

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Globetel, Inc. for a)
Certificate of Service Authority to Provide Basic Local) **Case No. CA-2007-0152**
and Local Exchange Telecommunications Services) Tariff No. YC-2007-0236
in Portions of the State of Missouri and to Classify)
Said Services and the Company as Competitive)

ORDER APPROVING BASIC LOCAL AND NONSWITCHED LOCAL EXCHANGE CERTIFICATES OF SERVICE AUTHORITY AND ORDER APPROVING TARIFF

Issue Date: December 22, 2006

Effective Date: January 5, 2007

Syllabus: This order grants Globetel, Inc. ("Globetel") certificates of service authority to provide basic local and nonswitched local exchange telecommunications services, restricted to providing dedicated private line services, throughout all exchanges currently served by Southwestern Bell Telephone, L.P. d/b/a AT&T Missouri, and approves the company's proposed tariff.

On October 10, 2006, Globetel applied to the Missouri Public Service Commission for certificates of service authority to provide basic local and local exchange telecommunications services on a facilities basis, throughout all exchanges currently served by Southwestern Bell Telephone, L.P. d/b/a AT&T Missouri under Section 392.410, RSMo Cum. Supp. 2005 and Sections 392.410 through 392.450, RSMo 2000,¹ as well as the pertinent administrative regulations. Globetel asked the Commission to classify it and

¹ Unless otherwise indicated, all statutory references are to RSMo 2000.

its services as competitive and to waive certain statutes and Commission rules as authorized by sections 392.361 and 392.420. Globetel, whose principal office is located at 690-2700 Production Way, Burnaby, British Columbia, Canada V5A4X1, is a Nevada corporation duly authorized to do business in Missouri as a foreign corporation.

The Commission issued a Notice of Applications for Certificates of Service Authority and Opportunity to Intervene on October 17, 2006, directing parties wishing to intervene to file their requests by November 1, 2006. No requests for intervention were filed.

The proposed tariff filed in conjunction with Globetel's application, which was designated as Tariff No. YX-2007-0282, had an effective date of November 24, 2006. On November 21, 2006, however, Globetel filed a letter extending the effective date of the proposed tariff to January 5, 2007. Globetel also filed, on December 13, 2006, a complete set of substitute tariff sheets which replaced, in its entirety, the tariff Globetel had originally filed on October 10, 2006. Globetel's tariff describes the rates, rules, and regulations it intends to use, identifies Globetel as a competitive company, and lists the waivers requested. Globetel intends to provide basic local and nonswitched local exchange telecommunications services limited to providing dedicated private line services to business class customers, including the provision of digital PBX and point-to-point access loop services.

In its Memorandum filed on December 18, 2006, the Staff of the Commission recommended that the Commission grant Globetel a certificate of service authority to provide basic local telecommunications service in the service area of Southwestern Bell Telephone, L.P. d/b/a AT&T Missouri, conditioned upon certain access rate provisions.

The Commission's Staff also recommended that the Commission grant Globetel a certificate of service authority to provide local exchange telecommunications service on condition that this authority be restricted to providing nonswitched dedicated private line services. Staff recommended that the Commission classify Globetel and its services as competitive, and that the Commission waive the statutes and rules listed in the Notice. Staff further recommended that the Commission approve the proposed tariff to become effective on January 5, 2007.

The Commission finds that competition in the basic local and nonswitched local exchange telecommunications markets is in the public interest and Globetel shall be granted certificates of service authority. The Commission finds that the services Globetel proposes to offer are competitive and Globetel shall be classified as a competitive company. The Commission finds that waiving the statutes and Commission rules set out in the ordered paragraph below is reasonable and not detrimental to the public interest.

The Commission finds that Globetel's proposed tariff details the services, equipment, and pricing it proposes to offer, and is similar to tariffs approved for other Missouri-certificated basic local and local exchange carriers. The Commission finds that the proposed tariff filed on December 13, 2006 shall be approved to become effective on January 5, 2007.

The Commission reminds the company that failure to comply with its regulatory obligations may result in the assessment of penalties against it. These regulatory obligations include, but are not limited to, the following:

A) The obligation to file an annual report, as established by section 392.210. Failure to comply with this obligation will make the utility liable to a penalty of \$100 per day

for each day that the violation continues. Commission Rule 4 CSR 240-3.540 requires telecommunications utilities to file their annual report on or before April 15 of each year.

B) The obligation to pay an annual assessment fee established by the Commission, as required by Section 386.370.

C) The obligation to comply with all relevant laws and regulations, as well as orders issued by the Commission. If the company fails to comply, it is subject to penalties for noncompliance ranging from \$100 to \$2,000 per day of noncompliance, pursuant to Section 386.570.

D) The obligation to keep the Commission informed of its current address and telephone number.

Furthermore, the company is reminded that, as it is a corporation, non-attorneys may not represent the company before the Commission. Instead, the corporation must be represented by an attorney licensed to practice law in Missouri.

Finally, the company is reminded that Section 392.410.5, RSMo Cum. Supp. 2005, renders the company's certificate of service authority null and void one year from the date of this order unless it has exercised its authority under that certificate.

IT IS ORDERED THAT:

1. Globetel, Inc. is granted a certificate of service authority to provide basic local telecommunications service in the service area of Southwestern Bell Telephone, L.P. d/b/a AT&T Missouri, subject to the conditions and recommendations contained in the Memorandum filed by the Commission's Staff on December 18, 2006, and also subject to all applicable statutes and Commission rules except as specified in this order.

2. Globetel, Inc. is granted a certificate of service authority to provide nonswitched local exchange telecommunications services in the state of Missouri, limited to providing dedicated private line services, subject to all applicable statutes and Commission rules except as specified in this order.

3. The certifications granted herein are conditioned upon Globetel, Inc.'s compliance with the regulatory obligations in this order.

4. Globetel, Inc. is classified as a competitive telecommunications company. Application of the following statutes and administrative regulations shall be waived:

Statutes

- 392.210.2 - Uniform System of Accounts
- 392.240.1 - Rates-Rentals-Service & Physical Connections
- 392.270 - Valuation of Property (Ratemaking)
- 392.280 - Depreciation Accounts
- 392.290 - Issuance of Securities
- 392.300.2 - Acquisition of Stock
- 392.310 - Stock and Debt Issuance
- 392.320 - Stock Dividend Payment
- 392.330 - Issuance of Securities, Debts and Notes
- 392.340 - Reorganization(s)

Commission Rules

- 4 CSR 240-3.550(5)(C) - Exchange Boundary Map
- 4 CSR 240-10.020 - Depreciation Fund Income
- 4 CSR 240-30.040 - Uniform System of Accounts

5. The tariff filed by Globetel, Inc. on December 13, 2006 is approved to become effective on January 5, 2007. The tariff approved is:

P.S.C. Mo. No. 1
Original Sheet Nos. 1-46

6. This order shall become effective on January 5, 2007.

7. This case may be closed on January 6, 2007.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale
Secretary

(S E A L)

Benjamin H. Lane, Regulatory
Law Judge, by delegation of authority
under section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 22nd day of December, 2006.