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January 21, 1999

VIA FEDERAL EXPRESS

Mr. Dale Roberts
Executive Secretary
Missouri Public Service Commission
301 W. High Street, Suite 530
Jefferson City, MO 65101

FILED
JAN 22 1999
Missouri Public
Service Commission

TA-99-310

Re: *In the Matter of the Application of Harcourt Telco, L.L.C. For a Certificate of Public Convenience and Necessity in the State of Missouri For the Purpose of Providing Data High Speed Communications Technologies for Non-Basic, Non-Switched Local Exchange Services and Interexchange Services. (IntraLATA and InierLATA Toll) and Designation as a Competitive Telecommunications Company*

Dear Mr. Roberts:

Enclosed for filing with the Commission is the original and 14 copies of the Application of Harcourt Telco, L.L.C. For a Certificate of Public Convenience and Necessity in the State of Missouri For the Purpose of Providing Data High Speed Communications Technologies for Non-Basic, Non-Switched Local Exchange Services and Interexchange Services. (IntraLATA and InterLATA Toll). Also enclosed are two additional copies of this document, which I would ask that you return these copies marked "filed" in the enclosed envelope. By copy of this letter, two copies of this document have been sent to the Office of Public Counsel. If you should have any question, please do not hesitate to contact me.

Thank you for bringing this matter to the attention of the Commission.

Very truly yours,



Lisa C. Creighton

LCC/cmw
Enclosures

cc: Office of Public Counsel (w/enclosures)

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STATE OF MISSOURI
BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

FILED
JAN 22 1999
Missouri Public
Service Commission

In the Matter of the Application of)
Harcourt Telco, L.L.C.)
For a Certificate of Public Convenience)
and Necessity in the State of Missouri)
For the Purpose of Providing Data High)
Speed Communications Technologies for)
Non-Basic, Non-Switched Local Exchange)
Services and Interexchange Services.)
(IntraLATA and InterLATA Toll))

Case No. TA 99-310

APPLICATION OF
HARCOURT TELCO, L.L.C.
FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

Pursuant to the guidelines found in Senate Bill 507, Missouri Title XXV, Chapter 392 of the Missouri Revised Statutes, Rules of Department of Economic Development 4 C.S.R. 240-2.040, 4 C.S.R. 2.060 and 4 C.S.R. 240-2.080, the Public Service Commission and its decisions authorizing local competition in the State of Missouri, Harcourt Telco, L.L.C. ("Harcourt") hereby requests authority to provide non-basic, non-switched, local competitive telecommunications and to provide interexchange (intraLATA and interLATA toll) digital communication services to customers in the State of Missouri. This Application is submitted by Harcourt, in order to be classified as a Competitive Local Exchange Carrier ("CLEC") and as an Interexchange Carrier ("IXC") specializing in digital communication services.

Harcourt requests authority to operate as a CLEC specializing in digital communication services in territories currently served by Southwestern Bell Telephone Company ("SWBT"), Sprint, and GTE and as an IXC Carrier in the State of Missouri. In support of its Application, Harcourt submits the following filing requirements:

1. Legal name under which Applicant will Conduct Business in Missouri [4 C.S.R. 240-2.060(1)(A)]

HARCOURT TELCO, L.L.C.

Applicant received Certificate of Authority from the State of Missouri on January 11, 1999. Please see Appendix "I" Certificate of Authority issued by Missouri Secretary of State.

The address and telephone number of the principal office is:

8020 Daytona Drive
Clayton, Missouri 63105
Telephone: (314) 863-9099
Facsimile: (314) 863-9199

2. Name, Address and Telephone Number of Authorized Representative that Public Service Commission Staff Should Contact for Further Information on this Application [4 C.S.R. 240-2.060(1)(C)]:

James F. Kalishman
Harcourt Telco, L.L.C.
8020 Daytona Drive
Clayton, Missouri 63105
Telephone: (314) 863-9099

Correspondence or communications regarding this Application should be addressed as follows:

Lisa C. Creighton, Esq.
Sonnenschein Nath & Rosenthal
4520 Main Street, Suite 1100
Kansas City, Missouri 64111
Telephone: (816) 932-4461
Facsimile: (816) 531-7545

and

James F. Kalishman
Harcourt Telco, L.L.C.
8020 Daytona Drive
Clayton, Missouri 63105
Telephone: (314) 863-9099
Facsimile: (314) 994-9199

3. Applicant is represented by legal counsel, Lisa C. Creighton, Esq., Missouri Bar No. 42194.

4. Applicant will be conducting business in the State of Missouri as HARCOURT TELCO, L.L.C.

5. a. Form of Business:

Applicant is a Missouri Limited Liability Corporation (L.L.C.). Applicant was incorporated in the State of Missouri on January 11, 1999.

b. Articles of Incorporation:

A certified copy of Applicant's Articles of Organization is attached as Appendix "2"
Articles of Incorporation.

6. (a) Proposed Services [4 C.S.R. 240-2.060(1)(B)]:

Harcourt seeks entry as a competing company specializing in high-speed digital communications technologies for non-basic, non-switched, local exchange services and interexchange services (intraLATA and interLATA toll) to customers throughout the State of Missouri. Applicant offers xDSL services. Authority is sought for the entire State for interexchange services and for SWBT, Sprint, and GTE service territories for non-basic, non-switched, local exchange services.

Applicant's network plan is to utilize the existing ILEC network to deliver xDSL service to consumers and aggregate all traffic from various central offices throughout the area into one location. This location will serve as a point for interconnection with other networks. By utilizing the ILEC network, the Applicant is ensured of adhering to the engineering and maintenance requirements noted in 4 C.S.R. 240-32.060. The network plan includes redundant power and connectivity to counter downtime that any one consumer may encounter throughout Harcourt's service area.

xDSL are point-to-point non-basic, non-switched, local exchange technologies that allow multiple forms of data, voice and video to be carried over standard twisted pair copper, or UNEs, on the local loop between the central office and the consumer site. As 98% of all potential consumers, business and residential, have installed telephone lines, xDSL is the lower cost solution to traditional T1, Fractional T1, or ISDN lines that carry cost prohibitive installation fees. xDSL can utilize a higher frequency to ride over voice on standard twisted pair copper.

It can also be provided on a separate circuit from the voice connection. In either case, there is no interference. xDSL provides the consumer "always on" business bandwidth over standard twisted-pair copper.

(b) Missouri Deployment:

Harcourt anticipates that it will be negotiating interconnection and/or resale agreements with SWBT, Sprint, and GTE. These interconnection/resale agreements will enable Applicant to offer xDSL technology to customers.

Applicant's current business plans do not involve the construction of network facilities.

(c) Applicant's Personal Strengths:

Applicant presents technical competence to provide non-basic, non-switched, local exchange telecommunication services in xDSL as demonstrated in the attached Appendix "3" Key Personnel Profiles.

(d) Switching Data Telecommunications Service Providers:

Applicant does not offer voice services but rather is a data services provider. Applicant does not engage in slamming and shall not engage in switching end-users' data telecommunications providers without written authorization from the end-user.

7. Service Area:

Pursuant to this Application, Harcourt anticipates targeting markets in major and rural territories throughout the State of Missouri for deploying its xDSL technology. SWBT territory has first priority for the implementation of new services. Deployment into the territories of other statewide telephone companies will follow in accordance with a scheduled time frame. In time, Applicant may build a state-wide network that will connect each central office in the State of Missouri.

8. (a) Classes of Customers Applicant Intends to Serve:

Business and residential.

(b) A Detailed Description of the Communications Network Applicant Proposes to Utilize in Missouri:

As a local access provider, Applicant will build a network infrastructure in Missouri to service the last mile. The network will deliver data and value-added services over leased lines to the consumers. Applicant will lease copper loop UNEs from RBOC SWBT and ILECs Sprint and GTE to deliver its services. Data switching is based on end points irregardless of whether the points are intrastate or interstate. Applicant will also deliver Internet services to consumers such as e-mail and web hosting if the customer so desires.

(c) Identify the Types of Services Applicant Seeks Authority to Provide:

Data communication services.

(d) List the Technology that Will be Used to Deliver the Service:

Digital subscriber line technologies.

9. Illustrative Tariff:

Please see Appendix "4" Harcourt Telco, L.L.C. Regulations and Schedule of Charges for Local Exchange Services Within the State of Missouri.

10. (a) Start Date:

The date of deployment of the service area shall be dependent upon approval by the Public Service Commission of this Application, associated tariff, and any Interconnection/Resale Agreements that may be necessary. Applicant's xDSL network will operate over the existing lines and infrastructure. This technology should not require that any additional lines be laid, but makes use of existing telecommunications hardware.

(b) Applicant's Business History:

Applicant was incorporated in the State of Missouri on January 11, 1999, as Harcourt Telco. Applicant was organized as a Limited Liability Corporation.

(c) Compliance with Rules and Orders Relating to Service Requirements:

All hardware, firmware, and software products utilized by Harcourt will be tested with regard to Year 2000 compliance status. Applicant is confident no service interruptions to customers will occur as a result of Year 2000.

11. Federal Telecommunications Act of 1996:

Applicant offers xDSL services---advanced telecommunications as specified under Section 706 of the Telecommunications Act of 1996. Such services enable users to originate and receive high-quality voice, data, graphics, and video telecommunications using any technology. Applicant provides data telecommunications utilizing xDSL technology. Applicant will seek UNEs from the incumbent local exchange carriers as specified under Section 251.

12. Compliance:

No pending nor completed criminal, civil, or administrative action has been taken against the Applicant nor any person identified in this Application by a state or federal authority, including any settlements, in connection with Applicant's provision of telecommunication services.

13. (a) Applicant's Customer Service Program [4 C.S.R. 240-32.070(6)]:

Applicant intends to establish a customer service line prior to the Start Date of service. The customer service call center will assist with all technical service issues as well as provisioning RBOC and ILEC due date negotiations, billing questions and customer account concerns. Customer service representatives will have access to network operations monitoring

information to better notify consumers of potential issues and service restoration time frames plus a database containing provisioning and accounting data.

14. Falsification:

Applicant understands that the making of false statement(s) herein may be grounds for denying the Application or, if later discovered, for revoking any authority granted pursuant to the Application.

15. Cessation:

Applicant understands that if it plans to cease doing business within the State of Missouri, it is under a duty to request authority from the Missouri Public Service Commission for permission prior to ceasing business.

16. Information Concerning the Provision of Mandatory Service:

Applicant is not a 1+/0+ carrier and currently has no plans to offer voice services. Applicant requests waiver of the following 1+/0+ carrier services:

- Operator and Directory Assistance
- Directories [4 C.S.R. 240-32.050(3-6)]
- Enhanced 911 Emergency Service [4 C.S.R. 240-32.100(2)(C)]
- Coin Telephones [4 C.S.R. 240-32.070(4)]
- Individual Line Service [4 C.S.R. 240-32.100(2)(A)]
- Dual tone multifrequency signaling [4 C.S.R. 240-32.100(2)(B)]
- Telecommunications Relay Service (TRS)
- Dialing Parity [4 C.S.R. 240-32.100(2)(G)]
- AOS requirements
- Local Number Portability
- 24 Hour Emergency Service Calling Plan for Message Toll Service (MTS)

As Applicant's service offerings will not utilize these services, waivers may not be necessary. Applicant further requests, pursuant to Section 392.420, RSMo that the Public Service Commission waive the application of the following rules and statutory provisions as they relate to the regulation of Applicant:

Statutory Provisions

392.210.2	System of Accounts
392.240(1)	Rates-reasonable average return on investment
392.270	Property valuation
392.280	Depreciation rates
392.290	Issuance of securities
392.300.2	Acquisition of Stock
392.310	Stock and debit issuance
392.320	Stock dividend payment
392.330	Issuance of securities, debts and notes
392.340	Reorganization

Missouri Public Service Commission Rules

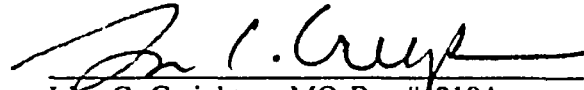
4 C.S.R. 240-10.020	Income on depreciation fund investments
4 C.S.R. 240-30.010(2)(C)	Posting exchange rates at central offices
4 C.S.R. 240-32.030(1)(B)	Exchange boundary maps
4 C.S.R. 240-32.030(1)(C)	Record of access lines
4 C.S.R. 240-33.030	Inform customers of lowest priced service
4 C.S.R. 240-30.040	Uniform System of Accounts
4 C.S.R. 240-32.050(3)-(6)	Information concerning local service tariffs, maps, directories, and telephone numbers
4 C.S.R. 240-32.070(4)	Coin telephone
4 C.S.R. 240-35	Bypass

WHEREFORE, Harcourt Telco, L.L.C. respectfully requests that the Public Service Commission (1) enter an Order granting this Application, thereby conferring on Harcourt Telco, L.L.C. authority to provide data high speed digital communications technologies for non-basic, non-switched, local exchange services and interexchange services (intraLATA and interLATA toll), to customers in the State of Missouri; (2) classify these services as competitive, and (3) waive certain statutory provisions and rules.

Respectfully submitted,

Harcourt Telco, L.L.C.

By:



Lisa C. Creighton, MO Bar #42194

Sonnenschein Nath & Rosenthal

4520 Main Street, Suite 1100

Kansas City, Missouri 64111

Telephone: (816) 932-4461

Facsimile: (816) 531-7545

Dated:

January 21, 1999

VERIFICATION

STATE OF MISSOURI)
)
COUNTY OF JACKSON)

COMES NOW Lisa C. Creighton, being of lawful age and duly sworn, who swears and affirms as follows:

1. My name is Lisa C. Creighton and I am the attorney for Harcourt Telco, L.L.C. In that capacity, I am authorized to verify this Application and the information contained thereon on behalf of Harcourt Telco, L.L.C.

2. The information contained in the Application is true and accurate to the best of my knowledge and belief.



Lisa C. Creighton

Subscribed and sworn to before me this 21st day of January, 1999.



Notary Public

My Commission Expires:

CARMEN M. WESSON
NOTARY PUBLIC STATE OF MISSOURI
CLAY COUNTY
MY COMMISSION EXP. MARCH 23, 2000

STATE OF MISSOURI



Rebecca McDowell Cook
Secretary of State

CERTIFICATE OF ORGANIZATION
LIMITED LIABILITY COMPANY

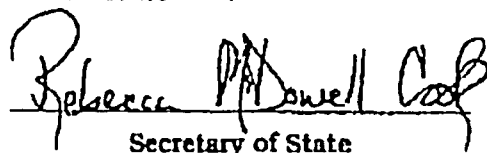
WHEREAS,

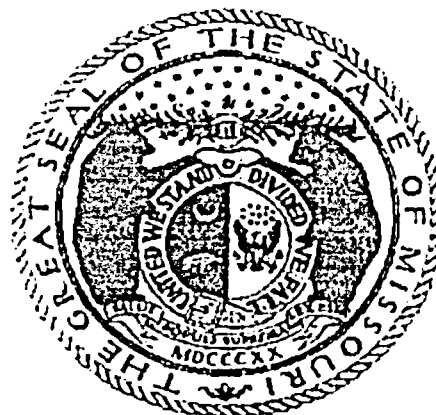
HARCOURT TELCO, L.L.C.

FILED ITS ARTICLES OF ORGANIZATION WITH THIS OFFICE ON THE 11TH DAY OF JANUARY, 1999, AND THAT FILING WAS FOUND TO CONFORM TO THE MISSOURI LIMITED LIABILITY COMPANY ACT;

NOW, THEREFORE, I, REBECCA MCDOWELL COOK, SECRETARY OF STATE, STATE OF MISSOURI, BY VIRTUE OF AUTHORITY VESTED IN ME BY LAW, DO CERTIFY AND DECLARE THAT ON THE 11TH DAY OF JANUARY, 1999, THE ABOVE ENTITY IS A LIMITED LIABILITY COMPANY, ORGANIZED IN THIS STATE AND ENTITLED TO ANY RIGHTS GRANTED TO LIMITED LIABILITY COMPANIES.

IN TESTIMONY WHEREOF, I HAVE SET MY HAND AND IMPRINTED THE GREAT SEAL OF THE STATE OF MISSOURI, ON THIS, THE 11TH DAY OF JANUARY, 1999.


Secretary of State



\$105.00

STATE OF MISSOURI



Rebecca McDowell Cook
Secretary of State

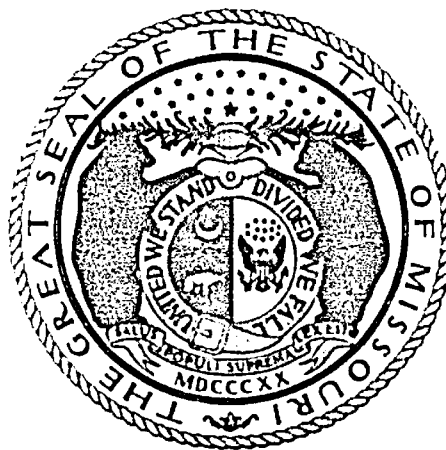
CORPORATION DIVISION
CERTIFICATE OF CORPORATE RECORDS

HARCOURT TELCO, L.L.C.

I, REBECCA MCDOWELL COOK, SECRETARY OF STATE OF THE STATE OF MISSOURI AND KEEPER OF THE GREAT SEAL THEREOF, DO HEREBY CERTIFY THAT THE ANNEXED PAGES CONTAIN A FULL, TRUE AND COMPLETE COPY OF THE ORIGINAL DOCUMENTS ON FILE AND OF RECORD IN THIS OFFICE.

IN TESTIMONY WHEREOF, I HAVE SET MY HAND AND IMPRINTED THE GREAT SEAL OF THE STATE OF MISSOURI, ON THIS, THE 21ST DAY OF JANUARY, 1999.

Rebecca McDowell Cook
Secretary of State

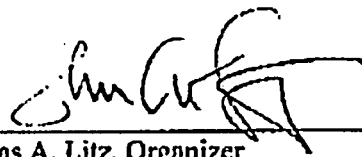


ARTICLES OF ORGANIZATION
(Submit in duplicate with \$105 filing fee)

The undersigned for the purpose of organizing a Missouri limited liability company adopts the following Articles of Organization pursuant to Mo. Rev. Stat. § 347.039:

1. The name of the limited liability company is Harcourt Telco, L.L.C.
2. The limited liability company is organized for the purpose of conducting or transacting any lawful businesses or purposes within the State of Missouri or any other jurisdiction.
3. The name and address of the limited liability company's registered agent in Missouri is Thomas A. Litz, One Mercantile Center, St. Louis, Missouri 63101.
4. The management of the limited liability company is vested in the members.
5. The duration of the limited liability company is perpetual.
6. The name and address of the Organizer is Thomas A. Litz, One Mercantile Center, St. Louis, Missouri 63101.
7. Pursuant to existing law, the limited liability company will be disregarded for federal and state income tax purposes at any time that it has only one member. The admission of one or more additional members, however, will cause the limited liability company to be recognized for federal and state income tax purposes, and to be taxed, as a partnership.

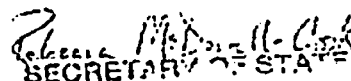
In affirmation thereof, the facts stated above are true:



Thomas A. Litz, Organizer

FILED

JAN 11 1999


REBECCA M. DINEEN
SECRETARY OF STATE

James F. Kalishman

James F. (Jim) Kalishman is a founder and principal member of Harcourt Telco, LLC. Prior to joining Harcourt Telco, Mr. Kalishman was Director - Product Management at 21st Century Telecom Group where he oversaw the development, pricing, packaging and marketing of the company's voice, video and data products. 21st Century, a \$300 million venture-capital backed telecommunications company, is the first facilities-based provider to offer a converged product over one network to the residential and business market in Chicago, IL. Prior to that, Mr. Kalishman was Manager - Marketing Programs in Ameritech's high-tech cable TV division, Ameritech New Media. Mr. Kalishman was instrumental in leading the start-up of that division and making it the most successful competitive cable TV provider in the country. Mr. Kalishman also has extensive marketing experience as a product manager at Kraft Foods and finance experience as a commercial lender at Mark Twain Bancshares in St. Louis.

Mr. Kalishman is a graduate of the J L Kellogg Graduate School of Management at Northwestern University where he earned a masters degree in marketing, and of Tulane University where he earned a bachelor's degree in economics.

Thomas N. Kalishman

Thomas N. (Tom) Kalishman is a founder and principal member of Harcourt Telco, LLC. Prior to joining Harcourt Telco, Mr. Kalishman was President of United Pipeline Systems, Inc., a subsidiary of Insituform Technologies, Inc., publicly-traded NASDAQ company. As President, he orchestrated a turnaround of the high-pressure pipeline rehabilitation business. Previous to this, he was a Director of the North American Rehabilitation Group of Insituform Technologies, Inc. where he managed the consolidation of the eastern North American business units, a business having over \$100 million in revenues and 500 employees. Before joining the senior management group of Insituform Technologies, Inc., he built the southeast region operations group from start-up into what is now the most profitable region in the corporation. He has held several other managerial and operations positions with Insituform Technologies, Inc. since 1991. Between 1986 and 1989, Mr. Kalishman worked as a consultant for Bain & Company and Alliance Consulting Group specializing in corporate strategy.

Mr. Kalishman currently serves on the Board of Directors of Insituform Technologies, Inc. and on the Advisory Board of the EM³ program (a joint program between the graduate business and engineering schools) at the John M. Olin School of Business at Washington University.

Mr. Kalishman holds a Masters in Management degree from the J L Kellogg Graduate School of Management at Northwestern University and a B.S. in Economics from the Wharton School at the University of Pennsylvania concentrating in finance.