

ORIGINAL

**Before the
STATE OF ILLINOIS
COMMERCE COMMISSION**

In the Matter of)
)
Application of)
FAR EAST GATEWAY, INC.) Docket No. 00-0474⁵²⁹
for a Certificate of Interexchange Service)
Authority to Provide Resold)
Interexchange Services Within the)
State of Illinois)

**PRE-FILED TESTIMONY OF
MR. NING HE
ENGINEERING AND PLANNING MANAGER
FAR EAST GATEWAY, INC.**

GENERAL CERTIFICATION ISSUES

Q. Please state your name, title and business address for the record.

A. My name is Ning He. I am the Engineering and Planning Manager for Far East Gateway, Inc.. My business address is Suite 701, Harbour Centre, 555 W. Hastings Street, Vancouver, B.C., V6B 4N5 Canada, Tel: (604) 639-2848, Fax (604) 639-2842.

Q. On whose behalf are you testifying in this proceeding?

A. I am testifying on behalf of Far East Gateway, Inc. (hereinafter, "Far East Gateway").

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to support the Application of Far East Gateway for authority to provide resold interexchange telecommunications services in the State of Illinois ("Application") filed with the Commission on July 31, 2000.

Q. Is Far East Gateway authorized to do business in Illinois?

A. Yes. A copy of the qualifying document was appended as *Exhibit B* to Far East Gateway's Application.

Q. Please provide a brief description of the Applicant.

A: Far East Gateway is a is a corporation organized under the laws of the State of Delaware on February 22, 1999. Far East Gateway was founded with the purpose of becoming the first-choice telecom service provider by using state-of-the-art technology to provide high-quality innovative services to our customers. Far East Gateway's objectives are to: create long-term value through the establishment of strategic partnerships in international and domestic United States telecommunications; identify opportunities, establish partnerships and obtain carrier licenses in target markets; commit investment in

1 Research and Development to keep Far East Gateway in the forefront of the
2 technological advancement; and to review and implement regional strategic plans that
3 will allow for the achievement of all corporate objectives in these evolving markets.

4 **Q. Please describe the geographic areas of the state that Far East Gateway proposes to**
5 **serve.**

6 **A.** Far East Gateway seeks statewide authority to provide interexchange services.

7 **Q. Please describe the authority for which Far East Gateway has applied.**

8 **A.** Far East Gateway seeks authority to operate as a reseller of interexchange
9 telecommunications services. As part of its suite of service offerings, Far East Gateway
10 will offer calling card services.

11 **Q. Does Far East Gateway hold Certificates of Authority in other jurisdictions?**

12 **A.** Yes. Far East Gateway currently has the authority to provide resold interexchange
13 services in California, Florida, Massachusetts, New York and Texas.

14 **Q. Does Far East Gateway intend to collect advance payments or deposits from its**
15 **customers?**

16 **A.** Far East Gateway may require deposits from its customers; however, Far East Gateway
17 agrees to abide by the relevant Illinois Administrative Code Parts governing customer
18 deposits.

19 **Q. Does Far East Gateway intend to provide its own operator services?**

20 **A.** Far East Gateway plans to provide operator-assisted calls by outsourcing to a third party
21 vendor. The Company will only provide such services to its presubscribed customers,
22 and not in conjunction with aggregators.

23 **Q. Does Far East Gateway intend to provide 900 or 700 number services?**

1 A. No, it does not.

2 **Q. Does your company plan to obtain Eligible Telecommunications Carrier status to**
3 **qualify for the federally-funded Lifeline and Link Up Programs?**

4 A. No, it does not.

5 **Q. Is Far East Gateway financially qualified to provide the services it proposes within**
6 **Illinois?**

7 A. Yes. As demonstrated by the financial statements attached to its Application, Far East
8 Gateway has access to the financing and capital necessary to provide and maintain the
9 services proposed herein. Far East Gateway's financial resources will enable it to
10 compete effectively in the market for competitive interexchange services in Illinois.

11 **Q. Is Far East Gateway managerially qualified to provide the services it proposes**
12 **within Illinois?**

13 A. Yes. Far East Gateway will be managed by persons with extensive experience in the
14 telecommunications industry. Far East Gateway's key executives have significant experience
15 in the critical functions of network operations, sales and marketing and finance. Collectively,
16 its staff has many years of development and operating experience in various segments of the
17 telecommunications industry. Brief biographies of the management team, appended to the
18 Application as *Exhibit C*, demonstrate Applicant's managerial and technical competence.

19 **Q. How will Far East Gateway provide repair and maintenance services for its**
20 **customers?**

21 A. Far East Gateway will be providing interexchange services on a resale basis. Therefore,
22 Far East Gateway will generally not need to provide repair and maintenance services.

1 However, in the event that Far East Gateway's customers require repair and maintenance
2 services, Far East Gateway will promptly coordinate with the underlying carrier.

3 **Q. Is Far East Gateway prepared to file tariffs and otherwise comply with the rules of**
4 **the Commission applicable to companies providing telecommunications services?**

5 **A.** Yes. Far East Gateway's proposed tariff is contained in the Application at *Exhibit E*.

6 **Q. Will Far East Gateway's rates for intrastate telecommunications services in Illinois**
7 **be competitive with other carriers providing similar services?**

8 **A.** Yes. Far East Gateway's service offerings will be subject to direct competition from the
9 other competitive carriers that already have entered the market. As a result, Far East
10 Gateway will be forced to price its services at competitive rates in order to attract and
11 retain customers. Far East Gateway's rates in Illinois will be comparable to those offered
12 by other carriers for similar interexchange services. Moreover, because the services
13 proposed both herein and in Far East Gateway's Application are subject to competition,
14 market forces will operate to ensure consistent, equitable treatment of customers.

15 **Q. Will Far East Gateway's initial tariff contain all other material terms and**
16 **conditions applicable to its provisioning of interexchange services?**

17 **A.** Yes. All applicable terms are set forth in Far East Gateway's tariff.

18 **Q. How will Far East Gateway handle billing matters?**

19 **A.** Far East Gateway plans to render its own bills and send them directly to customers at
20 rates specified in its approved tariff. However, Far East Gateway may, in the alternative,
21 contract with a billing agent to handle some or all of its billing functions. Bills will
22 include the Company's toll-free number ((877) 690-7989) for inquiries or complaints.

23 Far East Gateway will seek to ensure that all bills comply with the Commission's rules

1 and regulations. Alternatively, customers may communicate billing questions or
2 concerns to Far East Gateway customer service representatives in writing by sending
3 correspondence to:

4 Far East Gateway, Inc.
5 Suite 701, Harbour Centre
6 555 W. Hastings Street,
7 Vancouver, B.C., V6B 4N5 Canada
8
9

10 **Q. How will Far East Gateway handle customer service matters?**

11 **A.** Far East Gateway will offer comprehensive customer service to each of its customers.
12 Our customer service center will be staffed by fully-trained customer service
13 representatives who will be prepared to assist its customers with service, maintenance
14 and billing issues. For service and maintenance issues, customers may contact Far East
15 Gateway's customer services 24 hours a day, seven (7) days a week, by calling toll-free
16 (877) 690-7989. Any customer whose complaint cannot be resolved by the Company
17 will be informed that they may contact the Illinois Commerce Commission to seek
18 resolution.

19 **Q. Please describe the Company's internal process for complaint resolution, the**
20 **escalation process within your company, and how/when a customer is notified that**
21 **they may contact the Illinois Commerce Commission for assistance.**

22 **A.** Once a customer notifies the Company of a dispute with the Company's billing, service
23 quality, service maintenance or service product, the Company will make every effort to
24 resolve the registered complaint in an expeditious and fair manner. Depending upon the
25 nature and the amount of the complaint, the complaint may be resolved verbally at the
26 time of the customer's call or shortly thereafter. Complaints of a more detailed nature

1 may necessitate consultation with managerial staff and the need for an in-depth
2 investigation and review of the issue. The length of such investigations will vary on a
3 case-by-case basis but, generally speaking, the Company expects to resolve most
4 complaints within one to two weeks. Where internal investigations are necessary, the
5 Company will notify the customer, in writing, of the result of its review. If the customer
6 remains dissatisfied with the result of a review, and if complaint resolution cannot be
7 reached internally, the Company will inform the customer of its right to file an
8 appropriate complaint with the Commission to seek the Commission's assistance, and
9 will provide the customer with the Commission's address and telephone number.

10 **Q. Please provide the name, address, telephone number and fax number of the contact**
11 **person for your company that will be responsible for working with the**
12 **Commission's Consumer Services Division for the resolution of complaints.**

13 **A.** Ning He
14 Engineering and Planning Manager
15 Suite 701, Harbour Centre
16 555 W. Hastings Street,
17 Vancouver, B.C., V6B 4N5 Canada
18 Tele (604) 639-2848
19 Fax (604) 639-2842
20

21 **Q. How does Far East Gateway intend to market its services/solicit customers for its**
22 **interexchange service offerings?**

23 **A.** Far East Gateway intends to market its services with its own sales personnel as well as
24 with print and electronic media advertising.

25 **Q. Are you familiar with "slamming?"**

1 **A.** Yes. This is the practice of switching a consumer's telephone carrier without his or her
2 knowledge or consent. This practice is prohibited both under federal law, as well as
3 under the laws of the State of Illinois (*e.g.* 220 ILL. COMP. STAT. ANN. 5/13-902).

4 **Q.** **What are the Company's policies with regard to slamming?**

5 **A.** The Company intends to comply fully with 220 ILL. COMP. STAT. ANN. 5/13-902, all
6 ICC rules promulgated under this Statute, and all relevant rules promulgated by the
7 Federal Communications Commission under 47 C.F.R. § 64.1100 *et seq.* In this regard,
8 the Company will receive proper customer verification and will send adequate written
9 notice in connection with switching a customer to the Company's service.

10 **Q.** **Does the Company have guidelines in place to prevent the unauthorized slamming**
11 **of interexchange customers?**

12 **A.** Far East Gateway intends to avoid occurrences of unauthorized slamming by ensuring
13 that *all* customers have signed contracts with the Company, and that separate Letters of
14 Authorization ("LOAs") are routinely obtained when customers of other carriers choose
15 to purchase Far East Gateway's services.

16 **Q.** **For each state in which Far East Gateway currently provides service, indicate the**
17 **number of slamming complaints that have been filed with the Company or state**
18 **regulatory commissions.**

19 **A.** No slamming complaints have been filed either with the Company or any state or federal
20 regulatory agency.

21 **Q.** **Have any other types of complaints or judgments been levied against the Company**
22 **(in-state, out-of-state or FCC)?**

23 **A.** No.

1 **Q. Is Far East Gateway requesting relaxed regulatory treatment?**

2 **A.** As Far East Gateway will be a non-dominant, competitive provider of interexchange
3 telecommunications services, Far East Gateway requests regulation from the
4 Commission in the same relaxed fashion extended to other similarly situated carriers.

5 **Q. Does Far East Gateway agree to abide by the relevant 83 Illinois Administrative**
6 **Code Parts upon approval of its Application?**

7 **A.** Yes, it does. Far East Gateway agrees to abide by the following Parts of the
8 Administrative Code: 705 (Preservation of Records of Telephone Utilities); 735
9 (Procedures Governing the Establishment of Credit, Billing, Deposits, Termination of
10 Service and the Issuance of Telephone Directories); 755 (Telecommunications Access
11 for Persons with Disabilities); 756 (Telecommunications Relay Service); 757
12 (Telephone Assistance Programs); and 770 (Operator Service Providers), as well as any
13 other applicable rules for providing telecommunications services in Illinois.

14 **Q. Is Far East Gateway requesting any waivers in its Application?**

15 **A.** Yes. Far East Gateway respectfully requests waiver of 83 ILL. ADMIN. CODE tit. 83 §
16 710, which requires it to keep its books pursuant to Uniform System of Accounts
17 (“USOA”) principles. The Company requests such a waiver due to the fact that it
18 currently maintains its books and records in accordance with Generally Accepted
19 Accounting Principles (“GAAP”). Given the fact that no other jurisdiction in which Far
20 East Gateway currently is certified requires Far East Gateway to keep its books in the
21 USOA, absent a waiver from the Commission, Far East Gateway would be compelled to
22 maintain two sets of books, so that its Illinois operations could be maintained in
23 accordance with the USOA. Because such a requirement would be unduly burdensome

1 on the Company, and because of the lack of any useful information to be gained for the
2 Commission through the imposition of this requirement on Far East Gateway, the
3 Company hereby respectfully requests a waiver of the USOA requirements.

4 Additionally, and pursuant to ILL. ADMIN. CODE tit. 83 § 250.20, Far East
5 Gateway seeks a waiver of the requirement contained in ILL. ADMIN. CODE tit. 83 §
6 250.10 that public utilities keep books, accounts, records and memoranda within the State
7 of Illinois. Since Far East Gateway's offices are in Vancouver, where all of the
8 personnel responsible for the maintenance of such documents are located, maintaining its
9 books and accounts in Illinois and establishing a location and setting up equipment for
10 such maintenance would be unduly burdensome, unnecessarily costly and extremely
11 inefficient. Far East Gateway, of course, will be represented by a registered agent
12 located within the State of Illinois, and will provide the Commission with access to its
13 books and records upon request. Far East Gateway understands that it will bear any costs
14 associated with Commission inspection of its books and records.

15 **Q. Briefly describe how approval of Far East Gateway's Application is in the public**
16 **interest.**

17 **A.** Approval of Far East Gateway's Application is in the public interest for several reasons.
18 First, such approval is in the public interest because, as demonstrated both in the
19 Application and in this testimony, Far East Gateway is well-qualified to serve as a
20 competitive interexchange telecommunications carrier in the State of Illinois. Second,
21 approval of Far East Gateway's Application will increase competition in the market for
22 telecommunications services in the State of Illinois, leading to downward pressure on

1 prices, more innovative service offerings, and better overall service quality for Illinois
2 customers.

3 * * * *

4 **Q. Do you have anything further to add?**

5 **A.** No, I do not.

6 **Q. Does this conclude your testimony at this time?**

7 **A.** Yes, it does.