law.
- A. Yes.
14. Q. If provided a Certificate of Service Authority by the Commission, are you prepared to file the required tariffs and otherwise comply with the Universal Telephone Service Protection Law.
- A. If granted a Certificate of Service Authority by the Commission, I intend to follow the procedure set forth in 83 Illinois Administrative Code 745 for filing tariffs designating the services offered in the tariff as competitive and thus exempting it from the provisions of the Public Utilities Act and the Commission's regulations applicable to noncompetitive services provided by telecommunications carriers.
15. Q. What waivers are you seeking from the commission?

- A. I request that I be exempted from 83 Illinois Administrative Code 710 which pertains to the Universal System of Accounts and 83 Illinois Administrative Code 735 which pertains to the regulations governing credit, billing, deposits and termination of service.
16. Q. If you are granted a Certificate of Service Authority by the Commission, will you file with the Commission a tariff showing your rates and charges and conditions of service pursuant to Sections 13-501 and 13-502 of the Universal Telephone Service Protection Law and compliance with 83 Illinois Administrative Code 255.30?
- A. Yes, I will.
17. Q. Does that conclude your testimony?
- A. Yes, it does.

INTERNATIONAL PAYPHONE CORP.
Balance Sheet - Preliminary
 As of June 30, 2000



01/00

| | Jun 30, '00 |
|--|-------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| Cash in Bank - GLT Newbury | 5,081.68 |
| Cash in Bank - Newbury HNB | -786.27 |
| Huntington Account IPC | -95.89 |
| Kearney Federal Savings Bank | 20,722.71 |
| Money Market Account | 50,000.00 |
| Total Checking/Savings | 74,922.23 |
| Other Current Assets | |
| Prepaid Lease Expense - Current | 5,482.00 |
| Total Other Current Assets | 5,482.00 |
| Total Current Assets | 80,404.23 |
| Fixed Assets | |
| Property and Equipment | |
| Office Equipment | 5,478.20 |
| Autos | 14,500.00 |
| Accumulated Depreciation | -315.00 |
| Total Property and Equipment | 19,663.20 |
| Total Fixed Assets | 19,663.20 |
| Other Assets | |
| Prepaid Lease Expense - Future | 43,856.00 |
| Telephone Deposits | 40,200.00 |
| Total Other Assets | 84,056.00 |
| TOTAL ASSETS | 184,123.43 |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| Accounts Payable | 72,000.00 |
| Total Accounts Payable | 72,000.00 |
| Other Current Liabilities | |
| Sales Tax Payable | 54,820.00 |
| Accounts Payable - NPC/NAPC | 127,345.00 |
| A/P Michael Lomas | 15,000.00 |
| Payroll Liabilities | |
| CA Withholding | 552.00 |
| WC | 6.40 |
| Payroll Liabilities - Other | 2,595.00 |
| Total Payroll Liabilities | 3,153.40 |
| Total Other Current Liabilities | 200,318.40 |
| Total Current Liabilities | 272,318.40 |
| Total Liabilities | 272,318.40 |
| Equity | |
| Members' Equity | 60.12 |
| Retained Earnings | 16,922.37 |
| Net Income | -105,177.46 |
| Total Equity | -88,194.97 |
| TOTAL LIABILITIES & EQUITY | 184,123.43 |