BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

) In the Matter of the Application of) **US Cable Telecom of Missouri, LLC** for Certificates of Service Authority to Provide) Basic Local Exchange and Resold and Facilities-Based Intrastate Interexchange and) Non-Switched Local Exchange) Telecommunications) Services in the State of Missouri and to Classify) Those Services and the Company as Competitive)

Case No.

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

I. INTRODUCTION

Comes now US Cable Telecom of Missouri, LLC ("US Cable" or "Applicant"), by its undersigned counsel, and hereby files this verified application pursuant to 4 CSR 24-2.060 and 4 CSR 240-3.510, and respectfully requests that, pursuant to Sections 392.361, 392.420, 392.430, 392.410, and 392.450, RSMo, the Missouri Public Service Commission ("Commission") issue an order that (a) grants Applicant a Certificate of Authority to provide basic local telecommunications service in portions of the State of Missouri and facilities-based and resold intrastate interexchange and non-switched local exchange telecommunications service throughout the State of Missouri, (b) grants competitive status to Applicant and (c) waives certain Commission rules and statutory provisions pursuant to Section 392.420, RSMo 2000.¹

All statutory citations herein are to RSMo. 2000 unless otherwise indicated.

The State of Missouri has adopted a policy of allowing competition in the local and long distance telecommunications markets, recognizing that it is in the public interest to develop effective competition to ensure that all consumers will have access to high quality, low cost, and innovative telecommunications services. The Federal Telecommunications Act of 1996 also seeks to promote competition and reduce regulation in order to secure lower prices and higher quality telecommunications services for American consumers. Both goals will be promoted by granting this Application.

The Applicant submits the following information in support of its request.

II. APPLICATION FOR AUTHORITY TO PROVIDE TELECOMMUNICATIONS SERVICE

A. <u>Description of the Applicant</u>

1. Applicant's legal name is US Cable Telecom of Missouri, LLC. Applicant will not use an assumed or fictitious name in Missouri. US Cable is a privately owned limited liability corporation, whose sole member is US Cable of Coastal Texas, LP, a New Jersey limited partnership. Although US Cable maintains offices in Missouri, its principal place of business is at the following address:

> US Cable Telecom of Missouri, LLC 28 West Grand Ave. Montvale, New Jersey 07645 (201) 930-9000 (Tel) (201) 930-9232 (Fax)

2. Correspondence or communications pertaining to this Application should be directed to:

Mark W. Comley Newman, Comley & Ruth PC Monroe Bluff Executive Center 601 Monroe Street, Suite 301 P.O. Box 537 Jefferson City, Missouri 65102-0537 Tel: (573) 634-2266 Fax: (573) 634-3306 Email: comleym@ncrpc.com

and

Catherine Wang R. Sturtevant Eaton Bingham McCutchen, LLP 2020 K Street, N.W. Washington, D.C. 20006 (202) 373-6000 (Tel) (202) 373-6001 (Fax) r.eaton@bingham.com

3. Questions concerning the ongoing operations of US Cable following certification

should be directed to:

James D. Pearson President and Chief Executive Officer US Cable Corporation 28 West Grand Ave Montvale, New Jersey 07645 201-930-9000 (Tel) 201-930-9232 (Fax) JPearson@UScable.com

4. US Cable's registered agent in the State of Missouri is:

National Registered Agents, Inc. 300-B East High Street Jefferson City, MO 65101

5. For purposes of consumer inquiries, the contact information will be:

US Cable Telecom of Missouri, LLC 28 West Grand Ave Montvale, New Jersey 07645 (888) 221-3250 (Tel) info@uscable.com

B. **Qualifications**

6. US Cable is a Missouri limited liability corporation formed on May 7, 2007. A copy of US Cable's authorization to transact business in Missouri is attached hereto as Exhibit A.

7. US Cable is extremely well qualified to provide telecommunications services in Missouri. US Cable's parent, US Cable of Coastal Texas, LP ("Parent" or "US Cable-TX") is a privately held Multiple Systems Operator that ranks among the top 35 largest cable television companies in the United States, providing cable television and high-speed internet services to over 100,000 customers in seven different states. The company maintains an infrastructure of over 6,500 miles of cable plant, passing over 285,000 homes. Parent provides both analog and digital tiers of service, delivering in excess of 150 entertainment channels to many of the markets it serves in the states of Colorado, Minnesota, Missouri, New Mexico, South Carolina, Texas, and Wisconsin. Parent is currently authorized to provide telecommunications services New Mexico and has an application pending in Texas.²

8. Moreover, two of Applicant's affiliates, which are under common control with a partner of Parent, are certificated to provide incumbent and competitive telecommunications services in Florida. Together, these two affiliates serve approximately 14,000 customers in Florida and also hold approximately 30 contracts to provide telecommunications services to convention centers in other states where Applicant does business. Parent and its subsidiaries have never been denied requested certification in any jurisdiction, nor has any permit, license, or certificate been revoked by any authority.

9. Parent's success in developing innovative products and services and in expanding its geographic reach has translated into impressive growth in recent years. As such, Parent is extremely well-qualified financially to operate and expand its business in Missouri by offering local and long distance phone service through Applicant. Copies of Parent's financial statements and *pro forma* information, which demonstrate Parent's financial qualifications, are attached under confidential seal to this application as Exhibits B and C. Simultaneously with the filing of this application, Applicant has sought protection of these financial statements pursuant to 4 CSR 240-2.085. As shown in the attached information, Parent, and by extension Applicant, is financially qualified to operate within the State of Missouri.

10. US Cable is also technically and managerially qualified to provide competitive local exchange and interexchange services it proposes as required by Section 392.455(1), RSMo. Applicant's business plan was developed and formulated by Parent's corporate management, who possess over 60 years combined experience in the telecommunications industry. Those individuals have the knowledge, experience and financial support necessary to execute the business plan and bring advance service technology to the Missouri telecommunications market. Applicant's Missouri operations will be directed by Parent's corporate management, as well as its technical and operations staffs, who are currently responsible for Parent's successful cable, interexchange and local exchange operations in other states. A description of the background of Applicant's key personnel, which demonstrates the extensive managerial experience of US Cable's management team, is attached hereto as Exhibit D.

11. Applicant in the past three (3) years has in the normal course of business been party to regulatory proceedings. However, there are no material proceedings currently pending nor have there been any unfavorable regulatory proceedings outcomes in the past 36 months.

²

The Texas application was filed by UC Cable Telecom of Texas, LLC, a direct subsidiary of Parent.

Description of Services

12. US Cable seeks authority to provide facilities-based and resold local exchange service throughout all exchanges currently served by Southwestern Bell Telephone L.P. d/b/a AT&T Missouri, Embarq Missouri, Inc. (f/k/a Sprint), CenturyTel of Missouri, LLC and Spectra Communications Group, LLC d/b/a CenturyTel and interexchange telecommunications services to and from all points in the State of Missouri. The specific exchanges within which US Cable proposes to offer service are listed in the incumbent local exchange carrier's ("ILEC") respective local exchange tariffs. Therefore, US Cable seeks only regional authority with respect to its basic local offerings, based upon the exchange footprint of the ILEC's just referenced, but seeks statewide authority for its interexchange service. US Cable may seek authority to provide basic local service in other areas of the State in a subsequent proceeding.

13. US Cable 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 currently provided by incumbent local exchange carriers.

14. US Cable will provide comprehensive customer service to its customers. Customers may report complaints to the customer service department. Customer service will be available to answer customer service inquiries in connection with new service, repair or billing. Furthermore, customer service is prepared to respond to a broad range of service matters, including inquiries regarding: (1) the types of services offered by US Cable and the rates associated with such services; (2) monthly billing statements; (3) problems or concerns pertaining to a customer's current service; and (4) general matters.

15. US Cable customer service representatives are available twenty-four (24) hours a day, seven (7) days a week. Customers may contact US Cable in writing at its headquarters located at 28 West Grand Ave Montvale, New Jersey 07645, or by calling a toll-free customer service number to be provided on each invoice for service. US Cable's toll-free customer service number is (888) 221-3250.

16. While Applicant may offer traditional voice services to customers utilizing the public switched network, it also intends to provide services using Internet Protocol to offer voice and data applications that interact seamlessly with the traditional public switched network. Applicant intends to utilize its existing coaxial cable network in combination with soft switches to provision such service. Where appropriate, Applicant will enter into agreements with third party providers to provision service. US Cable seeks classification of these services and itself as competitive.

17. US Cable will continuously monitor and maintain a high level of control over its network on a 24-hours-a-day, 7-days-a-week basis. US Cable will give consideration to equitable access to all Missourians, regardless of where they might reside or their income, to affordable telecommunications services in US Cable's proposed service areas in accordance with Section 392.455(5), RSMo.

D. <u>Compliance with Rules and Request for Waiver</u>

18. 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 in a manner consistent with the Commission's requirements for incumbent local exchange carriers with whom US Cable seeks to compete. Additionally, US Cable agrees that, pursuant to Section 392.455(3) & (4) RSMo, its service areas

shall be no smaller than an exchange and US Cable will offer basic local telecommunication service as a separate and distinct service. Pursuant to Section 392.420, RSMo consistent with the Commission's treatment of other certificated competitive local exchange and interexchange telecommunications companies, Applicant requests that the following statutes and regulations be waived for US Cable and its basic local exchange service and interexchange and non-switched local exchange service offerings:

| <u>Statutes</u> | Missouri Public Service Commission Rules |
|-----------------|--|
| 392.210.2 | 4 CSR 240-10.020 |
| 392.240.1 | 4 CSR 240-30.040 |
| 392.270 | 4 CSR 240-3.550(5)(C) |
| 392.280 | |
| 392.290 | |
| 392.300.2 | |
| 392.310 | |
| 392.320 | |
| 392.330 | |
| 392.340 | |

19. The above statutes and regulations have been waived previously for other applicants seeking certification. These rules and statutory provisions are principally designed to apply to non-competitive telecommunications carriers. As a result, it would be inconsistent with the goal and purpose of federal and state statutes to apply these rules and statutes to a competitive company such as US Cable.

20. Applicant further requests a temporary waiver of 4 CSR 240-3.510(1)(C), which requires that an application for a certificate of service authority to provide basic local exchange service shall include a proposed tariff with a forty-five day effective date. US Cable is unable to develop tariffs to fully comply with this rule since it has not yet executed or received Commission approval of any interconnection and/or resale agreements with ILECs. At such time as Applicant has determined all of the information necessary to develop its tariffs, it will

promptly file the tariffs bearing no less than a 45-day effective date with the Commission in a manner consistent with the Commission's practice in similar cases. In any circumstance, Applicant will file its proposed basic local exchange telecommunications service tariff no later than 30 days after Commission approval of Applicant's interconnection and/or resale agreement.

21. Applicant states that it has no pending action or final unsatisfied judgment or decision against it from any state or federal agency or court which involves customer service or rates, which action, judgment or decision has occurred within three years of the date of application.

22. Applicant has no overdue annual reports or assessment fees.

23. Applicant agrees that, notwithstanding the provisions of Section 392.500 RSMo, as a condition of certification and competitive classification, and unless otherwise ordered by the Commission, its 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 areas Applicant seeks to provide service. Additionally, pursuant to the Commission's Report and Order in Case No. T0-99-596, US Cable agrees that if the ILEC in whose service area Applicant is operating decreases 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.

24. Pursuant to Section 386.570 RSMo, US Cable will comply with all applicable Commission rules except those specifically waived by the Commission pursuant to US Cable's request.

E. <u>Public Interest Considerations</u>

Granting this Application will promote the public interest by increasing competition in the provision of telecommunications services in Missouri. Applicant will provide customers high quality, cost effective telecommunications services, with an emphasis on customer service. In addition to driving prices closer to costs, thereby ensuring just and reasonable rates, competition also promotes efficiency in the delivery of services and in the development of new services. These benefits work to maximize the public interest by providing continuing incentives for carriers to reduce costs while, simultaneously, promoting the availability of potentially desirable services.

III. CONCLUSION

For the reasons stated above, Applicant respectfully submits that the public interest, convenience, and necessity would be furthered by a grant of this Application for the authority to provide all types of facilities-based and resold local and interexchange telecommunications services, and requests that the Commission grant it a certificate of service authority to provide basic local exchange, local exchange and intrastate interexchange telecommunications services as herein requested, classify US Cable and its proposed services as competitive, and grant a waiver of the aforesaid statutes and regulations.

Respectfully submitted,

By:

<u>/s/ Mark W. Comley</u>Mark W. Comley#28847Newman, Comley & Ruth PCMonroe Bluff Executive Center601 Monroe Street, Suite 301P.O. Box 537Jefferson City, Missouri 65102-0537(573) 634-2266 (Tel)(573) 634-3306 (Fax)comleym@ncrpc.com

Catherine Wang R. Sturtevant Eaton BINGHAM MCCUTCHEN, LLP 2020 K Street, NW Washington, DC 20006 (202) 373-6000 (Tel) (202) 373-6001 (Fax)

COUNSEL FOR APPLICANT

Dated: May 29, 2007

LIST OF EXHIBITS

| Exhibit A | - | Authority to Transact Business |
|--------------|---|---|
| Exhibit B | - | Financial Statements [CONFIDENTIAL - Filed Under Seal] |
| Exhibit C | - | <i>Pro Forma</i> Information [CONFIDENTIAL - Filed Under Seal] |
| Exhibit D | - | Management Biographies |
| Verification | | |

<u>Exhibit A</u>

Authority to Transact Business

STATE OF MISSOURI



Robin Carnahan Secretary of State

CORPORATION DIVISION CERTIFICATE OF GOOD STANDING

I, ROBIN CARNAHAN, Secretary of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that

US CABLE TELECOM OF MISSOURI LLC LC0815297

was created under the laws of this State on the 7th day of May, 2007, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 29th day of May, 2007

John Camahan

Secretary of State



Certification Number: 9757707-1 Reference: Verify this certificate online at http://www.sos.mo.gov/businessentity/verification

<u>Exhibit D</u>

Management Biographies

James Pearson, President and CEO of US Cable Corp.

As President and CEO of US Cable Corp. and Chairman of Smart City Holdings, James Pearson regularly applies his extensive telecommunications background to provide valuable insight to the management team.

Pearson joined US Cable as Chief Financial Officer in 1982 and became President and CEO in 1990. He serves on the board of the National Cable and Telecommunications Association and is a director of several private companies.

He received his B.S. degree in commerce, cum laude, from Washington and Lee University in 1976 and holds an MBA from Indiana University.

Stephen E. Myers, Chairman of US Cable Corp.

Stephen Myers has been in the Telecommunications industry since 1976 when he founded US Cable Corporation. Under his direction, the company and its affiliates have operated in the Cable Television industry, the cable-telephony industry in the United Kingdom through joint ventures with US West, Nynex, and New Brunswick telephone, and the international long distance industry. The company and its affiliates currently operate the applicant and its parent, as well as the affiliates described in this application.

Mr. Myers received a Bachelor of Science degree in Finance from St. Louis University. He is active in the Cable Entrepreneurs Club and is a member of the Cable TV Pioneers Club.

Daryl Koedyker, Regional Manager – US Cable of Coastal-Texas, LP, West Texas/New Mexico/Missouri Areas

Mr. Koedyker began his career working with US Cable of Northern Indiana in 1982, initially in the position of Installer/Technician, and finally running the technical operation in the company's 80,000-subscriber system.

Mr. Koedyker was promoted to the position of Regional Manager for US Cable's West Texas, New Mexico and Missouri cable systems in 1999 and presently holds this position. This cluster of systems consists of approximately 52,900 subscribers in 44 towns. Responsibilities include marketing, billing, public relations, franchise negotiation and renewal, system design and mapping, hiring, budget preparation.

Mr. Koedyker is currently a member of the Society of Cable Television Engineers and Texas Cable Television Association.

Michael Morris, Director of Corporate Engineering – US Cable Corporation

Mr. Morris began his cable career in 1974 with American Television Corporation as its East Coast Regional Engineer with engineering responsibilities for 3.0 million East Coast subscribers. Subsequent to his tenure at ATC, Mr. Morris franchised, owned and operated numerous cable systems in Colorado.

In 1992, Mr. Morris accepted the position of Directing Manager with bottom-line responsibility for a state of the art HFC Network construction project in Malta, Europe.

In 1994, Mr. Morris moved to Taiwan as a product manager for AT&T Taiwan and successfully managed numerous aspects of its start-up, full service turn-key operation. Subsequent oversea engagements included stints in Hong Kong, Malaysia, Singapore, Spain and others supporting numerous clients, including AT&T, Scientific Atlanta, CHZMHill and US Cable Espania.

From 1998 to present, Mr. Morris is the Director of Engineering and Development for US Cable and is primarily responsible for defining and deploying technology that increases revenue. Mr. Morris is a published author and holds various credentials from the FCC/SCTE/IEEE and other industry organizations.

George Taylor, Vice President, Engineering & Technology – Smart City Telecom

Mr. Taylor is responsible for the operation of the core communication equipment for Smart City Telecom. He also leads the development of new technology for the company.

Before Smart City, Taylor served as the president and managing director of U.S. Electronics Inc. He also previously served as the director of marketing and technical services and asset management for the Southeast region of U.S. West International/MediaOne Inc.

Taylor wrote the national standards for the construction and maintenance of cable and television networks used by almost all cable television networks in the United States. In addition, he established technical standards for the Israeli cable television industry and has authored several technical books on broadband communications for the Japanese cable industry. Taylor received his B.S. degree in electrical engineering from the University of California

Verification

STATE OF NEW JERSEY COUNTY OF BERGEN ş Ş

AFFIDAVIT

I, James D. Pearson, state that I am President and Chief Executive Officer of US Cable Telecom of Missouri, LLC; that I am authorized to make this Verification on behalf of US Cable Telecom of Missouri, LLC; that the foregoing filing was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.

James D. Pearson President and CEO US Cable Telecom of Missouri, LLC

Sworn and subscribed before me this 24^{μ} day of May, 2007.

Notary Public

ine 3, 2007 My commission expires

CONNIE R. GORGA A NOTARY PUBLIC OF NEW JERSEY My Commission Expires June 3,2007

Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent via e-mail on this 29 day of May, 2007, to General Counsel's Office at gencounsel@psc.mo.gov; and Office of Public Counsel at <u>opcservice@ded.mo.gov</u>.

/s/ Mark W. Comley Mark W. Comley