

BEFORE THE ILLINOIS COMMERCE COMMISSION

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I.C.C. DOCKET NO. 01-0449

App'l Exhibit No. 1

Witness _____

Date 9/27/01 Reporter [Signature]

PNG Telecommunications, Inc. d/b/a)
 PowerNet Global Communications) 01-0449
 Application for a certificate of local and)
 interexchange authority to operate as a)
 facilities-based carrier of telecommunications)
 services throughout the State of Illinois)

PRE-FILED TESTIMONY OF BERNIE STEVENS

Q. Will you please state your name and business address?

A. I am Bernie Stevens. My business address is PNG Telecommunications, Inc., 4839 Business Center Way, Cincinnati, Ohio 45246.

Q. By whom are you employed and in what capacity?

A. I am the President of PNG Telecommunications, Inc. In that capacity, I am responsible for the strategic direction of the Company, evaluating new services and markets, evaluating, negotiating and executing contracts and resale agreements with the various underlying carriers, promoting the financial health of the Company, ensuring the Company has policies regarding customer service and ensuring that excellent technical support exists on the Company's network.

Q. Please give a brief description of your background and experience.

A. I have been involved in the telecommunications industry for the last decade. I founded PNG Telecommunications in 1992 after I recognized the opportunities provided by the growing market for resold long distance services.

Before starting PNG, I served as President and General Manager of an electronics distribution company. I have also served as general manager and sales manager of various consumer electronics companies in the Midwest and California. With the help of an excellent

management team, we have built PNG from nothing into a Tier 3 interexchange carrier, verging on Tier 2 status. We offer resold long distance services throughout the United States and have been certified to offer local exchange services in California, Montana, Texas, Missouri, Wisconsin, Indiana, Ohio, Kentucky, New York, Massachusetts and Florida. We have pending applications to provide local exchange service in Illinois, Michigan, Pennsylvania, Georgia and North Carolina.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to present evidence of the financial, technical and managerial abilities of PNG Telecommunications, Inc. to provide local exchange services in Illinois.

Q. Has PNG Telecommunications registered to do business in Illinois?

A. Yes. PNG Telecommunications is a corporation organized under the laws of the State of Ohio on October 19, 1992 and PNG was authorized to do business in Illinois in 1995. PNG's certificate authorizing it to business in Illinois is attached as an exhibit to our application. We have also received certificates from the Illinois Commerce Commission to offer resold long distance and local exchange services. PNG has been providing long distance service in Illinois since September of 1995 but has not commenced provision of local exchange service yet.

Q. What services does PNG Telecommunications propose to offer in Illinois?

A. PNG will offer local exchange services including access lines, local usage, central office, PBX and Centrex services, dedicated lines, ISDN, ATM, Frame Relay, direct inward dial and custom calling services.

Q. Describe the financial ability of PNG to provide the proposed services.

A. PNG has sufficient resources for the successful provision of the services it proposes to offer

in Illinois. Services will be provided on a resold basis and through UNE-P arrangements. The incremental administrative cost of adding local exchange service in Illinois to PNG's other service offerings is comparatively small. PNG expects that the small incremental cost and the cost savings achieved through UNE-P and the eventual installation of our own facilities will provide sufficient margin to retain or improve our profitability.

Q. How does PNG plan to meet the Standards of Service for Telephone Utilities established by the Commission?

A. PNG will provide service primarily through resale of services and Unbundled Network Elements offered by incumbent local exchange carriers such as Ameritech. PNG may purchase and install its own switches in some locations collocated with equipment belonging to the incumbent LEC or other CLECs. Every switch will be designed, operated and maintained to meet or exceed the service standards set by the Commission. PNG will contract with the incumbent LEC for installation, maintenance, troubleshooting and other necessary work.

Q. Does PNG have sufficient managerial ability to offer the services proposed?

A. Yes, PNG has a highly qualified management team. Most of the key personnel at PNG have been involved in the telecommunications industry for almost a decade or more. Brief resumes of PNG's key personnel are attached as an exhibit to our application.

Q. How will PNG bill for its services?

A. PNG will bill customers directly. All billing detail for services other than flat rated service will be provided by the incumbent LEC to PNG. PNG will rate the call records and render a bill statement for the customer. If the customer is also subscribed to PNG's long distance or Internet services, all services will be billed on the same invoice in separate sections. PNG

will bill once per month. The format of all bills will comply with the Commissions rules on customer billing.

Q. How will PNG provide customer service for billing and service questions and trouble reports?

A. PNG provides live customer support twenty-four hours a day, seven days a week. If a service or billing complaint cannot be handled by a customer service representative at the time of the customer's call, a representative will contact the customer by the end of the next business day.

PNG will classify all repair complaints it receives as either "service affecting" or "service interrupting." To the extent possible based on the incumbent LEC's capability, PNG will arrange to have all service interrupting problems cleared within 24 hours from the time PNG receives the complaint and all "service affecting" problems cleared within 72 hours.

Q. Will PNG require deposits from customers?

A. Generally not. A deposit will only be accepted if the customer cannot establish credit by the other methods established by the Commission. If a deposit is accepted, it will be handled according to the rules established by the Commission.

Q. How does PNG propose to handle disconnections?

A. Most disconnections are necessary because of nonpayment of a delinquent bill. The bill becomes delinquent if not paid within 21 days after it is mailed. If payment is not received by the 24th day after the date the bill was mailed, a notice will be sent to the customer that service will be disconnected in 10 days if arrangements for payment are not made.

Q. How will PNG serve customers with disabilities?

A. Once PNG is certified as a local exchange carrier, it will join the Illinois

Telecommunications Access Corporation and collect and remit all of the associated line charges. PNG will also participate in the Illinois Telecommunications Access Program and provide TTYs free of charge to persons with certified disabilities.

Q. Will PNG provide any pay-per-call services?

A. PNG may provide some enhanced calling services such as three-way calling or call forwarding on a per use basis. In that case, PNG will comply with Commission's regulations on pay-per-call services.

Q. How will Illinois consumers benefit from the services provided by PNG Telecommunications?

A. Certification of PNG Telecommunications will increase the level of local exchange competition in Illinois, provide consumers with a high-quality alternative, and increase consumer awareness of alternative and innovative communications services.

Q. If granted authority to operate as a local exchange carrier, will PNG abide by all laws and regulations of the State of Illinois applicable to the provision of local and long-distance telecommunications services?

A. Yes, except that PNG has requested permission to keep its financial records according to Generally Accepted Accounting Principals and to keep its records in Ohio.

Q. If granted authority to operate as a local exchange carrier, will PNG abide by all Federal and State slamming and cramming laws?

A. Yes.

Q. Does this conclude your testimony?

A. Yes.

CERTIFICATION

All of the foregoing testimony is true and correct to the best of my knowledge and belief.


Bernie Stevens

State of Ohio

SS:

County of Hamilton

On September 21, 2001 Bernie Stevens, who is known to me, appeared before me and, after being duly cautioned and sworn, verified that all of the foregoing testimony is true and correct to the best of his knowledge and belief.

DENNIS M. PACKER, Attorney at Law
Notary Public, State of Ohio
My Commission Has No Expiration Date
Section 147.03


Notary Public