

EARLY, LENNON, PETERS & CROCKER, P.C.

ATTORNEYS AT LAW
900 COMERICA BUILDING
KALAMAZOO, MICHIGAN 49007-4752
TELEPHONE (616) 381-8844
FAX (616) 349-8525

GEORGE H. LENNON
JOHN T. PETERS, JR.
DAVID G. CROCKER
HAROLD E. FISCHER, JR.
LAWRENCE M. BRENTON
GORDON C. MILLER

BLAKE D. CROCKER
ROBERT M. TAYLOR
PATRICK D. CROCKER
ANDREW J. VORBRICH*
NICOLETTE G. HAHN**
ROBERT G. LENNON***

OF COUNSEL
VINCENT T. EARLY
HON. C. H. MULLEN
THOMPSON BENNETT

JOSEPH J. BURGIE
(1928 - 1992)

*Also admitted in Iowa.

**Also admitted in California and North Carolina.

***Also admitted in New York, Illinois and Washington, D.C.

January 12, 1999

Mr John C Crary
Secretary
New York Public Service Commission
Three Empire State Plaza
Albany NY 12223-1350

RE: U. S. OPERATORS, INC.

Dear Mr Crary:

Enclosed herewith for filing with the Commission, please find an original and five (5) copies of the above captioned corporation's PETITION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE OPERATOR SERVICES within the State of New York.

Also enclosed is an exact duplicate of this letter. Please stamp the duplicate received and return same in the enclosed Federal Express envelope.

Should you have any questions, please contact me.

Very truly yours,

EARLY, LENNON, PETERS & CROCKER, P.C.

Patrick D. Crocker

PDC/jam
enclosures

1999 JAN 14 PM 12:14
COMMUNICATIONS
FEDERAL EXPRESS

**STATE OF NEW YORK
DEPARTMENT OF PUBLIC SERVICE**

**IN THE MATTER OF THE PETITION OF)
U. S. OPERATORS, INC.)
FOR A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY)
TO PROVIDE OPERATOR SERVICES)
IN THE STATE OF NEW YORK)**

Case No. _____

_____/

EARLY, LENNON, PETERS & CROCKER, P.C.
Patrick D. Crocker
Attorneys for Petitioner
900 Comerica Bldg
Kalamazoo MI 49007-4752
(616) 381-8844

_____/

**PETITION FOR A CERTIFICATE
OF PUBLIC CONVENIENCE AND NECESSITY**

NOW COMES U. S. OPERATORS, INC. ("Petitioner"), by and through its attorneys EARLY, LENNON, PETERS & CROCKER, P.C., and pursuant to Title 16 of the Official Compilation of Codes, Rules and Regulations of the State of New York, Chapter I, Subchapter C, Article 2, Part 21.7 and Chapter VI Subchapter D, Part 649.1 et seq. hereby petitions the State of New York Department of Public Service ("DPS") for the issuance of a Certificate of Public Convenience and Necessity authorizing Petitioner to resell competitive operator services in the State of New York. The following information is provided in support of this Petition:

1. Petitioner's legal name, address of its principal place of business, and phone number at its principal place of business:

U. S. OPERATORS, INC.
16620 San Pedro Ste B
San Antonio TX 78232
(210) 402-5301

2. Any questions relative to this Petition should be directed to:

Patrick D. Crocker, Esquire
EARLY, LENNON, PETERS & CROCKER, P.C.
900 Comerica Bldg
Kalamazoo MI 49007-4752
(616) 381-8844

3. Petitioner is a privately held corporation organized under the laws of the State of Texas, currently engaged in the business of interexchange telecommunications services. Petitioner's Articles of Incorporation is attached hereto as "Exhibit A".

4. A copy of petitioner's Certificate of Authority to Transact Business as a Foreign Corporation in the State of New York is attached hereto as "Exhibit B".

5. Petitioner's current corporate officers are as follows:

President - Ralph W. Loveless
Vice-President - Terry R. Houston
Secretary - Ralph W. Loveless
Treasurer - Ralph W. Loveless

6. Petitioner requests that the DPS waive or modify the application of its rules, general orders, procedures, and notice requirements, if such waiver would not be inconsistent with the laws or the policies of the DPS, and would release the economic burdens of regulation on Petitioner, and on the public generally. These requests are made for all telecommunications services to be provided by Petitioner for all locations in New York. The foregoing requested waivers will reduce the

economic burdens of regulation, will not be contrary to the law, the purpose, or the policies of the DPS, and are consistent with the DPS's treatment of other competitive telecommunications providers. The foregoing exemptions would benefit the public interest by enabling Petitioner to respond efficiently and rapidly to changes in demand, cost, and other market conditions.

7. Petitioner has sufficient technical, financial and managerial resources and abilities to provide the telecommunications services for which authority is sought herein. Petitioner has a record of growth and customer satisfaction based on its commitment to providing state of the art telecommunications services coupled with high quality customer support. Petitioner's personnel represent a broad spectrum of business and technical disciplines, possessing many years of individual and aggregate telecommunications experience.

8. Petitioner seeks to provide twenty-four hour per day competitive long distance interLATA operator services from certain points of origin in New York to destinations points in New York, and interstate services between origin points within the State of New York to all points in the contiguous United States, Alaska, Hawaii and the U.S. Virgin Islands. Petitioner proposes to provide its service to all equal access areas in the state and therefore has not attached the map of same.

9. Petitioner's telecommunications services will primarily be subscribed to by hotels, motels, hospitals, and by owners of coin and non-coin operated telephones. Subscribers will make telephones available to its patrons whereby the end user can make collect calls, person-to-person calls, bill to third party calls, and charge calls to calling cards.

10. Petitioner submits the following reasons in support of its belief that the public interest will be served by the approval of this Petition:

A. Petitioner's proposed service will use existing telecommunications facilities more efficiently;

B. The principal of competition within the New York telecommunications market will bring long term benefits to the New York end users, including, but not limited to, the following:

(i) Expanded market coverage enriched by existing carrier sales forces;

(ii) High quality alternative telecommunications services;

(iii) Increased consumer choices and billing options;

(iv) Efficient use of existing telecommunications resources as well as increased diversification and reliability of the supply of the telecommunications services;

(v) An expanded telecommunications industry in New York with attendant employment opportunities for New York residents; and,

(vi) An additional tax revenue source for the State of New York.

11. Petitioner is prepared to give a copy of this Petition to any potential competitor, governmental entity, or interested party requesting a copy, and to any persons that the DPS directs by its orders or by its rules.

12. Petitioner shall submit a tariff setting forth its rules and regulations upon request.

13. Petitioner is currently prepared to provide the service for which its seeks authority herein, accordingly, Petitioner requests an expedited consideration of this Petition.

WHEREFORE, U. S. OPERATORS, INC. respectfully requests that the State of New York Department of Public Service: (a) Grant Petitioner a Certificate of Public Convenience and Necessity to provide competitive operator services within the State of New York; (b) Grant Petitioner waivers and applicable exemptions which will reduce the economic burdens of regulations without being inconsistent with the law, the purpose, or the policies of the State of New York Department of Public Service; and, (c) Grant such other relief which the DPS deems just and equitable under the circumstances.

Respectfully submitted this 12 day of August, 1999.

By: _____

Patrick D. Crocker
EARLY, LENNON, PETERS & CROCKER, P.C.
900 Comerica Bldg
Kalamazoo MI 49007-4752

EXHIBIT A

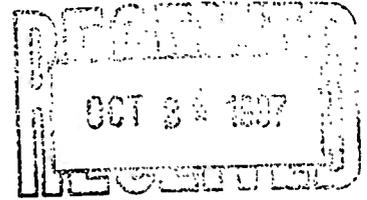




The State of Texas

Secretary of State

OCT. 21, 1997



RICHARD M. BYRD-DROUGHT & PIPKIN
2600 WESTON CENTRE 112 EAST PECAN
SAN ANTONIO ,TX 78205

RE:
U.S. OPERATORS, INC.

CHARTER NUMBER 01459449-00

IT HAS BEEN OUR PLEASURE TO APPROVE AND PLACE ON RECORD THE ARTICLES OF INCORPORATION THAT CREATED YOUR CORPORATION. WE EXTEND OUR BEST WISHES FOR SUCCESS IN YOUR NEW VENTURE.

AS A CORPORATION, YOU ARE SUBJECT TO STATE TAX LAWS. SOME NON-PROFIT CORPORATIONS ARE EXEMPT FROM THE PAYMENT OF FRANCHISE TAXES AND MAY ALSO BE EXEMPT FROM THE PAYMENT OF SALES AND USE TAX ON THE PURCHASE OF TAXABLE ITEMS. IF YOU FEEL THAT UNDER THE LAW YOUR CORPORATION IS ENTITLED TO BE EXEMPT YOU MUST APPLY TO THE COMPTROLLER OF PUBLIC ACCOUNTS FOR THE EXEMPTION. THE SECRETARY OF STATE CANNOT MAKE SUCH DETERMINATION FOR YOUR CORPORATION.

IF WE CAN BE OF FURTHER SERVICE AT ANY TIME, PLEASE LET US KNOW.



VERY TRULY YOURS,

Antonio O. Garza, Jr., Secretary of State



The State of Texas
Secretary of State

CERTIFICATE OF INCORPORATION
OF

U.S. OPERATORS, INC.
CHARTER NUMBER 01459449

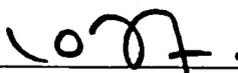
THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS,
HEREBY CERTIFIES THAT THE ATTACHED ARTICLES OF INCORPORATION FOR THE
ABOVE NAMED CORPORATION HAVE BEEN RECEIVED IN THIS OFFICE AND ARE
FOUND TO CONFORM TO LAW.

ACCORDINGLY, THE UNDERSIGNED, AS SECRETARY OF STATE, AND BY VIRTUE
OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES THIS
CERTIFICATE OF INCORPORATION.

ISSUANCE OF THIS CERTIFICATE OF INCORPORATION DOES NOT AUTHORIZE
THE USE OF A CORPORATE NAME IN THIS STATE IN VIOLATION OF THE RIGHTS OF
ANOTHER UNDER THE FEDERAL TRADEMARK ACT OF 1946, THE TEXAS TRADEMARK LAW,
THE ASSUMED BUSINESS OR PROFESSIONAL NAME ACT OR THE COMMON LAW.

DATED OCT. 21, 1997
EFFECTIVE OCT. 21, 1997



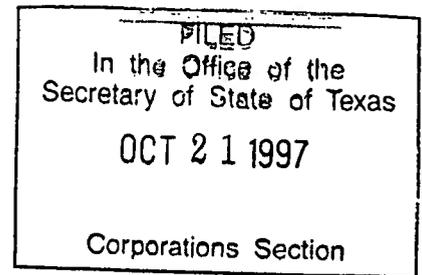


Antonio O. Garza, Jr., Secretary of State

ARTICLES OF INCORPORATION

OF

U. S. OPERATORS, INC.



ARTICLE ONE

The name of the corporation (which is hereinafter called the "Corporation") is U. S. OPERATORS, INC.

ARTICLE TWO

The period of duration of the Corporation is perpetual.

ARTICLE THREE

The purpose for which the Corporation is organized is to transact any and all lawful business for which corporations may be organized under the Texas Business Corporation Act.

ARTICLE FOUR

The aggregate number of shares which the Corporation shall have the authority to issue is One Hundred Thousand (100,000) Shares of Common Stock, par value of Ten Cents (\$.10) per share.

ARTICLE FIVE

The Corporation will not commence business until it has received for the issuance of its shares consideration of the value of at least One Thousand Dollars (\$1,000.00), consisting of money, labor done or property actually received.

ARTICLE SIX

The street address of the initial registered office of the Corporation is **113 Indian Knoll, Boerne, Texas 78006**, and the name of the initial registered agent for the Corporation at such address is **R. W. "Buddy" Loveless**.

ARTICLE SEVEN

The initial Board of Directors of the Corporation shall consist of two (2) members, whose names and addresses are as follows:

<u>Name</u>	<u>Address</u>
Ralph W. "Buddy" Loveless	113 Indian Knoll Boerne, Texas 78006
Terry Houston	9 Carriage Hills San Antonio, Texas 78257

ARTICLE EIGHT

The undersigned incorporator, Richard M. Byrd, is a natural person of the age of eighteen years or more, whose address is 2600 Weston Centre, 112 East Pecan Street, San Antonio, Texas 78205.

ARTICLE NINE

The Corporation shall have the power to indemnify its directors, officers, employees and agents and to purchase and maintain liability insurance for those persons as, and to the fullest extent, permitted by Article 2.02-1 of the Texas Business Corporation Act, now or hereafter amended.

ARTICLE TEN

Any contract or other transaction between the Corporation and one or more of its directors, or between the Corporation and any firm of which one or more of its directors are members or employees, or in which they are interested, or between the Corporation and any corporation or association of which one or more of its directors are shareholders, members, directors, officers, or employees, or in which they are interested, shall be valid for all purposes, notwithstanding the presence of the interested director or directors at the meeting of the Board of Directors of the Corporation or a Committee thereof, that acts upon, or in reference to, the contract or transaction, and notwithstanding his or their participation in the action, if (i) the material facts as to such interest shall be disclosed or otherwise known to the Board of Directors, or the Committee, and the Board of Directors or the Committee shall nevertheless authorize or ratify the contract or transaction in good faith by the affirmative vote of a majority of disinterested directors, (ii) the material facts as to his or their relationship or interest and as to the contract or transaction are disclosed or are known to the shareholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the shareholders, or (iii) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board of Directors, a Committee thereof, or the shareholders (as the case may be), notwithstanding whether the interested director, directors or shareholders (as the case may be) participate in the voting on such contract or transaction and his or their votes are necessary for such approval, authorization or ratification; the interested director, directors or shareholders (as the case may be) to be counted in determining whether a quorum is

present, and no director shall be liable to account to the Corporation for any profits realized by or from or through any such contract or other transaction has been authorized or ratified in accordance with the foregoing. This Article Ten shall not be construed to invalidate any contract or transaction which would otherwise be valid in the absence of this provision or to validate any contract or transaction which would otherwise be void or voidable independent of any consideration involving interested directors or shareholders.

ARTICLE ELEVEN

No director of the Corporation shall have any personal liability to the Corporation or its shareholders for any monetary damages for any act or omission in his or her capacity as a director; provided however, that the provisions of this Article Eleven shall not in any way eliminate or limit the liability of a director of the Corporation for: (i) a breach of a director's duty of loyalty to the Corporation or its shareholders, (ii) any act or omission not in good faith that constitutes a breach of duty of the director to the Corporation or an act or omission that involves intentional misconduct or a knowing violation of law, (iii) a transaction from which a director received an improper benefit, whether or not from an action taken within the scope of the director's office, or (iv) an act or omission for which the liability of a director is expressly provided by an applicable statute.

ARTICLE TWELVE

No shareholder of this Corporation shall by reason of his holding shares of any class have any preemptive or preferential right to purchase, subscribe to or otherwise acquire any unissued or treasury shares of any class of the Corporation, now or hereafter to be authorized, or any notes, debentures, bonds, or other securities convertible into or

exchangeable for or carrying or accompanied by warrants, options or rights to purchase or subscribe to shares of any class, now or hereafter to be authorized, whether or not the issuance of any such shares or such notes, debentures, bonds, or other securities would adversely affect the dividend or voting rights of such shareholder, other than such rights, if any, as the Board of Directors in its discretion may fix; and the Board of Directors may issue shares of any class of this Corporation, or any notes, debentures, bonds, or other securities convertible into or carrying options or warrants or rights to purchase shares of any class, without offering any such shares of any class, either in whole or in part, to the existing shareholders of any class.

ARTICLE THIRTEEN

Cumulative voting by the shareholders of the Corporation at any election for directors or upon any other matter is expressly prohibited, and the directors of the Corporation shall be elected by vote of a majority of the shares then outstanding and entitled to vote at such election.

ARTICLE FOURTEEN

Any action required or permitted by the Texas Business Corporation Act, as now or hereafter amended (the "Act"), to be taken at any annual or special meeting of the shareholders of the Corporation may be taken without a meeting, without prior notice, and without a vote, if a written consent or consents in counterpart (which shall bear the date of signature of each shareholder who signs the consent or consents and which shall set forth the action so taken) shall be (i) signed by the holder or holders of shares having not less than the minimum number of votes that would be necessary to take such action at a meeting

at which the holders of all shares entitled to vote thereon were present and voted and (ii) delivered to the Corporation in the manner set forth in Article 9.10A of the Act. No written consent in counterpart so authorized by this Article shall be effective to take the action that is the subject of the consent unless, within sixty (60) days after the date of the earliest dated counterpart consent is delivered to the Corporation, counterpart consents thereto signed by the holders of shares having not less than the minimum number of votes that would be necessary to take the action which is the subject of the consent are delivered to the Corporation by delivery to its registered office, its principal place of business, or an officer or agent of the Corporation having custody of its minute books in which the proceedings of meetings of shareholders are recorded.

ARTICLE FIFTEEN

The Board of Directors of the Corporation shall adopt the initial Bylaws of the Corporation and may thereafter alter, amend, or repeal the Bylaws of the Corporation or may adopt new Bylaws, subject to the shareholders' concurrent right to alter, amend or repeal the Bylaws or to adopt new Bylaws. The shareholders may provide that any or all such Bylaws altered, amended, repealed or adopted by the shareholders shall not be altered, amended, reenacted or repealed by action of the Board of Directors of the Corporation.

ARTICLE SIXTEEN

The Corporation is authorized to purchase, directly or indirectly, its own shares to the extent of the aggregate of the unrestricted surplus available therefor, without submitting such purchase to a vote of the shareholders of the Corporation.

ARTICLE SEVENTEEN

Before there can be a valid sale or transfer of any of the shares of Common Stock of the Corporation by any holder thereof, including any transfer occurring by means of gift or by result of an involuntary sale or by operation of law, such holder shall first offer said shares to the Corporation and then to the other holders of Common Stock in the following manner:

(1) Such shareholder shall deliver a notice in writing (the "Offer to Sell Notice") by mail or otherwise to the Secretary of the Corporation stating the price, terms, and conditions of such proposed sale or transfer, the number of shares to be sold or transferred, the name of the proposed purchaser or transferee, and his intention to so sell or transfer such shares. Within forty-five (45) days thereafter, the Corporation shall have the prior right to purchase such shares so offered at the price and on the identical terms and conditions stated in the Offer to Sell Notice; provided, however, that the Corporation shall not at any time be permitted to purchase all of its outstanding voting shares. In the event that the proposed transfer shall be by means of gift, the price for such shares shall equal the net book value of such shares, according to the books of the Corporation as of the end of the calendar year next preceding the date of such proposed transfer.

(2) Should the Corporation fail to purchase the shares at the expiration of said forty-five day period, or prior thereto decline to purchase the shares, the Secretary of the Corporation shall, within ten (10) days thereafter, mail or deliver to each of the other shareholders of record a copy of the Offer to Sell Notice given by the shareholder to the Secretary. The Offer to Sell Notice may be delivered to the shareholders personally, or may be mailed to them at their last known address as such address may appear on the books of the Corporation. Within ninety (90) days after the mailing or delivering of the Offer to Sell Notice to the other shareholders, any such shareholder or shareholders desiring to acquire any part or all of the shares referred to in the notice shall deliver by mail, or otherwise, to the Secretary of the Corporation a written offer or offers, expressed to be acceptable immediately, to purchase a specified number of such shares at the price and on the identical terms and conditions as stated in the Offer to Sell Notice. Each such offer shall be accompanied by the purchase price therefor (in the manner and method consistent with the manner and method for payment of the purchase price set forth in the Offer to Sell Notice) with authorization to pay such price against delivery of the shares.

(3) If the total number of shares specified in the Offer to Sell Notice is less than the number of shares to be sold or transferred pursuant to written offer(s) to

purchase by other shareholder(s), each offering shareholder shall be entitled to purchase such proportion of such shares as the number of shares of the Corporation which he holds bears to the total number of shares held by all shareholders desiring to purchase the shares.

(4) If all the shares to be sold or transferred are not disposed of under such apportionment, each shareholder desiring to purchase shares in a number in excess of his proportionate share, as provided above, shall be entitled to purchase such proportion of those shares which remain thus undisposed of, as the total number of shares which he holds bears to the total number of shares held by all of the shareholders desiring to purchase shares in excess of those to which they are entitled under such apportionment.

(5) If within said ninety (90) day period, the offer or offers to purchase aggregate less than the number of shares to be sold or transferred, the shareholder desiring to sell or transfer such shares shall not be obligated to accept any such offer or offers and may dispose of all of the shares referred to in the Offer to Sell Notice to any person or persons whomsoever; provided, however, that he shall not sell or transfer such shares at a lower price or on terms more favorable to the purchaser or transferee than those specified in the Offer to Sell Notice to the Secretary of the Corporation.

(6) The death of any person owning any common shares issued by this Corporation shall, for purposes of this Article, be deemed an offer by such person to sell such shares to the Corporation or other shareholders in compliance with and pursuant to the terms of this Article, and within ninety (90) days after the appointment and qualification of the executor or administrator of such deceased shareholder's estate, the said personal representative shall proceed to comply with the provisions of paragraph 1 of this Article and shall comply therewith and the other provisions of this Article Seventeen before any of the shares issued by this Corporation owned by such decedent at the time of his death shall be free from the restrictions on transferability hereinabove set forth.

(7) Notwithstanding anything to the contrary contained herein, no shares of the Corporation's Common Stock may be transferred, including a transfer occurring by result of an involuntary sale or by operation of law, to any person, entity or corporation whomsoever or whatsoever, if, as a result of such transfer, the Corporation would lose or be denied its status as an electing small business corporation under the requirements set forth in Subchapter S of the Internal Revenue Code of 1986 (the "Code"); provided the Corporation has elected with the consent of all its shareholders, to be treated as an "S Corporation" for federal income tax purposes under Subchapter S of the Code. The restrictions on sale and transfer contained in this Article Fourteen, paragraph (6) may be waived only by unanimous written consent of the Corporation's shareholders prior to giving effect to any such

sale or transfer, purported or otherwise, and any sale or transfer in violation of this Article Fourteen, Paragraph (6), unless so waived, shall be void and without effect.

EXECUTED this 20th day of October, 1997.

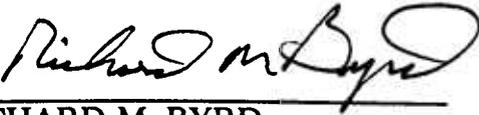

RICHARD M. BYRD

EXHIBIT B



FILING RECEIPT

ENTITY NAME: U.S. OPERATORS, INC.

DOCUMENT TYPE: APPLICATION AUTHORITY (FOR. BUSINESS)

COUNTY: SCHE

SERVICE COMPANY: CAPITOL SERVICES, INC.

SERVICE CODE: 01

FILED:11/10/1998 DURATION:PERPETUAL CASH#:981110000150 FILM #:981110000149

ADDRESS FOR PROCESS

EXIST DATE

C/O RICHARD G. DELLA RATTA, ESQ
147 BARRETT STREET
SCHENECTADY, NY 12305

11/10/1998

REGISTERED AGENT



FILER

FEEs

250.00

PAYMENTS

250.00

CORPORATION GUARANTEE & TRUST CO.
701 ARCHITECTS BUILDING
117 SOUTH 17TH STREET
PHILADELPHIA, PA 19103-5090

FILING :

225.00

CASH :

0.00

TAX :

0.00

CHECK :

0.00

CERT :

0.00

BILLED:

250.00

COPIES :

0.00

HANDLING:

25.00

REFUND:

0.00

EARLY, LENNON, PETERS & CROCKER, P.C.

ATTORNEYS AT LAW

900 COMERICA BUILDING
KALAMAZOO, MICHIGAN 49007-4752
TELEPHONE (616) 381-8844
FAX (616) 349-8525

GEORGE H. LENNON
JOHN T. PETERS, JR.
DAVID G. CROCKER
HAROLD E. FISCHER, JR.
LAWRENCE M. BRENTON
GORDON C. MILLER

BLAKE D. CROCKER
ROBERT M. TAYLOR
PATRICK D. CROCKER
ANDREW J. VORBRICH*
NICOLETTE G. HAHN**
ROBERT G. LENNON***

OF COUNSEL
VINCENT T. EARLY
HON. C.H. MULLEN
THOMPSON BENNETT

JOSEPH J. BURGIE
(1928 - 1992)

*Also admitted in Iowa.

**Also admitted in California and North Carolina.

***Also admitted in New York, Illinois and Washington, D.C.

May 25, 1999

Ms Deb Renner
Acting Secretary
New York Public Service Commission
Three Empire State Plaza
Albany NY 12223-1350

RE: U. S. OPERATORS, INC.

Dear Ms Renner:

Enclosed herewith for filing with the Commission, please find an original and five (5) copies of the above captioned corporation's PETITION FOR AUTHORITY TO PROVIDE 0- CALL COMPLETION, INCLUDING EMERGENCY CALL COMPLETION, FROM CUSTOMER OWNED OR LEASED CURRENCY OPERATED TELEPHONES within the State of New York.

Also enclosed is an exact duplicate of this letter. Please stamp the duplicate received and return same in the enclosed Federal Express envelope. *ack w/cw*

Should you have any questions, please contact me.

Very truly yours,

EARLY, LENNON, PETERS & CROCKER, P.C.

Patrick D. Crocker

PDC/jam
enclosures

60 JUN 26 PM 4:09
COMMUNICATIONS SECTION
MAY 26 1999

STATE OF NEW YORK

PUBLIC SERVICE COMMISSION

PETITION OF U. S. OPERATORS, INC. FOR) CASE NO.
AUTHORITY TO PROVIDE 0- CALL)
COMPLETION, INCLUDING EMERGENCY)
CALL COMPLETION, FROM CUSTOMER)
OWNED OR LEASED CURRENCY OPERATED)
TELEPHONES)

PETITION

NOW COMES U. S. OPERATORS, INC. ("Petitioner") by and through its attorneys, Early, Lennon, Peters & Crocker, pursuant to Section 99 of the Public Service Law, and hereby petitions the Honorable State of New York Public Service Commission ("Commission") for an amendment to Petitioner's Certificate of Public Convenience and Necessity for authority to handle all forms of O- call completion, including emergency call completion, from customer owned or leased currency operated telephones ("COCOTS") in the State of New York. In support thereof, Petitioner states as follows:

1. The Commission issued Petitioner a Certificate of Public Convenience and Necessity on March 11, 1999, in Case 99-C-0087 , which authorized it to resell all forms of telephone service within New York State.
2. In order to handle long distance calls originating from COCOTS, many of which are originated by dialing "0-"¹, Petitioner seeks authority to complete such 0- calls which seek emergency assistance.

¹Section 650.2(6) of the Commission's Rules defines "0-" calls as those where no additional digits are dialed within three to five seconds of a caller dialing "0".

3. In Opinion No. 90-25, Opinion and Order Concerning Petitions for Rehearing and Clarification and Amending 16 NYCRR Part 650, Regulations Applicable to COCOTS ("Order"), issued September 28, 1990, this Commission adopted criteria for an Operator Service Provider ("OSP") that desired to handle "0-" calls from COCOTS. This Commission required OSP's to demonstrate the following:

1. That it can process all "0-" calls in an acceptable manner with a high degree of reliability;
2. That it can control the actions of its COCOT clients so as to maintain its ability to process "0-" calls with a high degree of reliability; i.e., at the beginning of every call, the COCOT must be automatically identified to the [OSP], including COCOT's location;
3. That it has internal procedures to police, monitor, and routinely test its ability to continuously process "0-" calls in an acceptable manner with a high degree of reliability; and
4. That it can and will maintain the ability to reliably and promptly connect any "0-" calls which it cannot satisfactorily complete to the LEC operation in the area serving the calling location. This transfer capability must be shown to be accomplished in a manner such that the caller does not sense or believe that the call has been abandoned by the operator.

4. As more fully stated below, Petitioner's network enables the carrier to offer 0- call completion, including emergency call completion, in full compliance with the foregoing criteria.
5. Petitioner provides 24-hour, seven-days-a-week, long distance and operator services by reselling capacity from underlying facilities based carriers certified by the New York Public Service Commission. The leased capacity is then switched through Petitioner's switch located in San Antonio, Texas. Petitioner currently provides long distance and operator services to customers, in various states, throughout the United States and within the State of New York.
6. Petitioner's service is provided out of its San Antonio, Texas switching station and operator center in San Antonio, Texas. The switch site headquarters is located at U. S. Operators, Inc., 16620 San Pedro Ste B, San Antonio TX 78232. All live operator service is provided out of the Company's operator center which is located at 16620 San Pedro Ste B, San Antonio TX 78232. Petitioner's operator service facility includes switching equipment, operator stations and custom designed software to process operator assisted calls for subscribers. The facility has the capacity for up to 264 operator stations; the number of operator stations active at any one time is carefully managed by operator center staff and varies based on the season, the day of the week and the hour (i.e., staffing is highest at the busy season/busy day/busy hour).
7. The Petitioner's network includes one (1) Siemaan's DCOCS switch. The interconnectivity of the network's switch, coupled with Petitioner's advanced

operating technology, ensures uniformity and a high grade of service. The switch, in effect, serves as a tandem office with a 2304 port capacity. Petitioner has a back-up system in the event of a power outage or equipment malfunction, including backup battery power and a back-up diesel generator system at its switch location and operator center. New York customers will be required to program their equipment to direct all 0- traffic to the local exchange company in the case of a network outage or malfunction on Petitioner's network.

8. Petitioner's switching facilities are engineered for a P.01 grade of service or better. The maintenance and repair of the Petitioner's network is handled by capable technicians in each of the Petitioner's offices. Technicians are on site during normal business hours and are on call 24 hours a day with remote access to handle transmission, equipment and switching problems should the need arise.
9. Petitioner provides 0+, 0-, and 800 switched access services to its direct dial customers. Digital access through Feature Group D network facilities are available to ensure the higher quality access and termination available in the market today. Feature Group D services offer answer supervision for correct and accurate call completion and disconnect. 800 Services are available as access to the switching network (i.e., standard service (which is similar to AT&T's MTS service and uses Feature Group C access) and Petitioner's 800 service (which is similar to other carriers' 800 service offerings)). Where Feature Group D is available, the customer can presubscribe to this service through the local exchange carrier, eliminating the

need for routing equipment installation. 800 Service is provided and allows customers to inquire of services and rates pursuant to their request.

10. Petitioner's operator assisted or "0+" services are designed for callers who require operator assistance or alternative billing arrangements. Petitioner offers services at locations such as private and public pay telephones, hotels/motels, hospitals and educational institutions. Petitioner's services enable patrons, guests and members of the public to complete calling card, collect, third number billed and person-to-person calls from such locations on either an automated or live operator assisted basis. Petitioner's operator assisted services are available on a full-time basis, twenty-four (24) hours a day, seven (7) days a week. Public telephones presubscribed to Petitioner will automatically access Petitioner for 0+ calls, and when a user dials "00". Calls requiring operator intervention (e.g., collect, bill to third number, person-to-person and operator assisted calling card calls) will be routed to Petitioner's operator positions.
11. Petitioner originates long distance and operator service traffic using resold 800 service and Feature Group D access services. Petitioner shall have Feature Group facilities in all necessary New York LATAs.
12. Petitioner's operators answer all calls by identifying the service as that of "U. S. Operators, Inc." A live operator will identify himself or herself by saying "U. S. Operators, (operator name), How may I help you?" The operator collects billing information and performs validation and call acceptance functions. If the call is authorized, the call is released for completion. Automated (customer-dialed) calling

card calls may be completed without operator intervention after validation has been accomplished. At the end of the call handling, the operator closes with "Thank you for using U. S. Operators, Inc.". Similar branding is provided on automated calls. All callers have the opportunity to abandon their call prior to any charges being incurred.

13. Petitioner provides all aggregators with stickers or tent cards identifying Petitioner as the operator service provider for that location, stating the availability of rate quotes upon request, and providing an 800 number for information and other customer assistance, including billing inquiries and complaints. Petitioner's contract with its aggregators requires that this information be posted on or near each phone. The contracts also require that aggregators program their equipment so as to allow access to other carriers, unless specific waivers have been obtained from the applicable regulatory authority.
14. Petitioner has the ability to process "0-" calls with a high degree of reliability. Calls originating from COCOTS located in the State of New York access Petitioner's network through its San Antonio, Texas switching facilities. Calls which do not require live operator intervention are routed directly to their destination. Calls which require live operator intervention are routed from the San Antonio, Texas switch to Petitioner's operator center for operator handling.
15. COCOTs have the option of accessing the Petitioner's network through either 800 access facilities or Feature Group D access connections. 800 access provides a unique authorization code (the true ANI) associated with each COCOT line. When

the authorization code is received by the Petitioner's operator center, all related location information (stored in the operator and Petitioner's database) is automatically displayed on the operator screen. This information includes the calling number (NPA-NXX-XXXX), the location name and address, and emergency information as described below. The Feature Group D signaling protocol² automatically sends the calling number to the Petitioner's switch. This so-called ANI information permanently resides in the local exchange carrier's central office connection to the individual COCOT line and cannot be changed by the COCOT owner or the phone instrument. Upon receipt of a call from a COCOT using Feature Group D access, accurate ANI information will automatically appear on the Petitioner's operator's screen, along with the associated location and emergency information stored in Petitioner's database, as required.

16. Every order submitted to Petitioner by a COCOT owner or operator is required to list location information, including the COCOT's exact location (i.e., the name of the establishment) and its complete address. In addition, every order must list all emergency telephone numbers that are local to each telephone. This includes telephone numbers for the following emergency services:

* Police Department;

²As used here, Feature Group D service includes both the familiar presubscription "Primary Interexchange carrier" option and service known as 10XXX-# cut-through, which is a standard feature option of FGD service. This provisioning maintains the ANI feature for both methods of accessing via FGD circuits while allowing all calls, both intra and interLATA, to be directed to the presubscription carrier (as with FGB service).

- * Fire Department;
- * Rescue (Ambulance) Service;
- * Bomb Threat;
- * Poison Control Center; and
- * State Police.

17. COCOT orders which do not include all of the appropriate emergency numbers are either returned to the payphone owner for completion or are completed and verified by Petitioner personnel before service is established. For all orders, Petitioner verifies the emergency numbers by telephoning each number and ensuring that it is the correct emergency service provider for the specific location of the telephone. Each order is then rechecked, by a U. S. Operators, Inc. Sales Support Representative to ensure that the emergency numbers are correct. As a final check, the Petitioner's database will not accept any orders entered without emergency numbers.
18. Once an order is accepted by Petitioner, all emergency numbers and corresponding location information are entered into Petitioner's customer database, which is electronically downloaded to Petitioner's operator center Local Area Network ("LAN"), where it can be accessed by all operator terminals.
19. In addition to this verification procedure prior to the initiation of service, Petitioner will also perform a quarterly reverification of all emergency numbers contained in its database to confirm (with the responding Emergency Service Provider) that the number is still the correct number for the stated emergency service at location. This will be accomplished by Petitioner's Customer Service personnel who will download

the New York emergency numbers contained in the Petitioner's database and then dial each number to confirm that it is still correct. Moreover, Petitioner shall require COCOT customers to perform quarterly test calls from COCOT locations to Petitioner in order to confirm COCOT site information.

20. All Petitioner's Operators and Operator Center Supervisors undergo extensive training which includes training in the handling of emergency calls. During training, emergency call handling is stressed as one of the most important services offered by Petitioner. Operators are trained to stay calm during emergency calls, to calm the emergency callers, to keep the caller on the line, and to obtain as much information from the caller as possible in case the caller hangs up.

21. Upon receipt of a 0- call, Petitioner's digital tandem switch passes the call (and associated ANI or authorization code information) to Petitioner's operator system. The operator station software program automatically retrieves location information which identifies the COCOT line originating the call. This information is automatically displayed on the operator's screen. As a result, for all calls, including emergency calls, the operator's screen will contain the following information:

- * ANI Information (NPA-NXX-XXXX);
- * Type of Call Being Completed (Whether 0+, 0-);
- * Location Information, including;
 - name of establishment
 - street address
 - city and state

- contact phone number

* Time/Date

* Directory Assistance³

22. If the 0- caller indicates that there is an emergency situation or requests to be connected to an emergency agency, the operator queries the caller as to the nature of the emergency. With one keystroke, the operator can call up a special screen containing the current emergency numbers associated with that particular COCOT location. Once the emergency telephone numbers have been called up to the operator's screen, the operator identifies the appropriate emergency service and, with one additional keystroke, automatically dials its number. After the number is dialed, the operator waits on the line until the emergency provider answers. Petitioner personnel are trained to continue to converse with the caller during the connection period so that the caller knows that the Petitioner's operator is still on the line throughout the process.⁴ Once the emergency agency answers, the operator verifies that the correct department or agency has been reached. Should the customer hang up or become disconnected, the operator is trained to complete the call and provide the necessary details to the emergency service provider. Upon verification that the

³The DA feature allows the operator position to, with the caller still on the line, enter the appropriate DA NPA and secure another emergency service number from the DA Operator. This feature is intended as a back-up measure only should the operator for some reason be unable to establish a connection with the emergency service provider when dialing the number appearing on the screen.

⁴In addition, operator center supervisors remain on duty 24 hours a day, seven (7) days a week, and are available to assist the operator as necessary.

correct party has been reached and that the operator is no longer required, the operator is trained to exit from the call. Following completion of the call, the operator documents all pertinent information for Petitioner's permanent emergency log. In the instance whereby Petitioner is unable to satisfactorily complete an emergency call, the Petitioner's operator will return the call to the New York Tel operator associated with the calling party's location. This transfer will be accomplished in a manner such that the caller will not sense or believe that the call has been abandoned by the operator. Petitioner will obtain "0-" transfer trunks from each applicable New York telephone TOPS tandem to reliably and promptly facilitate such a transfer in accordance with the Commission's request.

23. Petitioner has the ability to accurately identify the COCOT at the beginning of every call. As discussed above, for customers accessing Petitioner through Feature Group D service, the correct ANI information is automatically transmitted to Petitioner's operator. Simultaneously, the COCOT's location information is retrieved from Petitioner's information bank by Petitioner's LAN, and is also inherent in Petitioner's operator database. Because Feature Group D always provides true ANI, the only information which needs to be verified is the location information. This will be accomplished through initial order turn-up procedures and quarterly audits, as described herein.

24. For 800 access customers, the only information transmitted is the authorization code. Petitioner will verify and update the ANI, location, and emergency service

information on a quarterly basis to ensure Petitioner's ability to accurately identify the COCOT at the beginning of each emergency call.

25. On a quarterly basis, all COCOT customers accessing Petitioner's switch will be required to initiate a "location verification" call for each COCOT accessing the Petitioner's network without regard to method of access. The COCOT customers will place a call from the COCOT site to the Petitioner operators to verify all pertinent information: ANI, site name and street address. Any discrepancies are immediately corrected by the operator. Each verification call is automatically logged in the LAN system and stored. This allows Petitioner to monitor compliance with its testing requirements and identify locations which have not been tested. This file is reviewed by Petitioner personnel, and COCOT customers not having performed the requisite test are requested to do so immediately.
26. COCOT Customers accessing the network via Feature Group D access will be required to perform the same tests (for location information) on a quarterly basis.
27. In addition to these customer tests, Petitioner maintains internal procedures to police, monitor and routinely test its ability to continuously process "0-" calls with a high degree of reliability. Petitioner performs an internal audit on its customer ANI/location file which resides in the operator system. This is accomplished quarterly by selecting one hundred (100%) percent of the COCOT customer base property location and making "test" calls to the Petitioner's operator center to ensure the integrity of the customer file database. During these calls, all ANI, location and emergency numbers are verified. Petitioner promptly investigates all problems.

28. Petitioner's Operator Service Supervisors also perform random, live monitoring of on-line operators to ensure prompt, courteous, and accurate call handling. This activity is considered key to maintaining Petitioner's high standards of customer service. Each supervisor is responsible for observing their individual operators daily in a random fashion, recording the results and counseling the operators immediately following the observation. Formal monitoring of an operator is done every 2 - 3 weeks. In addition, the Manager of Operators Services randomly performs unannounced service observations. The entire voice center supervisory staff makes daily observations. These documented observations are a crucial part of the operator's performance evaluations and potential for continued employment.
29. Approximately eighty-five (85%) percent of Petitioner's operator work force is multilingual, with approximately eighty (80%) percent of such operators speaking Spanish. As a result, bi-lingual assistance is available on the operator center floor virtually all the time. In addition to these fully bi-lingual operators, many other operators have developed sufficient fluency in Spanish to process a call in Spanish and manage an emergency call until a more fluent operator can take over the position.
30. Petitioner will be able to transfer calls to the LEC operator when requested by the caller or when necessary to complete a call.
31. There is no charge for Petitioner's emergency services to either the end user or the emergency service provider.

32. Petitioner is familiar with the Commission's Order issued in connection with the petitions filed for similar authority⁵ and the terms and conditions contained therein. Accordingly, Petitioner shall comply with the following minimum operating conditions and criteria should the Commission grant the authority requested herein:
1. Petitioner shall retain all responsibilities and obligations of a certificate holder, and will not be permitted to evade them, in the event of failure, by pointing to Petitioner's operator center. Any failure by Petitioner's operator center will be immediately and directly ascribed to Petitioner, which will be at risk, among other things, of losing its authority to handle these calls on that account.
 2. Petitioner's operator services shall operate on a full-time basis, 24 hours-a-day, 7 days-a-week.
 3. Petitioner shall handle all 0- emergency calls from COCOTs without the use of a recording. Such emergency calls shall be routed directly to a live operator for assistance.
 4. Petitioner shall ensure that in the event of a network outage or malfunction, all 0- call traffic be re-routed to the appropriate local exchange company (LEC) for completion.

⁵Order of Approval, Docket No. TE89110876 (In the Matter of the Filing of First Phone of New England), dated September 30, 1992.

5. Petitioner shall direct all of its New York customers to program their equipment to route all 0- traffic to the appropriate LEC in the event of a malfunction.
6. In order to ensure the residents of New York quality emergency operator assistance, all components of the Petitioner's network shall meet or exceed the industry standard for P.01 grade of service, which is no more than one busy signal in 100 call attempts in the average busiest hour.
7. 90.8% of all of Petitioner's operator assistance calls will be answered in 10 seconds including during the average busiest hour. All other Petitioner's calls must be answered within 20 seconds.
8. Petitioner shall make traffic studies and maintain adequate records to ensure compliance with the performance requirements set forth herein. These studies and records shall be made available to staff for review purposes upon request. Further, Petitioner shall submit annually to the Director of Communications Division certified reports showing the grade of service and response time.
9. Petitioner shall record all emergency calls in detail immediately after the call is transferred or terminated, as appropriate. Call detail will include, but not be limited to, originating telephone number and location, the emergency service agency requested or to which the operator transferred the call, the date of the call, the time the call was received, the time the call was connected to

the emergency service agency, and a brief description of how the emergency call was satisfied.

10. To permit staff to verify compliance with the performance requirements herein, Petitioner shall submit a list of its New York customers upon request. This list shall include, but not be limited to the customer location and the customer phone number. Petitioner may request that the customer list be treated as a trade secret pursuant to section 6-1.3 of the Commission's rules.
33. Petitioner recognizes that should the Commission grant Petitioner the authority sought herein, and then Petitioner fail to meet the criteria hereinabove stated, then U. S. OPERATORS, INC.'S CERTIFICATE is subject to forfeiture and subsequent notification to affected COCOTs.
34. Petitioner invites the Commission staff to conduct an on-site inspection of the Operator Center in San Antonio, Texas, at Petitioner's expense. Such an inspection will permit a thorough evaluation of the equipment, personnel, training, administration, and support behind Petitioner's emergency call handling system.
35. To the extent necessary, Petitioner incorporates the contents of Case 99-C-0087 as if set forth herein in full.
36. All correspondence and communication relating to this filing should be directed to:

Patrick D. Crocker, Esq.
EARLY, LENNON, PETERS & CROCKER, P.C.
900 Comerica Bldg
Kalamazoo MI 49007-4752

CONCLUSION

37. Petitioner is confident that its emergency processing capacities as described herein meet or exceed those of local exchange carriers and that Petitioner has demonstrated:

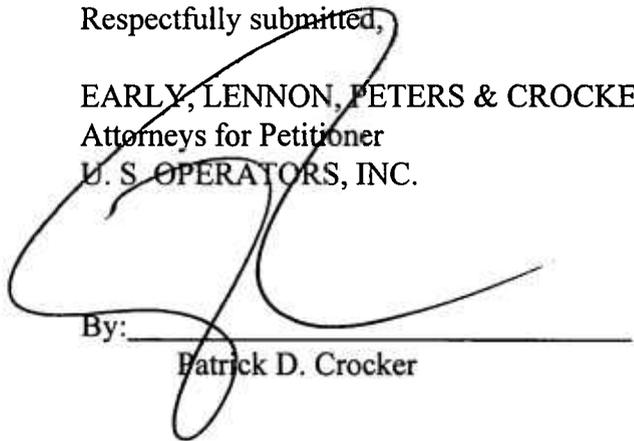
1. That it can process all "0-" calls in an acceptable manner with a high degree of reliability;
2. That it can control the actions of its COCOT clients so as to maintain its ability to process "0-" calls with a high degree of reliability;
3. That it has the internal procedures to police, monitor, and routinely test its ability to continuously process "0-" calls in an acceptable manner with a high degree of reliability; and
4. That it can and will maintain the ability to reliably and promptly connect any "0-" calls which it cannot satisfactorily complete to the LEC operator in the area serving the calling location. This transfer capability has been shown to be accomplished in a manner such that the caller will not sense or believe that the call has been abandoned by the operator.

WHEREFORE, U. S. OPERATORS, INC. respectfully requests that the State of New York Public Service Commission grant an amendment to the Certificate of Public Convenience and Necessity issued to it in Case 99-C-0087, allowing U. S. OPERATORS, INC. to receive and process all 0- calls, including emergency calls, from customer owned or leased currency operated telephones in the State of New York.

Respectfully submitted,

EARLY, LENNON, PETERS & CROCKER, P.C.
Attorneys for Petitioner
U. S. OPERATORS, INC.

Dated: May 27, 1999

By: 

Patrick D. Crocker

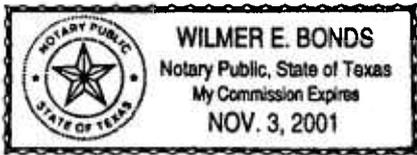
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE PETITION OF)
U. S. OPERATORS, INC. FOR)
AUTHORITY TO PROVIDE 0- CALL)
COMPLETION, INCLUDING EMERGENCY)
CALL COMPLETION, FROM CUSTOMER)
OWNED OR LEASED CURRENCY OPERATED)
TELEPHONES)

CASE NO.
VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF BEXAR)

I, Ralph W. Loveless, being duly sworn according to law upon my oath, depose and say that I am President of U. S. Operators, Inc., that I have read the foregoing Petition and know the contents thereof, and that the facts stated in the Petition contained therein are true to the best of my knowledge, information and belief.



Ralph W. Loveless
Ralph W. Loveless

Sworn to before me this 21
day of May, 1999.

Wilmer E. Bonds
Notary Public