

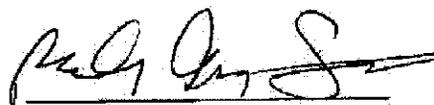
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STATE OF ILLINOIS

COUNTY OF COOK

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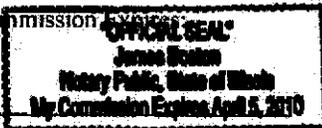
I, Rick A. Stern, first being duly sworn upon oath depose and say that I am the Chief Executive Officer of Network Innovations, Inc., the Applicant, and that I have read the above and foregoing prefiled testimony by me subscribed and know the contents thereof, which testimony was filed in support of Network Innovations, Inc.'s Application for a Certificate of Interexchange Authority to Operate as a Reseller of Telecommunications Services throughout the State of Illinois; that said contents are true in substance and in fact, except as to matters stated upon information and belief, and as to those, I believe the same to be true.



Rick A. Stern
Chief Executive Officer

Sworn to and subscribed before me
this 19th day of June, 2006.

Notary Public

My Commission Expires: 



OFFICIAL FILE
06-0409
Stern
6/22/06 AD

1
2 **BEFORE THE**
3 **ILLINOIS COMMERCE COMMISSION**

4
5 In the Matter of)

6)
7 **NETWORK INNOVATIONS, INC.**)

8)
9) Docket No. 06-0409

10 Application for Certificate of Authority)
11 to Operate as a Reseller of Dedicated)
12 Telecommunications Services throughout)
13 The State of Illinois)

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16 **PREFILED TESTIMONY OF RICK A. STERN**

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19 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

20 **A.** My name is Rick A. Stern. My business address is 1246 West George Street, Chicago, IL 60657.

21 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

22 **A.** I am employed as Chief Executive Officer of Network Innovations, Inc.

23 **Q. PLEASE GIVE A BRIEF DESCRIPTION OF YOUR JOB RESPONSIBILITIES AND**
24 **YOUR BACKGROUND AND EXPERIENCE.**

25 **A.** I have over 15 years of operational and sales experience in the telecommunications industry. I
26 spent 1 years as an Account Executive first with Allnet Communications, Inc., then 3 yrs with
27 Sprint, Corp. and finally 6 yrs MCI WorldCom. In 2000, I left MCI WorldCom to become
28 Director of Strategic Programs and Alternate Channels for Universal Access, Inc. Not only was I
29 responsible for a major account sales team but I was also responsible for the design and operation
30 of the Alternate Channel program. I left Universal Access, Inc. in 2001 to Open Network
31 Innovations, a MASTER Agent of Universal Access. As Chief Executive Officer of Network
32 Innovations, Inc., I am involved in directing our sales marketing efforts as well maintaining all
33 general business operations. I have a Bachelors of Science: Telecommunications from the
34 University of Florida. Exhibit C of our Application contains my personal biography.

35 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

36 **A.** The purpose of my testimony is to provide evidence regarding the financial, technical and
37 managerial abilities of Network Innovations, Inc. to provide high quality, competitively priced

1 telecommunications services in Illinois and to describe the services Network Innovations, Inc.
2 proposes to offer.

3 **Q. DESCRIBE THE GENERAL STRUCTURE OF THE COMPANY?**

4 A. Network Innovations, Inc. is a privately held Illinois corporation which was registered with the
5 Illinois Secretary of State's office on October 26, 2001. A copy of the company's Articles of
6 Incorporation has been provided in Exhibit B of our Application.

7 **Q. DESCRIBE NETWORK INNOVATIONS, INC.'S SERVICES AND HOW THE**
8 **COMPANY INTENDS TO PROVIDE THEM.**

9 A. Network Innovations, Inc. proposes to provide dedicated access services and Private Line services
10 from points of origin within the State of Illinois to points of destination within the State of Illinois.
11 Network Innovations, Inc. targets its marketing efforts towards business customers. Network
12 Innovations, Inc. services will be provided twenty-four hours a day, seven days a week. Network
13 Innovations, Inc. is a reseller and does not own or operate any transmission facilities or
14 equipment. Network Innovations, Inc. will utilize AT&T and MCI as its primary underlying
15 carriers. The carriers will perform all transmission functions on behalf of Network Innovations,
16 Inc. Customers will receive billing for Network Innovations, Inc. services directly from the
17 company.

18 **Q. PLEASE PROVIDE THE STATES WHERE NETWORK INNOVATIONS, INC. HAS**
19 **RECEIVED CERTIFICATION AND THOSE STATES IN WHICH APPLICATIONS FOR**
20 **CERTIFICATION ARE PENDING.**

21 A. Network Innovations, Inc. has received certification in WI and is in the process of applying for
22 certification in KY, CA, PA, NC, NY and TX. We also provide data private line services in FL
23 and CO but these services are not regulated in those states and therefore certification is not
24 necessary.

25 **Q. HAS NETWORK INNOVATIONS, INC. EVER BEEN DENIED CERTIFICATION BY**
26 **ANY STATE OR EVER HAD ITS CERTIFICATION REVOKED?**

27 A. No.

28 **Q. HOW ARE CUSTOMER QUESTIONS AND INQUIRES HANDLED?**

1 A. Personnel will be available twenty-four hours a day, seven days a week to respond to service and
2 billing problems. Customers will be able to reach our Customer Service Department through the
3 use of a toll-free number. Those numbers are 866-892-0915 or 888-450-2100.

4 **Q. DESCRIBE NETWORK INNOVATIONS, INC.'S FINANCIAL ABILITY TO PROVIDE**
5 **RESALE TELECOMMUNICATIONS SERVICES.**

6 A. Network Innovations, Inc. has ample financial resources to operate as a telecommunications
7 reseller. In support of its financial ability to provide service, Network Innovations, Inc. offers its
8 Financial Statements for review. This information is attached to the Application as Exhibit E.

9 **Q. HOW DOES NETWORK INNOVATIONS, INC. INTEND TO MARKET ITS SERVICES**
10 **IN ILLINOIS?**

11 A. Network Innovations, Inc. intends to initially market its services throughout the State of Illinois
12 via our direct sales force. Our primary market is in "out-state" territories (as defined as cities
13 outside of Chicago) such as Rockford, Peoria, Springfield, Decatur, Alton, Champaign etc, where
14 there is a need for competitively priced carrier options.

15 **Q. BRIEFLY DESCRIBE NETWORK INNOVATIONS, INC.'S TARIFF.**

16 A. Network Innovations, Inc.'s tariff contains the rules, regulations and rates for services offered by
17 the company which fall within the Commission's jurisdiction, specifically intrastate data private
18 line. Network Innovations, Inc.'s proposed tariff fully describes our service and products offered
19 by the company and clearly states the rates associated with each product.

20 **Q. HOW WILL THE PEOPLE OF ILLINOIS BENEFIT FROM NETWORK**
21 **INNOVATIONS, INC.'S SERVICES AND PRESENCE IN ILLINOIS?**

22 A. Certification of Network Innovations, Inc. will enhance telecommunications competition in
23 Illinois, (especially now that there have been a handful of mega mergers reducing the number of
24 different competitors). Competition encourages technological innovation and efficient use of
25 resources. Increased competition has proven to benefit consumers by providing a wide variety of
26 services and processes from which consumers can choose. Certification of Network Innovations,
27 Inc. will provide Illinois consumers with a wider choice of providers from which to obtain their
28 data services.

1 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

2 **A. Yes.**

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