

**BEFORE THE
ILLINOIS COMMERCE COMMISSION**

eVulkan, Inc.)	
)	
Application for a Certificate of Local)	
and Interexchange Authority to Operate)	Case No. 00-0482
as a Reseller of Telecommunications)	
Services Within and Throughout the)	
State of Illinois)	

**SUPPLEMENTAL TESTIMONY OF
RICHARD U. STUBBS
ON BEHALF OF EVULKAN, INC.**

1 Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS FOR THE RECORD.

2 A My name is Richard U. Stubbs. My business address is 100 Broadway, 21st Floor, New
3 York, NY 10271.

4 Q DID YOU SUBMIT DIRECT TESTIMONY IN SUPPORT OF THE APPLICATION OF
5 EVULKAN, INC. FOR A CERTIFICATE OF AUTHORITY TO PROVIDE LOCAL AND
6 INTEREXCHANGE TELECOMMUNICATIONS SERVICES WITHIN THE STATE OF
7 ILLINOIS?

8 A Yes.

9 Q IS THIS TESTIMONY INTENDED TO SUPPLEMENT YOUR DIRECT TESTIMONY?

10 A Yes.

11 Q WHY ARE YOU SUPPLEMENTING YOUR DIRECT TESTIMONY?

12 A I am submitting this Supplemental Direct Testimony to provide additional information
13 requested by Illinois Commerce Commission Staff.

OFFICIAL FILE

I.C.C. DOCKET NO. 10-0482

Apple Exhibit No. 2

Witness _____

Date 9/25/00 Reporter DK

1 Q IS EVULKAN SEEKING ANY WAIVERS OR VARIANCES OF CERTAIN
2 COMMISSION RULES AND REGULATIONS IN THIS PROCEEDING THAT PERTAIN
3 TO LOCAL EXCHANGE SERVICE? PLEASE PROVIDE EVIDENCE AS TO WHY
4 EVULKAN IS SEEKING ANY WAIVER OR VARIANCE?

5 A Yes. eVulkan is seeking waivers of Part 710 and Section 735.180. A waiver of Part 710 is
6 sought to reduce the economic burdens of regulation on eVulkan as a provider of exclusively
7 competitive services. A waiver of Part 735.180 is sought to because eVulkan will contract
8 with its underlying carriers to include its customers' listings in their directories.

9 Q WILL EVULKAN COMPLY WITH 83 ILLINOIS ADMINISTRATIVE CODE PART 722,
10 PAY-PER-CALL SERVICES, INCLUDING PART 772.55(A)(1), BILLING, AND PART
11 772.100(D), NOTICES?

12 A Yes.

13 Q WILL EVULKAN COMPLY WITH 83 ILLINOIS ADMINISTRATIVE CODE PART 705,
14 PRESERVATION OF RECORDS OF TELEPHONE UTILITIES?

15 A Yes.

16 Q WILL EVULKAN ABIDE BY 83 ILLINOIS ADMINISTRATIVE CODE PART 735,
17 "PROCEDURES GOVERNING THE ESTABLISHMENT OF CREDIT, BILLING,
18 DEPOSITS, TERMINATION OF SERVICE AND ISSUANCE OF TELEPHONE
19 DIRECTORIES FOR TELEPHONE UTILITIES IN THE STATE OF ILLINOIS"?

20 A Yes.

21 Q WHO WILL PROVIDE CUSTOMER REPAIR SERVICE FOR EVULKAN?

22 A Pursuant to contractual arrangements between eVulkan and its underlying service providers,
23 repair service for eVulkan's customers will be performed by personnel under the direction
24 and control of those underlying service providers.

25 Q HOW MANY PEOPLE DOES EVULKAN EMPLOY?

26 A eVulkan currently has 70 employees.

1 Q WILL EVULKAN MEET THE REQUIREMENTS AS THEY PERTAIN TO THE
2 TELEPHONE ASSISTANCE PROGRAMS IMPOSED BY SECTIONS 13.301 AND
3 13.301.1 OF THE ILLINOIS PUBLIC UTILITIES ACT AND 83 ILLINOIS
4 ADMINISTRATIVE CODE PART 757?

5 A Yes.

6 Q WILL EVULKAN SOLICIT, COLLECT, AND REMIT THE VOLUNTARY
7 CONTRIBUTIONS FROM ITS TELEPHONE SUBSCRIBERS TO SUPPORT THE
8 TELEPHONE ASSISTANCE PROGRAMS?

9 A Yes.

10 Q DOES EVULKAN PLAN ON FILING TO BECOME AN ELIGIBLE
11 TELECOMMUNICATIONS CARRIER?

12 A No.

13 Q DOES EVULKAN REALIZE THAT IT WILL NOT BE ABLE TO RECEIVE ANY OF
14 THE FEDERAL REIMBURSEMENTS FOR THE LIFELINE AND LINK UP
15 PROGRAMS IF IT IS NOT AN ELIGIBLE CARRIER?

16 A Yes.

17 Q WILL EVULKAN OFFER ALL OF THE WAIVERS ASSOCIATED WITH THE
18 UNIVERSAL TELEPHONE SERVICE ASSISTANCE PROGRAMS (UTSAP)?

19 A Yes.

20 Q WILL EVULKAN ABIDE BY THE REGULATIONS AS PRESCRIBED IN 83 ILLINOIS
21 ADMINISTRATIVE CODE PART 755, "TELECOMMUNICATIONS ACCESS FOR
22 PERSONS WITH DISABILITIES", 83 ILLINOIS ADMINISTRATIVE CODE PART 756
23 "TELECOMMUNICATIONS RELAY SERVICE", AND SECTIONS 13-703 OF THE
24 ILLINOIS PUBLIC UTILITIES ACT?

25 A Yes.

26 Q WILL EVULKAN'S BILLING SYSTEM BE ABLE TO DISTINGUISH BETWEEN
27 RESALE AND FACILITIES BASED SERVICE FOR THE COLLECTION OF THE ITAC
28 LINE CHARGE?

1 A eVulkan will provide local exchange service exclusively on a resale basis; accordingly, it
 2 will not be necessary for the Company's billing system to distinguish between resale and
 3 facilities based service. eVulkan will nonetheless ensure that its billing systems will be able
 4 to distinguish between resale and facilities-based service for the collection of the ITAC line
 5 charge.

6 Q HAS EVULKAN SIGNED AND RETURNED THE UNIVERSAL TELEPHONE
 7 ASSISTANCE CORPORATION ("UTAC") AND THE ILLINOIS
 8 TELECOMMUNICATIONS ACCESS CORPORATION ("ITAC") TO COMMISSION
 9 STAFF?

10 A Yes.

11 Q HOW DOES EVULKAN PLAN TO SOLICIT CUSTOMERS ONCE IT BEGINS TO
 12 PROVIDE LOCAL SERVICE?

13 A eVulkan will market its services predominantly through the Internet, although it will likely
 14 also employ direct mail and mass market advertisements, as well. eVulkan does not intend
 15 to utilize telemarketing to solicit customers.

16 Q HAS EVULKAN PROVIDED SERVICE UNDER ANY OTHER NAME?

17 A eVulkan has not initiated provision of telecommunications services in any jurisdiction. In
 18 certain states, however, the Company has sought and obtained authority to provide such
 19 services under the "doing business as" name of "beMANY!"

20 Q HAVE ANY COMPLAINTS OR JUDGMENTS BEEN LEVIED AGAINST EVULKAN?
 21 (INSTATE, OUT-OF-STATE, OR FCC).

22 A As noted above, eVulkan has not yet initiated provision of telecommunications services in
 23 any jurisdiction; accordingly, the Company has had no complaints or judgments levied
 24 against it in any state or at the federal level.

1 Q WILL EVULKAN ENSURE THAT 911 TRAFFIC IS HANDLED IN ACCORDANCE
 2 WITH 83 ILLINOIS ADMINISTRATIVE CODE PART 725 AND THE EMERGENCY
 3 TELEPHONE SYSTEM ACT?

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5 Q WILL EVULKAN CONTACT AND ESTABLISH A WORKING RELATIONSHIP WITH
 6 THE 911 SYSTEMS WHEN IT BEGINS TO PROVIDE LOCAL TELEPHONE SERVICE?

7 A Yes.

8 Q WILL EVULKAN COORDINATE WITH THE INCUMBENT LEC(S) AND LOCAL 911
 9 SYSTEMS TO PROVIDE TRANSPARENT SERVICE FOR ITS LOCAL EXCHANGE
 10 CUSTOMERS?

11 A Yes.

12 Q WHO WILL BE RESPONSIBLE FOR BUILDING AND MAINTAINING THE 911
 13 DATABASE FOR EVULKAN'S LOCAL EXCHANGE CUSTOMERS?

14 A eVulkan will provide local exchange service exclusively on a resale basis. Accordingly,
 15 eVulkan will contract with the incumbent LECs for the maintenance of the 911 database for
 16 its local exchange customers.

17 Q HOW OFTEN WILL YOUR COMPANY UPDATE THE 911 DATABASE WITH
 18 CUSTOMER INFORMATION?

19 A As noted above, eVulkan will provide local exchange service exclusively on a resale basis,
 20 and will, accordingly, contract with the incumbent LECs for the updating of the 911 database
 21 for its local exchange customers.

22 Q WILL EVULKAN'S BILLING SYSTEM HAVE THE ABILITY TO DISTINGUISH
 23 BETWEEN FACILITIES BASED AND RESALE FOR THE COLLECTION OF THE 911
 24 SURCHARGE?

1 A As noted above, eVulkan will provide local exchange service exclusively on a resale basis;
 2 accordingly, it will not be necessary for the Company's billing system to distinguish between
 3 resale and facilities based service. eVulkan will nonetheless ensure that its billing systems
 4 will be able to distinguish between resale and facilities-based service for the collection of the
 5 911 surcharge.

6 Q DOES EVULKAN HAVE PROCEDURES FOR THE TRANSITIONING OF THE 911
 7 SURCHARGE COLLECTION AND DISBURSEMENT TO THE LOCAL 911 SYSTEM?

8 A As noted above, eVulkan will provide local exchange service exclusively on a resale basis.
 9 Accordingly, eVulkan will contract with the incumbent LECs for the transitioning of the 911
 10 surcharge collection and disbursement to the local 911 system.

11 Q WILL EVULKAN'S PROPOSAL REQUIRE ANY NETWORK CHANGES TO ANY OF
 12 THE 911 SYSTEMS?

13 A No.

14 Q WILL EVULKAN BE ABLE TO MEET THE REQUIREMENTS SPECIFIED UNDER
 15 PART 725.500(0) AND 725.620(B) FOR THE INSTALLATION OF CALL BOXES?

16 A As noted above, eVulkan will provide local exchange service exclusively on a resale basis,
 17 and, accordingly, will rely upon the incumbent LECs for the installation of call boxes.

18 Q DOES EVULKAN PLAN TO FILE FOR A WAIVER OF PART 725.500(0) AND
 19 725.620(B) IN THE FUTURE?

20 A No.

21 Q WHAT CIRCUMSTANCES WARRANT A DEPARTURE FROM THE PRESCRIBED
 22 UNIFORM SYSTEM OF ACCOUNTS ("USOA")?

1 A eVulkan proposes to operate in all 50 states, and presently maintains its internal accounting
 2 records, and intends to maintain all internal accounting records in every state, in accordance
 3 with Generally Accepted Accounting Principles ("GAAP"). Additionally, eVulkan utilizes
 4 GAAP in fulfilling the Company's reporting requirements before the Federal
 5 Communications Commission. It would thus be unduly burdensome for eVulkan to utilize
 6 a different set of accounts to maintain records concerning the Company's financial
 7 operations in connection with the provision of telecommunications service in the State of
 8 Illinois.

9 Q INASMUCH AS EVULKAN'S RECORDS WILL BE MAINTAINED IN ACCORDANCE
 10 WITH GAAP, WILL EVULKAN'S ACCOUNTING SYSTEM PROVIDE AN
 11 EQUIVALENT PORTRAYAL OF OPERATING RESULTS AND FINANCIAL
 12 CONDITION AS THE USOA?

13 A Yes.

14 Q WILL EVULKAN'S ACCOUNTING PROCEDURES MAINTAIN OR IMPROVE
 15 UNIFORMITY IN SUBSTANTIVE RESULTS AS AMONG SIMILAR
 16 TELECOMMUNICATIONS COMPANIES?

17 A Yes.

18 Q WILL EVULKAN MAINTAIN ITS RECORDS IN SUFFICIENT DETAIL TO
 19 FACILITATE THE CALCULATION OF ALL APPLICABLE TAXES?

20 A Yes.

21 Q DOES THE ACCOUNTING SYSTEM CURRENTLY IN USE BY EVULKAN PROVIDE
 22 SUFFICIENTLY DETAILED DATA FOR THE PREPARATION OF ILLINOIS GROSS
 23 RECEIPTS TAX RETURNS? WHAT SPECIFIC ACCOUNTS OR SUB-ACCOUNTS
 24 PROVIDE THIS DATA?

25 A Yes; eVulkan's ordinary income account provides sufficiently detailed data for the
 26 preparation of Illinois Gross Receipts Tax returns.

1 Q IF A WAIVER OF PART 710 IS GRANTED, WILL APPLICANT PROVIDE ANNUAL
2 AUDITED STATEMENTS FOR ALL PERIODS SUBSEQUENT TO GRANTING OF
3 THE WAIVER?

4 A Yes.

5 Q DOES EVULKAN AGREE THAT THE REQUESTED WAIVER OF PART 710 WILL
6 NOT EXCUSE IT FROM COMPLIANCE WITH FUTURE COMMISSION RULES OR
7 AMENDMENTS TO PART 710 OTHERWISE APPLICABLE TO THE COMPANY?

8 A Yes.

9 Q PLEASE ATTACH A COPY OF EVULKAN'S CHART OF ACCOUNTS.

10 A eVulkan's Chart of Accounts is attached hereto as Exhibit 1.

11 Q WILL CUSTOMERS HAVE THE ABILITY TO SIGN UP WITH ANY LONG DISTANCE
12 COMPANY THEY CHOOSE?

13 A Yes.

14 Q WILL CUSTOMERS HAVE THE ABILITY TO USE DIAL AROUND LONG DISTANCE
15 COMPANIES?

16 A Yes.

17 Q DOES EVULKAN HAVE INTEREXCHANGE AUTHORITY IN ILLINOIS? IF YES,
18 PLEASE PROVIDE THE DOCKET NUMBER.

19 A Through the instant proceeding, Case No. 00-0482, eVulkan is requesting the grant of both
20 local exchange and interexchange authority in the State of Illinois.

21 Q WILL CUSTOMERS HAVE ACCESS TO THE ILLINOIS RELAY SERVICE?

22 A Yes.

23 Q WILL CUSTOMERS BE ABLE TO MAKE 1-800 CALLS FOR FREE?

24 A Yes.

25 Q WILL EVULKAN OFFER OPERATOR SERVICES?

- 1 A eVulkan will not provide operator services; eVulkan's customers, however, will have access
2 to the operator services of its underlying service providers.
- 3 Q PLEASE DESCRIBE HOW EVULKAN PLANS TO COLLECT THE MONTHLY FEE TO
4 BE PAID IN ADVANCE.
- 5 A Monthly recurring charges will be billed in advance and will be reflected on the customer's
6 monthly bill.
- 7 Q WILL CUSTOMERS' MONTHLY BILLS SHOW A BREAKDOWN OF SERVICES,
8 FEATURES, SURCHARGES, TAXES, ETC.?
- 9 A Yes.
- 10 Q WILL CUSTOMERS PAY AN INSTALLATION FEE? IF YES, WILL PAYMENT
11 ARRANGEMENTS BE OFFERED FOR THE INSTALLATION FEE?
- 12 A eVulkan may require the payment of an installation fee. Customers, however, may choose
13 to satisfy the installation fee in full, or at a customer's request, eVulkan will set up a payment
14 arrangement which allows the customer to satisfy the installation fee in installments.
- 15 Q WILL TELEPHONE SERVICE BE IN EVULKAN'S NAME OR THE CUSTOMER'S
16 NAME? IF IN EVULKAN'S NAME, HOW WILL THE INFORMATION APPEAR IN
17 DATABASES, SUCH AS 9-1-1, DIRECTORY ASSISTANCE, ETC.?
- 18 A Telephone service will appear in the name of the customer.
- 19 Q WILL EVULKAN OFFER PREPAID SERVICE AS A MONTHLY SERVICE OR AS A
20 USAGE SERVICE?
- 21 A eVulkan will offer prepaid service only as an interexchange usage service.
- 22 Q WILL APPLICANT PROVIDE A WARNING WHEN THE REMAINING VALUE OF
23 SERVICE IS ABOUT TO CEASE?
- 24 A Yes.
- 25 Q IS THE CUSTOMER GIVEN MORE THAN ONE NOTICE OF THE REMAINING
26 VALUE OF SERVICE?

- 1 A Yes.
- 2 Q HOW MUCH ADVANCE NOTICE IS GIVEN TO THE CUSTOMER OF THE
3 REMAINING VALUE OF SERVICE?
- 4 A Five minutes.
- 5 Q IF THE CUSTOMER IS IN THE MIDDLE OF A CALL WILL THEY BE
6 DISCONNECTED DURING A CALL WHEN THE REMAINING VALUE OF SERVICE
7 EXPIRES?
- 8 A. Yes.
- 9 Q HAS THE CUSTOMER BEEN MADE AWARE OF POTENTIALLY BEING
10 DISCONNECTED DURING A CALL WHEN THE REMAINING VALUE OF SERVICE
11 EXPIRES?
- 12 A Yes.
- 13 Q WHEN DOES THE TIMING OF A CALL START?
- 14 A Timing of a call will commence upon establishment of the connection between the calling
15 party and the called party.
- 16 Q IF THE PERSON CALLED DOES NOT ANSWER, IS ANY TIME DEDUCTED FROM
17 THE CUSTOMER'S ACCOUNT?
- 18 A No.
- 19 Q WILL THERE BE ANY OTHER INSTANCES IN WHICH THE COMPANY WOULD
20 DISCONNECT A CUSTOMER, OTHER THAN RUNNING OUT OF PREPAID TIME?
- 21 A No.
- 22 Q WHEN A CUSTOMER RUNS OUT OF TIME IS THEIR PHONE IMMEDIATELY
23 DISCONNECTED OR ON SUSPENSION? (WILL THEY STILL BE ABLE TO RECEIVE
24 CALLS?).
- 25 A eVulkan will only offer interexchange services on a prepaid basis.
- 26 Q ARE EVULKAN'S SERVICES AVAILABLE TO TTY CALLERS?

1 A Yes.

2 Q HOW WILL EVULKAN HANDLE A COMPLAINT FROM A CUSTOMER WHO
3 DISPUTES THE AMOUNT OF TIME USED OR REMAINING?

4 A eVulkan will handle such a dispute in the same manner, and using the same procedures, as
5 a billing dispute.

6 Q THE PUBLIC UTILITIES REQUIRES A LOCAL CALLING AREA THAT HAS NO
7 TIME OR DURATION CHARGES. HOW WILL EVULKAN DEFINE EACH
8 CUSTOMER'S UNTIMED LOCAL CALLING AREA?

9 A eVulkan will define each customer's untimed local calling area as mirroring precisely the
10 untimed local calling area of the incumbent providers.

11 Q DOES THIS COMPLETE YOUR SUPPLEMENTAL TESTIMONY IN SUPPORT OF
12 EVULKAN'S APPLICATION?

13 A Yes.

14 Q WILL YOU REMAIN AVAILABLE TO RESPOND TO ANY ADDITIONAL
15 QUESTIONS FROM THE HEARING EXAMINER OR THE COMMISSION STAFF
16 ABOUT EVULKAN OR ITS APPLICATION?

17 A Yes.

EXHIBIT 1

**CHART OF ACCOUNTS
OF
eVulkan, Inc.**

<u>Account Number</u>	<u>Description</u>
1000	Cash
1100	Accounts receivable
1300	Inventory
1400	Other current assets
1500	Fixed assets
1600	Accumulated depreciation
1900	Other non-current assets
2000	Trade payables
2100	Accrued expenses
2400	Taxes payable
2500	Long-term debt
3000	Shareholders' equity
4000	Sales
5000	Costs of goods sold
6000	Operating expenses
7000	Administrative expenses
8000	Depreciation and amortization