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April 29, 2005

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FILED²

APR 29 2005

Missouri Public
Service Commission

The Honorable Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102-0360

Re: Matrix Telecom, Inc.; Basic Local Application

Dear Judge Roberts:

Enclosed for filing in the above-referenced matter, please find the original and eight copies of an Application for a Certificate of Service Authority to Provide Basic Local Telecommunications Service in portions of the State of Missouri and for Competitive Classification. I note that I filed a motion for a protective order with the Commission in conjunction with Exhibit C of the Application and also enclose the original and eight copies of the highly confidential Exhibit C which is filed under seal. In addition, I point out that the Application contains a tariff labeled Exhibit D bearing a 45-day effective date, and I enclose the original and five copies of such tariff.

If you have any questions, please advise. Thank you very much for your attention to this matter.

Sincerely,

NEWMAN, COMLEY & RUTH P.C.

By:



Cathleen A. Martin
martinc@ncrpc.com

CAM:clv

Enclosures

cc: Office of Public Counsel
General Counsel
Judith Riley, Esq.
Greg Taylor
Bill Haas

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED²

APR 29 2005

Missouri Public
Service Commission

In the Matter of the Application of)
Matrix Telecom, Inc.'s for a)
Certificate of Service Authority to Provide)
Basic Local Telecommunications Service)
in the State of Missouri and to Classify)
Said Services and the Company as Competitive.)

Case No. _____

APPLICATION FOR CERTIFICATE OF SERVICE AUTHORITY
TO PROVIDE BASIC LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE
AND FOR COMPETITIVE CLASSIFICATION

Comes now Matrix Telecom, Inc. ("Matrix"), by its undersigned counsel, and hereby applies pursuant to Sections 392.361, 392.420, and 392.430 RSMo 1994, 392.450 RSMo Supp. 1996, 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. Pursuant to § 392.420, RSMo, and 4 CSR § 240-32.010(2), Matrix also seeks a waiver of certain of the Commission's requirements for basic local exchange telecommunications service offerings. In support of its Application, Matrix states as follows:

1. Matrix is a corporation duly organized and existing under and by virtue of the laws of the State of Texas. Matrix is headquartered at: 300 North Meridian, Suite 200 North, Oklahoma City, Oklahoma 73107. Its telephone number is (405) 717-9612. A copy of Matrix's Certificate of Formation along with a Certificate of Good Standing to conduct business in Missouri issued by the Missouri Secretary of State are appended hereto as Exhibit A.

2. The designated contacts for this Application are: Cathleen A. Martin, Newman, Comley & Ruth P.C., 601 Monroe Street, Suite 301, P.O. Box 537, Jefferson City, Missouri 65102.

3. Copies of all correspondence, communications, pleadings, notices, orders and decisions relating in the case also should be addressed to:

Telecom Professionals, Inc.
Attn: Judith Riley, Esq.
2912 Lakeside Drive
Oklahoma City, Oklahoma 73120
T: 405.755.8177
F: 405.755.8377
jriley@telecompliance.net

Greg Taylor
Matrix Telecom, Inc.
300 N. Meridian, Suite 280 North
Oklahoma City, OK 73107
T: 405.717.9612
F: 405.951.6312

4. Matrix proposes to provide basic local exchange telecommunications service on a resold basis throughout all exchanges currently served by the incumbent local exchange telecommunication company(ies) of Southwestern Bell Telephone Company (SWBT), GTE d/b/a Verizon, or Spectra. The specific SWBT, Sprint, Verizon or Spectra exchanges within which Matrix purposes to offer service are listed in the incumbent providers respective local exchange tariffs. Matrix may seek authority to provide this service in other areas of the state in a subsequent proceeding.

5. Matrix is currently authorized to provide intrastate interexchange telecommunication services in Missouri (Case No. XA-2004-0238).

6. Pursuant to this Application, Matrix seeks to offer and provide all forms of basic local service, including: local exchange services to all willing residential and business customers within the state of Missouri and pursuant to Matrix's tariff approved by this Commission. Matrix will provide the full range of local and long distance voice and data services, including 1+, calling card, toll-free, private line, frame ATM, and dedicated internet services.

7. Matrix possesses the technical and managerial expertise and experience necessary to provide the services it purposes. Description of the backgrounds of executive management, which demonstrate the extensive experience and expertise, are appended hereto as Exhibit B.

8. Matrix also possesses the necessary financial resources to fund the development and operation of its telecommunications network in Missouri. A copy of Matrix's Financial Statements, including Balance Sheets and Statements of Income for 2002 – 2004 and Projected Financial Statements for 2005 – 2007 are appended hereto as Exhibit C.

9. Please note that the information provided in Exhibit C is privileged and confidential and therefore is being submitted separately as an appendix to Matrix's Motion for a Protective Order ("Motion"). The Motion seeks confidential treatment of all information contained in Exhibit C and is being filed pursuant to proposed 4 CSR § 240-2.085, solely, for the purpose of the Commission's in-camera review.

10. Matrix seeks classification of itself and its services as competitive. Matrix believes that the services that it provides will be subject to sufficient competition to justify a lesser degree of regulation.

11. Matrix's client service representatives are available to assist its customers with service, maintenance and billing issues. Specifically, Matrix's client service representatives are prepared to respond to a broad range of service matters, including inquiries regarding: (1) the

types of services offered by Matrix 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 telecommunications matters. For service and maintenance issues, by calling toll-free (888) 829-6926. Alternatively, customers may communicate billing questions or concerns to Matrix's client services representatives in writing to:

Matrix Telecom, Inc.
300 North Meridian, Suite 200 North
Oklahoma City, OK 73107

12. Matrix will offer basic local telecommunications service as a separate and distinct service in accordance with applicable law. Matrix will give consideration to equitable access for all Missourians, regardless of where they might reside or their income, to affordable telecommunications services in Matrix's proposed service areas in accordance with applicable law and will not discriminate against its subscribers as prohibited by § 392.200, RSMo.

13. Matrix 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 carrier(s) with whom Matrix seeks authority to compete. Additionally, Matrix agrees that, pursuant to Section 392.455(3) & (4) RSMo Cum Supp. 1996, its service area shall be no smaller than a exchange and Matrix will offer basic local telecommunications service as a separate and distinct service. Consistent with the Commission's treatment of other certificated competitive local exchange telecommunications companies, Matrix requests that the following statutes and regulations be waived for Matrix and its basic local exchange service offerings in accordance with § 392.420 and 4 CSR § 240-320.010(2):

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

RULES

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

14. The above-referenced rules and statutory provisions have been waived with regard to other interexchange carriers (Case No. TA-98-361) and competitive local exchange companies (Case No. TA-96-347). These rules or 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 Section 392.530 to apply them to a competitive telecommunications carrier such as Matrix, and, for this reason, Matrix respectfully requests that the Commission waive the application of these rules to Matrix.

15. A copy of Matrix's tariff is appended hereto as Exhibit D. The tariff has an effective date which is 45 days after the tariff's issued date.

16. Matrix submits that the public interest will be served by Commission approval of this Application because Matrix'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. This enhancement on competition will occur without any adverse impact on the Commission's goals of universal service and affordable telecommunications services for Missouri residents. Prompt approval of this Application also will expand the availability of innovative, high quality, and reliable telecommunications services within the State of Missouri.

17. Matrix submits, notwithstanding the provisions of Section 392.500 RSMo, as a condition of certification and competitive classification, Matrix agrees that, unless otherwise ordered by the Commission, Matrix 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) Matrix seeks authority to provide service. Additionally, pursuant to the Commission's Report and Order in Case No. TO-99-596, Matrix agrees that if the ILEC in whose service area Matrix is operating decreases its originating and/or termination access service rates, Matrix 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.

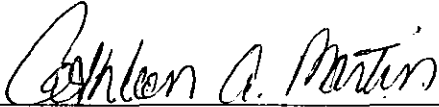
18. Matrix has no pending or final judgments or decisions against it or its affiliates from any state or federal agency or court that involve customer services or rates and has no annual report or assessment fees that are overdue.

19. Matrix nor its affiliates have been denied authority to provide telecommunications services in any state.

WHEREFORE, Applicant Matrix respectfully requests that the Commission grant it a Certificate of Service Authority to provide basic local telecommunications services as herein

requested, classify Matrix and its proposed services as competitive, and grant a waiver of the aforesaid statutes and regulations.

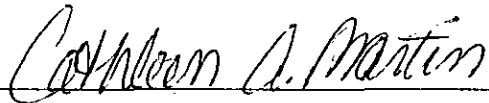
NEWMAN, COMLEY & RUTH P.C.

By: 
Cathleen A. Martin #45682
601 Monroe Street, Suite 301
P.O. Box 537
Jefferson City, MO 65102-0537
(573) 634-2266
(573) 636-3306 FAX
martinc@ncrpc.com

ATTORNEYS FOR APPLICANT MATRIX TELECOM, INC.

Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was e-mailed on this 29th day of April, 2005, to General Counsel's Office at gencounsel@psc.mo.gov; and Office of Public Counsel at opcservice@ded.mo.gov.




VERIFICATION

STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

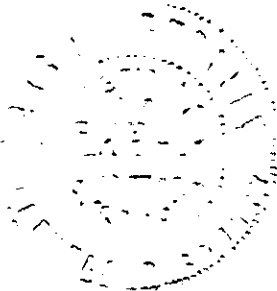
I, Dennis E. Smith, hereby declare under penalty of perjury, that I am the President of Matrix Telecom, Inc., Applicant; that I am authorized to make this verification on behalf of Matrix Telecom, Inc.; that I have read the foregoing; and that the facts stated therein are true and correct to the best of my knowledge, information and belief.

Dated this 25 day of April, 2005.

MATRIX TELECOM, INC.

By: 
Dennis E. Smith
President

Subscribed and sworn to before me, a Notary Public, this 25th day of April, 2005.



Marsha Gettrey
Notary Public
Expires 1-22-07
03001037

EXHIBIT A

CERTIFICATE OF FORMATION AND
CERTIFICATE OF GOOD STANDING



Office of the Secretary of State

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Articles Of Incorporation for MATRIX TELECOM, INC. (filing number: 115691500), a Domestic Business Corporation, was filed in this office on June 13, 1990.

It is further certified that the entity status in Texas is active.

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on February 22, 2005.



A handwritten signature in cursive script that reads "Roger Williams".

Roger Williams
Secretary of State

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

MATRIX TELECOM, INC.

using in Missouri the name

MATRIX TELECOM, INC.
F00399876

a TEXAS entity was created under the laws of this State on the 18th day of August, 1994, 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 24th day of February, 2005

A handwritten signature in cursive script that reads "Robin Carnahan".

Secretary of State

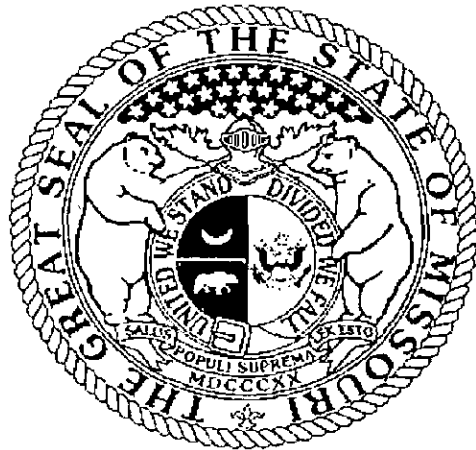


EXHIBIT B

DIRECTORS AND OFFICERS
OF MATRIX TELECOM, INC.

Management Team

The Company has assembled a highly qualified management team with extensive experience within the telecommunications industry. The Company believes that it can draw upon the past experiences of its collective management team to continue the development and execution of its business plan. The Company's management team has developed start-up enterprises into major telecommunications companies.

Dennis Smith, President – 41, over 16 years of telecom experience. Hired by Platinum Equity Holdings (PEH) in Jun 1998 as Vice President – Business Development responsible for PEH's expansion into the telecommunications sector. He was named President of Matrix in Feb 2002. Mr. Smith served in various management positions within network and operations with ATC Long Distance (subsequently LDDS, WilTel, and WorldCom) from 1987 to 1997. Mr. Smith was named as Vice President – Operations for Zenex Communications in 1997 and served until joining PEH in June 1998. Mr. Smith holds a degree in Microcomputer Electronics from Oklahoma State University.

Charles G. Taylor, Jr., Chief Financial Officer – 46, over 17 years of telecom experience. Hired as CFO in October 2001 with responsibility for all finance, accounting, collections and regulatory affairs. Formerly Founder and VP – Finance for VarTec Telecom (1987 – 1990), Founder and COO for Matrix Telecom, Inc. (1990 – 1996), EVP – Retail Business Development for Pacific Gateway Exchange (1996 – 2000) and Founder and President of Local Gateway Exchange (2000 – 2001). Mr. Taylor graduated cum laude with a BS-Accounting from Lamar University and has been a Certified Public Accountant in Texas since 1984.

Greg L. Taylor, Vice President and General Counsel – 39, over 11 years of telecom experience. Prior to his appointment as General Counsel for Matrix, he served as Directory – Legal & Regulatory Affairs for DCA Services, a well-known industry provider of billing and back-office services to the telecommunications and cable television industry. Prior to his work at Matrix and DCA, he served in various operating management roles with Zenex Communications and TouchTone Solutions, Inc. Mr. Taylor has a Juris Doctor from Oklahoma City University, a Master of Arts in Communications from Regent University, and a Bachelor of Science in Business Administration from Southern Nazarene University.

Stephanie Reese, Executive Vice President – Sales and Marketing – 36, over 6 years of telecom experience and over 15 years of marketing and management. Ms. Reese has worked with companies such as American Airlines, Philip Morris, Coca-Cola, WebLink Wireless and BeautiControl Cosmetics. She also owned and operated her own private consulting business for three years specializing in marketing management, financial consulting and strategic planning for small and medium sized companies. Ms. Reese earned her BBA in Marketing Management from the University of North Texas. And has an MBA with emphasis in Marketing from the University of Texas in Austin.

Steve Aduddell, Vice President – 53, over 24 years of telecom switching and operations experience in management positions with Southwestern Bell Telephone, AT&T Communications, Access Communications Services, Zenex Communications, and Lorecom Technologies. He has successfully guided Matrix over the last three (3) years from a switchless reseller to a facilities-based provider of telecom services. He is a graduate of Central State University in Edmond, Oklahoma.

EXHIBIT C
(filed under seal)

BALANCE SHEETS AND STATEMENTS OF
INCOME FOR YEARS 2002 – 2004

AND

PROJECTED FINANCIAL STATEMENTS
FOR YEARS 2005 – 2007