

**OFFICIAL FILE
ILLINOIS COMMERCE COMMISSION**

Docket No. _____
ICC Office Use Only

Telefonica USA, Inc. :
:
Application for a certificate of :
local exchange, interexchange and wireless :
Authority to operate as a reseller of :
telecommunications services :
in the State of Illinois. :

11-0051

**APPLICATION FOR CERTIFICATE TO BECOME A
TELECOMMUNICATIONS CARRIER**

Telefonica USA, Inc. ("TUSA" or "Applicant") proposes to provide pure, non-facilities-based, resale of certain local exchange, interexchange and commercial mobile wireless services of telecommunications carriers already authorized by the Illinois Commerce Commission, on a non-common carrier basis. These services are to be provided under private, individually negotiated and customized service agreements with existing global customers that have a need for such services at a location in Illinois. Since the service agreements will be tailored to the specific needs of the individual customers and there will not be a generalized offering to the public, there will be no standard rates, terms or conditions.

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ILLINOIS
COMMERCE COMMISSION

I. GENERAL (To be completed by All Applicants)

Applicant's Name (including d/b/a, if any)

FEIN # 52-2215332

Telefonica USA, Inc.

Address: Street 1111 Brickell Avenue, 10th Floor,

City Miami State/Zip Florida 33131

Note: Assumed business names must be provided if and only if registered with the Illinois Secretary of State's Office.

1. Authority Requested: (Mark all that apply)

Interexchange Service (*Authorities: See Sections 13-401, 13-403 and 13-404 of the IPUA*)

- Facilities Based Prepaid Interexchange Service
- Facilities Based Non-Prepaid Interexchange Service
- Resold Prepaid Interexchange Service
- Resold Non-Prepaid Interexchange Service
- Interexchange Public Pay Telephone Service

Local Exchange Service (*Authorities: See Sections 13-401, 13-404, and 13-405 of the IPUA*)

- Facilities Based Prepaid Local Exchange Service
- Facilities Based Non-Prepaid Local Exchange Service
- Resold Prepaid Local Exchange Service
- Resold Non-Prepaid Local Exchange Service
- Local Exchange Public Pay Telephone Service

Cellular Radio/Wireless Telephone Service (*Authorities: See Section 13-401 of the IPUA*)

- FCC Permitted or Licensed Prepaid Cellular Radio/Wireless Telephone Service
- FCC Permitted or Licensed Non-Prepaid Cellular Radio/Wireless Telephone Svc.
- Resold Prepaid Cellular Radio/Wireless Telephone Service
- Resold Non-Prepaid Cellular Radio/Wireless Telephone Service

Other Telecommunications Services (Specify) (*Authorities: See Section 13-401 of the IPUA*)

3. For each service that the Applicant is requesting authority to provide, please specify the area or areas of the State for which the applicant is seeking authority to provide such service and the services (as designed in question 2 above) that will be provided in each area.

Applicant seeks authority to provide all services on a statewide basis.

4. Contact Information -- Please provide contact information, including name(s), telephone number(s), address(es), and e-mail address(es), for personnel or entities responsible for the areas below:

- a) Issues related to processing this application;

Richard Rubin
Winston & Strawn LLP
1700 K Street, NW
Washington, DC 20006-3817
Email: RRubin@winston.com
Phone: 1-202-282-5622
Fax: 1-202-282-5100

- b) Designated agent (*Note: Applicants must have an Illinois In-State Designated Agent listed. An additional Out-of-State Designate Agent is permitted, but not required.*)

CT Corporation Systems – 208 La Salle Street Suite # 814 – Chicago, IL 60604

- c) Business Operations (*Note: The contact numbers reported in this questionnaire are intended to be used by the ICC Staff to contact the Applicant as issues arise. They are not intended to be contact numbers used by customers or the general public. If separate contacts apply for different issues areas, please report the separate numbers by issue below.*)

Joanna Romano
Telefonica USA, Inc.
1111 Brickell Avenue
10th Floor
Miami, FL 33133
Email: Joanna.Romano@telefonica.com
Phone: 1-305-925-5241
Fax: 1-305-373-1685

- i) Consumer issues;

Roberto Plazola
Telefonica USA, Inc.
1111 Brickell Avenue
10th Floor
Miami, FL 33131
E-mail: Roberto.plazola@telefonica.com
Phone # 305-925-5232
Fax # 305-373-1685

- ii) Customer complaint resolution;

Roberto Plazola
Telefonica USA, Inc.

1111 Brickell Avenue
10th Floor
Miami, FL 33131
E-mail: Roberto.plazola@telefonica.com
Phone # 305-925-5232
Fax # 305-373-1685

iii) Technical and service quality issues;

Roberto Plazola
Telefonica USA, Inc.
1111 Brickell Avenue
10th Floor
Miami, FL 33131
E-mail: Roberto.plazola@telefonica.com
Phone # 305-925-5232
Fax # 305-373-1685

iv) "Tariff" and pricing issues;

Roberto Plazola
Telefonica USA, Inc.
1111 Brickell Avenue
10th Floor
Miami, FL 33131
E-mail: Roberto.plazola@telefonica.com
Phone # 305-925-5232
Fax # 305-373-1685

v) 9-1-1 issues;

Joanna Romano
Telefonica USA, Inc.
1111 Brickell Avenue
10th Floor
Miami, FL 33133
Email: Joanna.Romano@telefonica.com
Phone: 1-305-925-5241
Fax: 1-305-373-1685

vi) Security/law enforcement issues;

Joanna Romano
Telefonica USA, Inc.
1111 Brickell Avenue; 10th Floor
Miami, FL 33133
Email: Joanna.Romano@telefonica.com
Phone: 1-305-925-5241
Fax # 305-373-1685

vii) Regulatory issues

Joanna Romano
Telefonica USA, Inc.

1111 Brickell Avenue; 10th Floor
Miami, FL 33133
Email: Joanna.Romano@telefonica.com
Phone: 1-305-925-5241
Fax: 1-305-373-1685

Richard Rubin
Winston & Strawn LLP
1700 K Street, NW
Washington, DC 20006-3817
Email: RRubin@winston.com
Phone: 1-202-282-5622
Fax: 1-202-282-5100

Note: To avoid possible revocation of service authority, the name and contact information above must be kept current. Changes in the applicants Designated Agent(s) should be directed to the Chief Clerk's Office of the ICC at 217-782-7434. All other changes should be directed to the Telecommunications Division of the ICC at 217-524-5073.

7. How is the Applicant organized?

- Individual
 Partnership
 Corporation:

Date Corporation was formed: December 17, 2002

State of incorporation: Florida

Other (Specify) _____

Please attach a copy of articles of incorporation. Applicants that are not Illinois corporations should also submit a copy of its Certificate of Authority to Transact Business in Illinois as issued by the Secretary of State. See Exhibits A and B.

8. Has the Applicant been issued by the Federal Communications Commission a construction permit or an operating license to construct or operate a cellular radio system in the areas, or a portion of the area, for which the Applicant seeks a Certificate of Service Authority?

YES NO

If YES, please provide all relevant license or permit numbers:

II. MANAGERIAL (To be completed by All Applicants except Wireless Applicants)

1. Please attach evidence of the applicant's managerial and technical resources and ability to provide service. This may be in narrative form, in the form of resumes of key personnel, or a combination of these forms. See Exhibit C.
2. Please attach a current organization chart. See Exhibit D.
3. List officers of Applicant.

Joanna Romano

Victor Navarro

Elena Gil-Lizosoain

Cristian Aninat Salas

Jose Ramon Vela Martinez

4. Does the Applicant currently, or has it in the past, held a certificate from the Illinois Commerce Commission?

YES NO

5. Does the Applicant currently, or has it in the past, provided service under any other name in Illinois?

YES NO

If YES, please provide all other names under which service is being or has been provided.

6. Is any affiliate of the Applicant providing, or has any affiliate provided, service in Illinois?

YES NO

If YES, please provide the names of all affiliates under which service is being or has been provided in Illinois.

7. Has the Applicant, or any principal in Applicant, been denied a Certificate of Service or had its certification revoked or suspended in Illinois under this or another name?

YES NO

If YES, describe fully. _____

8. Have there been any complaints or judgments levied against the Applicant in Illinois in this or another name?

YES NO

If YES, describe fully. _____

9. List jurisdictions other than Illinois in which the Applicant is offering service(s).

Washington

Texas

10. Has the Applicant, or any principal of the Applicant, been denied a Certificate of Service or had its certification revoked in any jurisdiction other than Illinois under this or another name?

YES NO

If YES, describe fully. _____

11. Have there been any complaints or judgments levied against the Applicant in any jurisdiction other than Illinois in this or another name?

_____ YES NO

If YES, describe fully. _____

12. Does any officer of Applicant have an ownership or other interest in any other entity which has provided or is currently providing telecommunications services? _____ YES NO

If YES, please list, by officer, each entity in which the officer has an ownership or other interest.

13. How will Applicant bill for its service(s)? (At a minimum, describe how often the Applicant will bill for service and details of the billing statement.)

Bills will be sent to customers in accordance with individually negotiated agreements. Each invoice will specify its date, the service order to which it relates, the portion of services for which payment is due, and any associated taxes or fees.

14. How does Applicant propose to handle service, billing, and repair complaints? (At a minimum, describe Applicant's internal process for complaint resolution, the complaint escalation process, and the timeframe and process by which the customer is notified by Applicant that they may seek assistance from the Commission.)

Billing complaints will be handled in accordance with individually negotiated agreements. The typical escalation procedure utilized by Applicant is to first contact the help desk, and then discuss the issue with the NOC Supervisor, NOC Director, GSM, GSM Director, Operations Director, Senior Vice President, and finally the CEO, in turn depending on the severity of the issue or concern. Service and repair complaints will be addressed to Applicant, which will act as a liaison with the underlying facilities-based common carrier to ensure a prompt response.

15. Will personnel be available at Applicant's business office during regular working hours to respond to inquiries about service or billing? YES _____ NO

16. What telephone number(s) would a customer use to contact the Applicant?

Applicant's contact number is (800) 342-0727 or 305-925-5800.

17. If granted authority to operate as provider of anything other than a Pay Telephone service, will the applicant file tariffs prior to providing service in Illinois and within 2 years of Application approval?

YES NO Applicant requests waiver of this requirement because the applicant is a non-common carrier providing services pursuant to individually negotiated agreements that are customized to the particular needs of the customer. There will not be a generalized service offering available to the public. Customers will be limited to global customers of Applicant and its affiliates that have a need for the services at a location within Illinois.

YES NO Applicant will provide a tariff if the Commission believes this requirement applies to Applicant.

18. How many employees does the Applicant employ? Applicant will employ no in-state employees, but Applicant has 200 out-of-state employees.

19. Has the Applicant reviewed all ICC rules applicable to the services it seeks to provide?

YES NO

Note: See <http://www.ilga.gov/commission/jcar/admincode/083/083parts.html> for the ICC's Title 83: Public Utility Rules.

20. Will the Applicant abide by all ICC rules applicable to the services it seeks to provide?

YES NO

21. If granted the authority to operate as a telecommunications provider, will the Applicant comply with all the applicable filing requirements listed in Appendix A?

YES NO

22. If granted the authority to operate as a telecommunications provider, will the applicant remit all applicable taxes, contributions, or other assessments specified in Appendix A?

YES NO

III. FINANCIAL (To be completed by All Applicants except Wireless Applicants)

1. Please attach evidence of Applicant's financial fitness through the submission of its most current income statement, balance sheet, chart of accounts and any other appropriate documentation of applicant's financial resources and ability to provide service. See Exhibit E – Telefonica USA, Inc. Unaudited Income Statement and Balance Sheet; Exhibit F -Telefonica S.A. and subsidiaries, including Telefonica USA, Inc., on a consolidated basis, Audited Financial Statements for Year Ending December 31, 2009; Exhibit G – Telefonica USA, Inc. Chart of Accounts; and Exhibit H – Telefonica, S.A. SEC Form 20-F (Filed with the SEC on March 26, 2010).

2. Does the Applicant have a financial relationship with any other companies?

YES NO

If YES, please provide the names of all companies with which the Applicant has a financial relationship and a brief explanation of the relationship.

Telefonica USA, Inc. owns 100 percent of Katalyx Inc., a U.S. company and Telefonica Empresas

Sucursal, a Puerto Rican company. Telefonica USA, Inc. is owned by Telefonica Datacorp S.A.U.,

a Spanish company, which is in turn owned by Telefonica S.A., also a Spanish company.

Telefonica U.S.A., Inc. is affiliated with Telefonica Internacional Wholesale Services USA.

Telefonica USA, Inc. is also affiliated with numerous foreign telecommunications companies.

3. Will the Applicant keep its books and records in Illinois? YES NO

Note: If the Applicant will not keep its books and records in Illinois, then the Applicant must request a waiver of Code Part 250.

4. Has the applicant or any other company with which the Applicant has a financial arrangement filed for bankruptcy within the last 7 years?

YES NO

If YES, please explain: _____

IV. TECHNICAL (To be completed by All Applicants except Wireless Applicants)

1. Please describe the nature of service to be provided (e.g., operator services, internet, debit cards, long distance service, data services, local service, prepaid local service).

Applicant proposes to provide pure, non-facilities-based, resale of certain local exchange, interexchange and commercial mobile wireless services of telecommunications carriers already

authorized by the Illinois Commerce Commission, on a non-common carrier basis. These services are to be provided under private, individually negotiated and customized service agreements with existing global customers that have a need for such services at a location in Illinois. Since the service agreements will be tailored to the specific needs of the individual customers and there will not be a generalized offering to the public, there will be no standard rates, terms or conditions. Applicant will provide resold local exchange, intrastate interexchange and commercial wireless services. in addition, Applicant will provide network services including: WAN (VPN Sites, Centralized Internet), LAN/Wireless LAN (managed LAN ports, managed APs), Mobile (corporate mobile lines, M2M mobile lines, 3G data cards), Fixed Line/VoIP (ToIP extensions/mobile only extensions, PRIs), Desktop Management, Security (remote access service, perimeter security, clean email and internet surfing), and Management/Monitoring of the above services.

2. Does Applicant utilize its own equipment and/or facilities? _____ YES X NO

If YES, please provide a brief description of the facilities Applicant owns and intends to utilize.

If YES, please explain what services will be offered with these facilities and where the Applicant will utilize its own facilities.

If YES, please include evidence that Applicant possesses the necessary technical resources to deploy and maintain the said facilities.

If YES, and if the Applicant is a switch based provider, please provide an attachment that includes the following information regarding each switch: (i) switch type, (ii) address, (iii) CLLI code, (iv) location of remotes or POIs, and (v) any tandems to which the switch is homed.

3. Does Applicant lease equipment and/or facilities? _____ YES X NO

If YES, please provide a brief description of the facilities the Applicant leases and the entity or entities from which such equipment or facilities are leased.

The Applicant will be purchasing and reselling services, not equipment.

If YES, please explain what services will be provided with these facilities and where the Applicant will utilize these leased facilities.

Telefonica USA, Inc. will be acquiring the local exchange, interexchange and wireless telecom services from authorized carriers in the state and then reselling those services (as part of a package of services that may include interstate and international services) to the in-state locations of existing customers pursuant to individually negotiated contracts that are global in scope. Telefonica USA, Inc. will not be offering or providing any local exchange, interexchange or wireless telecommunication services to the general public on a common carrier basis in Illinois.

If YES, please include evidence that Applicant possesses the necessary technical resources to maintain and operate said facilities.

Applicant proposes to provide pure resale services, and for the purposes of actual operation, repair and maintenance, will act as a liaison with the underlying carriers who will provide the operational, repair and maintenance activities. As to the technical personnel of the Applicant available at the contact point for customers, appended hereto as Exhibit C are the bios of such personnel.

Moreover, Telefonica, S.A. is one of the world's largest telecommunications operators by market capitalization. It concentrates on the fixed and mobile telephony businesses, while its broadband business is the key growth driver underpinning both. It operates in 24 countries and has a global customer base of almost 260 million.

4. Does Applicant resell services? YES NO

If YES, please provide a brief description of the entity or entities from which wholesale service is purchased.

Applicant is undecided on the entities from which it will purchase wholesale service, but it will purchase wholesale service from carriers authorized to provide the services in Illinois.

If YES, please explain what services will be provided through resale and where the Applicant will provide resold services.

Applicant will provide the pure resale of commercial wireless, local exchange, and local interexchange services within Illinois.

5. Does the Applicant provide its own repair service?

YES NO

If NO, please provide the name of the entity or entities providing repair service for the Applicant.

Telefonica USA, Inc.'s NOC will act as a single point of contact for customers and liaise with the underlying facilities-based carriers who will provide repair service.

6. Will technical personnel be available at all times to assist customers with service problems?

YES NO

If NO, please provide the hours of assistance.

For purposes of TUSA's point of contact, essential personnel will be available 24 hours a day, seven days a week. Non-essential personnel will be available from 9 am to 5 pm, Monday through Friday. Applicant's contact number is (800) 342-0727 or 305-925-5800. TUSA will communicate service and repair issues to the underlying carrier for repair and technical assistance.

7. If Applicant intends to provide Public Pay Telephone service, will the equipment utilized comply with FCC requirements and Finding (9) of the Commission Order entered in Docket No. 84-0442 on June 11, 1986, including, but not limited to: (a) touch dialing; (b) access to 9-1-1 and "0" operator dialing without use of a coin; (c) rules governing use of payphones by disabled persons; (d) ability to complete local and long-distance calls; (e) unlimited duration for local calls; and (f) a message explaining the telephone's general operations, dialing instructions for emergency assistance, payphone owner's name, method of reporting service problems and method of receiving credit for faulty calls? YES NO

8. If Applicant intends to provide Public Pay Telephone service, please explain the method the Applicant will used to comply with Section 771.330 of the ICC's rules.

Note: See <http://www.ilga.gov/commission/jcar/admincode/083/08300771sections.html> for the ICC's Pay Telephone Service Provider rules.

V. WAIVERS (to be completed by All Applicants except Wireless Applicants)

Note: If Applicant is seeking any waivers or variances of Commission rules and regulations in this proceeding, then, other than when explained below, please attach an explanation of why the Applicant is seeking any waiver or variance.

Local Exchange Service authority applicants under Sections 13-401, 13-404 and/or 13-405 generally seek waivers of Part 710, Section 735.180 of Part 735 and Part 250. Additionally, a waiver from Parts 730.115 and 732.60 may be requested for those applicants that will only be providing data services.

Interexchange Service authority applicants under Sections 13-401, 13-403 and 13-404 generally request waivers of Parts 710, 735 and 250 of Title 83 of the Illinois Administrative Code

Public Pay Telephone Service authority applicants under Sections 13-401, 13-403, 13-404, and/or 13-405 generally

request waivers of Parts 710, 735 and 250 of Title 83 of the Illinois Administrative Code

Local Exchange Service Please indicate which waivers Applicant is requesting.

- Part 710 Uniform System of Accounts for Telecommunications Carriers
 - Part 735.180 Directories (within Part 735 Procedures Governing the Establishment of Credit, Billing, Deposits, Termination of Service and Issuance of Telephone Directories for Local Exchange Telecommunications Carriers in the State of Illinois)
 - Part 730.115 and 732.60 Service Quality and Customer Credit Quarterly Reporting – Waiver is available for carriers providing Data Services only. (ref. 13-517c)
 - Part 250 Public Utility Books and Accounts (maintaining books and records out of state)
 - Others (Please indicate which additional waivers Applicant is requesting and explain why Applicant is requesting each waiver/variance)
-
-

Interexchange Service Please indicate which waivers Applicant is requesting.

- Part 710 Uniform System of Accounts for Telecommunications Carriers
 - Part 735 Procedures Governing the Establishment of Credit, Billing, Deposits, Termination of Service and Issuance of Telephone Directories for Local Exchange Telecommunications Carriers in the State of Illinois
 - Part 250 Public Utility Books and Accounts (maintaining books and records out of state)
 - Others (Please indicate which additional waivers Applicant is requesting and explain why Applicant is requesting each waiver/variance)
-
-

Local and Interexchange Public Pay Telephone Service Please indicate which waivers Applicant is requesting.

- Part 710 Uniform System of Accounts for Telecommunications Carriers
 - Part 735 Procedures Governing the Establishment of Credit, Billing, Deposits, Termination of Service and Issuance of Telephone Directories for Local Exchange Telecommunications Carriers in the State of Illinois
 - Part 250 Public Utility Books and Accounts (maintaining books and records out of state)
 - Others (Please indicate which additional waivers Applicant is requesting and explain why Applicant is requesting each waiver/variance)
-
-

1. If the Applicant is requesting a waiver of Part 710, what circumstances warrant a departure from the prescribed Uniform System of Accounts ("USOA")?

In the past, Telefonica USA, Inc. followed the Uniform System of Accounts for Telecommunications Companies adopted by the Federal Communications Commission, as set forth in Part 32 of the FCC rules (USOA). However, as of July 2008, in an effort to standardize the accounting system within the Telefonica group of companies, Telefonica USA, Inc. changed its accounting system to SAP in accordance with Telefonica corporate guidelines. This change resulted in Telefonica USA, Inc.'s implementation of the Telefonica Group chart of accounts rather than that of USOA.

2. If the Applicant is requesting a waiver of Part 710, then will records be maintained in accordance with Generally Accepted Accounting Principles ("GAAP")?

YES NO

3. If the Applicant is requesting a waiver of Part 710, then will applicants accounting system provide an equivalent portrayal of operating results and financial condition as the USOA?

YES NO

4. If the Applicant is requesting a waiver of Part 710, then will applicant maintain its records in sufficient detail to facilitate the calculation of all applicable taxes and surcharges?

YES NO

5. If the Applicant is requesting a waiver of Part 710, then does the accounting system currently in use by Applicant provide sufficiently detailed data for the preparation of Illinois Gross Receipts Tax returns?

YES NO

If YES, What specific accounts or sub-accounts provide this data?

The specific accounts used in the preparation of Illinois Gross Receipts Tax returns will be determined by the specific services provided in Illinois and will be within the General Ledger range from 7000000000 to 7999999999. (See Exhibit G).

6. If the Applicant is requesting a waiver of Part 710, then will the Applicant provide annual audited statements when required or requested subsequent to granting of the waiver?

YES NO Applicant's audited statements are consolidated with its ultimate parent company,

Telefonica, S.A.

Note: See <http://www.icc.illinois.gov/forms/results.aspx?st=3&t=2> for Annual Reports instructions for detail.

7. If the Applicant is requesting a waiver of Part 710, does the Applicant understand that the requested waiver of Part 710 will not excuse it from compliance with future Commission rules or amendments to Part 710 otherwise applicable to the Company?

YES NO

VI TELEPHONE ASSISTANCE PROGRAMS (To be completed by Local Exchange Service Applicants)

1. Has the Applicant signed and returned the ITAC Membership Application and Agreement to Commission Staff?

YES NO

To the extent Commission Staff believes ITAC is relevant given the services Applicant is providing and the method Applicant is using to provide those services, Applicant will certainly provide these forms if necessary.

Note: See <http://www.icc.illinois.gov/telecommunications/Certification.aspx> for application forms.

2. Will the Applicant's billing system be able to distinguish between resale and facilities based service for the collection of the ITAC line charge?

YES NO

3. Has the Applicant signed and returned the Universal Telephone Access Corporation (UTAC) - Membership Application to Commission Staff?

YES NO

To the extent Commission Staff believes UTAC is relevant given the services Applicant is providing and the method Applicant is using to provide those services, Applicant will certainly provide these forms if necessary.

Note: See <http://www.icc.illinois.gov/telecommunications/Certification.aspx> for application forms.

4. Will the Applicant solicit, collect, and remit the voluntary contributions from its telephone subscribers to support the Telephone Assistance Programs?

YES NO

If Commission Staff determines this is relevant given the services Applicant is providing and the method Applicant is using to provide those services, Applicant will do so.

5. Does the Applicant realize that it will not be able to receive any of the federal reimbursements for the Lifeline and Link-Up Programs if it is not an eligible carrier?

YES NO

6. Does the Applicant plan on filing to become an Eligible Telecommunications Carrier?

____ YES NO

VII. 911 SERVICE (To be completed by Local Exchange Service Applicants)

1. Will the Applicant ensure that 911 traffic is handled in accordance with the 83 Illinois Administrative Code Part 725 and the Emergency Telephone System Act?

YES ____ NO

As a pure reseller, TUSA will rely on the underlying authorized carrier to comply with all 911 requirements.

Note: See <http://www.icc.illinois.gov/911/> for links to the Emergency Telephone System Act and other 911 related rules and regulations.

2. Who will be responsible for building and maintaining the 911 database for your local exchange customers?

See above.

3. How often will the Applicant update the 911 database with customer information?

See above.

4. Please explain the procedures the Applicant will use to collect 911 surcharges and transmit them to the local 911 systems.

See above.

VIII. PREPAID SERVICE (To be completed by Local Exchange Service Applicants that Provide Prepaid Service)

1. Will customers have the ability to sign up with any long distance company they choose?

____ YES ____ NO

2. Will customers have the ability to use dial around long distance companies?

____ YES ____ NO

3. Will customers have access to the Illinois Relay Service?

____ YES ____ NO

4. Will customers be able to make 1-800 calls for free?

____ YES ____ NO

5. Will the Applicant offer operator services?

_____ YES _____ NO

6. Please describe how applicant plans to collect the monthly fee to be paid in advance.

7. Will customers' monthly bills show a breakdown of services, features, surcharges, taxes, etc.?

_____ YES _____ NO

8. Will customers pay an installation fee?

_____ YES _____ NO

If YES, will payment arrangements be offered for the installation fee?

_____ YES _____ NO

9. Will telephone service be in the Applicant's name or the customer's name?

_____ YES _____ NO

If YES, please describe how information will appear in data bases, such as 9-1-1, directory assistance, etc.?

10. Will applicant offer prepaid service as a monthly service or as a usage service?

_____ Monthly _____ Usage

11. Will applicant provide a warning when the remaining value of service is about to cease?

_____ YES _____ NO

If YES, is the customer given more than one notice of the remaining value of service?

_____ YES _____ NO

If YES, how much advance notice is given to the customer of the remaining value of service?

12. If the customer is in the middle of a call will they be disconnected when the remaining value of service has expired?

_____ YES _____ NO

If YES, are customers made aware of potentially being disconnected during a call when the remaining value of service expires?

_____ YES _____ NO

13. When does the timing of a call start? _____

14. If the person called does not answer, is any time deducted from the customer's account?

_____ YES _____ NO

15. Will there be any other instances in which the Company would disconnect a customer, other than running out of prepaid time?

_____ YES _____ NO

If YES, please explain. _____

16. When a customer runs out of time is their phone immediately disconnected or on suspension?

_____ YES _____ NO

If YES, will they still be able to receive calls?

_____ YES _____ NO

17. Are the Applicant's services available to TTY callers?

_____ YES _____ NO

18. How will the Applicant handle a complaint from a customer who disputes the amount of time used or remaining?

19. The Public Utilities Act requires a local calling area that has no time or duration charges. How will the Applicant define each customer's untimed local calling area?

Telefonica USA, Inc.

By: Richard Rubin

Attorney for Telefonica USA, Inc.

Richard Rubin
Winston & Strawn LLP
1700 K Street, NW
Washington, DC 20006-3817
Email: RRubin@winston.com
Phone: 1-202-282-5622
Fax: 1-202-282-5100

VERIFICATION

This application shall be verified under oath.

OATH

State of Florida _____)
) ss
County of Miami-Dade _____)

JOANNA ROMANO makes oath and says that she is the Legal Director of TELEFONICA USA, INC. that he has examined the foregoing application and that to the best of her knowledge, information, and belief, all statements of fact contained in the said application are true, and the said application is a correct statement of the business and affairs of the above-named applicant in respect to each and every matter set forth therein.

Joanna Romano

(Signature of affiant)

Subscribed and sworn to before me, a Notary Public/ SECRETARY
(Title of person authorized to administer oaths)

in the State and County above named, this 11th day of January, 2011.

Magali Lopez

(Signature of person authorized to administer oath)

NOTARY PUBLIC-STATE OF FLORIDA
Magali Lopez
Commission #DD720937
Expires: NOV. 18, 2011
BONDED THRU ATLANTIC BONDING co., INC.