

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

ORIGINAL

In the matter of the application)
of Prism Missouri Operations, LLC)
Certificate of Service Authority to)
provide interexchange, basic local)
exchange, and non-switched, private)
line local exchange telecommunications)
services)

Case No. TA-2000-3)

FILED

JUL 15 1999

Missouri Public
Service Commission

APPLICATION

Prism Missouri Operations, LLC (Applicant), a Delaware limited liability company, files this verified application respectfully requesting that the Missouri Public Service Commission (Commission) issue an order that:

- (a) grants Applicant a Certificate of Service Authority to provide interexchange and basic local exchange and non-switched, private line local exchange telecommunications services pursuant to Chapter 392 of the Missouri Revised Statutes;
- (b) grants competitive status to Applicant; and
- (c) waives certain Commission rules and statutory provisions pursuant to Section 392.420, RSMo Cum. Supp. 1992.

In support of its request, Applicant states:

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

Prism Missouri Operations, LLC
11 Beach Street
New York, New York 10013
Tel: (917) 305-2000
Fax: (917) 305-2030

A copy of Applicant's Certificate of Formation 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 attorney is:

Julie A. Kaminski, Esquire (MO Bar No. 41713)
Piper & Marbury L.L.P.
1200 Nineteenth Street, NW
Washington, DC 20036
(202) 861-3900

3. Applicant will operate and maintain a state-of-the-art, high-speed, digital, meshed telephone and data communications network. In particular, Applicant will employ a switch-based network comprised of owned and leased transport and local loop facilities, as well as resold services, with a 24 hours, 7-by-7 customer service center. Moreover, the network will feature Nortel's new breakthrough Consumer Digital Model ("CDM") technology that will enable Applicant to utilize the existing copper wire telephone infrastructure as a dual voice and data network backbone¹ providing secure, "always up" connections² of 1 Mbps "downstream" to the user and 120 Kilobits per second ("Kbps") "upstream," which is roughly 8 times faster than prevailing dual-channel ISDN products but at approximately the same cost.

4. Based on economic and technical considerations, Applicant proposes to use a combination of leased, owned and resold facilities and services, throughout all exchanges currently served by the incumbent local exchange telecommunications company, Southwestern Bell Telephone Company ("SWBT"). The specific SWBT exchanges within which Applicant proposes to offer service are listed in Exhibit II hereto. In addition, Applicant is requesting a

¹ Customer can use this copper wire connection for simultaneous telephone and fax communications, while still connected to the Internet, or the Company's Extranet.

² Customer will be connected to the Prism network 24-hours a day, seven days a week, i.e., there is no need to dial-in, there will be no busy signals, and no slowdowns.

Certificate of Service Authority to provide local exchange service which, it understands, will be limited to the provisioning of dedicated, local exchange private line services. Applicant will offer access to operator service provided by other companies.

5. Applicant seeks to offer and provide all forms of basic local exchange, interexchange toll and non-switched private line service, including basic dialtone service, direct dial long distance, calling card service, and the like.

6. Applicant has the financial resources and the technical and managerial experience to provide telecommunications services within Missouri. Applicant's parent company, Prism Communication Services, Inc., will provide the managerial and technical expertise, necessary for Applicant to provide its services in Missouri. A brief description of the qualifications, background and experience of the management is attached as Exhibit III. As is more fully described in Exhibit IV, hereto, Applicant is also financially qualified to provide the subject services within the State of Missouri.

7. Applicant requests classification of itself and its services as competitive within the State of Missouri. 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.

8. Applicant will offer basic local telecommunications service as a separate and distinct service in accordance with applicable law. Applicant will give consideration to equitable access for all Missourians, regardless of where they might reside or their income, to affordable telecommunications services in Applicant's proposed service area in accordance with applicable law.

9. 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.

10. Consistent with the treatment of other certificated competitive local exchange companies, Applicant requests that the following statutes and regulation be waived for Applicant and its basic local exchange offerings:

<u>Statutes</u>	<u>MO PSC Rules</u>
392.210.2	4 CSR 240-10.020
392.270	4 CSR 240-30.040
392.280	4 CSR 240-35
392.290.1	
392.300.2	
392.310	
392.320	
392.330	
392.340	

11. Applicant further requests a temporary waiver of 4 CSR 240-2.060(4)(H). This rule requires that an application for a certificate of authority include a tariff with a 45-day effective date. Applicant is unable at this time to develop a tariff to fully comply with this rule because it has not yet executed or received Commission approval of any interconnection agreements with incumbent local exchange companies. As soon as the Applicant has completed all necessary agreements and developed rates, it will promptly file said tariffs bearing no less than a 45-day effective date with the Commission in a manner consistent with recent Commission practice in similar cases.

12. Consistent with the treatment of other certificated interexchange carriers in prior cases, Applicant also requests, pursuant to Section 392.420, RSMo (Cum. Supp. 1992), that the

Commission waive the application of the following rules and statutory provisions as it relates to the regulation of Applicant:

392.240(1)	Rates-reasonable average return on investment.
392-270	Property valuation.
392.280	Depreciation rates.
392.290	Issuance of stocks and bonds.
392.310	Issuance of stocks and bonds.
392.320	Issuance of stocks and bonds.
392.330	Issuance of stocks and bonds.
392.340	Reorganization.
4 CSR 240-10.020	Income on depreciation fund investments.
4 CSR 240-30.010(2)(C)	Posting exchange rates at central offices.
4 CSR 240-30.040 (1-3)	Uniform System of Accounts.
4 CSR 240-30.040(5)(6)	Uniform System of Accounts
4 CSR 240-32.030(1)(B)	Exchange boundary maps.
4 CSR 240-32.030(1)(C)	Record of access lines.
4 CSR 240-32.030(2)	Records kept within state.
4 CSR 240-32.050(3-6)	Telephone directories.
4 CSR 240-32.070(4)	Coin telephones.
4 CSR 240-33.030	Inform customers of lowest priced service.
4 CSR 240-33.040(5)	Finance fee.

13. Applicant, pursuant to Section 386.570, Cum. Supp. 1992, will comply with all applicable Commission rules except those which are specifically waived by the Commission pursuant to a request filed by the Applicant.

14. All inquiries, correspondence, communications, pleadings, notices, orders and decisions pertaining to this Application should be addressed to:

Julie A. Kaminski, Esquire
Randall B. Lowe, Esquire
Piper & Marbury L.L.P.
1200 Nineteenth Street, NW
Washington, DC 20036
(202) 861-3900
Counsel to Applicant

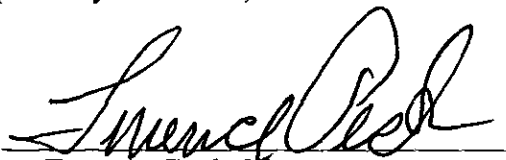
15. Applicant submits that the public interest will be served by Commission approval of this application because its proposed services will create and enhance competition and expand customer service options consistent with the legislative goals set forth in the federal Telecommunications Act of 1996 and Chapter 392 RSM. Prompt approval of this application also will expand the availability of innovative, high quality, and reliable telecommunications services in the State of Missouri.

WHEREFORE, Applicant respectfully requests that the Missouri Public Service Commission grant it a Certificate of Service Authority to provide interexchange, basic local exchange, and local exchange telecommunications services within the State of Missouri. If granted local exchange authority, such authority will be limited to the provisioning of dedicated,

non-switched local exchange private line services. Applicant also requests classification as a competitive telecommunications company. In addition, Applicant requests a waiver of the above-referenced rules and statutory provisions.

Respectfully submitted,

By:



Terrence Peck, Manager
Prism Missouri Operations, LLC

By:



Julie A. Kaminski
Piper & Marbury L.L.P.
Suite 700
1200 19th Street, N.W.
Washington, D.C. 20036
(202) 861-3900
Attorney for Applicant

ATTACHED EXHIBITS

- Exhibit I Missouri Secretary of State Authorization
- Exhibit I List of SWBT Exchanges to be Served
- Exhibit III Management Qualifications and Experience
- Exhibit IV Financial Information

Exhibit I Missouri Secretary of State Authorization

STATE OF MISSOURI



Rebecca McDowell Cook
Secretary of State

CORPORATION DIVISION

CERTIFICATE OF CORRECTION

WHEREAS, A STATEMENT OF CORRECTION WAS FILED, CHANGING THE NAME OF

TRANSWIRE MISSOURI OPERATIONS, LLC

TO:

PRISM MISSOURI OPERATIONS, LLC

AN DELAWARE LIMITED LIABILITY COMPANY

NOW, THEREFORE, I REBECCA MCDOWELL COOK, SECRETARY OF THE STATE OF MISSOURI, I ISSUE THIS CERTIFICATE OF CORRECTION.

IN TESTIMONY WHEREOF, I HAVE SET MY HAND AND IMPRINTED THE GREAT SEAL OF THE STATE OF MISSOURI, ON THIS, THE 29TH DAY OF JANUARY, 1999.

Rebecca McDowell Cook
 Secretary of State



\$25.00



State of Missouri

Rebecca McDowell Cook, Secretary of State
P.O. Box 778, Jefferson City, Mo. 65102
Corporation Division

Statement of Correction for **FILED** Limited Liability Company

(Submit in duplicate with filing fee of \$25)

JAN 29 1999

Rebecca McDowell Cook
SECRETARY OF STATE

1. The name of the limited liability company is:

TransWire Missouri Operations, LLC

2. The jurisdiction under whose laws it was organized is:

Delaware

3. Type of document being corrected (or filed copy thereof attached):

Certificate of Authority L.L.C. Registration - Foreign

4. The error to be corrected is:

The name of the limited liability company has been changed to Prism Missouri
Operations, LLC.

5. The reason for such correction is:

The name has been changed in Delaware, the state of organization.

6. Date the original document was filed with the Missouri Secretary of State: 11/13/98

Month/Day/Year

In affirmation thereof, the facts stated above are true:

Lincoln Reed

Authorized Person

Authorized signature

Authorized signature

Authorized signature

LLC-7 (12-94)

(MO. - LLC - 3351 - 3/21/95)

of name

Exhibit II List of SWBT Exchanges to be Served

Exhibit II List of SWBT Exchanges to be Served

ST. LOUIS BY EXCHANGE WITHIN CENTRAL OFFICE

#	CLLI CODE	NPA	NXX	SW STREET	SW CITY	SW STATE	SW ZIP
1	BLVLILAD	618	222	211 KRETSCHMER AVE	BELLEVILLE	IL	62220
2		618	229				
3		618	233				
4		618	234				
5		618	235				
6		618	236				
7		618	239				
8		618	256				
9		618	257				
10		618	277				
11		618	355				
12	CPGRMOED	573	331	800 BROADWAY	CAPE GIRARDEAU	MO	63701
13		573	332				
14		573	334				
15		573	335				
16		573	339				
17		573	651				
18		573	661				
19		573	730				
20		573	986				
21		618	290				

KANSAS CITY BY EXCHANGE WITHIN CENTRAL OFFICE

#	CLLI CODE	NPA	NXX	SW STREET	SW CITY	SW STATE	SW ZIP
1	BLSPMOCA	816	220	300 S 15TH ST	BLUE SPRINGS	MO	64015
2		816	224				
3		816	228				
4		816	229				
5		816	443				
6		816	655				
7		816	817				
8		816	847				
9	KSCYKS10	913	279	901 N 10TH ST	KANSAS CITY	KS	66101
10		913	281				
11		913	321				
12		913	342				
13		913	371				
14		913	551				
15		913	573				
16		913	576				
17		913	621				
18		913	627				
19	KSCYKSCB	913	315	8686 COLLEGE BLVD	KANSAS CITY	KS	66210
20		913	317				
21		913	319				
22		913	323				
23		913	327				
24		913	338				
25		913	339				
26		913	344				
27		913	345				
28		913	433				
29		913	451				
30		913	458				
31		913	469				
32		913	491				

KANSAS CITY BY EXCHANGE WITHIN CENTRAL OFFICE

#	CLLI CODE	NPA	NXX	SW STREET	SW CITY	SW STATE	SW ZIP
33		913	498				
34		913	661				
35		913	663				
36		913	664				
37		913	696				
38		913	906				
39	KSCYKSJO	913	025	7400 JOHNSON DR	KANSAS CITY	KS	66202
40		913	236				
41		913	261				
42		913	262				
43		913	362				
44		913	384				
45		913	403				
46		913	424				
47		913	432				
48		913	514				
49		913	534				
50		913	563				
51		913	565				
52		913	574				
53		913	624				
54		913	634				
55		913	671				
56		913	676				
57		913	677				
58		913	693				
59		913	722				
60		913	738				
61		913	748				
62		913	787				
63		913	789				
64		913	831				

KANSAS CITY BY EXCHANGE WITHIN CENTRAL OFFICE

#	CLLI CODE	NPA	NXX	SW STREET	SW CITY	SW STATE	SW ZIP
65	KSCYKSLE	913	307	9532 E PFLUMM RD	KANSAS CITY	KS	66215
66		913	310				
67		913	438				
68		913	465				
69		913	473				
70		913	477				
71		913	487				
72		913	492				
73		913	493				
74		913	495				
75		913	541				
76		913	564				
77		913	577				
78		913	588				
79		913	599				
80		913	752				
81		913	826				
82		913	859				
83		913	888				
84		913	890				
85		913	894				
86		913	895				
87		913	917				
88		913	928				
89		913	993				
90	KSCYKSNA	913	341	9444 NALL ST	KANSAS CITY	KS	66207
91		913	381				
92		913	383				
93		913	385				
94		913	642				
95		913	648				
96		913	649				

KANSAS CITY BY EXCHANGE WITHIN CENTRAL OFFICE

#	CLLI CODE	NPA	NXX	SW STREET	SW CITY	SW STATE	SW ZIP
97		913	652				
98		913	901				
99		913	967				
100	KSCYKSOL	913	324	114 N WATER ST	KANSAS CITY	KS	66061
101		913	390				
102		913	393				
103		913	397				
104		913	712				
105		913	715				
106		913	764				
107		913	768				
108		913	780				
109		913	782				
110		913	791				
111		913	829				
112	KSCYMO02	816	276	6213 HOLMES	KANSAS CITY	MO	64110
113		816	333				
114		816	349				
115		816	361				
116		816	363				
117		816	444				
118		816	523				
119		816	819				
120		816	821				
121		816	822				
122		816	823				
123		816	926				
124		816	995				
125		816	997				
126	KSCYMO05	816	340	107 E 39TH	KANSAS CITY	MO	64111
127		816	360				
128		816	361				

KANSAS CITY BY EXCHANGE WITHIN CENTRAL OFFICE

#	CLLI CODE	NPA	NXX	SW STREET	SW CITY	SW STATE	SW ZIP
129		816	561				
130		816	714				
131		816	751				
132		816	753				
133		816	756				
134		816	757				
135		816	759				
136		816	931				
137		816	932				
138		816	960				
139		816	968				
140	KSCYMO22	816	252	215 N SPRING	INDEPENDENCE	MO	64050
141		816	254				
142		816	325				
143		816	46				
144		816	321				
145		816	333				
146		816	336				
147	KSCYMO55	816	018	1101 MCGEE	KANSAS CITY	MO	64106
148		816	018				
149		816	20				
150		816	202				
151		816	203				
152		816	207				
153		816	218				
154		816	22				
155		816	232				
156		816	236				
157		816	24				
158		816	244				
159		816	246				
160		816	283				

KANSAS CITY BY EXCHANGE WITHIN CENTRAL OFFICE

#	CLLI CODE	NPA	NXX	SW STREET	SW CITY	SW STATE	SW ZIP
161		316	282				
162		316	326				
163		316	346				
164		316	374				
165		316	394				
166		316	395				
167		316	413				
168		316	424				
169		316	426				
170		316	435				
171		316	468				
172		316	467				
173		316	471				
174		316	472				
175		316	474				
176		316	480				
177		360	497				
178		316	502				
179		316	512				
180		316	513				
181		316	527				
182		316	545				
183		316	555				
184		660	555				
185		316	555				
186		316	556				
187		316	559				
188		316	577				
189		316	573				
190		316	578				
191		316	634				
192		316	681				

KANSAS CITY BY EXCHANGE WITHIN CENTRAL OFFICE

#	CLLI CODE	NPA	NXX	SW STREET	SW CITY	SW STATE	SW ZIP
193		816	698				
194		816	701				
195		816	703				
196		816	712				
197		816	761				
198		816	771				
199		816	791				
200		816	802				
201		816	818				
202		816	840				
203		816	842				
204		816	843				
205		816	854				
206		816	855				
207		816	859				
208		816	861				
209		816	870				
210		816	881				
211		816	889				
212		816	916				
213		816	973				
214		816	985				
215		816	989				
216		816	990				

Exhibit III Management Qualifications and Experience

Applicant's parent company, Prism Communication Services, Inc. ("PCSI"), will provide Applicant with the managerial and technical expertise necessary to offer its services. As described below, PCSI's executive, managerial and technical staff is comprised of highly capable professionals with extensive telecommunications experience.

Terrence Peck currently serves as our Chief Executive Officer. Mr. Peck is the founder and visionary behind Prism and has served as our principal since November 1997. Mr. Peck has more than 30 years of telecommunications experience, including all aspects of engineering, operations, regulation, construction, and business planning. He began his career as an engineer for AT&T Long Lines in 1966, and has since held the positions of President/CEO of Futurtek Communications, Vice President of Regulatory Affairs for ATC, Senior Vice President of TMC/Cignal, President of Digi-Net, and Vice President of Telesphere Network. He also served as Director of Network System for US Telephone, Senior Manager of Network Planning and Administration for US Sprint, and was a Switching Systems Engineer for MCI. Since 1994, Mr. Peck has also been a principal with Visual Radio, Inc., an Internet and Extranet developer, which specializes in technology incubations for the online community. He has also served on the board of directors of state and national industry associations, and serves as an expert witness in regulatory and legal cases involving telecommunications issues.

Montgomery Cornell, Chief Financial Officer, joined Prism after spending four years in various positions at Protection One, Inc., which is one of the largest monitored security companies in the United States. While at Protection One, he served as Treasurer and Vice President-Finance, and managed investor relations. He also assisted in raising over \$1 billion of debt and equity capital in private and public offerings. Mr. Cornell briefly served as Chief Financial Officer of Protection One [NYSE: POI] before he joined us. Mr. Cornell worked at several investment banks prior to joining Protection One.

Michael Ford, Chief of Staff, oversees project planning in the office of the President. Prior to joining us, Mr. Ford spent over 12 years at Nortel Networks where he began his career as a financial analyst. While at Nortel Networks, Mr. Ford held positions as Finance Manager, INS Pacific Region; Senior Manager – Consulting Services, Private Networks; Controller, Nortel Networks Communication Systems; and Director Major Accounts Sales, Public Carrier Networks.

Harold "Paul" Freels, Chief Operations Officer, oversees substantially all aspects of our network and operations. Mr. Freels has extensive experience in the telecommunications industry, most recently serving for three years as Vice President—Operations for Long Distance International, Inc. In his 45 years of telecommunication experience, Mr. Freels has also served in senior management capacities at International Telecharge, Inc. and U.S. Telephone, Inc. (now part of Sprint). Mr. Freels has significant operating experience in developing and managing billing, customer service, network design, network management, operating support systems, order provisioning, and regulatory affairs functions.

Dennis Kruse, Chief Marketing Officer, oversees and is responsible for all marketing operations and programs for our communications services and solutions. Mr. Kruse has more than 20 years of combined industry experience in the development of advertising and brand marketing programs with major companies in the U.S. and abroad. Most recently, he served as a consultant for consumer marketing and new business development with MCI Telecommunications Corporation, managing strategic relationships with Fortune 500 companies including McDonald's, PepsiCo, Frito-Lay, Hershey's, The Coca-Cola Company and American Airlines. Prior to joining us, Mr. Kruse served as Vice President Advertising/Media and Promotion at Jerrico, Inc.; Partner/Executive Vice President at Weyman & Kruse, Inc.; Director of Advertising at Munford, Inc.; Regional Marketing Director at Southland Corporation; and Vice President of New Business at Houston Ritz & Associates. Mr. Kruse also served as a special assistant to President Reagan, handling both press and site advance assignments.

Sophia K. Corona, Vice President Network Planning, has over 13 years of Accounting and Finance experience in diversified industries. As Controller for an international consulting firm, Ms. Corona traveled throughout the Far East negotiating with Ministries of Finance on expatriate and corporate tax issues. As Corporate Controller for Ian Schrager Hotels, she was responsible for the restructuring of existing financial infrastructures. Most recently, she was Chief Financial Officer of a custom high-end lighting manufacturer serving the hospitality and interior design industries, during which she was responsible for a 30 percent growth in profitability over the past three consecutive years.

John Dodd, Vice President Network Construction, has 33 years experience in the telecommunications industry, John Dodd has worked within every facet of this technology, from design inception through manufacturing to contract fulfillment. Before joining Prism his most recent role was as Senior Operations Manager for Nortel and oversaw their \$165 million Bell Atlantic account. His broad experience brings a keen understanding and overview to our expansion plans, streamlining the process, making it possible to bring more technology to the consumer in less time and for less money.

Edward Kelly, Vice President of Network Operations, has more than 20 years of operational and engineering experience in carrier and enterprise telecommunications networks. For the past 14 years he has served in a variety of roles at MCI Worldcom, most recently as Senior Manager Network Operations and Security for the International Division where he helped expand MCI Worldcom's presence overseas. Prior to MCI Worldcom, he served as the head of U.S. technical support for Thomson-CSF/Alcatel; Manager of Field Operations and Sales Support at U.S. Telephone; and Manager of Field Services for TeleResources.

Richard Merson, Vice President Customer Service, has 12 years of experience as a customer operations leader with proven results in line operations management, reengineering, vendor management, system development, process measurement and project management. Before that, he spent seven years with AT&T Wireless Services where he was Director of Credit and Activations for National Customer Care Operations. Mr. Merson also spent five years with American Express as Director of Account Services for the Eastern Region.

Vincent Morreale, Jr., Vice President Sales, has 15 years of experience in sales and marketing within the telecommunications industry with a proven track record of achievements in selling and marketing telecommunications technology and services. He comes to Prism after 11 years with Northern Telecom where he was responsible for the direct management of its sales staff. While at Nortel Networks, Mr. Morreale received the Circle of Excellence Award, Honor's Circle, Presidential recognition for outstanding sales accomplishments, and Achievers Club for 2 consecutive years.

Debra A. Niewald, Vice President Corporate Communications, has more than 15 years experience developing and managing public relations and corporate identity programs, special and promotional events, and online marketing and communications programs. Ms. Niewald directs strategic positioning and messages of the company -- its core competencies and achievements -- in order to accomplish the company's business objectives. She has held strategic positions in account management, marketing communications and new business development with companies in the entertainment, hospitality, retail and financial industries, including Visual Radio, Inc., Ian Schrager Hotels, Columbia Pictures, Ralph Lauren, Horizon Financial, and Sandven Advertising & Marketing, among others.

Greg B. Thomas, Vice President Market and Product Development, has over eight years of experience in market and product development for the telecommunications industry. Mr. Thomas was previously Director of Large Business Market Development for Bell Atlantic where he acted as Project Leader and primary interface for the University Corporation for Advanced Internet Development (UCAID). In addition, he focused on Directing the development and positioning of Bell Atlantic, as the service provider of choice within the Education segment as well as state and local government segment.

Robert Van Dyke, Vice President Engineering, has 30 years experience in deployment and operation of networks. He has served in numerous positions with Contel and was recently responsible for the design and deployment of Intermedia's network infrastructure including all switching, translations, transmission, outside plant and building elements. Prior to joining Prism, Mr. Van Dyke was Senior Vice President, Network Engineering and Operations for Long Distance International, responsible for deployment and operation of LDI's international network.

Exhibit IV Financial Information

Applicant has the financial resources to offer its services in the State of Missouri. Applicant will rely upon the financial resources of Prism Communication Services, Inc. ("PCSI"), its parent company, to provide initial capital investment and fund start-up operation. Attached hereto is a copy of the most recent consolidated financial statements for PCSI, including a Statement of Financial Position and Selected Operating Subsidiary financial statements. Although operationally PCSI has not realized any significant revenues to date, it has approximately \$86 million in total assets and a level of capitalization in the amount of approximately \$53 million.

PCSI is 98.5% owned by Comdisco, Inc., an investment grade company engaged primarily in providing technology services and infrastructure management and optimization, with total assets as of March 31, 1999 of \$7.7 billion and annualized revenues of \$3.8 billion. As evidence of Comdisco's commitment to the financial success of PCSI and its operating subsidiaries, Comdisco has offered PCSI an uncommitted revolving line of credit in the amount of \$100 million. In addition to PCSI's capitalization, the inter-company loan from Comdisco will ensure that PCSI, and therefore Applicant, possesses adequate financial ability to provide its proposed services within the State of Missouri.

Applicant and its parent company do not publish financial statements to the public, and consider this financial information to be proprietary in nature. The attached financial information is being provided to the Staff under seal, is marked "PROPRIETARY AND CONFIDENTIAL - FILED UNDER PROTECTIVE SEAL," and it is requested that it not be made a part of the public record. Accordingly, Applicant also herewith files a Motion for a Protective Order which formally requests the Commission to issue an order for confidential treatment of the financial information provided herewith under seal.

PRISM COMMUNICATION SERVICES, INC.
11 Beach Street
New York, New York 10013

July 14, 1999

Missouri Public Service Commission
P. O. Box 360
301 West High Street - Room 530
Jefferson City, Missouri 65102-0360

Re: Application of Prism Missouri Operations, LLC

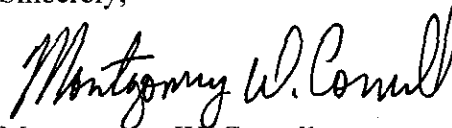
To Whom It May Concern:

This letter is to accompany the application of Prism Missouri Operations, LLC (the "Applicant") for a certificate of public convenience and necessity to provide competitive interexchange, basic local exchange, and non-switched, private line local exchange telecommunications services in the State of Missouri. Prism Communication Services, Inc. ("PCSI") is the corporate parent of the Applicant.

This letter is to certify that PCSI is financially willing and able to guarantee the debt and operations of the Applicant with respect to its operations in the State of Missouri. PCSI will make available to the Applicant, at its request, such funds, guarantees, credit, or other financial resources as may be necessary to meet reasonable projected operation costs.

As demonstrated by the financial records that accompany the application of the Applicant, PCSI has sufficient financial resources and credit to fulfill this guarantee.

Sincerely,

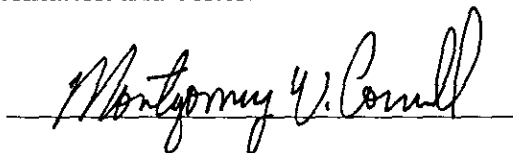


Montgomery W. Cornell
Chief Financial Officer

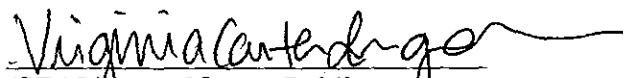
VERIFICATION OF FINANCIAL INFORMATION

STATE OF NEW YORK)
) ss
BOROUGH OF MANHATTAN)

I, Montgomery W. Cornell, as Chief Financial Officer of Prism Communication Services, Inc. and Prism Missouri Operations, LLC, do hereby certify that the financial statements submitted as exhibits to the application of Prism Missouri Operations, LLC before the Missouri Public Service Commission for authority to provide competitive interexchange, basic local exchange, and non-switched, private line local exchange telecommunications services are true and correct to the best of my knowledge, information and belief.



SUBSCRIBED AND SWORN to before me, a
Notary Public in and for the State and
County/Borough above named, this 13 day
of July, 1999.


(SEAL) Notary Public
VIRGINIA CARTER INGRAM
Notary Public, State of New York
No. 011N6017283
Qualified in Kings County
Commission Expires December 7, 2000