

Ironhorse Services, LLC

73 Janssen Place
Kansas City, MO 64109

FILED

AUG 08 2005

Missouri Public
Service Commission

August 5, 2005

Mr. Dale Hardy Roberts
Missouri Public Service Commission
200 Madison, Suite 100
Jefferson City, MO 65102

Dear Mr. Roberts,

Pleased find enclosed the application of Ironhorse Services, LLC for a certificate of service to provide local and interexchange voice services in the State of Missouri. I have enclosed one original and eight copies of our application. In addition, a copy has been sent to the Office of Public Counsel.

I have revised the application to comply with the need for the pleading to be filed by an attorney licensed to practice law in Missouri. To the extent that this application can receive expedited treatment, I would be much obliged.

Please contact me with any questions at 816-786-0818 or dave@scott59.com. Thank you.

Sincerely yours,



David E. Scott
Managing Member
Ironhorse Services, LLC.

FILED

AUG 08 2005

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

Missouri Public
Service Commission

In the Matter of the Application of)
Ironhorse, LLC for a Certificate of Service)
Authority to Provide Basic Local, Local and) Case No. TA 2005- _____
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 Ironhorse, LLC ("Ironhorse"), d/b/a Ironhorse, by its undersigned counsel, and hereby applies pursuant to Sections 392.361, 392.420, and 392.430 R.S.Mo. 1994, Sections 392.410 and 392.450 R.S.Mo. Supp. 1996, 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, Ironhorse states:

1. Applicant Ironhorse is a limited liability company duly organized and existing under and by virtue of the laws of the State of Delaware. A true and correct copy of a certificate from the Missouri Secretary of State showing that Ironhorse is authorized to do business in Missouri is attached as Exhibit A.

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

Principal Office: 73 Janssen Place, Kansas City, MO 64109

Regulatory Contact: David E. Scott
Ironhorse, LLC
73 Janssen Place
Kansas City, MO 64109

3. Ironhorse proposes to provide basic local, local and interexchange voice service on a facilities and resold basis, in exchanges currently served by Southwestern Bell Telephone Company (SWBT). The specific SWBT exchanges within which Ironhorse proposes to offer service are listed in SWBT's local exchange tariffs. Ironhorse may seek authority to provide service in other areas of the state in a subsequent proceeding.

4. Pursuant to this Application, Ironhorse seeks to offer and provide basic local, local and interexchange voice service as more fully described in Exhibit B. Ironhorse requests a temporary waiver of 4 C.S.R. § 240-2.060(6)C). The subject rule requires that an application for a certificate of service authority to provide basic local, local or interexchange service shall include a proposed tariff with a 45-day effective date. Ironhorse finds it impossible at this time to develop tariffs to fully comply with this rule because Ironhorse has not yet finalized all necessary business arrangements to provide the proposed services, most notably its interconnection agreement with SWBT.

5. Ironhorse possesses the technical and managerial expertise and experience necessary to provide the services it proposes. David E. Scott and David M. Hollingsworth, the founding members of Ironhorse, are pioneers in the industry of competitive local exchange services with both Kansas City FiberNet, LP., and Birch Telecom, Inc., both companies providers of telecommunications services in Missouri and leaders in the development of competition within the local exchange marketplace. As such, Ironhorse 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. Scott was the founder of Birch Telecom, one of Missouri's

largest competitive providers of telecommunications, and a well regarded provider of services in 11 states. Exhibit C provides a description of the backgrounds of Ironhorse's management, which demonstrates the requisite management experience and expertise.

Ironhorse also possesses the necessary financial resources required to provide the proposed telecommunications services and meets the financial tests described in state statutes.

Ironhorse's capital structure is comprised solely of equity and Ironhorse has no debt, meeting the debt ratio and interest coverage requirements. Ironhorse has been initially capitalized with sufficient resources to fund the company's expenses during the startup and growth phase, with pro forma financials showing that the cash balances of the firm will be sufficient to cover the company's expenses for greater than six months. Furthermore, the founding members of Ironhorse have a track record of raising over a quarter billion dollars of private equity financing for Birch Telecom.

6. Ironhorse seeks classification of itself and its services as competitive.

7. Ironhorse 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.

8. Ironhorse 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 Ironhorse seeks authority to compete. Consistent with the Commission's treatment of other certificated competitive local

providers, Ironhorse requests that the following statutes and regulations be waived for Ironhorse 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. § 240-3.500(5)(C)
4 C.S.R. § 240-3.545(2)(C)
4 C.S.R. § 240-10.020
4 C.S.R. § 240-30.040
4 C.S.R. § 240-33.030

9. Ironhorse submits that the public interest will be served by Commission approval of this Application because Ironhorse'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.


10. Ironhorse submits, notwithstanding the provisions of Section 392.500 R.S.Mo., as a condition of certification and competitive classification, Ironhorse agrees that, unless otherwise ordered by the Commission, Ironhorse's originating and terminating switched exchange access rates will be no greater than the lowest Commission-approved corresponding access rates in effect for SWBT. Additionally, pursuant to the Commission's Report and Order in Case No. TO-99-596, Ironhorse agrees that, if SWBT decreases its originating and/or terminating access service rates, Ironhorse shall file an appropriate tariff amendment to reduce its originating and/or terminating access rates within thirty (30) days of SWBT's

reduction of its originating and/or terminating access rates in order to maintain the cap on switched exchange access rates.

11. In recognition of the currently unsettled nature of the issues surrounding the appropriate regulatory treatment of IP-based voice services such as those proposed by the Applicant, nothing in this submission should be construed as a concession or agreement by Ironhorse 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 Ironhorse, LLC respectfully requests that the Commission grant it a certificate of service authority to provide local and interexchange voice services as herein requested, classify Ironhorse, LLC and its proposed services as competitive, and grant a waiver of the aforesaid statutes and regulations.

Respectfully submitted,

By 
Thomas K. Jones MO #25577
Payne & Jones, Chartered
11000 King
PO Box 25625
Overland Park, KS 66225-5625
Telephone: (913) 469-4100
FAX: (913) 469-8182
Email: tjones@paynejones.com

*Attorneys for Applicant Ironhorse Services,
LLC*

Exhibit A

Certificate of Registration

Foreign Limited Liability Company

(copy attached)

STATE OF MISSOURI



Robin Carnahan
Secretary of State

CERTIFICATE OF REGISTRATION FOREIGN LIMITED LIABILITY COMPANY

WHEREAS,

IRONHORSE SERVICES, L.L.C.
FL0666516

Using in Missouri the name

IRONHORSE SERVICES, L.L.C.

and existing under the laws of the State of Delaware has filed with this state its Application for Registration and whereas this Application for Registration conforms to the Missouri Limited Company Act.

NOW, THEREFORE, I, ROBIN CARNAHAN, Secretary of State of the State of Missouri, by virtue of authority vested in me by law, do hereby certify and declare that on the 15th day of June, 2005, the above Foreign Limited Liability Company is duly authorized to transact business in the State of Missouri and is entitled to any rights granted Limited Liability Companies.

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, 2005.

Robin Carnahan
Secretary of State



Exhibit B

Description of Proposed Service Offering

The Applicant intends to provide facilities-based local Internet Protocol ("IP") voice service, targeted to the business market. The service will be offered on a flat-rate basis and 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. Applicant's customers will be able to call and be called by any other IP voice service subscriber of Applicant. 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 Applicant's Operations

The Applicant intends to offer IP voice service over leased broadband facilities that may include T-1, DSL and cable-modem services, initially, and eventually expanding to include leased fiber optic facilities, fixed wireless loops, and other forms of broadband telecommunications facilities, both owned and leased. Specifically, the Applicant intends to offer IP voice service in the exchanges in the Kansas City metropolitan area, as defined by the following counties: Jackson, Clay, Platte and Cass counties. The Applicant intends to begin providing service in Kansas City and then to expand gradually throughout the metropolitan area and ultimately to additional cities throughout the state.

The Applicant estimates that it will dedicate ten (10) Ironhorse service personnel to local service matters in the Kansas City area in its initial months of operation, expanding according to the size of the customer base.

Prior to offering service in Missouri, the Applicant will deploy Media Gateway Controllers in Kansas City, MO. In addition, the Applicant 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 Ironhorse Management

David E. Scott

David E. Scott, 46, has been a pioneer in development of the competitive local telecommunications industry and has over 22 years of experience in the industry. In 1997, he founded Birch Telecom, Inc. and served as its President and Chief Executive Officer for over seven years. Birch was one of the first companies to be certified to provide local exchange services in both the states of Missouri and Kansas, and grew under Scott's leadership to serve 500,000 access lines in nine states, with annual revenue exceeding \$300 million. Birch was known for strong customer service, lower prices and innovative service offerings. Birch was one of the first telecommunications companies in Missouri to offer combined local and long distance service packages, and then combined local, long distance and data services. Birch deployed an advanced DSL network in its Missouri markets and grew to be one of the largest competitors to SWBT in Missouri, where it had nearly 100,000 access lines. Under Scott's leadership, Birch invested over a quarter billion dollars in advanced telecommunications networks and information support systems, including a large deployment of broadband DSL network facilities.

Prior to Birch, Scott was President of Kansas City FiberNet (KCFN), a partnership of Time Warner Cable and TCI. KCFN was one of the earliest companies authorized to provide competitive services in the local exchange marketplace, first as a provider of private line and special access services, and later as a provider of basic local, local and interexchange services. KCFN provided high-speed, fiber-based SONET services to major business customers such as Sprint, AT&T, Boatman's Bank and an array of Kansas City's largest and most technologically sophisticated business users.

Scott also served as assistant vice president for strategic development and held a variety of management positions for Sprint and its predecessor, United Telecom, where he was employed from 1982 until 1993. Scott holds a Bachelor of Science degree in electrical engineering, *summa cum laude*, from the University of Missouri-Columbia and a Masters of Business Administration from the University of Chicago, where he was a Kemper Foundation fellow. Scott lives in Kansas City, MO.

David M. Hollingsworth

David M. Hollingsworth, 40, has over 16 years of experience in the telecommunications industry, with a majority of the experience obtained while working with competitive local telecommunications providers. In 2000 Mr. Hollingsworth joined Birch Telecom. Most recently

at Birch, he held the position of Chief Operating Officer and was responsible for network engineering, network operations, customer service, sales and marketing.

Prior to being promoted to Chief Operating Officer at Birch Telecom, Mr. Hollingsworth was the Chief Financial Officer. Prior to joining Birch, Mr. Hollingsworth was the Vice President of Finance and Corporate Development for GST Telecommunications. While at GST, Mr. Hollingsworth was responsible for strategic planning, corporate development, mergers and acquisitions, financial analysis and operational analysis.

Prior to GST, Mr. Hollingsworth was a telecommunications analyst at George K. Baum and company, where he initiated the firm's research coverage of telecommunications companies. Before working at Baum, Mr. Hollingsworth served as Director of Finance and Administration for Kansas City FiberNet. At FiberNet he was responsible for financial operations, regulatory strategy, human resources and information systems. Mr. Hollingsworth holds a Bachelor of Arts in Business Administration, *cum laude*, from Washington State University.