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June 26, 2002

Mr. Dale Hardy Roberts Missouri Public Service Commission P.O. Box 360 Jefferson City, MO 65102

RE: Application of Affordaphone, Inc. for Certificate of Service Authority to Provide Basic Local Exchange Telecommunications Services

Dear Mr. Roberts:

Enclosed for filing on behalf of Affordaphone, Inc., please find an original and eight (8) copies of an "APPLICATION FOR CERTIFICATE OF SERVICE AUTHORITY AND FOR COMPETITIVE CLASSIFICATION." A Motion for Protective Order is being filed simultaneously.

Please see that this filing is brought to the attention of the appropriate Commission personnel.

Copies of this filing are being hand-delivered, or sent via postage-prepaid U.S. mail, to the Office of Public Counsel, the Commission's General Counsel's office, and counsel for Southwestern Bell Telephone Company, Sprint Missouri, Inc., GTE Midwest Incorporated, d/b/a Verizon Midwest, Spectra Communications Group and ALLTEL Missouri, Inc.

Thank you for your cooperation and assistance in this matter.

Sincerely,

WILLIAM D. STEINMEIER, P.C.

William D. Steinmeier

**Enclosures** 

# BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the matter of the Application of	)
Affordaphone, Inc.	) Case No
for a certificate of service authority to provide Basic Local Telecommunications Service in portions of the State of Missouri and for competitive classification	) ) ) )

# APPLICATION FOR CERTIFICATE OF SERVICE AUTHORITY AND FOR COMPETITIVE CLASSIFICATION

Comes now Affordaphone, Inc. ("Affordaphone" or "Applicant"), by its undersigned counsel, and hereby applies pursuant to Sections 392.361, 392.410 and 392.450 RSMo., the federal Telecommunications Act of 1996, and 4 CSR 240-2.060, for authority to provide basic local telecommunications service in portions of the State of Missouri and to classify said service and company as competitive. In support of its application Affordaphone states as follows:

1. Applicant is a privately-held corporation organized under the laws of Texas. Affordaphone's principal address is: 1703 16<sup>th</sup> Street, Bridgeport, Texas, 76426. Telephone: (940)683-1853. The character of business performed by Affordaphone is telecommunications. A copy of Applicant's Certificate of Authority to do business in Missouri from the Missouri Secretary of State's Office is attached hereto as Exhibit A.

2. All inquiries, correspondence, communications, pleadings, notices, orders and decisions relating to the case should be addressed to:

> Mary Ann (Garr) Young William D. Steinmeier, P.C. 2031 Tower Drive P. O. Box 104595 Jefferson City, Missouri 65110-4595 Telephone: (573) 634-8109

Fax:

(573) 634-8224

Email:

myoung0654@aol.com

#### with a copy to:

Craig Bolin Affordaphone, Inc. 1703 16th Street Bridgeport, Texas 76426 Telephone: 940-683-1853

Fax: 940-683-8302

- 3. Affordaphone proposes to provide basic local exchange telecommunications service on a resold and facilities-based basis, throughout all exchanges currently served by the incumbent local exchange telecommunication companies (ILEC): Southwestern Bell Telephone Company (SWBT), Sprint Missouri, Inc. d/b/a Sprint (Sprint), GTE Midwest Incorporated, d/b/a Verizon Midwest, Inc. (GTE), Spectra Communications Group, LLC (Spectra), and ALLTEL Missouri, Inc. (ALLTEL). The Specific SWBT, Sprint, GTE, Spectra and ALLTEL exchanges within which Affordaphone proposes to offer service are listed in the incumbent providers' respective local exchange tariffs. Applicant may seek authority to provide this service in other areas of the state in a subsequent proceeding.
- 4. Pursuant to this application Affordaphone seeks to offer and provide basic local telecommunications service on a prepaid basis only.

- 5. Affordaphone acquired Quick-Tel Communications through a stock purchase in about August 2001. Quick-Tel Communications, Inc., is a provider of basic local telecommunications services in Missouri; its certificate of service authority was granted in the Commission's Report and Order dated April 15, 1999, in Case No. TA-99-250. Affordaphone intends to acquire the customers of Quick-Tel Communications, Inc., and is seeking authority for that acquisition in a separate application being filed simultaneously herewith. Quick-Tel Communications, Inc. intends to discontinue providing telecommunications service in Missouri upon approval of the acquisition of its customers by Affordaphone, as will also be described in the separate application.
- 6. Applicant's customers may contact the company's Customer Service Department through its toll-free telephone number, 1-800-659-3456 on Monday through Friday from 9:00 a.m. to 5:00 p.m. for billing inquiries and questions.
- 7. Applicant possesses the technical and managerial expertise and experience necessary to provide the services it proposes. Descriptions of the background of Applicant's management, which demonstrate their extensive experience and expertise, are attached hereto and incorporated herein by reference as Exhibit B.
- 8. Affordaphone also possesses the necessary financial resources to provide the services for which authority is requested. A copy of Affordaphone's financial statements will be late-filed as Exhibit C. Affordaphone requests that the financial statements to be filed as Exhibit C be treated as highly confidential by the Commission, and Affordaphone is filing a Motion for Protective Order concurrently with this Application pursuant to 4 CSR 240-2.085. Applicant is a privately held corporation and its financial statements are not public information. Applicant requests that the financial statements filed

under seal as Exhibit C remain confidential and not be disclosed except pursuant to the terms of the Commission's protective order.

- 9. Applicant seeks classification of itself and its services as competitive, pursuant to Section 392.361 RSMo. and 4 CSR 240-2.060 (6)(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.
- 10. Applicant will offer basic local telecommunications service as a separate and distinct service in accordance with applicable law. Applicant agrees to provide equitable access to Affordaphone telecommunications services, as determined by the Commission, for all Missourians within the geographic area in which it proposes to offer basic local service, regardless of residence or income.
- 11. Affordaphone is willing to comply with all applicable Commission rules and is willing to meet all relevant basic local service standards including, but not limited to, quality of service, billing standards, and tariff filing and maintenance in the same manner and form as the Commission requires of ILECs with which Applicant seeks to compete.
- 12. Applicant is willing to comply with all applicable Commission rules, except those for which specific waiver is requested by Applicant. Consistent with the Commission's treatment of other certificated competitive local exchange telecommunications companies, Applicant requests that the following statutes and regulations be waived for Affordaphone and its basic local exchange service offerings:

<u>Statutes</u>	Missouri Public Service Commission Rules
392.210.2 392.240(1) 392.270 392.280 392.290 392.300.2	4 CSR 240-10.020 4 CSR 240-30.010(2)(C) 4 CSR 240-30.040 4 CSR 240-32.030(4)(C) 4 CSR 240-33.030 4 CSR 240-35
392.310 392.320 392.330 392.340	

- 13. Affordaphone also requests a temporary waiver of 4 CSR 240-2.060(6)(C). This rule requires that an application for a certificate of service authority to include a proposed tariff with a forty-five (45) day effective date. Affordaphone is not filing a proposed tariff at this time because Affordaphone intends to adopt the basic local service tariff of Quick-Tel Communications, Inc. in its entirety, and will file its tariff adoption notice at the time deemed appropriate by the Commission.
- 14. In any area served by a small ILEC, Affordaphone agrees to offer telecommunications services defined by the Commission as essential to qualify for state universal service fund support (essential services) in 4 CSR 240-31.010(5), pursuant to Section 392.451.1(1).
- 15. In any area served by a small ILEC, Affordaphone agrees to advertise the availability of essential services and the charges for those services using media of general distribution in compliance with Section 392.451.1(2) RSMo.
- 16. Affordaphone herein states, in accordance with 4 CSR 240-2.060(1)(K), that there are no pending actions or final unsatisfied judgments or decisions against Affordaphone in any state, federal agency, or court which involve customer service or rates

for which action, judgment, or decision has occurred within three (3) years of the date of this Application.

- 17. Pursuant to 4 CSR 240-2.060(1)(L), Affordaphone hereby affirms that the Company does not have any overdue annual reports or fees owed to the Missouri Public Service Commission.
- 18. Affordaphone submits that the public interest will be served by Commission approval of this application because Affordaphone's 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 RSMo. Prompt approval of this application also will expand the availability of innovative, high quality, and reliable telecommunications services within the State of Missouri.
- 19. Finally, Affordaphone agrees that, unless otherwise ordered by the Commission, and notwithstanding the provisions of §392.500 RSMo., as a condition of certification and competitive classification, Applicant's originating and terminating access rates will be no greater than the lowest Commission approved corresponding access rates in effect for each large ILEC within whose service area(s) Applicant seeks authority to provide service. Additionally, Applicant agrees that if the ILEC in whose service area the Applicant is operating decreases its originating and/or terminating access service rates, Applicant 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 access rate cap, consistent with the Commission's Report and Order in Case No. TO-99-596.

WHEREFORE, Applicant Affordaphone, Inc., respectfully requests that the Commission grant it a certificate of service authority to provide basic local telecommunications services as herein requested, classify Applicant and its proposed services as competitive, treat Applicant's financial information as Highly Confidential, and grant a waiver of the aforesaid statutes and regulations.

Respectfully submitted,

Mary Ann (Gath) Young

WILLIAM D. STEINMEIER, P.C.

2031 Tower Drive., P. O. Box 104595 Jefferson City, Missouri 65110-4595

Telephone: (573) 634-8109 Fax:

(573) 634-8224

Email:

myoung0654@aol.com

COUNSEL FOR AFFORDAPHONE, INC.

Dated: June 26, 2002

### **CERTIFICATE OF SERVICE**

I hereby certify that a copy of this document has been hand-delivered or mailed by first class U.S. mail, postage prepaid, to the Office of Public Counsel, the General Counsel of the Missouri Public Service Commission, and counsel for Southwestern Bell Telephone Company, Sprint Missouri, Inc., GTE Midwest Incorporated, d/b/a Verizon Midwest, Spectra Communications Group and ALLTEL Missouri, Inc., on this 26th day of June 2002.

William D. Steinmeier

# **EXHIBIT LIST**

EXHIBIT A Secretary of State Certificate of Authority

EXHIBIT B Management Bios

EXHIBIT C Financial Statements – Highly Confidential

# **EXHIBIT A**

Secretary of State Certificate of Authority No. F00508608



# Matt Blunt Secretary of State

MISSOUR

CORPORATION DIVISION - CERTIFICATE OF AUTHORITY

WHEREAS, AFFORDAPHONE, INC.

using in Missouri the name AFFORDAPHONE, 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 TEXAS.

NOW, THEREFORE, I, MATT BLUNT, 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 have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 6th day of MAY, 2002.

Secretary of State \$155.00



# **EXHIBIT B**

# **Management Bios**

#### EXPERIENCE OF OFFICER

#### **CRAIG BOLIN, PRESIDENT**

- Owner and operator of Max-Tel Communications, Inc. a licensed CLEC in Texas in March 1997 and licensed in 20 additional States from January 1997 through July 2000
- Managed a small business for 12 years
- Owner and manager of Bolin Trucking since 1993
- Independent contractor with Var-Tec Telecommunications and Prepaid Long Distance Calling eards for fifteen months.
- Vice-President of Max-Tel Communications, Inc. since January 10, 1997
- Consulting officer of Maxey/Bolin Consulting Group, Inc. 4
- Owner and operator of Bolin Real Estate Management, Inc. since October 1998
- President and Chairman of the Board of maxpop.com, Inc. since April 2000
- President and Owner of Salazar and Bolin since January 2000

### **EXPERIENCE OF OFFICER**

#### MICHAEL MCBRIDE, SECRETARY-TREASURER

- I.T.T. Electrical engineering 1983
- Montgomery Ward system support 10 years
- Managed a small business for 10 years
- Owner C&M Food 5 years
- Owner Liberty Cinema LLP since February 1999
- Board Member and Stock Holder maxpop.com, Inc. since February 2001
- Officer Affordaphone, Inc. since June 2001

#### **EXPERIENCE OF OFFICER**

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#### TERRY MCBRIDE, VICE-PRESIDENT

- Owner Indotex 3 years
- Managed a small business for 10 years
- Owner C&M Food 5 years
- Owner Liberty Cinema LLP since February 1999
- Board Affordaphone, Inc. since June 2001
- Owner Tri-Lakes Theater since January 1999

# **EXHIBIT C**

# **Financial Statements**

# To Be Late-Filed

### Verification

# To Be Late-Filed