

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

In the Matter of the Application of)	
)	
Aero Communications, LLC)	
)	
For a Certificate of Service Authority to)	Case No. CA-2006-0255
Provide Basic Local Exchange)	
Telecommunications Services in Portions of)	
the State of Missouri)	
and for Competitive Classification)	

**APPLICATION FOR BASIC LOCAL EXCHANGE CERTIFICATE OF SERVICE
AUTHORITY AND FOR COMPETITIVE CLASSIFICATION**

COMES NOW Aero Communications, LLC ("Aero" or "Applicant"), by and through its undersigned counsel, and pursuant to sections 392.361, 392.410, 392.420, 392.430 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 an order that:

- (a) grants Applicant certificate of service authority to provide basic 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.

In support of its Application, Applicant states as follows:

1. Applicant Aero Communications, LLC, is a corporation duly organized and existing under and by virtue of the laws of the State of Illinois and is duly authorized to

transact business in the State of Missouri. The character of business performed by Applicant is telecommunications services. A copy of Applicant's Certificate of Authority from the Missouri Secretary of State, as required by 4 CSR 240-2.060(1)(C), is attached to this Application as **Exhibit A**. Applicant's principal place of business and toll-free customer service phone numbers are:

1301 Broadway
Suite 126
Paducah, KY 42001

Toll-Free Customer Service Phone Number(s): 877-209-3513 or 800-203-1853

2. An officer's verification is attached hereto.

3. All communications, notices, orders and decisions respecting this Application

and proceeding should be addressed to:

Mary Ann (Garr) Young
William D. Steinmeier
WILLIAM D. STEINMEIER, P.C.
2031 Tower Drive
Jefferson City, Missouri 65109
Tel: (573) 634-8109
Fax: (573) 634-8224
Email: myoung0654@aol.com
wds@wdspsc.com

Kristopher E. Twomey
Andrew M. Ganz
Law Office of Kristopher E. Twomey
1519 E. 14th Street, Suite A
San Leandro CA 94577
Tel: (510) 903-1304
Fax: (510) 868-8418
Email: kris@lokt.net

4. Questions concerning Applicant's ongoing operations should be directed to:

Brian Waid, Operations Manager
Aero Communications, LLC
1301 Broadway
Suite 126
Paducah, KY 42001
270-448-2376 (Phone)
270-575-0672 (Fax)
waid@hcis.net

5. By this Application, Applicant seeks authority to offer and provide basic local telecommunications service on a facilities-based and resold basis to customers throughout all the exchanges currently served by: (a) Southwestern Bell Telephone, L.P., d/b/a SBC Missouri (SBC), formerly known as Southwestern Bell Telephone Company (SWBT); (b) Sprint Missouri, Inc., (Sprint); (c) CenturyTel of Missouri, LLC (CenturyTel); and (d) Spectra Communications Group, LLC d/b/a CenturyTel (Spectra). The specific SWBT, Sprint, CenturyTel and Spectra exchanges within which Applicant proposes to offer service are listed in the local exchange tariffs of the respective incumbent local exchange providers, and will be listed in Applicant's initial proposed tariff. Applicant'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. Applicant may seek authorization to provide service in exchanges served by other incumbent LECs in a subsequent proceeding.

6. Aero proposes to offer residential and business end users the opportunity to originate and terminate local and long distance telephone calls to other end users through access to the local exchange network. The local exchange services Aero proposes to provide will also enable end users to select the long distance carrier of their choice. Aero proposes to offer local exchange services by installing and collocating its switching and ancillary equipment in the central offices of incumbent local exchange carriers. Aero may also purchase unbundled network elements and may resell the services of other certificated carriers. It proposes to offer a variety of services, including but not limited to, residential basic line service, business basic line service, PBX trunks, DID service and PRI service. Aero also intends to offer long distance services—both

intra and inter-LATA—to business and residential customers through the use of its own switching facilities and the resale of services of other certificated carriers, and is seeking interexchange certificate of service authority in a separate application. Aero requests that all services be classified as competitive by the Commission.

7. Applicant possesses the technical and managerial resources and abilities necessary to provide the services it proposes as required by Section 392.455(1) RSMo. A description of the technical and managerial resources and abilities of Aero and its officers is attached as **Exhibit B**.

8. 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. Applicants pro forma financial statements are attached as **Exhibit C**.

9. Pursuant to this Application, Applicant also seeks classification of itself and its basic local telecommunications service offerings as competitive, with accompanying reduced regulation pursuant to Sections 392.361 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.

10. Applicant will offer basic local telecommunications service as a separate and distinct service in accordance with Section 392.455 RSMo. Applicant will give consideration to 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.

11. 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 of service, billing, and tariff filing and maintenance. 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 Applicant and its proposed basic local exchange service offerings be waived at this time:

STATUTES

392.210.2	Uniform System of Accounts
392.240.1	Just & Reasonable Rates
392.270	Ascertain Property Values
392.280	Depreciation Accounts
392.290	Issuance of Securities
392.300.2	Acquisition of Stock
392.310	Issuance of stock and debt
392.320	Stock dividend payment
392.330	Issuance of securities, debts & notes
392.340	Reorganizations

REGULATIONS

4 CSR 240-3.550(5)(C)	File exchange boundary maps with PSC
4 CSR 240-10.020	Depreciation fund income
4 CSR 240-30.040	Uniform system of accounts

12. 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. Applicant will promptly file a proposed basic local exchange services tariff with a forty-five (45) day effective date as soon as possible.

13. Applicant herein states that there are no pending actions or final

unsatisfied judgments or decisions against it 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.

14. Applicant hereby affirms that the Company does not have any overdue annual reports or fees owed to the Missouri Public Service Commission.

15. Applicant submits that the public interest will be served by Commission approval of this Application because Applicant's proposed services 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.

16. Applicant agrees that, unless otherwise ordered by the Commission, Applicant'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 whose service area(s) Applicant seeks authority to provide service. Additionally, pursuant to the Commission's Report and Order in Case No. TO-99-596, Applicant agrees that if the ILEC in whose service area 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 cap on switched exchange access rates.

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

Respectfully submitted,

/s/Mary Ann Young

Mary Ann (Garr) Young, MoBar #27951

William D. Steinmeier, MoBar #25689

WILLIAM D. STEINMEIER, P.C.

2031 Tower Drive

P.O. Box 104595

Jefferson City, MO 65110-4595

Phone: (573) 634-8109

Fax: (573) 634-8224

Email: myoung0654@aol.com

wds@wdspsc.com

ATTORNEYS FOR AERO COMMUNICATIONS, LLC

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Verified Application has been served electronically on the General Counsel's Office and the Office of the Public Counsel this 14th day of December 2005.

/s/Mary Ann Young

Mary Ann (Garr) Young

EXHIBIT A

Secretary of State Certificate

State of Missouri



Robin Carnahan
Secretary of State

CERTIFICATE OF REGISTRATION FOREIGN LIMITED LIABILITY COMPANY

WHEREAS,

Aero Communications, LLC
FL0663540

Using in Missouri the name

Aero Communications, LLC

and existing under the laws of the State of Illinois has filed with this state its Application for Registration and whereas this Application for Registration conforms to the Missouri Limited Company Act.

NOW, THEREFORE, I, ROBIN CARNAHAN, Secretary of State of the State of Missouri, by virtue of authority vested in me by law, do hereby certify and declare that on the 31st day of May, 2005, the above Foreign Limited Liability Company is duly authorized to transact business in the State of Missouri and is entitled to any rights granted Limited Liability Companies.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 31st day of May, 2005.

Robin Carnahan

Secretary of State

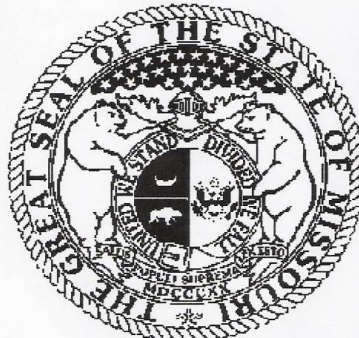


EXHIBIT B

Background and Experience of Key Management

Aero Communications, LLC
Background and Summary of Key Personnel
August 18, 2005

Aero Communications, LLC (Aero) is a CLEC currently doing business in the state of Illinois and in the Commonwealth of Kentucky. Aero was organized in 1998 by a partnering of Heartland Communications Internet Services, Inc. and The Aero Group, Inc., both of which are Internet Service Providers incorporated in the state of Illinois. Aero was established initially to provide cost reductions to the two companies by taking advantage of industry deregulation by serving as a cost center to bring lower contract rates for transport to and from the Internet. Aero soon began selling traditional phone services to existing and proposed Internet customers through UNE platforms offered by ILEC's in Illinois and Kentucky. Most recently, Aero has added VoIP telephony to its product portfolio. Currently, the company is rolling out services to 14 additional states in a partnering with affiliated companies. Collocations are underway to align Aero with the aggregate marketing goals of these business partners utilizing a partnering of supply chain entities and affiliates.

The following is a background and experience reference for key personnel of Aero:

Todd Heinrich – President and Founder

Todd holds a B.S. in Electrical Engineering from Southern Illinois University with a background in system automation, networking, telecommunications and software engineering. He has been with Aero since its inception in 1998. Over 15 years experience in telecommunications. Todd Built Heartland/Aero from the ground up with expertise in all areas of switching, routing, Internet Protocol, software/hardware design, marketing, and customer development. Heartland began in Todd's basement and has grown to near 50 employees with combined revenues in excess of \$ 3 million/year.

Currently, Heartland/Aero has over 5,000 subscribers ranging from dial-up internet to Fiber-to-the-Business subscribers and standard POTS line customers to businesses using custom designed solutions such as a hosted PBX over VoIP. Responsible for the day to day operations of the company, he has designed and provided oversight for expansion into all growth areas of the business including:

- A 45 Mbps wireless backbone covering most of Western Kentucky and Southern Illinois;
- A successful partnering with a local utility to build out a Gigabit Ethernet Loop, providing next generation connectivity to businesses and residential customers in Western Kentucky;
- Successful VoIP and custom PBX solutions;
- Strategic Operations with AT&T for multi-state network platforms;
- Six years of Class 4 / Class 5 Switch Experience;
- Four Years experience in Fiber Optic Network and WDM technology.

Aero Communications, LLC

Background and Summary of Key Personnel (continued)

Brian Waid – CLEC Manager

- Business manager and owner for over 15 years;
- Working with counsel, supervised all interconnection agreements with ILECs in multiple LATAs leading to successful operation of telephony sales effort;
- Supervised all tariff filings, and miscellaneous licensing requirements for FCC, and state Public Service Commission requirements;
- Responsible for all POPs, POIs, CLLI codes, obtaining NPA/NXXs, OCNs and ACNA;
- Staffed and provided training for staff in all areas of ordering and customer support including but not limited to UNEs, LSR and ASR Processes;
- Worked with ILECs to get proper trunking established for call routing, including but not limited to SS7 A-Links, Inter-Machine Trunks from multiple ILEC end offices, as well as Voice Gateway Integration and Knowledge.
- Responsible for vendor negotiation and design of E-911 solution for all phones services, inclusive of VoIP, and complete with a National Intrado PSAP network Integration.

Grant Copley – Software Development Manager

- Over 5 years of telecommunications-related experience;
- Responsible for co-design, programming and implementation of an in-house, web based, enterprise software solution used for all areas of Heartland/Aero business including Order Entry, Billing and Accounts Receivable, Accounts Payable, General Ledger, Purchasing, Sales and Quotes, Quality and Service Orders, and Contact Management;
- Designed interface and functionality for the enterprise software to sell to resellers to facilitate implementation of a wholesale business model;
- Working with Operations, created all interfaces to the enterprise software automating data collection from telephony hardware switches, VoIP soft switch, Wireless maintenance system, and various other databases used for e-mail, voice mail and Internet access;
- Designed and implemented numerous databases used for collection and interface of external data to the enterprise software including CABS billing to other CLECs and carriers, MSAG and 911, long distance billing information and call detail records;
- Staffed and trained the Software Development group which provides internal support for projects and expansion as well as web design and hosting for Heartland/Aero customers.

Aero Communications, LLC

Background and Summary of Key Personnel (continued)

Brad Housewright – General Manager

- Over 15 years of telecommunications-related experience;
- B.S. in Business Administration, Southern Illinois University
- Owned and operated a Internet Service Provider in Southern Illinois acquired by Heartland;
- Responsible for business development;
- Works with local and regional political and business leaders to find synergies and drive business growth
- Responsible for Customer Service function and Marketing and Advertising.
- Assisted in coordination of Southern Illinois Rural Enterprise (S.I.R.E.), a non-profit group of academic, government, and private enterprise leaders responsible for the Southern Illinois broadband effort working through RUS and the Illinois Commerce Commission. Currently in grant approval stage;
- Actively involved in the Illinois GIO (Get Illinois Online), an initiative pushed by the Lt. Governor and the Connect Kentucky project, which is pushed by the Governor's office.

Robert Stivers, CPA – Chief Financial Officer

- B.S. in Business with emphasis in Accounting, Murray State University;
- Attained designation of C.P.A. and specialty designation by the AICPA as a Certified Information Technology Professional (CITP);
- Over 15 years experience as a business analyst, manager and director in Corporate Development, Planning and Analysis, Information System Design and Implementation, as well as Controllershship functions in Accounting for both small companies and Fortune 500 companies;
- Responsible for Accounting and Finance of Heartland/Aero including Budgeting, Forecasting, Financial Reporting and Regulatory Compliance;
- Working with Software Development and Accounting, managed the design and implementation of the financial, purchasing and sales functions within the company's enterprise software;
- Responsible for all business modeling used in management and capital acquisition including business plans and forecasts for venture capital and bank financing;
- Managed the due diligence process of a proposed investment resulting in the successful sale of 49% of company stock and a significant cash infusion for expansion.

EXHIBIT C

Pro Forma Financial Statements

**PRO FORMA BALANCE SHEET
And
PRO FORMA INCOME STATEMENTS**

	31-Mar 2006	30-Apr 2006	31-May 2006	30-Jun 2006	31-Jul 2006	31-Aug 2006	30-Sep 2006	31-Oct 2006	30-Nov 2006	31-Dec 2006	31-Jan 2007	28-Feb 2007
<u>ASSETS</u>												
CURRENT ASSETS												
Cash	\$ 75,000	\$ 111,704	\$ 152,317	\$ 196,838	\$ 244,237	\$ 294,514	\$ 347,670	\$ 403,705	\$ 462,618	\$ 524,409	\$ 589,079	\$ 656,628
Accounts receivable	58,778	64,473	70,167	74,661	79,156	83,650	88,144	92,639	97,133	101,628	106,122	110,616
Total current assets	133,778	176,177	222,484	271,499	323,392	378,164	435,815	496,344	559,751	626,037	695,201	767,244
PLANT, PROPERTY AND EQUIPMENT												
Equipment at cost	129,650	129,650	129,650	129,650	129,650	129,650	129,650	129,650	129,650	129,650	129,650	129,650
Total assets	\$ 263,428	\$ 305,827	\$ 352,134	\$ 401,149	\$ 453,042	\$ 507,814	\$ 565,465	\$ 625,994	\$ 689,401	\$ 755,687	\$ 824,851	\$ 896,894
<u>LIABILITIES AND EQUITY</u>												
CURRENT LIABILITIES												
Accounts payable	\$ 22,074	23,860	25,646	27,262	28,878	30,494	32,110	33,726	35,342	36,958	38,573	40,189
Total current liabilities	22,074	23,860	25,646	27,262	28,878	30,494	32,110	33,726	35,342	36,958	38,573	40,189
EQUITY												
Retained earnings (accumulated deficit)	241,354	281,967	326,487	373,886	424,164	477,320	533,354	592,268	654,059	718,729	786,277	856,704
Total equity	241,354	281,967	326,487	373,886	424,164	477,320	533,354	592,268	654,059	718,729	786,277	856,704
Total liabilities and equity	\$ 263,428	\$ 305,827	\$ 352,134	\$ 401,149	\$ 453,042	\$ 507,814	\$ 565,465	\$ 625,994	\$ 689,401	\$ 755,687	\$ 824,851	\$ 896,894

Aero Communications, LLC
PRO FORMA INCOME STATEMENTS FOR MISSOURI
March 01, 2006 through February 28, 2007

	March 2006	April 2006	May 2006	June 2006	July 2006	August 2006	September 2006	October 2006	November 2006	December 2006	January 2007	February 2007	12 Months Ending 02/28/2007
Sales	\$ 58,778	\$ 64,473	\$ 70,167	\$ 74,661	\$ 79,156	\$ 83,650	\$ 88,144	\$ 92,639	\$ 97,133	\$ 101,628	\$ 106,122	\$ 110,616	1,027,166
Cost of sales	18,070	19,708	21,345	22,824	24,303	25,782	27,261	28,740	30,219	31,699	33,178	34,657	317,786
Gross profit	40,708	44,765	48,822	51,837	54,852	57,868	60,883	63,898	66,914	69,929	72,944	75,960	709,380
Operating expenses	3,463	3,612	3,761	3,898	4,035	4,172	4,308	4,445	4,582	4,719	4,856	4,992	50,843
Operating income (loss)	37,245	41,153	45,061	47,939	50,818	53,696	56,575	59,453	62,332	65,210	68,089	70,967	658,537
Other expense	540	540	540	540	540	540	540	540	540	540	540	540	6,483
Interest													
EBITDA	36,704	40,613	44,521	47,399	50,278	53,156	56,035	58,913	61,792	64,670	67,548	70,427	652,055

Officer's Verification

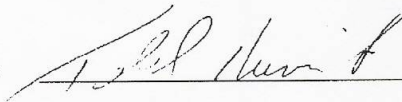
Verification of Application

STATE OF KENTUCKY)
COUNTY OF McCRACKEN)

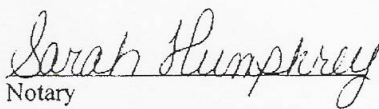
I, Todd Heinrich, state that I am President of Aero Communications, LLC, the Applicant herein; that I have reviewed the Application and Exhibits and the statements contained therein, and that they are true and correct to the best of my knowledge.

Aero Communications, LLC

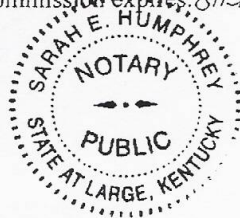
By:



Todd Heinrich
President


Notary

My commission expires: 8/15/06



SEAL