

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

OFFICIAL FILE

I.C.C. DOCKET NO. 01 0440
App Exhibit No. 1
Witness Bruce Yuille
Date 8/9/01 Reporter F

In the Matter of an Amendment to

B & S Telecom, Inc.'s

Application for a Certificate of Local and
Interexchange Service Authority to Operate as an
Reseller and Facilities Based Carrier of
Telecommunications Service Within the State of
Illinois.

Case. No. 01-0440

**DIRECT TESTIMONY OF BRUCE YUILLE
ON BEHALF OF
B & S TELECOM, INC.**

I. INTRODUCTION

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

A: Bruce Yuille, B & S Telecom, Inc. ("B & S"), 5850 Dixie Highway, Clarkston, MI 48346.

Q: BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A: B & S Telecom, Inc., as President.

Q: IS THE ADDRESS OF THE COMPANY THE SAME AS THAT WHICH YOU HAVE JUST SUPPLIED?

A: Yes.

Q: PLEASE DESCRIBE YOUR DUTIES FOR THE COMPANY.

A: Yes. As president of B & S Telecom, Inc., I am responsible for B & S Telecom, Inc.'s day-to-day operations, including sales and marketing, as well as for the company's ongoing profitability.

Q: COULD YOU PROVIDE A BRIEF BACKGROUND ON YOUR EDUCATION AND EXPERIENCE WITH TELECOMMUNICATIONS?

A: I was founder, President and Chief Operating Officer of Coast to Coast Telecommunications, Inc. From 1992 until April of 2001, when the company was sold. During that, Coast to Coast Telecommunications, Inc. grew from two employees to more than one hundred. I am a graduate of Wayne State University Law School. Between 1984 and 1991, I assisted in the development of Cellular One and Century Cellunet throughout Michigan and northern Ohio. I founded National Cellular Services, Inc., a cellular agent, and Midwest Long Distance a successful regional provider of long distance services.

II. PURPOSE AND SUMMARY

Q: ARE YOU FAMILIAR WITH THE APPLICATION OF YOUR COMPANY SUBMITTED TO THIS COMMISSION?

A: Yes.

Q: DO YOU RATIFY AND CONFIRM THE STATEMENTS AND REPRESENTATIONS MADE IN THAT APPLICATION?

A: Yes I do.

Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A: My testimony addresses B & S's practices and proposed Illinois services, and demonstrates that possesses the financial, technical, managerial, and operational capabilities to operate as a provider of competitive local exchange and long distance telecommunications services in Illinois, as well as B & S's intent to comply with all applicable Commission regulations.

Q: PLEASE DESCRIBE THE AUTHORITY THAT B & S TELECOM, INC. SEEKS FROM THE COMMISSION.

A: B & S Telecom, Inc. seeks a certificate of authority to provide resold and facilities-based local exchange telecommunications services throughout the State of Illinois. B & S Telecom, Inc. proposes to initiate the provision of its services through the resale of local services of Ameritech Illinois and the long distance services of Global Crossings within the State of Illinois

Q: HAS B & S TELECOM, INC. OR ITS AFFILIATES BEEN AUTHORIZED TO PROVIDE SUCH SERVICE IN ANY OTHER JURISDICTIONS?

A: B & S has applications pending in Michigan and Wisconsin and has been granted a temporary license in Michigan.

Q: HAS B & S TELECOM, INC. EVER BEEN DENIED AUTHORIZATION BY A STATE REGULATORY AGENCY?

A: No, B & S Telecom, Inc. has ever been denied authorization by a state regulatory agency.

Q: HAS B & S TELECOM, INC. PROVIDED SERVICE UNDER ANY OTHER NAME?

A: B & S has not provided service under any other name.

Q: HAVE ANY COMPLAINTS OR JUDGEMENTS BEEN LEVIED AGAINST THE COMPANY?

A: No complaints or judgements have been levied against the company.

Q: PLEASE DESCRIBE THE CORPORATE STRUCTURE OF B & S TELECOM, INC.

A: B & S Telecom, Inc. is a corporation organized under the laws of the State of Michigan. A copy of B & S's Articles of Incorporation is attached to B & S Telecom, Inc.'s application at Exhibit B.

III. MANAGERIAL AND TECHNICAL QUALIFICATIONS

Q: PLEASE ADDRESS B & S TELECOM, INC.'S MANAGERIAL AND TECHNICAL QUALIFICATIONS.

A: B & S Telecom, Inc. possesses the managerial and technical qualifications to provide local exchange telecommunications service in Illinois. B & S's management team has considerable experience in marketing, network operations, financial analysis/accounting, customer service, training, sales, regulatory, and other relevant areas. A description of the telecommunications experience and expertise of B & S Telecom, Inc.'s key management personnel is attached to B & S Telecom, Inc.'s application at Exhibit C. As the biographies of B & S Telecom, Inc.'s key personnel reflect, these individuals have substantial experience in various aspects of telecommunications operations.

IV. FINANCIAL QUALIFICATIONS

Q: PLEASE DESCRIBE B & S TELECOM, INC.'S FINANCIAL QUALIFICATIONS.

A: B & S Telecom, Inc. is financially qualified to provide the proposed telecommunications services within Illinois. (Please see attached Financial Statements in Application).

V. B & S TELECOM, INC.'S PROPOSED SERVICES

Q: PLEASE DESCRIBE THE TYPES OF SERVICES THAT B & S TELECOM, INC. PROPOSES TO OFFER IN ILLINOIS.

A: B & S Telecom, Inc. seeks authority to provide competitive local exchange and long distance telecommunications services through the resale of the services of other certificated carriers including Ameritech-Illinois/SBC and Global Crossings. B & S intends to offer telecommunications services, including but not limited to providing basic local telephone service, inbound and outbound long distance services, calling card service, and directory assistance to business and residential customers.

Q: HOW WILL B & S TELECOM, INC. PROVIDE THESE SERVICES?

A: B & S will resell or utilize the services of existing facilities-based carriers in Illinois. In addition, where appropriate, B & S will provide its local telecommunications services through combination of unbundled network elements provided by the ILECs and other CLECs.

Q: WHAT GEOGRAPHIC AREAS WILL B & S TELECOM, INC. SERVE?

A: B & S Telecom, Inc. seeks authority to provide resold and facilities-based local services throughout the state of Illinois. At the present time, B & S intends to provide local exchange service primarily in the geographic areas currently served by Ameritech,

Q: HOW DOES B & S TELECOM, INC. INTEND TO MARKET ITS SERVICES?

A: B & S Telecom, Inc. intends to utilize in-house marketing staff, independent consultants, and resellers.

Q: HOW WILL B & S TELECOM, INC. RESPOND TO CUSTOMER INQUIRIES AND COMPLAINTS?

A: B & S Telecom, Inc. will handle customer service orders, requests, inquiries, and/or complaints through a local or toll-free number in Illinois, 1 (800) 467-8425. This number will be printed on customer invoices. B & S's customer service center is currently available between the hours of 8:00 am and 8:00 pm Monday through Friday, and is staffed by knowledgeable customer service representatives. As the Company's customer base grows, the Company will establish a customer service number that is available twenty-four hours a day, seven days a week. Resolution and/or escalation of customer service complaints will be handled in conformity with applicable Commission regulations.

Q: WHO IS THE PERSON WITHIN B & S TELECOM, INC. THAT IS RESPONSIBLE FOR THE HANDLING OF CONSUMER COMPLAINTS, INCLUDING THOSE THAT MAY BE FORWARDED TO THE COMPANY BY THIS COMMISSION?

A: Initially, I will assume overall responsible for handling consumer complaints.

VI. COMPLIANCE WITH THE COMMISSION'S RULES, REGULATIONS AND POLICIES.

Q: IF AUTHORIZED TO PROVIDE COMPETITIVE TELECOMMUNICATIONS SERVICES, WILL B & S TELECOM, INC. ABIDE BY THE RULES, REGULATIONS, POLICIES AND ORDERS OF THIS COMMISSION, AND THE LAWS OF THE STATE OF ILLINOIS, IN ITS PROVISION OF COMPETITIVE INTRASTATE LOCAL EXCHANGE AND INTEREXCHANGE SERVICES, AS NOW ADOPTED OR THAT MAY BE ADOPTED?

A: Yes we will. I ran Coast To Coast for eight years with out any formal complaints at the F.C.C. or state commission. As a new player in the competitive local service industry, B & S Telecom, Inc. will provide service in the State in full compliance with any and all rules and regulations that have been or may be adopted relating to the provision of local exchange service, as well as any other applicable state or federal rules, regulations, or statutes. For example, B & S Telecom, Inc. will comply with any requirements that the Commission and/or the State of Illinois may feel are necessary to preserve and advance universal service, protect the public safety and welfare, ensure the continued quality of local services, and safeguard the rights of consumers. B & S also will comply with all statutory and Commission requirements including the filing of tariffs; customer notification of rate increases; customer billing and credit issues; access to 9-1-1 services; access to telecommunications for persons with disabilities; pay-per-call services; and the filing of regulatory reports and the payment of regulatory assessments, the preservation of records and procedures governing the establishment of credit, billing, deposits, termination of service, and issuance of telephone directories.

Q: DOES B & S TELECOM, INC. SPECIFICALLY INTEND TO COMPLY WITH THE COMMISSION'S PROCEDURES GOVERNING THE ESTABLISHMENT OF CREDIT,

BILLING, DEPOSITS, TERMINATION OF SERVICE AND ISSUANCE OF TELEPHONE DIRECTORIES FOR TELEPHONE UTILITIES PURSUANT TO PART 735?

A: Yes, B & S Telecom, Inc. will comply with the Commission's rules governing credit, billing, deposits, termination of service, and telephone directories, pursuant to 83 Illinois Administrative Code Part 735. B & S Telecom, Inc. will contract with incumbent local exchange carriers for the compliance with Section 735.180, Directories, as discussed below.

Q: WILL B & S TELECOM, INC. COMPLY WITH THE ILLINOIS EMERGENCY SYSTEM ACT, 83 ILLINOIS ADMINISTRATIVE CODE PART 720 AND PART 725?

A: Yes. B & S Telecom, Inc. plans to offer its customer access to 911 service by reselling the emergency services offered by Ameritech. It is B & S's understanding that Ameritech complies with the Illinois Emergency System Act, 83 Illinois Administrative Code Parts 720 and 725. Unless granted a waiver by the Commission, B & S acknowledges that it is ultimately responsible for ensuring that the underlying carrier's compliance with regard to B & S's customers. It is through Ameritech's 911 system that B & S will establish working relationships with Illinois' 911 systems. B & S Telecom, Inc. will coordinate with Ameritech and other incumbent local exchange carriers, where necessary, to provide transparent 911 service to end users. Ameritech will continue to retain primary responsibility for building and maintaining the 911 data base, with information provided to Ameritech and other incumbents by B & S for its customers on a timely basis. B & S does not believe that the resale of Ameritech's 911 service will in any way adversely impact the Company's customers.

Q: WHO IS THE PERSON WITHIN B & S TELECOM, INC. THAT IS RESPONSIBLE TO SERVE AS THE COMPANY'S 911 CONTACT?

A: I will assume initial responsible for serving as the company's 911 contact.

Q: WILL B & S TELECOM, INC.'S BILLING SYSTEM BE ABLE TO DISTINGUISH

BETWEEN RESALE AND FACILITIES-BASED SERVICE FOR THE COLLECTION OF THE 911 SURCHARGE?

A: Yes. At such time as B & S begins to offer local services on a facilities-based basis, B & S's billing system will be able to distinguish between resold and facilities-based service for purposes of collection of the Illinois Telecommunication Access Corporation Line Charge.

Q: DOES B & S TELECOM, INC. INTEND TO COMPLY WITH THE COMMISSION'S RULES CONCERNING THE PROVISION OF TELEPHONE RELAY SERVICES AND OTHER RELATED REQUIREMENTS CONCERNING THE PROVISION OF SERVICE TO PERSONS WITH DISABILITIES 83 ILLINOIS ADMINISTRATIVE CODE PARTS 755, 756, and 757?

A: B & S intends to comply with Commission rules governing Telecommunications Access for Persons With Disabilities (Part 755), Telecommunications Relay Services (Part 756), and Telephone Assistance Programs (Part 757). B & S will solicit, collect, and remit the voluntary contributions from its telephone subscribers to support the Telephone Assistance Programs pursuant to Part 757. B & S Telecom, Inc. intends to comply with Parts 755 and 756, including the provision of TTY distribution by contracting with incumbent LECs.

Q: WILL B & S TELECOM, INC. COMPLY WITH THE COMMISSION'S RULES CONCERNING THE UNIVERSAL SERVICE OBLIGATIONS OF LOCAL EXCHANGE CARRIERS, INCLUDING REGULATIONS CONCERNING CONTRIBUTIONS TO THE UNIVERSAL TELEPHONE ASSISTANCE CORPORATION?

A: Yes we will. B & S, Inc. recognizes that the responsibility to ensure that the goal of universal service is met for all consumers must be shared by all LECs. B & S Telecom, Inc. will comply with the requirements of Ill. Adm. Code Part 757, including joining the Universal Telephone Assistance Corporation ("UTAC"), and meeting the requirements concerning the solicitation and remittance of contributions, and the filing of appropriate reports with the Commission in the same manner as the incumbent LECs. B & S Telecom,

Inc. will comply with all rules and requirements imposed on LECs, as now adopted or as may be adopted in the future, in order to bear its fair share of that responsibility. B & S will offer all of the waivers associated with the Universal Telephone Service Assistance Programs

Q: DOES B & S TELECOM, INC. PLAN TO FILE TO BECOME AN ELIGIBLE TELECOMMUNICATIONS CARRIER?

A: B & S Telecom, Inc. does not intend to file to become an Eligible Telecommunications Carrier.

Q: DOES B & S TELECOM, INC. REALIZE THAT IT WILL NOT BE ABLE TO RECEIVE ANY FEDERAL REIMBURSEMENTS FOR THE LIFELINE AND LINK UP PROGRAMS IF IT IS NOT AN ELIGIBLE CARRIER?

A: B & S Telecom, Inc. recognizes that it will not be able to receive any federal reimbursements for the Lifeline and Link UP programs if it is not an eligible telecommunications carrier.

Q: WILL B & S TELECOM, INC.'S BILLING SYSTEM BE ABLE TO DISTINGUISH BETWEEN RESALE AND FACILITIES-BASED SERVICE FOR THE COLLECTION OF THE ILLINOIS TELECOMMUNICATIONS ACCESS CORPORATION LINE CHARGE?

A: Yes. At such time as B & S begins to offer local services on a facilities-based basis, B & S's billing system will be able to distinguish between resold and facilities-based service for purposes of collection of the Illinois Telecommunications Access Corporation Line Charge.

Q: HAS YOUR COMPANY SIGNED AND RETURNED THE UNIVERSAL TELEPHONE ASSISTANCE CORPORATION ("UTAC") AND ILLINOIS TELECOMMUNICATIONS ACCESS CORPORATION ("ITAC") FORMS TO STAFF?

A: B & S Telecom, Inc. has signed and is returning the Universal Telephone Assistance

Corporation and Illinois Telecommunications Access Corporation Forms to Staff.

Q: HOW WILL B & S TELECOM, INC. GUARD AGAINST SLAMMING?

A: As a new competitive entrant into the market, B & S Telecom, Inc. has never had an incident of slamming or any other form of customer complaint. B & S Telecom, Inc. will comply with Illinois law and the recently revised Federal Communications Commission's ("FCC's") regulations regarding how carriers may change a consumer's local exchange carrier or Primary Interchange Carrier ("PIC"), pursuant to 47 C.F.R. §64.110 et seq.. In general, primary local exchange carrier or PIC changes will require the customer's signature. In the eight years that I ran Coast To Coast there were no slamming complaints at the state or federal level.

VII. WAIVERS AND VARIANCES

Q: B & S TELECOM, INC. HAS REQUESTED A WAIVER FROM CERTAIN PROVISIONS OF THE ILL. ADM. CODE. WHAT IS THE BASIS FOR THESE REQUESTS?

A: The Commission in other cases has found that it is not necessary to apply certain regulatory provisions to competitive service providers and has exempted competitive carriers from the application of these provisions. It is my understanding that the Commission has previously waived or declared inapplicable portions of 83 Ill. Adm. Code Parts 710 and 735 for competitive carriers as such waivers reduce the economic burdens of regulation and are not inconsistent with the law or the purposes and policies of Article XIII of the Act.

Q: PLEASE DESCRIBE B & S TELECOM, INC. REQUEST FOR A VARIANCE FROM 83 ILL. ADM. CODE PART 735.180.

A: B & S Telecom, Inc. seeks a variance of Part 735.180, which requires LECs to publish and distribute directories to their customers. B & S Telecom, Inc. plans to negotiate an agreement with its underlying carrier(s), Ameritech Illinois and/or other local exchange

providers, pursuant to which the underlying carrier will include B & S Telecom, Inc.'s customer listings in its directories and distribute them to B & S Telecom, Inc.'s customers. As a result, B & S Telecom, Inc. requests a variance from the requirement that it publish and distribute its own directories.

Q: PLEASE DISCUSS THE BASIS FOR B & S TELECOM, INC.'S REQUEST FOR A WAIVER OF 83 ILL. ADM. CODE PART 710.

A: Part 710 requires compliance with the Uniform System of Accounts ("USOA"). While this provision is appropriately applied to incumbent LECs that have market power, it imposes unnecessary and burdensome requirements on new entrants that are inconsistent with a competitive environment. B & S Telecom, Inc.'s size and lack of market power are special circumstances that warrant a waiver of the USOA requirement. B & S Telecom, Inc. keeps its books in accordance with Generally Accepted Accounting Principles ("GAAP"), which will result in a substantially equivalent portrayal of its operating results and financial condition and will maintain uniformity in the substantive results as among telecommunications companies and will allow for the appropriate computation of taxes. Finally, it is my understanding that the Commission has waived Part 710 for other competitive carriers in Illinois, including MFS Intelenet of Illinois, Inc. (Docket No. 93 0409) and MCI Metro Access Transmission Services, Inc. (Docket No. 94-0400). B & S Telecom, Inc. seeks the same treatment. B & S Telecom, Inc. agrees 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.

Q: WILL B & S TELECOM, INC.'S USE OF GAAP PROVIDE SUFFICIENT DETAIL FOR THE CALCULATION OF APPLICABLE TAXES?

A: B & S Telecom, Inc. will maintain sufficient detail to facilitate the calculation of applicable taxes including the preparation of the Illinois Gross Receipt Tax returns.

Q: IS B & S TELECOM, INC. SEEKING A WAIVER OF THE REQUIREMENT TO

MAINTAIN ITS BOOKS AND RECORDS IN THE STATE OF ILLINOIS?

A: Yes, B & S, Inc. seeks a waiver of this regulation. B & S Telecom, Inc. will, if necessary, maintain separate books for its operations in Illinois and will make that information available to Commission staff at staff's request, pursuant to 83 Illinois Administrative Code Part 705.

Q: THE COMMISSION'S CONSUMER SERVICES DIVISION REQUESTS THAT CARRIERS THAT ARE CERTIFIED TO PROVIDE LOCAL EXCHANGE SERVICE NOTIFY THE DIVISION AT LEAST ONE MONTH PRIOR TO THE ACTIVATION OF LOCAL EXCHANGE SERVICE, IN ORDER THAT THE DIVISION MAY ASSURE THE NEW ENTRANT'S COMPLIANCE WITH THE COMMISSION'S RULES. WILL B & S TELECOM, INC. SO NOTIFY THE DIVISION ON A TIMELY BASIS PRIOR TO THE ACTIVATION OF LOCAL SERVICE?

A: Yes we will.

VIII. CONCLUSION

Q: DOES THIS CONCLUDE YOUR TESTIMONY?

A: Yes, it does. I reserve the right, however, to amend or modify my testimony, as appropriate.

**BEFORE THE
ILLINOIS PUBLIC SERVICE COMMISSION**

State of Michigan)
) SS:
County of Oakland)

AFFIDAVIT

I, Bruce Yuille, of lawful age, being first duly sworn deposes and says as follows:

1. I am President for B & S Telecom, Inc. and have caused to be prepared written testimony in connection with B & S Telecom, Inc.'s Petition for a Certificate of Public Convenience and Necessity.
2. My testimony is true and correct as I verily believe.

Further affiant sayeth not.

Bruce Yuille

Subscribed and sworn to before me a notary Public on this _____ day of

July, 2001

Notary Public

My commission expires:

B & S Telecom, Inc.

I.C.C. DOCKET. NO. 01-0440

EXHIBIT D

Standard Questions for Local Authority

Standard Questions for Applicants Seeking Local Exchange Service Authority

1. Is your company seeking any waivers or variances of certain Commission rules and regulations in this proceeding that pertain to local exchange service? Please provide evidence as to why your company is seeking any waiver or variance.

The Commission in other cases has found that it is not necessary to apply certain regulatory provisions to competitive service providers and has exempted competitive carriers from the application of these provisions. It is my understanding that the Commission has previously waived or declared inapplicable portions of 83 Ill. Adm. Code Parts 710 and 735 for competitive carriers as such waivers reduce the economic burdens of regulation and are not inconsistent with the law or the purposes and policies of Article XIII of the Act.

B & S Telecom, Inc. seeks a variance of Part 735.180, which requires LECs to publish and distribute directories to their customers. B & S Telecom, Inc. plans to negotiate an agreement with its underlying carrier(s), Ameritech Illinois and/or other local exchange providers, pursuant to which the underlying carrier will include B & S Telecom, Inc.'s customer listings in its directories and distribute them to B & S Telecom, Inc.'s customers. As a result, B & S Telecom, Inc. requests a variance from the requirement that it publish and distribute its own directories.

Part 710 requires compliance with the Uniform System of Accounts ("USOA"). While this provision is appropriately applied to incumbent LECs that have market power, it imposes unnecessary and burdensome requirements on new entrants that are inconsistent with a competitive environment. B & S Telecom, Inc.'s size and lack of market power are special circumstances that warrant a waiver of the USOA requirement. B & S Telecom, Inc. keeps its books in accordance with Generally Accepted Accounting Principles ("GAAP"), which will result in a substantially equivalent portrayal of its operating results and financial condition and will maintain uniformity in the substantive results as among telecommunications companies and will allow for the appropriate computation of taxes. Finally, it is my understanding that the Commission has waived Part 710 for other competitive carriers in Illinois, including MFS Intelenet of Illinois, Inc. (Docket No. 93 0409) and MCI Metro Access Transmission Services, Inc. (Docket No. 94-0400). B & S Telecom, Inc. seeks the same treatment. B & S Telecom, Inc. agrees 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.

B & S B & S Telecom, Inc. seeks a waiver of the requirement to maintain its books and records in the state of Illinois. B & S Telecom, Inc. will, if necessary, maintain separate books for its operations in Illinois and will make that information available to Commission staff at staff's request, pursuant to 83 Illinois Administrative Code Part 705.

2. Will your company comply with 83 Illinois Administrative Code Part 772, Pay-Per-Call Services, including Part 772.55(a)(1), Billing and Part 772.100(d) Notices?

Yes.

3. Will your company comply with 83 Illinois Administrative Code Part 705, Preservation of Records of Telephone Utilities?

Yes.

4. Will your company abide by 83 Illinois Administrative Code Part 735, "Procedures Governing the Establishment of Credit, Billing, Deposits, Termination of Service and Issuance of Telephone Directories for Telephone Utilities in the State of Illinois"?

Yes.

5. Who will provide customer repair service for your company?

Customer repair will be contracted through Ameritech.

6. How many people does the company employ?

Currently one, by the time we commence operations in Illinois it will be ten to fifteen employees.

7. Will your company meet the requirements as they pertain to the Telephone Assistance Programs imposed by Sections 13.301 and 13.301.1 of the Illinois Public Utilities Act and 83 Illinois Administrative Code Part 757?

Yes.

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

Yes.

9. Does your company plan on filing to become an Eligible Telecommunications Carrier?

No.

10. Does the company 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.

11. Will your company offer all of the waivers associated with the Universal Telephone Service Assistance Programs (UTSAP)?

Yes

12. Will your company abide by the regulations as prescribed in 83 Illinois Administrative Code Part 755, "Telecommunications Access for Persons with Disabilities," 83 Illinois Administrative Code Part 756 "Telecommunications Relay Service," and Sections 13-703 of the Illinois Public Utilities Act?

Yes

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

Yes.

14. Has your company signed and return the Universal Telephone Assistance Corporation ("UTAC") and the Illinois Telecommunications Access Corporation ("ITAC") to Commission staff?

Yes

15. How does your company plan to solicit customers once it begins to provide local service?

Through company sales representatives and independent agents.

16. Has your company provided service under any other name?

No.

17. Have any complaints or judgements been levied against the company? (Instate, out-of-state, or FCC).

No.

9-1-1 Questions for Applicants Seeking Local Exchange Service Authority

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

Yes, the company will contract with the underlying incumbent LEC for the provision of 911 service.

2. Will your company contact and establish a working relationship with the 911 systems when you begin to provide local telephone service?

Yes.

3. Will your company coordinate with the incumbent LEC(s) and local 911 systems to provide transparent service for your local exchange customers?

Yes.

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

The company will contract with the underlying incumbent LEC for the building and maintenance of 911 database for its local exchange customers.

5. How often will your company update the 911 database with customer information?

We intend to update 911 customer information once every working day.

6. Will your company's billing system have the ability to distinguish between facilities based and resale for the collection of the 911 surcharge?

Yes.

7. Does your company have procedures for the transitioning of the 911 surcharge collection and disbursement to the local 911 system?

They are being developed in conjunction with the accounting and billing systems.

8. Will your company's proposal require any network changes to any of the 911 systems?

No.

9. Will your company be able to meet the requirements specified under Part 725.500(o) and 725.620(b) for the installation of call boxes?

We will be reselling the services of Ameritech and it is our understanding that Ameritech meets these requirements.

10. Does your company plan to file for a waiver of Part 725.500(o) and 725.620(b) in the future?

If the company deploys a switch in Illinois, we may ask for a waiver at that time.

Financial Questions for Applicants Seeking Local Exchange Service Authority

1. (Answer if requesting waiver of Part 710) What circumstances warrant a departure from the prescribed Uniform System of Accounts ("USOA")?

While this provision is appropriately applied to incumbent LECs that have market power, it imposes unnecessary and burdensome requirements on new entrants that are inconsistent with a competitive environment. B & S Telecom, Inc.'s size and lack of market power are special circumstances that warrant a waiver of the USOA requirement. B & S Telecom, Inc. keeps its books in accordance with Generally Accepted Accounting Principles ("GAAP"), which will result in a substantially equivalent portrayal of its operating results and financial condition and will maintain uniformity in the substantive results as among telecommunications companies and will allow for the appropriate computation of taxes. Finally, it is my understanding that the Commission has waived Part 710 for other competitive carriers in Illinois, including MFS Intelenet of Illinois, Inc. (Docket No. 93 0409) and MCI Metro Access Transmission Services, Inc. (Docket No. 94-0400). B & S Telecom, Inc. seeks the same treatment. B & S Telecom, Inc. agrees 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.

2. Will records be maintained in accordance with Generally Accepted Accounting Principles ("GAAP")?

Yes.

3. Will applicants accounting system provide an equivalent portrayal of operating results and financial condition as the USOA?

Yes.

4. Will applicants accounting procedures maintain or improve uniformity in substantive results as among similar telecommunications companies?

Yes.

5. Will applicant maintain its records in sufficient detail to facilitate the calculation of all applicable taxes?

B & S Telecom, Inc. will maintain sufficient detail to facilitate the calculation of applicable taxes including the preparation of the Illinois Gross Receipt Tax returns.

6. Does the accounting system currently in use by applicant provide sufficiently detailed data for the preparation of Illinois Gross Receipts Tax returns? What specific accounts or sub-accounts provide this data?

We are in the process of setting up our accounting and billing systems. A sample billing report is attached at Exhibit E to show an example of the revenue and tax information that will be available.

7. If a waiver of Part 710 is granted, will applicant provide annual audited statements or all periods subsequent to granting of the waiver?

Yes

8. Does applicant agree 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.

9. Please attached a copy of applicant's chart of accounts.

See Exhibit F

Prepaid Service Questions for Applicants Seeking Local Exchange Service Authority

N/A Applicant does not intend to offer prepaid local service.