

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

In the Matter of the Application of)	
321 Communications, Inc.)	
for a Certificate of Service Authority)	
to provide Basic Local Exchange and)	Case No. <u>CA-2009-0281</u>
Local Exchange Telecommunications Services)	
in the State of Missouri, to Classify Said)	
Services and the Company as Competitive)	
and for Waivers)	

**APPLICATION FOR CERTIFICATE OF SERVICE AUTHORITY
TO PROVIDE BASIC LOCAL EXCHANGE AND LOCAL
EXCHANGE TELECOMMUNICATIONS SERVICES,
FOR COMPETITIVE CLASSIFICATION AND FOR WAIVERS**

COMES NOW 321 Communications, Inc. ("Applicant" or "321"), by its undersigned counsel, and pursuant to sections 392.361, 392.410, 392.420, 392.430, 392.440 and 392.450 RSMo., the Federal Telecommunications Act of 1996, and 4 CSR 240-2.060 and 4 CSR 240-3.510, files this verified Application requesting that the Missouri Public Service Commission (hereinafter, "the Commission") issue and order that:

- (a) grants Applicant certificate of service authority to provide basic local exchange and local exchange telecommunications services, pursuant to Chapter 392 RSMo;
- (b) grants competitive status to Applicant and Applicant's requested services; and
- (c) waives certain Commission rules and statutory provisions pursuant to Sections 392.420 and 392.361 RSMo, consistent with the Commission's past treatment of other certificated providers of competitive interexchange telecommunications services, including the "new" waivers provided for in HB 1779 (2008).

In support of its Application, 321 states the following:

1. Applicant 321 Communications, Inc. is duly organized and existing under and by virtue of the laws of the State of Florida and is duly authorized to conduct business in the State of Missouri. The nature of the Applicant's business is telecommunications. Pursuant to 4 CSR 240-2.060(1)(C), a Certificate of Authority to transact business in Missouri, issued by the Missouri Secretary of State, is attached hereto and incorporated herein by reference as **Appendix A**. Applicant's principal place of business address, phone number and toll-free customer service numbers are:

321 Communications, Inc.
23110 State Road 54, No. 307
Lutz, Florida 33549
Telephone (813) 388-3157
Toll-free customer service number is (866) 575-7820
Fax: (813) 909-4891
Email: cwatson@lostkeytelecom.com

2. All correspondence, communications, pleadings, notices, order, and decisions relating to this Application should be addressed to:

Mary Ann (Garr) Young
William D. Steinmeier
WILLIAM D. STEINMEIER, P.C.
P.O. Box 104595
Jefferson City, Missouri 65110-4595
Telephone: (573) 353-8109
Facsimile: (573) 634-8224
Email: MYoung0654@aol.com
wds@wdspsc.com

With a copy to:

Lance J.M. Steinhart, Esq.
Lance J.M. Steinhart, P.C.
1720 Windward Concourse, Suite 115
Alpharetta, Georgia 30005
(770) 232-9200 (Phone)
(770) 232-9208 (Fax)
lsteinhart@telecomcounsel.com (E-mail)

All inquiries or communications regarding the ongoing operations of 321 should be addressed to Mr. Steinhart.

3. By this Application, 321 Communications, Inc., requests a certificate of service authority to provide competitive basic local exchange services to residential and business customers throughout all exchanges in the state of Missouri of all incumbent local exchange companies (ILECs). The exchanges in which 321 seeks authority are listed in the approved tariffs of the ILECs, and will be listed in Applicant's basic local service tariff. 321's proposed service areas will follow the respective exchange boundaries of the each incumbent LEC and shall be no smaller than an exchange as required by Section 392.455(3) RSMo. Applicant will offer basic local exchange services, custom calling features, Centrex, DSL and ISDN, DID Trunks and Lines, and private line services to business and residential customers.

4. Upon certification, 321 intends to provide basic local service using unbundled network combinations, or equivalents thereof, offered by AT&T Missouri and via resold services. 321 does not initially intend to install any switching equipment for the provision of local exchange service in the State of Missouri. 321 plans to commence offering basic local service upon receiving Commission approval of its interconnection agreement(s) and related tariffs.

5. Pursuant to this Application, 321 seeks authority to offer and provide all forms of basic local telecommunications service to customers within Missouri as defined in 386.020(4) RSMo.

6. 321 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.

7. 321 understands the importance of effective customer service for local service consumers. Once it initiates operations, 321's toll free customer service telephone number will be available with live operator response 24 hours per day, 7 days per week. 321's toll free telephone number for customer inquiries, complaints and repair is (866) 575-7820.

8. Applicant possesses the technical and managerial resources and abilities necessary to provide the services it proposes as required by Section 392.455(1) RSMo. 321 intends to utilize resold services and combinations of network elements provided by the underlying carrier(s). Underlying carriers will perform all local switching, routing and call completion functions. A brief description of the qualifications and experience of the key management employees is attached hereto as **Appendix B**, along with a description of the Applicant's telecommunications background. 321 is currently authorized to provide basic local exchange services in Kentucky and New York, and is in the process of applying for authorization to provide services in four other states, including Missouri.

9. Applicant possesses the necessary financial resources and abilities to provide the services it proposes as required by Section 392.455(1) RSMo. and has the necessary capital to conduct its proposed operations in Missouri. Applicant will file its pro forma financial statements as **Appendix C** as a separate filing, under seal, in EFIS. 321's financial information is "Highly Confidential" (HC) information pursuant to 4 CSR 240-2.135.

10. Pursuant to this Application, 321 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. and 4 CSR 240-3.510(1)(A). Applicant believes that its proposed services will be subject to sufficient competition to justify a lesser degree of regulation and that granting this request will allow greater price and service options for telephone users.

11. Applicant will offer its basic local telecommunications service as a separate and distinct service in accordance with Section 392.455(4) RSMo. 321 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.

12. Applicant is willing to comply with all applicable Commission rules and is willing to meet all relevant and applicable service standards. 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 321 Communications, Inc. and its local exchange and basic local exchange service offerings be waived at this time. In addition, 321 requests that additional

waivers available pursuant to the provisions of recently-enacted HB 1779 be granted. The requested waivers are shown below:

STATUTES

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

COMMISSION RULES:

4 CSR 240-3.550(4)	- Telecommunications Company Records and Reports
4 CSR 240-3.550(5)(A)	- Telecommunications Company Records and Reports
4 CSR 240-10.020	- Income on Depreciation Fund Investments
4 CSR 240-30.040	- Uniform System of Accounts
4 CSR 240-32.060	- Engineering and Maintenance Standards
4 CSR 240-32.070	- Quality of Service
4 CSR 240-32.080	- Service Objectives and Surveillance Levels
4 CSR 240-33.030	- Informing Customers of Lowest Priced Services
4 CSR 240-33.040 (1), (2), (3), (5), (6), (7), (8), (9), and (10)	- Billing and Payment Standards for Residential Customers
4 CSR 240-33.045	- Requiring Clear Identification and Placement of Separately Identified Charges on Customer Bills
4 CSR 240-33.080(1)	- Disputes by Residential Customers
4 CSR 240-33.130(1)	- Operator Service
4 CSR 240-33.130(4)	- Operator Service
4 CSR 240-33.130(5)	- Operator Service

13. Applicant 321 submits that pursuant to Sec. 392.361.6, RSMo., as a condition of certification and competitive classification, unless otherwise ordered by the Commission, 321's 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) 321 seeks authority to provide service. Additionally, pursuant to the Commission's Report and Order in Case No. TO-99-596, 321 agrees that if the ILEC in whose service area 321 is operating decreases its originating and/or terminating access service rates, 321 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.

14. 321 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.

15. Applicant acknowledges 4 CSR 240-3.510(1)(C), which requires that a tariff and any applicable interconnection agreements must be filed with the Commission and approved before service can be provided. Applicable interconnection agreement/s will be submitted for approval upon execution, and a proposed basic local exchange services tariff with a forty-five (45) day effective date will be filed at a later date.

16. Pursuant to 4 CSR 240-2.060(K), 321 has no pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court that

involve customer rates or service, which action, judgment or decision has occurred within three years of the date of this application.

17. Pursuant to 4 CSR 240-2.060(L), 321 has no annual report or assessment fees that are overdue.

WHEREFORE, Applicant 321 Communications, Inc., respectfully requests that the Commission grant it a certificate of service authority to provide basic local telecommunications service and local exchange telecommunications service as herein requested, classify Applicant and Applicant's proposed services as competitive, and grant waivers of aforesaid statutes and regulations.

Respectfully submitted,

/s/ Lance J.M. Steinhart

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/s/ Mary Ann Young

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Facsimile: 573-634-8224
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wds@wdspc.com

ATTORNEYS FOR APPLICANT
321 Communications, Inc.

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 gencounsel@psc.mo.gov this 30th day of January, 2009.

/s/Mary Ann Young

Mary Ann (Garr) Young

321 COMMUNICATIONS, INC.

APPENDIX A

**Certificate of Authority
from
Missouri Secretary of State**

STATE OF MISSOURI



Robin Carnahan
Secretary of State
CERTIFICATE OF AUTHORITY

WHEREAS,

321 Communications, Inc.
F00923746

using in Missouri the name

321 Communications, Inc.

has complied with the General and Business Corporation Law which governs Foreign Corporations; by filing in the office of the Secretary of State of Missouri authenticated evidence of its incorporation and good standing under the Laws of the State of Florida.

NOW, THEREFORE, I, ROBIN CARNAHAN, Secretary of State of the State of Missouri, do hereby certify that said corporation is from this date duly authorized to transact business in this State, and is entitled to all rights and privileges granted to Foreign Corporations under the General and Business Corporation Law of Missouri.

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
7th day of October, 2008.


Secretary of State



321 COMMUNICATIONS, INC.

APPENDIX B

Profiles of Key Management Employees

The Principles

Jay Jones

Co-Founded 321Communications and operates as a managing partner.
321Communications offers a full complement of

- Origination Services
- Termination Services
- Prepaid Services

Prior to co-founding 321 Communications, Jones spent twelve years in the telecom industry. Jones has held a number of engineering, management and executive management positions with leading Telecommunication companies such as Qwest Communications, US West Communications, New South Communications, Telefyne Inc, DCI Voice and the US Army.

Jones has over a decade of hands on development and management expertise in both TDM and VOIP telecommunications as well as software development. Jones also holds major certifications in Cisco engineering, Microsoft network engineering and Microsoft based programming. Jones is also a co-founder of uNAvo, Inc , a telecom software company based out of Jacksonville FL.

Chris Watson

1988-1990 **University of Connecticut-** Storrs Ct
Business/Economics

1991-1994 **Oral Roberts University-** Tulsa Ok
Advertising Public Relations

1994 -1996 **Auto Trader Sales Executive**

1996 started **Teleconex, Inc**
Vice President-

Teleconex was a local phone provider in South Eastern United States. Chris served as the V.P of Operations and built the company to 20,000 subscribers and sold the company in 2003. The company had revenues of 12 million a year!

2003 - **Lost Key Telecom, Inc.**
Vice President-

LKT was started by Chris in 2003 and is presently serving 60 plus local phone service providers across the United States. LKT focuses on least cost provisioning and revenue assurance.

www.lostkeytelecom.com

2007- **321 Communications, Inc.**
Managing Partner

321 is a provider of termination, origination and DID service across the domestic United States.

www.321communications.com

2008 **True Wireless, LLC** just started company a few weeks ago.

Lenny Solt

Prior to Co-Founding 321 Communications Mr. Solt has held positions from National Sales Manager to CFO.

Mr. Solt has developed Direct Sales Organizations that have produced in excess of \$11 million in sales annually. In addition to developing sales organizations Mr. Solt created, directed and coordinated Advanced Sales Seminars, and a National Advertising Campaigns. He is considered an expert at Trade Show Marketing.

Currently in addition to 321 Communications Mr. Solt is a Managing Partner of one of the nation's fastest growing CLEC's and is the President and CEO of a Multi- Million Dollar Paint Contracting Company.

He is an expert at encouraging and maintaining a team-oriented environment to ensure overall productivity.

Mr. Solt is College educated and has a clear understanding of all facets of business.

321 COMMUNICATIONS, INC.

APPENDIX C

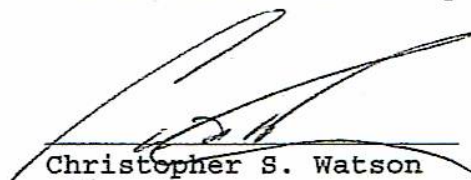
FINANCIALS

(Being filed as a separate pdf document)
are considered
HIGHLY CONFIDENTIAL (“HC”)

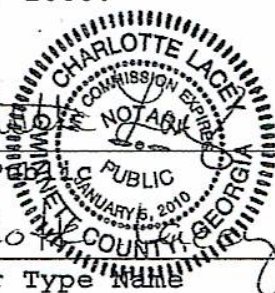
State of Georgia)
)
County of Forsyth)
_____)

VERIFICATION

I, Christopher S. Watson, being duly sworn, declare that I am the President of 321 Communications, Inc., the Applicant. I verify that, based upon information and belief, I have knowledge of the statements in the foregoing Application, and I declare that they are true and correct.


Christopher S. Watson
President

Sworn to before me, the undersigned Notary Public on this
19th day of September, 2008.


Charlotte Lacey
Notary Public
Charlotte Lacey
Print or Type Name

My commission expires:
