### BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In The Matter of the Application	)	
of IRU Networks, LLC	)	
for a Certificate of Service Authority to	)	Case No.
Provide Basic Local Exchange	)	
Telecommunications Services	)	

#### **APPLICATION**

IRU Networks, LLC ("Applicant" or "IRU Networks"), an Oklahoma Limited Liability Company, seeks a certificate of service authority to provide basic local exchange telecommunications service and files this verified application pursuant to 4 CSR 240-2.060 and 240-3.510, respectfully requesting that the Missouri Public Service Commission ("Commission") issue an order that:

- (a) grants Applicant a Certificate of Service Authority to provide resold and facilities-based/UNE Basic Local Telecommunications Services in Portions of the State of Missouri pursuant to Sections 392.410 and 392.420 455<sup>1</sup>;
- (b) grants competitive status to Applicant pursuant to Section 392.361, and classifies the Applicant's services as competitive; and
- (c) waives certain Commission rules and statutory provisions pursuant to Section 392.420.

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<sup>&</sup>lt;sup>1</sup> All statutory references are to the Missouri Revised Statutes (2000) as amended, unless otherwise noted.

In support of its request, Applicant states:

1. The legal name and principal office or place of business of the Applicant are:

IRU Networks, LLC 3030 NW Expressway, Ste. 200-328 Oklahoma City, Oklahoma 73112 (888) 250-2111 (Phone)

A copy of Applicant's Certificate of Incorporation, and Certificate of Authority from the Missouri Secretary of State to transact business in Missouri are attached hereto as **Exhibit I**.

2. The name and address of Applicant's in-state attorneys are:

Diana Vuylsteke, Esq. (Mo Bar #42419)
Bryan Cave LLP
211 N. Broadway, Ste 3600
St. Louis, MO 63102
dmvuylsteke@bryancave.com

- 3. Applicant proposes to provide resold local telecommunications service within portions of the State of Missouri. Applicant 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. Applicant proposes to provide services to prospective customers in exchanges currently served by Southwestern Bell Telephone Company, L.P. d/b/a AT&T Missouri; Embarq Missouri, Inc. d/b/a Embarq; CenturyTel of Missouri, LLC d/b/a CenturyTel; and Spectra Communications Group, LLC d/b/a CenturyTel, as set forth in the list of exchanges attached hereto as **Exhibit II**. Applicant will give consideration to equitable access for all Missourians, regardless of where they might reside or their income, to affordable telecommunications services in the proposed service area as set forth in Exhibit II, in accordance with applicable law.
- 4. When it initiates service in Missouri, IRU Networks, LLC, (IRU Networks) proposes to offer resold local exchange services obtained through commercial and/or

interconnection agreements. Such services will be provided by utilizing the facilities of incumbent local exchange carriers ("LECs"). The services IRU Networks intends to offer are likely to be those local exchange telecommunications services offered by incumbent local exchange carriers in the proposed service area. IRU Networks seeks authority to provide local exchange services that may include but are not limited to the following:

- \* Basic Exchange Services
- \* Custom Calling and Class Features (call waiting, caller ID, call forwarding, call blocking, speed calling, etc.)
- \* Adjunct Provided Features (voice messaging, etc.)
- \* Ancillary Services (911, E911, 411, Relay Service, directory listing, directory assistance, etc.)
- \* Centrex
- \* DSL and ISDN
- DID Trunks and Lines
- \* Private Lines

IRU Networks does not intend to install any switching equipment for the provision of local exchange service in the State of Missouri.

5. Applicant has the experience in the telecommunications industry and the technical and financial resources to provide telecommunications services within Missouri. A brief description of the qualifications and experience of the key management employees is attached hereto as **Exhibit III**, along with a description of the Applicant's telecommunications background. A copy of the financial information to demonstrate Applicant's financial ability to provide service is attached hereto as \*\*PROPRIETARY\*\* Exhibit IV. Exhibit IV contains confidential proprietary and financial information not generally available to the public. Due to

the highly competitive nature of the telecommunications marketplace, IRU Networks deems this material to be proprietary. Accordingly, the financial statements have been marked as confidential and are being submitted under seal to be maintained by the Commission and the Staff on a confidential basis. Attached hereto as well is the Affidavit of Donna Rice Costello, Chief Financial Officer, attesting that IRU Networks possesses sufficient technical, financial and managerial resources and abilities to provide basic local telecommunications service.

- 6. Applicant is currently authorized to provide resold interexchange services in California, Georgia, Illinois, Massachusetts, Nevada, New York, and Texas. Applicant is currently authorized to provide resold competitive local exchange services in Massachusetts, Nevada, and New York. Applicant is in the process of applying for authorization to provide competitive local exchange and interexchange services Georgia. Applicant has not been denied authority for any of the services for which it seeks authority in this Application.
- 7. Applicant hereby respectfully requests a temporary waiver of 4 CSR 240-3.510(1)(C) that requires Applicant to file a draft tariff simultaneously with this application until Applicant has executed interconnection agreements with the incumbent LECs and those agreements have been approved by the Commission. Applicant will file its tariff with an effective date of at least 45 days after filing.
- 8. Applicant hereby respectfully requests classification as a competitive telecommunications company within the State of Missouri and receive a lesser degree of regulation as permitted by Sections 392.361 and 392.420. Applicant also requests that its services be classified as competitive. Applicant believes that its proposed services will be subject to sufficient competition to justify a lesser degree of regulation. Granting of this application will allow greater price and service options for telephone users.

9. Applicant also respectfully requests, pursuant to Section 392.420, that the Commission waive the application of the following rules and statutory provisions as it relates to the regulation of Applicant:

#### **Statutes**

- 392.210.2 Establish Uniform System of Accounts for Annual reports
- 392.240.1 Setting just and reasonable rates
- 392.270 Ascertain Property values
- 392.280 Establish Depreciation accounts
- 392.290 Issuance of securities
- 392.300 Transfer of Property and Acquisition of stock
- 392.310 Issuance of stock and debt
- 392.320 Stock Dividend Payment
- 392.330 Issuance of securities, debts and notes
- 392.340 Reorganization(s)

#### **Commission Rules**

- 4 CSR 240-3.520 Applications to sell of transfer assets
- 4 CSR 240-3.525 Applications to merge or consolidate
- 4 CSR 240-3.530 Applications to issue stocks, obtain loans
- 4 CSR 240-3.535 Applications to acquire stock
- 4 CSR 240-3.545(8)(C) Listing of Waivers in Tariff
- 4 CSR 240-3.550 Telco Records and Reports, except (5)(B), (D) and (E)
- 4 CSR 240-3.555 Residential Customer Inquiries
- 4 CSR 240-3.560 Procedure for Ceasing Operations
- 4 CSR 240-10.020 Depreciation Records
- 4 CSR 240-30.020 Residential Telephone Underground Systems
- 4 CSR 240-30.040 Uniform System of Accounts
- 4 CSR 240-32.010 General Provisions
- 4 CSR 240-32.040 Metering, Inspections and Tests
- 4 CSR 240-32.050 Customer Services
- 4 CSR 240-32.060 Engineering and Maintenance
- 4 CSR 240-32.070 Quality of Service
- 4 CSR 240-32.080 Service objectives and surveillance levels
- 4 CSR 240-32.090 Connection of equipment and Inside Wiring
- 4 CSR 240-32.100 Provision of Basic Local Interexchange Services
- 4 CSR 240-32.130-170 Prepaid Calling Cards, except 32.140 and .150(1)
- 4 CSR 240-32.180-190 Caller ID blocking requirements
- 4 CSR 240-33.010 Service and Billing Practice General Provisions
- 4 CSR 240-33.040 Billing and Payment Standards
- 4 CSR 240-33.045 Clear identification and placement of charges on bills
- 4 CSR 240-33.050 Deposits
- 4 CSR 240-33.060 Residential Customer Inquiries
- 4 CSR 240-33.070 Discontinuance of service
- 4 CSR 240-33.080 Disputes by Residential Customers

4 CSR 240-33.090 – Settlement agreements with residential customers

4 CSR 240-33.130 – Operator service requirements

4 CSR 240-33.140 – Payphone requirements, except (2)

4 CSR 240-33.150 – Anti-slamming requirements

4 CSR 240-33.160 – Customer Proprietary Network Information

The above-referenced rules and statutory provisions have been waived to other carriers in prior cases.

10. Pursuant to Sections 392.470.1 and 392.361.6, the Company will undertake all necessary measures to ensure it will not, and its contracts with underlying carriers do not contain provisions preventing delivery of traffic to any telephone exchange area of Missouri. Such measures include but are not limited to:

- Prevention of call blocking and/or call gapping base on the cost of traffic termination.
- Preventing the alteration or stripping of Calling Party Number identification.
- Ensuring sufficient network capacity exists to process all traffic according to industry accepted practices.
- 11. As required by Section 386.570, Applicant will comply with all applicable Commission rules except those which are specifically waived by the Commission pursuant to a request filed by the Applicant.
- 12. All inquiries, correspondence, communications, pleadings, notices, orders and decisions relating to this case shall be addressed to Applicant's Missouri local counsel, identified above, and:

Lance J.M. Steinhart Lance J.M. Steinhart, P.C. 1725 Windward Concourse, Suite 150 Alpharetta, Georgia 30005 (770) 232-9200 (Phone) (770) 232-9208 (Fax) lsteinhart@telecomcounsel.com (E-Mail)

- 13. Applicant 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 this application. No annual reports or assessment fees are overdue.
- 14. IRU Networks submits, notwithstanding the provisions of Section 392.500, as a condition of certification and competitive classification, IRU Networks agrees that, unless otherwise ordered by the Commission, IRU Networks originating and terminating switched exchange access rates will be no greater than the lowest Commission-approved corresponding access rates in effect for each ILEC within those service area(s) IRU Networks seeks authority to provide service. Additionally, pursuant to the Commission's Report and Order in Case No. TO-99-596, IRU Networks agrees that if the ILEC in whose service area IRU Networks is operating decreases its originating and/or terminating access service rates, IRU Networks shall file an appropriate tariff amendment to reduce its originating and/or terminating access rates within thirty (30) days of the ILEC's reduction of its originating and/or terminating access rates in order to maintain the cap on switched exchange access rates.
- 15. Applicant submits the following arguments to demonstrate that the public interest will be served by the approval of this Application: the grant of a certificate to provide competitive basic local telecommunications services to the Applicant will serve the public interest. The Applicant's presence in the market will expand customer choice for telecommunications service. The increased competition brought by the Applicant to the market will have the effect of improving the quality of telecommunications services in Missouri and decreasing the cost of such services through increased innovation and efficiency. The result will be beneficial to economic development in Missouri. The granting of a certificate to the Applicant will contribute to the availability of reasonably affordable local exchange services in

the State of Missouri.

WHEREFORE, Applicant, IRU Networks, LLC, respectfully requests that the Missouri Public Service Commission grant it a certificate of service authority to provide resold and facilities-based/UNE Basic Local Telecommunications Services within portions of the State of Missouri. Applicant also respectfully requests classification as a competitive telecommunications company and requests that its services be classified as competitive. In addition, Applicant respectfully requests a waiver of the above-referenced rules and statutory provisions and a temporary waiver of the tariff filing requirement.

Respectfully submitted,

\_/s/ Lance J.M. Steinhart\_

Lance J.M. Steinhart, Esq. Lance J.M. Steinhart, P.C. 1725 Windward Concourse, Suite 150 Alpharetta, Georgia 30005 (770) 232-9200 (770) 232-9208 (Fax) lsteinhart@telecomcounsel.com

and

\_/s/ Diana Vuylsteke\_\_\_

Diana Vuylsteke, #42419 Bryan Cave LLP 211 N. Broadway, Ste 3600 St. Louis, MO 63102 (314) 259-2543 (314) 259-2020 (Fax) dmvuylsteke@bryancave.com

Attorneys for Applicant IRU Networks, LLC

#### **CERTIFICATE OF SERVICE**

I hereby certify that I have on this 18th day of May, 2017, served a true copy of the foregoing Application upon the following, listed below, in accordance with Commission rules.

General Counsel Missouri Public Service Commission PO Box 360 Jefferson City, MO 65102 staffcounselservice@psc.mo.gov

Office of the Public Counsel PO Box 7800 Jefferson City, MO 65102 opcservice@ded.mo.gov

> /s/ Diana Vuylsteke/ Diana Vuylsteke

#### **EXHIBITS**

**Exhibit I** Missouri Secretary of State Authorization and

Articles of Organization, as Amended

**Exhibit II** List of Exchanges

**Exhibit III** Executive Officers' Qualifications and Experience and Company's

**Telecommunications Background** 

**Exhibit IV** Financial Information

#### Exhibit I

#### Missouri Secretary of State Authorization Certificate of Incorporation

# STATE OF MISSOURY

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#### Jason Kander Secretary of State

CERTIFICATE OF REGISTRATION

WHEREAS,

#### IRU NETWORKS, LLC FL001418692

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

NOW, THEREFORE, I, JASON KANDER, Secretary of State of the State of Missouri, by virtue of the authority vested in me by law, do hereby certify and declare that on the 3rd day of January, 2017, 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 hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this 3rd day of January, 2017.





# Exhibit II List of Exchanges

**AT&T Service Areas:** 

Adrian Gideon Risco Hannibal Glasgow Rushville Harvester Advance **GrainValley** St. Marvs High Ridge **Agency** Altenburg-Frohna **Gray Summit** San Antonio **Imperial Antonia** Hayti **ScottCity Jackson Herculaneum-Pevely Archie** Senath **Joplin Argyle Higbee** Slater Kennett **Armstrong** Hillsboro **Smithville** Kirksville Ash Grove Holcomb Springfield **Knob Noster** 

Beaufort Hornersville St. Louis Lake Ozark-Osage Beach

**Poplar Bluff** 

WebbCitv

**BellCity** Jasper Stanberry Manchester **Benton Kansas City Trenton** Marshall **Billings Tuscumbia** Lamar Maxville **Bismarck** LaMonte Versailles **Mexico** Bloomfield Lancaster Vienna Monett **Bloomsdale** Leadwood **Walnut Grove Moberly Bowling Green** Lilbourne Wardell Neosho **Brookfield** Linn Ware Nevada **Campbell** Lockwood Wellsville **Pacific** Cardwell Louisiana Westphalia Perryville **Carl Junction Pond** MacksCreek Wyatt

Carrollton Malden

Caruthersville Marble Hill **Bonne Terre** Richmond Marceline **Boonville** St. Charles Center Chaffee Marionville Camdenton St. Clair Charleston Marston Cape Girardeau St. Joseph Clarksville Carthage Sedalia Meta Clever **Montgomery City** Cedar Hill Sikeston Chesterfield **Climax Springs** Mourehouse Union **Deering** New Franklin Chillicothe ValleyPark **DeKalb New Madrid DeSoto** Washington

Delta Oak Ridge Dexter
Downing Old Appleton Eldon
East Prairie Oran Eureka

EdinaPattonExcelsior SpringsElsberryPaynesvilleFarmingtonEssexPierceCityFenton

Farley Pocohontas-New Wells Festus-Crystal City

Fayette Portage Des Sioux FlatRiver Fisk Portageville Fredericktown

Frankford Puxico Fulton

Freeburg Qulin Gravois Mills
Richwoods Greenwood

#### **CenturyTel Service Areas:**

Alton Highlandville **Troy Ashland** Holstein **Truxton** Augusta Hurley Urbana **Jamestown** Ava Vichy **Belle Jenkins** Warrenton **Bland Jonesburg** Washburn **KimberlingCity Blue Eye** Wasola **Bourbon** Koshkonong Wentzville **Bradleyville West Plains** Leasburg Louisburg Wheatland **Branson Branson West** Mano **Willow Springs Buffalo** Mansfield Winfield **Cabool** Marshfield Wooldridge Marthasville WrightCity

**CapeFair** Cassville **Morrison** Caulfield **Moscow Mills** Cedar Creek **Mount Sterling Mountain View** Centralia **Chamois New Melle** Clark Niangua Columbia O'Fallon **Conway Old Monroe** Crane **Ozark Cross Timbers Pittsburg** Cuba **Prairie Home Dardenne Preston** 

Defiance Protem
Dora Reeds Spring
Elkland Rocheport
Exeter RockawayBeach

**Foley** Safe

**Fordland Saint James Foristell Saint Peters Forsyth Seymour Shell Knob** Gainesville Galena **Sparta** Hallsville Sturgeon **Hawk Point Summersville Thayer** Hermann Hermitage **Theodosia High Hill Thomasville** 

#### **Embarq Service Areas:**

AppletonCity Calhoun Chilhowee Dearborn Fairfax Holt KingCity MaltaBend Newburg Pickering Strasburg	Blackburn Camden Point Clarksburg Deepwater Green Ridge Hopkins Kingsville Missouri City Norborne Sweet Springs	Blairstown Centertown Coal Edgerton Hardin Houstonia Leeton Montrose Orrick St. Thomas Syracuse	Brazito Centerview Craig Eugene Henrietta Ionia Lincoln New Bloomfield Otterville Smithton Taos
Tarkio Wellington		Urich	Waverly
Buckner Holden Lone Jack Pleasant Hill Tipton	Butler Kearney MoundCity Richland Waynesville	California LakeLotawana Russellville Weston	Cole Camp Lexington PlatteCity St. Robert Windsor
Clinton	Ferrelview	Ft. Leonard Wood	Harrisonville
Lebanon	Maryville	Oak Grove	Odessa
Rolla	Salem	Warrensburg	Warsaw

**Jefferson City** 

#### **CenturyTel Service Areas:**

Clarence

Clarksdale

Humansville **Amazonia Annapolis** Hunnewell Arcola **Irondale** Aurora **Ironton AvenueCity Jericho Springs Avilla** Kahoka **Belgrade** Keytesville **Belleview** Kidder **Birch Tree Kingston** La Belle **Bolckow Boss** La Plata **Bravmer** Laddonia **Bronaugh** Lagrange **Brunswick-Triplett** Lawson **Bunker** Lesterville Caledonia Lewiston Cameron Licking Canton LowryCity Centerville Macon

Collins Milo
Concordia MonroeCity
Cosby Montauk
Dadeville Monticello
Dalton Mount Vernon
Easton Mountain Grove

Manes

Maysville

**EdgarSprings** Nebo **El Dorado Springs** Norwood **Ellsinore Oates** Elmer Osborn **Eminence** Osceola **Everton Palmyra Ewing Paris Fillmore Perry Plattsburg Freemont GoldenCity Potosi** 

Gorin Raymondville

Gower
Greenfield
Grove Spring
Hamilton
Hartville
Helena
Houston
Revere
Roby
Rockville
Rosendale
Santa Fe
Sarcoxie
Savannah

**SchellCity Shelbina Shelbyville Sheldon** Stewartsville Stoutsville **Timbers Trimble Turney** Van Buren Vanzant Walker Wayland Weaubleau **West Quincy** Whitesville Winona

#### **Exhibit III**

#### **Executive Officers' Qualifications and Experience**

#### Company's Telecommunications Background

Donna Rice Costello has been part of the telecommunications industry these past 6 years concentrating in promotions and marketing at USA Digital. She also brings financial and management expertise to IRU Networks from her previous experience in the banking industry, and as a former president and board member of Sotos Syndrome Support Association, a national non-profit organization focused on providing education and assistance to families with special needs children.

Jere "Brent" West began his telecommunications career at the age of 16 by interning with Southwestern Bell and later attending AT&T's executive training program, He joined USA Digital Communications in July 2002. Prior to that, Mr. West was President for North American for Inter.net Global. In addition, he was Technical Services Manager for PSINet, where he helped split off and later head the North American consumer division. Over the last 15 years Mr. West has sharpened his skills in product development, switch management and carrier relations and has brought this invaluable knowledge to IRU Networks.

#### **Exhibit IV**

#### **Financial Information**

#### \*\*PROPRIETARY INFORMATION\*\*

State of Oklahoma	)
County of Oklahoma	) ) )
	<u>VERIFICATION</u>
I, Donna Rice Costello, being di	uly sworn, declare that I am the Chief Financial Officer of
IRU Networks, LLC, the Applicant. I v	verify that, based upon information and belief, I have
knowledge of the statements in the fore	going Application, and I declare that they are true and
correct.	Donna Rice Costello Chief Financial Officer
Sworn to before me, the undersigned No	otary Public on this, 2017.
# 10005942 # 10005942 # 20005942 # 10005942	Notary Public  Allyson Smith  Print or Type Name  My commission expires: 1/26/18

## BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In The Matter of the Application ) of IRU Networks, LLC )
for a Certificate of Service Authority to  Provide Basic Local Exchange  Telecommunications Services  Case No.  )
STATE OF Oklahoma \$ \$ COUNTY OF Oklahoma \$
I, Donna Rice Costello, of lawful age and being first duly sworn, do hereby depose and state that:
1. I am Chief Financial Officer of IRU Networks, LLC, the Applicant in the referenced matter, and am authorized to make this Affidavit on behalf of IRU Networks, LLC.
2. In my capacity as Chief Financial Officer, I have executive responsibilities for the day to day financial matters associated with IRU Networks, LLC.
3. IRU Networks, LLC possesses sufficient technical, financial and managerial resources and abilities to provide basic local telecommunications service.
4. IRU Networks, LLC has not defaulted on any of its financial obligations within the last three years.
Further affiant sayeth not.  Donna Rice Costello Chief Financial Officer IRU Networks, LLC
Sworn to and subscribed before me this <u>Ae</u> day of <u>April</u> , 2017.
My commission expires:  7/26/18  Notary Public Ally Smith Print or Type Name: Allyson Smith