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October 6, 2006

The Honorable Colleen M. Dale Secretary/Chief Regulatory Law Judge Missouri Public Service Commission P.O. Box 360 Jefferson City, MO 65102-0360 OCT 6 2006

Missouri Publi**c** Service Commission

Re: Network PTS, Inc.

Dear Judge Dale:

Please find enclosed for filing on behalf of Network PTS, Inc. the original and five copies of an Application for Certificate of Service Authority and for Competitive Classification along with the financial statements of the company filed under seal as Appendix C. I also enclose the original and five copies of a Motion for Protective Order.

Would you please bring this filing to the attention of the appropriate Commission personnel.

Please contact me if you have any questions regarding this filing. Thank you.

Very truly yours,

NEWMAN, COMLEY & RUTH P.C.

By:

Mark W. Comley

comleym@ncrpc.com

MWC:ab Enclosure

cc:

Office of Public Counsel General Counsel's Office

Monique Byrnes

FILED<sup>3</sup>

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

OCT 6 2006

Missouri Public Service Commission

In the Matter of the Application of	)		
Network PTS, Inc.	)		
for a Certificate of Service Authority	)	Case No.	
to provide Basic	)		
Local Telecommunications	)		
Service in portions of the State of Missouri	)		
and for Competitive Classification	ĺ		

# APPLICATION FOR CERTIFICATE OF SERVICE AUTHORITY AND FOR COMPETITIVE CLASSIFICATION

COMES NOW Network PTS, Inc., a California corporation ("Applicant" or "Network PTS"), by its undersigned counsel, and hereby applies pursuant to sections 392.361, 392.420, and 392.430 RSMo 1994, 392.410, 392.450 RSMo, the Federal Telecommunications Act of 1996, and 4 CSR 240-2.060, for authority to provide facilities-based and resold basic local telecommunications service in portions of the State of Missouri in the exchanges of AT&T of Missouri ("AT&T"), CenturyTel of Missouri ("CenturyTel") and Embarq and to classify said service and Applicant as competitive. Pursuant to Section 392.40 and 4 CSR 240-32.010(2) Network PTS also seeks a waiver of certain of the Commission's requirements for basic local exchange telecommunication's service offerings. In support of its Application, Network PTS states as follows:

- 1. Network PTS, Inc. is a corporation duly organized and existing under and by virtue of the laws of the State of California on March 27, 1989, and is duly authorized to conduct business in Missouri. Pursuant to relevant provisions of 4 CSR 240-2.060, a Certificate of Authority to transact business as a foreign entity is attached hereto and incorporated herein by reference as Appendix A. Applicant's principal place of business is 14472 Wicks Boulevard, San Leandro, California 94577.
  - 2. All correspondence, communications, pleadings, notices, order, and decisions relating

to this Application should be addressed to:

Mark W. Comley Newman, Comley & Ruth P.C. 601 Monroe Street, Suite 301 Jefferson City, Mo 65102 (573) 634-2266 (573) 636-3306 (FAX) Monique Byrnes Technologies Management, Inc. 210 Park Avenue North Winter Park, Florida 32789 (407) 740-3005 (407) 740-0613 (FAX)

All inquiries or communications regarding the ongoing operations of Network PTS should be addressed to:

John King Network PTS, Inc. 14472 Wicks Boulevard San Leandro, CA 94577 (248) 784-2515 (248) 784-2501 (FAX)

3. Network PTS's statutory representation in the State of Missouri is:

CT Corporation System 120 South Central Avenue Clayton, MO 63105

4. By this Application, Network PTS, Inc. requests certificate authority to provide competitive facilities-based and resold basic local exchange services to residential and business customers throughout all exchanges served by AT&T, CenturyTel and Embarq. The exchanges in which Network PTS seeks authority are listed on the approved tariffs of AT&T, CenturyTel and Embarq. Network PTS's proposed service areas will follow the respective exchange boundaries of the stated incumbent LECs and shall be no smaller than an exchange as required by Section 392.455(3) RSMo 2000. Applicant may seek authorization to provide service in exchanges served by other incumbent LECs in a subsequent proceeding.

Network PTS intends to provide service through the lease of unbundled network elements offered by the ILECs. Network PTS plans to commence offering basic local service upon receiving

Commission approval of its interconnection agreement(s) and related tariffs.

5. Pursuant to this Application, Network PTS seeks authority to offer and provide all forms of facilities-based and resold basic local telecommunications service to customers within Missouri as defined in 386.020(4) RSMo 2000. Simultaneous with this filing, Applicant has filed requesting authority to offer intrastate long distance services. In this way, Network PTS will be able to provide a complete set of telecommunications services to its customers.

Network PTS will, through interconnection with other carriers or resale of other carriers' services, provide access to 911 and enhanced 911 emergency services and provide directory assistance and operator assisted calling, dual party relay services, and other miscellaneous services currently provided by incumbent local exchange carriers.

Network PTS, Inc. provides comprehensive customer service to its customers. Complaints may be reported by the customer to Network PTS's customer service department. Customer service agents are available to answer customer service inquiries for new service, repair or with billing inquiries. Applicant's customer service representatives are prepared to respond to a broad range of service matters, including inquiries regarding: (1) the types of services offered by Network PTS and the rates associated with such services; (2) monthly billing statements; (3) problems or concerns pertaining to a customer's current service; and (4) general telecommunications matters.

Customer service is available during the hours of 7:00 AM to 6:00 PM EST, Monday through Friday. On-call service is available, in the case of emergencies, twenty-four hours a day, seven days a week. Customers may contact the Company in writing at Network PTS's headquarters location at 14472 Wicks Boulevard, San Leandro, California 94577, or by calling a toll-free customer service number to be provided on each invoice for service. Network PTS's toll-free customer service number is 888-420-6700.

- 6. Applicant possesses the technical and managerial expertise and experience necessary to provide the services it proposes as required by Section 392.455(1) RSMo. Network PTS intends to provide service as both a facility-based and resale carrier and has assembled a management team with the expertise necessary to successfully operate as a competitive local exchange carrier. A listing of Applicant's principal management employees and their qualifications is attached hereto and incorporated herein as Appendix B.
- 7. Network PTS possesses the necessary financial qualifications to provide the services it proposes as required by Section 392.455(1) RSMo. Current financial statements are available, and filed under confidential seal as noted in Appendix C. The information in Appendix C is submitted separately as an appendix to Network PTS's Motion for a Protective Order. This motion seeks confidential treatment of all information contained in Appendix C and is being filed pursuant to 4 CSR 240-2.085, solely for the purpose of the Commission's *in camera* review.
- 8. Pursuant to this Application, Network PTS seeks classification of itself and its basic local telecommunications service offerings as competitive, with accompanying reduced regulation pursuant to Section 392.361 and 392.420 RSMo 1994 and 4 CSR 240-2.060(4)(F). The existing monopoly services of AT&T, CenturyTel and Embarq will make the local markets Applicant seeks to enter sufficiently competitive to make a lesser degree of regulation for Network PTS and its proposed services in the public interest, consistent with the legislative policies established by the Federal Telecommunications Act of 1996 and the recent revisions of Chapter 392 RSMo. This Commission already has approved several applications to provide resold and facilities-based local telecommunications services filed by new market entrants and has classified those new entrants and their services as competitive.
  - 9. Applicant will offer its basic local telecommunications service as a separate and

distinct service in accordance with Section 392.455(4) RSMo. Network PTS will provide equitable access for all customers in Missouri, without regard to their income or where they might reside, to affordable telecommunications services in Applicant's proposed service areas in accordance with Section 392.455(5) RSMo.

10. Applicant is willing to comply with all applicable Commission rules and is willing to meet all relevant service standards including, but not limited to, quality service, billing, and tariff filing and maintenance in a manner consistent with the Commission's requirements for incumbent local exchange carrier(s) with whom Applicant seeks authority to compete. Consistent with the Commission's treatment of other certificated competitive local exchange telecommunications companies, Applicant requests that, at minimum, the following statutes and regulations for Network PTS, Inc. and its basic and non-basic local exchange service offerings be waived at this time:

#### **STATUTES**

392.210.2 392.240(1) 392.270 392.280 392.290 392.300.2 392.310 392.320 392.330 392.330	-	Uniform System of Accounts Just and Reasonable Rates Ascertain Property Values Depreciation Accounts Issuance of Securities Acquisition of Stock Issuance of Stock & Debt Stock dividend payment Issuance of securities, debt and notes
392.340	-	Reorganization(s)

## **COMMISSION RULES**

4 CSR 240-10.020	- D	Depreciation fund income
4 CSR 240-30.040	- L	Jniform System of Accounts
4 CSR 240-3.550(5)(C)	- F	ile exchange boundary maps with Commission

11. Applicant submits that the public interest will be served by Commission approval of this Application because Applicant's proposed service will create and enhance competition and

expand customer service options, consistent with the legislative goals set forth in the Telecommunications Act of 1996 and Chapter 392 RSMo. Prompt approval of this Application also will expand the availability of innovative, high quality and reliable telecommunications services within the State of Missouri. Customers will benefit by having alternatives from which to choose and from general improvements in price, features and options that are generated by competitive market pressures.

- 12. The Network PTS Competitive Local Exchange Services tariff that contains the rules and regulations applicable to its Customers, a description of the services offered, and a list of rates associated with such services, is being filed simultaneously with this Application as Appendix D-1. The Company's Competitive Access Services tariff is filed with this Application as Appendix D-2. The tariffs have forty-five (45) day effective dates.
- 13. Network PTS has no pending or final judgments or decisions against it from any state or federal agency or court that involve customer rates or service.
  - 14. Network PTS has no annual report or assessment fees that are overdue.

WHEREFORE, Applicant Network PTS, Inc. respectfully requests that the Commission grant it a certificate of service authority to provide facilities-based and resold basic local telecommunications service as herein requested, classify Applicant and Applicant's proposed basic local services as competitive, and grant waivers of aforesaid statutes and regulations, as expeditiously as possible.

Respectfully submitted,

ATTORNEY FOR APPLICANT

Network PTS, Inc?

Mark W. Comley MBN#28847 Newman, Comley & Ruth P.C/ 601 Monroe Street, Suite 301

P.O. Box 537

Jefferson City, MO 65102

Telephone:

(573) 634-2266

Facsimile:

(573) 636-3306

E-Mail:

comleym@ncrpc.com

ATTORNEY FOR APPLICANT

## **CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the foregoing document has been served electronically on the Office of Public Counsel at opcservice@ded.mo.gov, and on the General Counsel's office at <a href="mailto:gencounsel@psc.mo.gov">gencounsel@psc.mo.gov</a> this 6th day of October, 2006.

#### **VERIFICATION**

STATE OF CALIFORNIA COUNTY OF \_\_\_\_\_\_ Lameda

Michael Zumbo, being first duly sworn, deposes and says: That he is the President for Network PTS, Inc. the Applicant in the foregoing Application; that he has read the foregoing Application, knows the contents thereof and is authorized to verify the accuracy of same; and that the statements contained in the Application are true to his best knowledge, information and belief.

Michael Zumbo President Network PTS, Inc.

Subscribed and sworn to before me this 21 day of Systembre, 2006.

Notary Public

My commission expires: \_\_\_\_\_\_ 15, 2009



## APPENDIX A

Certificate of Authority from
Missouri Secretary of State

DITTLE OF MINDOUN



## Robin Carnahan Secretary of State

# CORPORATION DIVISION CERTIFICATE OF GOOD STANDING

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

NETWORK PTS, INC.

ing in Missouri the name

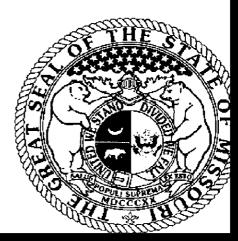
NETWORK PTS, INC. F00608700

CALIFORNIA entity was created under the laws of this State on the 3rd day of September, 04, and is in good standing, having fully complied with all requirements of this office.

TESTIMONY WHEREOF, I have set my nd and imprinted the GREAT SEAL of the ate of Missouri, on this, the 4th day of October, 06

n Amahan

Secretary of State



## APPENDIX B

Profiles of Key Management Employees

#### Network PTS, Inc.

### **Management Profiles**

### Thomas R. Keane Chairman and Chief Executive Officer

Mr. Keane has been involved in the pay telephone business since 1985, as the founder of PAY\*Tel Phone Systems, which for many years was one of California's leading independent payphone service providers, until its merger with another payphone service company in 1999. Mr. Keane has been instrumental in the deregulation and strategic planning of the private pay telephone marketplace. Pursuing a long-term leadership role within the industry, Mr. Keane has served since 1988 as President of the California Payphone Association, the nation's leading state trade association serving the payphone service industry. In addition, he formerly served as Chairman for the industry's national trade organization, the American Public Communications Council, and continues to serve as a member of its board of directors. In these capacities, Mr. Keane has played a key role in developing and directing regulatory strategies for the payphone service industry and in representing the industry before the U.S. Congress and before state and federal regulatory bodies. Mr. Keane's efforts have helped to provide increased compensation opportunities benefiting all payphone providers and their clients.

In 1989, Mr. Keane was a co-founder of Network PTS, Inc., for which he serves as Chairman of the Board and CEO. Network PTS has operated primarily as an aggregator of non-sent-paid calling for delivery from payphone providers to long-distance carriers and operator service providers ("OSPs"). In recent years, Network PTS has expanded its operations to cover the maintenance and operation of payphone assets for some of the nation's largest telecommunications utilities. Both at PAY\*Tel and more recently at Network PTS, Mr. Keane has been at the forefront of developing innovative service options that have assisted payphone service providers in weathering a succession of economic and regulatory challenges, generating improved services and revenues for the companies' clients.

Mr. Keane received a Bachelor's degree in Economics from the University of California, at Berkeley.

### Michael R. Zumbo President

Mr. Zumbo served as President and CFO of PAY\*Tel Phone Systems from 1987 until the late 1990s. In 1998, he and Mr. Keane formed Network PTS, Inc. Since that time, Mr. Zumbo has overseen all aspects of the daily operations of Network PTS, focusing on the areas of financial planning and management. Mr. Zumbo also has played a key role in the development of Network PTS' sales, marketing, and customer service programs.

Mr. Zumbo received a Bachelor's degree in Accounting from St. Mary's College of California and, before taking on a management role at PAY\*Tel, had five years' experience as a Certified Public Accountant specializing in corporate auditing and management services.

# PROFILES OF KEY MANAGEMENT PERSONNEL (CONT'D.)

## Michael Rossi Vice President of Operations / Business Development

Mr. Rossi began working for Network PTS, Inc. in 1998. Mr. Rossi manages the operations and information systems departments which responsibilities include data management, software development, hardware maintenance and monitoring, revenue recognition, and billing services.

Mr. Rossi is a graduate of Hayward State University.

APPENDIX C

Financial Information

(filed under seal)

APPENDIX D-1

Proposed Local Exchange Tariff

APPENDIX D-2

Proposed Access Tariff