4010

ANNUAL REPORT

of

Name: TELECOM USA F/K/A TELECONNECT LONG DISTANCE S

Principal Office: 205 N. MICHIGAN AVENUE, 11TH FLOOR
CHICAGO, IL 60601

For the Year Ended: DECEMBER 31, 2002

RECEIVED 2003 APR 29 P 4: 02

Alternative Telecommunications Utility -- Telecommunications Reseller

To

Public Service Commission of Wisconsin

Mailing Address:	P.O. Box 7854 Madison, WI 53707-7854
Courier Address:	610 N. Whitney Way Madison, WI 53705-2729
E-mail:	pscrecs@psc.state.wi.us
Telephone:	(608) 267-9504
Facsimile:	(608) 266-3957
Home Page:	http://psc.wi.gov

This form is required under Wis. Stat. § 196.25. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than $25 nor more than $5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

Version: 2.00 1/27/03

RULES FOR REPORTING

1. The annual report due date is April 1 of the following year. (Example: The 2002 report is due April 1, 2003.) If that date falls on a weekend or holiday, the annual report is due the following business day.

2. **Electronic filing via e-mail is required.** Go to the Public Service Commission of Wisconsin's Web Page at http://psc.wi.gov, click on Telecommunications, click on Annual Report Programs and Worksheets, and click on Annual Report for Other Telecommunication Providers.

3. Certified resellers with no revenues for the report year are required to file a reseller annual report. If the reseller intends to retain its Wisconsin intrastate certification, the reseller must also pay the $100 fee (see item 13).

4. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records of the utility. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to pertinent regulations.

5. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses.

6. Wherever information is requested in a "note," please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Limited footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.

7. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. The program will convert the minus sign to parentheses if a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.

8. Please report all dollar amounts to the nearest whole dollar.

9. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.

10. The reseller annual report program does not contain capability for filing any portion of the report on a confidential basis, based on the Commission's confidentiality determination dated March 14, 2002.

11. It is not necessary to sign the signature page.

12. **Edit Check, Exported Annual Report, and Export Status Files; Filing the Completed Report:**

    Program edit checks, which are located under the Admin dropdown menu, should be run at the completion of data entry. Each edit problem lists pertinent schedule(s) as well as the nature of the problem (such as "does not equal"). Edit items should be reviewed and corrected; unresolved problems should be footnoted in the report, if necessary. This screen automatically saves the edit checks to an .edt file that may be viewed and edited (for purposes of adding necessary notations) using a word processing package such as WordPad.

    Select the annual report to export from the Main-Report Selection window. Click Admin, Export Data to PSC to start the export process. This will create an .mdb file, which will subsequently be encrypted to a file with an .sen extension. An export status file is also created (with a .txt extension). The export status report file may also be viewed in a word processing package such as WordPad. If you encounter any export errors, please contact the Commission for assistance.

RULES FOR REPORTING

The .edt, .sen, and .txt files will be zipped to a file with a .zip extension. An e-mail message will be created, addressed to pscrecs@psc.state.wi.us. The .zip file is automatically attached to the e-mail message. After the e-mail is created, it will automatically be sent to the Commission.
Once received and processed by the Commission, you will receive a response indicating that your annual report has been received and is being processed. You will be notified if there are any problems with the annual report filing.

13. **Do I Have to Send in a $100 Fee to the Commission With the Reseller Annual Report?**

YES, if page 6, line 5 (Total Assessable Revenues for Remainder and Telephone Relay Assessment Purposes) of your annual report is less than $200,000 (and you intend to continue your reseller certification in Wisconsin). Please prepare a check or money order, payable to the "Public Service Commission of Wisconsin," in the amount of $100, and send to the Commission's post office box address if using regular mail or courier address if using a courier service. Please write your utility's Commission identification number on the check or money order. Note that the due date for the payment and the annual report is April 1. If a $100 fee is required, print out the completed report cover page and send it together with the $100 payment to the Commission.

NO, if page 6, line 5 is $200,000 or more. No check is required and your company will be billed in the fall for the Commission's remainder assessment and the telephone relay assessment.

14. **Name Changes:**

If a name change is reported on page 7 of the report, documents from the State of Wisconsin Department of Financial Institutions (DFI) also must be submitted to the Commission:

A domestic corporation should send a copy of the stamped page from its Articles of Amendment as filed with DFI. A foreign corporation should send a copy of their Amended Certificate of Authority as issued by DFI.
These documents can be obtained by:

1. Calling DFI at (608) 261-7577;
2. Contacting DFI on the web at www.wdfi.org; or
3. By writing to DFI at P.O. Box 7846, Madison, WI 53707-7846.

While the electronic annual report filing may detail the name change (i.e., date of the change and the affected entities with their respective four-digit Commission utility identification numbers), a name change is not effective in the Commission's records until a separate notification letter is sent to the Commission including documentation to confirm registration of that change with the State of Wisconsin Department of Financial Institutions.

15. **Changes to the Annual Report Subsequent to Filing:**

If making revisions to the report subsequent to filing with the Commission, resubmit the report via e-mail following the procedures set forth above in item number 12. New edit check, exported annual report, and export status files should be created as a result of the revisions.

SIGNATURE PAGE

I HALEH DAVARY of
(Person responsible for accounts)

TELECOM USA F/K/A TELECONNECT LONG DISTANCE SERVICE , certify that I
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

HALEH DAVARY
(Person responsible for accounts)

04/23/2003
(Date)

REGULATORY REPORTING ANALYST
(Title)

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IDENTIFICATION

Exact Utility Name: TELECOM USA F/K/A TELECONNECT LONG DISTANCE SERVICE

Utility Location: 205 N. MICHIGAN AVENUE, 11TH FLOOR
CHICAGO, IL 60601

Utility Web Site Address: WWW.WCom.Com

Telephone numbers for potential customers to contact company:

Business Customers: (800) 749 - 9600 Ext:

Residential Customers: (800) 756 - 9321 Ext:

Officer in charge of correspondence concerning this report

Name: HALEH DAVARY
Title: REGULATORY COMPLIANCE ANALYST
Firm/Company: TELECOM USA F/K/A TELECONNECT LONG DISTANCE
Office Address: 201 SPEAR STREET, 9TH FLOOR
SAN FRANCISCO, CA 94105

Fax Number: (415) 228 - 1094
Telephone Number: (415) 228 - 1072
Email Address: Haleh.Davary@MCI.Com

Contact person for regulatory inquiries and complaints

Name: DEBORAH KUHN
Title: ASSOCIATE COUNSEL
Firm/Company: TELECOM USA F/K/A TELECONNECT CO
Office Address: 205 N. MICHIGAN AVENUE, 11TH FLOOR
CHICAGO, IL 60601

Fax Number: (312) 470 - 5571
Telephone Number: (312) 260 - 3326
Email Address: Deborah.Kuhn@MCI.Com

ASSESSABLE REVENUES

Calculation of Assessable Revenues for Remainder and Telephone Relay Assessment Purposes:

1. Gross Operating Revenues--Wisconsin (including outbound interstate revenues) CONFIDENTIAL
2. **Less:** Inbound Interstate Revenues (exclusive of uncollectible service revenues) Included in Line 1 (if any) CONFIDENTIAL
3. **Less:** Current Year Write-offs of Uncollectible Revenues
4. **Plus:** Current Year Collection of Operating Revenues Previously Written Off
5. Total Assessable Revenues for Remainder and Telephone Relay Assessment Purposes CONFIDENTIAL

Cost of plant in Wisconsin utilized by the reseller for provision of telecommunications services in Wisconsin:

6. Amount at December 31, 2002

Cost basis (including capital leases) of transmission facilities (excluding switches) in Wisconsin, including wire, cable, fiber optics or radio, and associated electronics owned, operated, managed or controlled by the telecommunications reseller, if in excess of $400,000 as of December 31, 2002:

7. Amount at December 31, 2002 0

Assessable Revenues for Universal Service Fund Assessment Purposes (Line 10) and Total gross operating revenues, minutes of use and average number of customers generated by the provision of intrastate Wisconsin telecommunications services:

Revenue Type	Revenue Amount	Minutes of Use	Avg. No. of Customers
8. Retail (derived from telecommunications services sold directly to retail end-user customers)	CONFIDENTIAL	CONFIDENTIAL	CONFIDENTIAL
9. Wholesale (derived from telecomm. services sold to other telecommunications providers)			
10. Total Wisconsin Gross Intrastate Operating Telecommunications Service Revenue	CONFIDENTIAL	CONFIDENTIAL	CONFIDENTIAL

Notes

"Gross Operating Revenues--Wisconsin" are revenues before consideration of uncollectible revenues. These revenues include revenues from inbound interstate 800 and collect calls billed to customers in Wisconsin.

"Outbound Interstate revenues" are service operations revenues received from communications originating at points within Wisconsin and terminating at points outside the state.

"Inbound Interstate revenues" are service operations revenues received from communications originating at points outside the State of Wisconsin and terminating at points within the state.

(NOT TO BE EXCLUDED HERE ARE INBOUND INTERSTATE 800 AND COLLECT REVENUES BILLED TO CUSTOMERS IN WISCONSIN).

"Gross" means revenue before consideration of uncollectible amounts. Access expenses may not be netted against access revenues.

"Intrastate" means telecommunications service originating and terminating within the State of Wisconsin. Intrastate revenue does not include interstate access revenue.

"Operating" means provision of telecommunications services.

"Telecommunications service revenue" for the purpose of this assessment does not include cable television service, broadcast service, rents, directory revenue, carrier billing and collection revenue, nonregulated customer premises equipment revenue, or other miscellaneous revenue. It does include payphone revenue (which was deregulated in 1997).

CHANGES DURING THE YEAR

Changes during 2002 to the information requested in this report or other information originally filed with the reseller's certification petition:

None

ADOPTION OF OTHER MARKETING, TRADE, OR DBA NAMES

Adoption of other marketing, trade, or "doing business as" (DBA) names:

No other names

OTHER INFORMATION

Additional or other information concerning this annual report:

None

SCHEDULE AND REPORT NOTES

General Footnote

Schedule Footnotes

Identification Footnote. Page 5

Complete name is: Telecom USA f/k/a Teleconnect Long Distance Services & Systems, Inc.

Assessable Revenues Footnote. Page 6

Cost of plant as of December 31, 2002, for Telecom USA is included in MCI WorldCom Network Services, Incs cost of plants as of December 31, 2002 which is

CONFIDENTIAL