

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of)
Mercury Voice and Data Company)
for a Certificate of Service)
Authority to Provide Basic Local, Local and) Case No. TA 2006- _____
Interexchange Voice Service in)
Portions of the State of Missouri and to Classify)
said Services and the Company as Competitive)

**APPLICATION FOR CERTIFICATE OF SERVICE AUTHORITY
TO PROVIDE LOCAL AND INTEREXCHANGE VOICE SERVICE
AND FOR COMPETITIVE CLASSIFICATION**

Comes now Mercury Voice and Data Company (“Mercury”), by its undersigned counsel,
and hereby applies pursuant to Sections 392.361, 392.410, 392.420, 392.430 and 392.450 R.S.Mo.
2000, the federal Telecommunications Act of 1996, and 4 C.S.R. § 240-2.060, for authority to
provide basic local, local and interexchange voice service in portions of the State of Missouri and to
classify said services and company as competitive. In support of its Application, Mercury states:

1. Applicant Mercury is a corporation duly organized and existing under and by virtue
of the laws of the State of Missouri. A true and correct copy of a Certificate of Good Standing from
the Missouri Secretary of State is attached as Exhibit A. The legal name and principal office or
place of business of Mercury are:

Mercury Voice and Data Company
825 Edmond Street
St. Joseph, MO 64501

2. All inquiries, correspondence, communications, pleadings, notices, orders and
decisions relating to the case should be addressed to:

Michael L. McCann, Esq.
Spencer Fane Britt & Browne, LLP
1000 Walnut Street, Suite 1400
Kansas City, MO 64105
816-292-8110
816-474-3216 (fax)
mmccann@spencerfane.com

and

Gregory C. Lawhon, Esq.
Mercury Voice and Data Company
825 Edmond Street
St. Joseph, MO 64501
816-221-8100
glawhon@npgco.com

3. Mercury proposes to provide basic local, local and interexchange voice service on a facilities and resold basis, in exchanges currently served by Southwestern Bell Telephone L.P., doing business as AT&T Missouri (“AT&T”). The specific AT&T exchanges within which Mercury proposes to offer service are listed in AT&T’s local exchange tariffs. Mercury may seek authority to provide service in other areas of the state in a subsequent proceeding.

4. Pursuant to this Application, Mercury seeks to offer and provide basic local, local and interexchange voice service as more fully described in Exhibit B.

5. Mercury possesses the technical and managerial expertise and experience necessary to provide the services it proposes. Henry H. Bradley is the President of Mercury. Mr. Bradley also is the Chairman of the Board of News-Press & Gazette Company (“NPG”). NPG is a family-owned company that owns and operates daily and weekly newspapers, cable television systems, network affiliate broadcast television stations, and FM and AM radio stations. In addition, NPG was the initial equity investor in Birch Telecom, Inc. (“Birch”). Birch is one of

the largest competitive local exchange carriers in Missouri and across the region, serving more than 100,000 customers across the central and southern United States. Mr. Bradley served as a member of the Board of Directors of Birch from January 1997 to September 2002, acting as Chairman of the Board from January 1997 through March 2000. Mr. Bradley holds a Bachelor's degree from the University of Missouri. Gregory C. Lawhon is Vice President of Mercury. Mr. Lawhon served as General Counsel of Birch from January 1997 until August 2005, when he became Birch's President and Chief Executive Officer. He resigned from Birch in April 2006. As such, Mercury has experience in all facets of providing basic local, local and interexchange telecommunications services, including network construction and operations, customer service, billing, marketing and technological innovation. Exhibit C provides a description of the backgrounds of Mercury's management, which demonstrates the requisite management experience and expertise.

6. Mercury also possesses the necessary financial resources required to provide the proposed voice services and meets the financial tests described in state statutes. Mercury's capital structure is comprised solely of equity and Mercury has no debt. Pro forma financial statements for Mercury are attached as Exhibit D. Furthermore, Mercury is a wholly owned subsidiary of NPG, which has adequate resources to fund the development and growth of Mercury. Financial information of NPG is also set forth in Exhibit D. A request for a protective order governing Exhibit D is being filed simultaneously herewith.

7. Mercury seeks classification of itself and its services as competitive.

8. Mercury will offer basic local service as a separate and distinct service in accordance with applicable law. Mercury will give consideration to equitable access for all

Missourians, regardless of where they might reside or their income, to affordable voice services in Mercury’s proposed service areas in accordance with applicable law.

9. Mercury has no pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates, which action, judgment or decision has occurred within three (3) years of the date of the Application. No Missouri annual reports or assessment fees are overdue.

10. Mercury is willing to comply with all applicable Commission rules and is willing to meet all relevant service standards, including, but not limited to billing, quality of service, and tariff filing and maintenance in a manner consistent with the Commission’s requirements for incumbent local exchange carrier(s) with whom Mercury seeks authority to compete. Additionally, Mercury agrees that, pursuant to Section 392.455(3) and (4) RSMo. 2000, its service area shall be no smaller than an exchange. Consistent with the Commission’s treatment of other certificated competitive local providers, Mercury requests that the following statutes and regulations be waived for Mercury and its local service offerings:

Statutes

392.210.2
392.240.1
392.270
392.280
392.290
392.300.2
392.310
392.320
392.330
392.340

Missouri Public Service Commission Rules

4 C.S.R. § 240-3.550(5)(C)
4 C.S.R. § 240-10.020
4 C.S.R. § 240-30.040

11. Mercury will promptly file tariffs bearing no less than a 45 day effective date with the Commission in a manner consistent with law and the Commission's practice in similar cases. In any circumstance, Mercury will file its proposed basic local exchange service tariff no later than 30 days after Commission approval of Mercury's interconnection agreement.

12. Mercury submits that the public interest will be served by Commission approval of this Application because Mercury's proposed services will create and enhance competition and expand customer service options consistent with the legislative goals set forth in the federal Telecommunications Act of 1996 and Chapter 392 R.S.Mo. Prompt approval of this Application also will expand the availability of innovative, high quality, and reliable voice services within the State of Missouri.

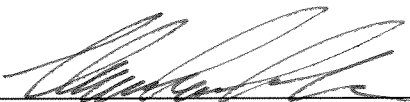
13. Mercury submits, notwithstanding the provisions of Section 392.500 R.S.Mo., as a condition of certification and competitive classification, Mercury agrees that, unless otherwise ordered by the Commission, Mercury's originating and terminating switched exchange access rates will be no greater than the lowest Commission-approved corresponding access rates in effect for AT&T. Additionally, pursuant to the Commission's Report and Order in Case No. TO-99-596, Mercury agrees that, if AT&T decreases its originating and/or terminating access service rates, Mercury shall file an appropriate tariff amendment to reduce its originating and/or terminating access rates within thirty (30) days of AT&T's reduction of its originating and/or terminating access rates in order to maintain the cap on switched exchange access rates.

14. In recognition of the currently unsettled nature of the issues surrounding the appropriate regulatory treatment of Internet Protocol based voice services such as those

proposed by Mercury, nothing in this submission should be construed as a concession or agreement by Mercury that the services at issue in this Application constitute telecommunications services, local exchange services, common carrier offerings, or services that are otherwise subject to federal or state regulation, nor that the entity or entities providing them constitute telecommunications carriers, telecommunications providers, local exchange carriers, common carriers, or other regulated entities.

WHEREFORE, applicant Mercury respectfully requests that the Commission grant it a certificate of service authority to provide local and interexchange voice services as herein requested, classify Mercury and its proposed services as competitive, and grant a waiver of the aforesaid statutes and regulations.

Respectfully submitted,

By 
Michael L. McCann, Esq. Mo. Bar #41166
Spencer Fane Britt & Browne LLP
1000 Walnut Street, Suite 1400
Kansas City, MO 64106
Telephone: (816) 292-8110
Email: mmccann@spencerfane.com
*Attorney for Applicant Mercury Voice and
Data Company*

VERIFICATION

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

COMES NOW Gregory C. Lawhon, being of lawful age and duly sworn, swears and affirms as follows:

1. My name is Gregory C. Lawhon and I hold the position of Vice President and General Counsel of Mercury Voice and Data Company, the applicant in the foregoing Application. In that capacity, I am authorized on its behalf to delegate responsibility for the foregoing Application of Mercury Voice and Data Company.

2. The information contained in the Application is true and accurate to the best of my knowledge and belief.

3. I have authorized Michael L. McCann, Esq., and the law firm of Spencer Fane Britt & Browne LLP to file and prosecute the Application, and to represent Mercury Voice and Data Company in any proceedings arising out of the Application.

Gregory C. Lawhon
Gregory C. Lawhon

Subscribed and sworn to before me this 1st day of June, 2006.


Peggy L. Koch
Notary Public

My commission expires:

PEGGY L. KOCH
Notary Public - Notary Seal
STATE OF MISSOURI
Clay County
My Commission Expires: March 31, 2008
Commission # 05463600

Certificate of Service

On this 16th day of June, 2006, a true and correct copy of the above document was served upon each of the parties set forth below via United States Mail, postage prepaid.



Michael L. McCann

Office of the Public Counsel
Governor Office Building
P.O. Box 7800
200 Madison, Suite 650
Jefferson City, MO 65102

General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Exhibit A

Certificate of Good Standing

(copy attached)

STATE OF MISSOURI



Robin Carnahan
Secretary of State

CORPORATION DIVISION CERTIFICATE OF GOOD STANDING

I, ROBIN CARNAHAN, Secretary of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that

MERCURY VOICE AND DATA COMPANY
00734762

was created under the laws of this State on the 28th day of April, 2006, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 15th day of June, 2006

A handwritten signature in cursive script that reads "Robin Carnahan".

Secretary of State

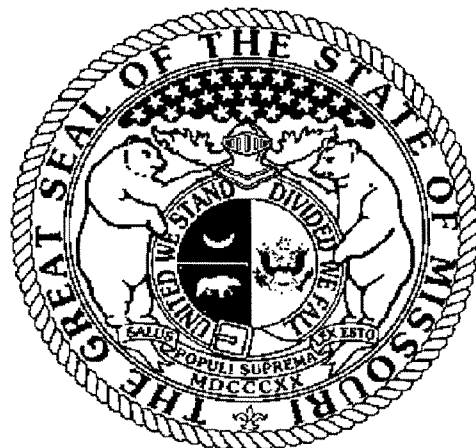


Exhibit B

Description of Proposed Service Offering

Mercury intends to provide facilities-based Internet Protocol (“IP”) voice service, targeted to the business market. The service will allow local calling in addition to operator services; directory assistance; white page directory listings; enhanced 911 services; outbound 800 toll free calling; local number portability; and access to telephone relay services. Mercury’s customers will be able to call and be called by any other IP voice service subscriber of Mercury. IP voice service subscribers will also have access to the public switched telephone network (“PSTN”) and thus will be able to call and be called by all other parties connected to the PSTN.

Description of Mercury’s Operations

Mercury intends to offer IP voice service over owned or leased broadband facilities that will include fiber optic or coaxial cable, and may include T-1, DSL, fixed wireless loops, and other forms of broadband telecommunications facilities, both owned and leased.

Mercury estimates that it will dedicate ten to fifteen Mercury service personnel to local service matters in Missouri in its initial phase of operations, expanding according to the size of the customer base.

Prior to offering service in Missouri, Mercury will deploy its own softswitch and media gateway controllers. In addition, Mercury will deploy subscriber gateway equipment at the customers’ premise, along with IP telephones and other various state-of-the-art telecommunications equipment.

Exhibit C

Background of Key Mercury Management

Henry H. Bradley is President of Mercury. Mr. Bradley also is the Chairman of the Board of News-Press & Gazette Company (“NPG”), the parent corporation of Mercury. NPG is a family-owned company that owns and operates newspapers in St. Joseph, Missouri and the greater Kansas City area, cable television systems in Missouri, Arizona and California, and network affiliate broadcast television stations in Texas, California, Oregon, and Idaho, and FM and AM radio stations. Mr. Bradley has held a number of other positions with NPG since joining NPG in 1971, including terms as the Editor and Publisher of the St. Joseph News-Press. Bradley earned a bachelor’s degree from the University of Missouri in 1968. He has served as a director of Heartland Health System in St. Joseph, Missouri, the St. Joseph Chamber of Commerce, the St. Joseph United Way, and various other civic and charitable groups. He also has served as a director of the Inland Daily Newspaper Association, the Northwest Missouri Press Association, National Newspaper Association, and the American Press Institute.

Gregory C. Lawhon is Vice President of Mercury. Prior to joining Mercury, Mr. Lawhon was President and Chief Executive Officer of Birch Telecom, Inc. (“Birch”), one of the largest competitive local exchange carriers in Missouri and that also served customers in more than 12 other states. Mr. Lawhon joined Birch in January 1997 and served as its General Counsel for nearly nine years before becoming President and Chief Executive Officer. Before Birch, Mr. Lawhon practiced law for twelve years with the 130-lawyer Kansas City firm of Spencer Fane Britt & Browne. A partner in the firm since 1990, Mr. Lawhon's areas of practice were mergers and acquisitions, with an emphasis on communications industry acquisitions, cable television franchising, and commercial and regulatory issues with respect to the telecommunications industry. Mr. Lawhon holds a Bachelor of Arts degree in Economics, *magna cum laude*, from Vanderbilt University, and a law degree from Columbia University, where he was a Harlan Fiske Stone Scholar.

Exhibit D

Financial Information

(Filed contemporaneously herewith under seal)