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CARL J. LUMLEY  
PRINCIPAL

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July 30, 2002

Secretary of the Public Service Commission  
Missouri Public Service Commission  
200 Madison, Suite 100  
Jefferson City, Missouri 65101

**Via Federal Express**  
**833736654560**

Re: In the matter of the Application of Western Communications, Inc. for certificates of service authority to provide Basic Local, Local Exchange, Exchange Access, and Interexchange Telecommunications Services in the State of Missouri and to classify said services and the company as competitive

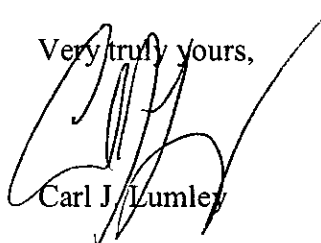
Dear Secretary of the Commission:

Enclosed please find for filing with your office the following in connection with the above-referenced matter:

1. Original and nine (9) copies of the public version of the Application for Certificates of Service Authority to Provide Basic Local Exchange, Exchange Access, and Interexchange Telecommunications Service and for Competitive Classification
2. Original and nine (9) copies of the complete (Highly Confidential) version of the Application for Certificates of Service Authority to Provide Basic Local Exchange, Exchange Access, and Interexchange Telecommunications Service and for Competitive Classification, under seal.
3. An original and nine (9) copies of the Motion for Protective Order
4. An original and nine (9) copies of the Motion for Expedited Treatment

Upon your receipt, please process and return a file stamped copy to the undersigned. If you have any questions, please contact me.

Very truly yours,



Carl J. Lumley

CJL:dn

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

In the matter of the Application of	)	
Western Communications, Inc. for	)	
certificates of service authority to	)	
provide Basic Local, Local Exchange, Exchange	)	
Access, and Interexchange Telecommunications	)	Case No.
Services in the State of Missouri and to classify	)	
said services and the company as competitive.	)	

**APPLICATION FOR CERTIFICATES OF SERVICE AUTHORITY  
TO PROVIDE BASIC LOCAL, LOCAL EXCHANGE, EXCHANGE ACCESS, AND  
INTEREXCHANGE TELECOMMUNICATIONS SERVICE AND FOR COMPETITIVE  
CLASSIFICATION**

COMES NOW Western Communications, Inc. ("Western"), by its undersigned counsel, and hereby applies pursuant to Sections 392.361, 392.410, 392.420, 392.430, 392.440, 392.450, 392.451, and 392.455 RSMo, the Federal Telecommunications Act of 1996, and 4 CSR 240-2.060, for authority to provide all forms of resold and facilities-based basic local, local exchange, exchange access, and interexchange telecommunications services in the State of Missouri as further described herein and to classify said services and company as competitive. The application regarding basic local, switched local exchange, and exchange access services is limited to the geographic area comprised of the exchanges currently served by Southwestern Bell Telephone Company, Sprint Missouri, Inc., GTE Midwest, Inc. dba Verizon Midwest, and Spectra Communications. The application regarding non-switched local exchange and interexchange services involves statewide authority. In support of its application Western states as follows:

1. Applicant Western is a corporation duly organized and existing under and by virtue of the laws of the State of Texas. It is engaged in the process of registering as a foreign corporation in Missouri under the name Logix Communications and will file its Missouri certificate of authority as soon as possible as supplemental Exhibit A to this Application. Western's principal place of

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business is currently located at 1330 Post Oak Blvd, Suite 301, Houston, Texas 77056 and its main telephone number is (713) 850-0990.

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

Carl J. Lumley  
Leland B. Curtis  
Curtis, Oetting, Heinz, Garrett & O'Keefe, P.C.  
130 S. Bemiston, Suite 200  
St. Louis, Missouri 63105  
(314) 725-8788  
(314) 725-8789 (FAX)  
[clumley@cohgs.com](mailto:clumley@cohgs.com)  
[lcurtis@cohgs.com](mailto:lcurtis@cohgs.com)

and

Susan C. Gentz  
Bradford W. Bayliff  
Casey & Gentz, L.L.P.  
919 Congress Avenue, Suite 1060  
Austin, Texas 78701  
(512) 225-0027  
(512) 480-9200 (FAX)  
[sgentz@phonelaw.com](mailto:sgentz@phonelaw.com)  
[bbayliff@phonelaw.com](mailto:bbayliff@phonelaw.com)

Notice, correspondence, communications, orders, decisions, and other papers may be served upon Western's attorneys and such service shall be deemed to be service upon Western in this matter.

3. Western proposes to provide facilities-based and resold basic local, local exchange, exchange access, and interexchange telecommunications services. Basic local, switched local and exchange access service authority is only sought for the exchanges currently served by Southwestern Bell Telephone Company (SWBT), Sprint Missouri, Inc. (Sprint), GTE Midwest, Inc. dba Verizon Midwest (Verizon)<sup>1</sup>, and Spectra Communications (Spectra). The specific

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<sup>1</sup> Including the exchanges Verizon is in the process of selling to CenturyTel of Missouri LLC, see Case No. TM-2002-232.

exchanges within which Western seeks authority to offer basic local, switched local and exchange access services are listed in the local exchange tariffs of SWBT, Sprint, Verizon, and Spectra. Western seeks authority to provide non-switched local exchange and interexchange services throughout the State of Missouri.

4. Pursuant to this application Western seeks to offer and provide all forms of basic local, local exchange, exchange access, and interexchange telecommunications services as described herein. Western is in the process of acquiring the assets and customer base of Logix Communications Corporation (Logix), and will assume provision of all services of Logix under the name Logix Communications and adopt its tariffs. Western is seeking Commission approval of this transfer of assets and subscribers by separate application.

5. Western possesses the technical and managerial expertise and experience necessary to provide the services it proposes. Description of the backgrounds of Western's management (including key consultants) that demonstrate such experience and expertise, are attached hereto marked Exhibit B and incorporated herein by reference. Many current employees of Logix will also be hired in connection with the asset acquisition. Western also possesses the necessary financial resources to provide the services it proposes, as demonstrated in the materials submitted herewith as Exhibit C, under seal to extent appropriate pursuant to Motion for Protective Order filed herein, which Exhibit is incorporated herein by reference. This financial information reflects the historic operations of Logix's business and Western's projected operations after closing. Western's acquisition of the assets and customer base of Logix will further enable it to provide service.

6. Western seeks classification of itself and its services as competitive.

7. Western will offer basic local telecommunications services as a separate and distinct service in accordance with applicable law. Western will give consideration to equitable access for

all Missourians, regardless of where they might reside or their income, to affordable telecommunications services in Western's proposed service areas in accordance with applicable law.

8. Western 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 the incumbent local exchange carriers with whom Western seeks authority to compete. Additionally, Western agrees that, pursuant to Section 392.455(3) & (4) RSMo, its local service area shall be no smaller than an exchange and will follow the exchange boundaries of the incumbents. Consistent with the Commission's treatment of other certificated competitive telecommunications companies, Western requests that the following statutes and regulations be waived for Western and its telecommunications services offerings:

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

9. Western further 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 provide basic local exchange service shall include a proposed tariff with a forty-five (45) day effective date. Western currently plans to adopt the interconnection agreements and tariffs of Logix. Western proposes to submit the

appropriate pleadings, agreements, notices, and tariffs to accomplish such adoption effective as of the closing date of its acquisition of the assets and customer base of Logix to assure a seamless transition and no interruption of service. At such time as all facts necessary for the development and submission of such pleadings, agreements, notices, and tariffs are known to Western, it will promptly file them, seeking the necessary effective date with the Commission in a manner consistent with the Commission's practices. In any circumstance, Western will file its proposed tariffs no later than 30 days after Commission approval of Western's adoption of the Logix interconnection and/or resale agreements.

10. Western submits that the public interest will be served by Commission approval of this application because Western'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.

11. Western submits, notwithstanding the provisions of Section 392.500 RSMo., as a condition of certification and competitive classification, that Western agrees that, unless otherwise ordered by the Commission, Western's originating and terminating switched exchange access rates in the respective exchanges will be no greater than the lowest Commission-approved corresponding access rates in effect for the incumbent LECs within whose service area Western seeks authority to provide basic local and exchange access service. Additionally, pursuant to the Commission's Report and Order in Case No. TO-99-596, Western agrees that if an incumbent LEC decreases its originating and/or terminating access service rates, Western shall to the extent necessary file an appropriate tariff amendment to reduce its originating and/or terminating access rates in the same

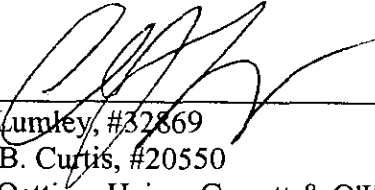
exchanges within thirty (30) days of the incumbent's reduction of its originating and/or terminating access rates in order to maintain the cap on switched exchange access rates.

12. Western has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer services or rates, which action, judgment or decision has occurred within three (3) years of the date of this application. Western has no overdue annual reports or assessment fees.

13. Western has filed herewith a Motion for Expedited Treatment, seeking approval of this application by August 23, 2002 in order to meet the closing conditions of the asset acquisition transaction with Logix. To the extent necessary to obtain such expedited approval, Western hereby requests interim temporary certificates of authority.

WHEREFORE, applicant Western Communications, Inc. respectfully requests that the Commission grant it certificates of service authority to provide basic local, local exchange, exchange access, and interexchange telecommunications services as herein requested on a expedited basis (including interim temporary certificates as needed), classify Western and its proposed services as competitive, grant a waiver of the aforesaid statutes and regulations, and grant such other and further relief as it deems meet and proper.

Respectfully submitted,

  
\_\_\_\_\_  
Carl J. Lumley, #32869  
Leland B. Curtis, #20550  
Curtis, Oetting, Heinz, Garrett & O'Keefe, P.C.  
130 S. Bemiston, Suite 200  
St. Louis, Missouri 63105  
(314) 725-8788  
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Susan C. Gentz  
Bradford W. Bayliff  
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[sgentz@phonelaw.com](mailto:sgentz@phonelaw.com)  
[bbayliff@phonelaw.com](mailto:bbayliff@phonelaw.com)

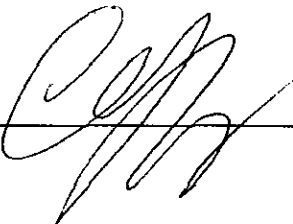
Attorneys for Western  
Communications Inc.

**Certificate of Service**

A true and correct copy of the foregoing document was mailed this 30 day of July, 2002, by placing same in the U.S. Mail, postage paid to:

Office of Public Counsel  
P.O. Box 7800  
Jefferson City, Missouri 65102

General Counsel  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, Missouri 65102

  
\_\_\_\_\_



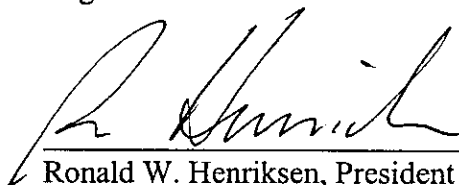
STATE OF TEXAS

COUNTY OF HARRIS

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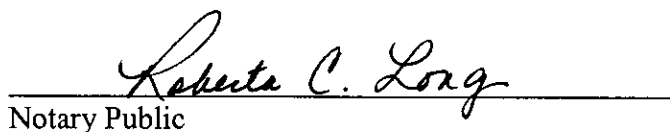
**VERIFICATION**

I, Ronald W. Henriksen, first being duly sworn, state on my oath that I am over the age of twenty-one years, sound of mind, and the President of Western Communications Inc. I am authorized to act on behalf of Western Communications Inc., regarding the foregoing application. I have read the application and I am informed and believe the matters contained therein are true. Further, I hereby confirm that Carl J. Lumley and Leland B. Curtis of Curtis, Oetting, Heinz, Garrett & O'Keefe, P.C. are authorized to sign all pleadings and documents necessary to receive the approval of the Missouri Public Service Commission of the foregoing application, and to represent Western Communications Inc. in this proceeding.

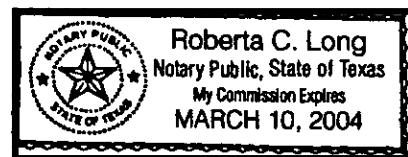
  
\_\_\_\_\_  
Ronald W. Henriksen, President

On this 29<sup>th</sup> day of July, 2002, before me, a Notary Public, personally appeared Ronald W. Henriksen, and being first duly sworn upon his oath stated that he is over twenty-one, sound of mind and the President of applicant Western Communications Inc. and that he/she signed and foregoing document as President and the facts contained therein are true and correct according to the best of his/her information, knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year above-written.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: 3/10/04



**Exhibit B**  
**Applicant's Key Personnel**

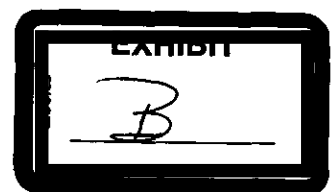
Ron Henriksen, President and CEO, has 19 years of experience in the telecommunications industry. He founded and was President of American Telco, a long distance company headquartered in Houston, from 1983 to 1998. Mr. Henriksen led its growth to 11 offices in Texas, a customer base of 23,000 accounts, \$52 million in annual sales, and approximately 300 employees. Mr. Henriksen was also a two-term President of Texas Association of Long Distance Companies (Texaltel), now SWCTA, from April 1986 to April 1998. Mr. Henriksen formed American Lightwave Communications, Inc. in May 2000.

Louis P. Patierno, Sr., Consultant, has 19 years of experience in the telecommunications industry. He formed American Telephone Network, a reseller of long distance service for residential customers, in 1983. Mr. Patierno worked with several telecommunications companies, serving as District Manager for ATC, Regional Director for Resurgens Communications, and Director of Agent Development for CRC. He joined American Lightwave Communications, Inc. at its inception in May 2000.

Terry Burnside, Consultant, has over 14 years of experience in the telecommunications industry. He spent 10 years at American Telco as Director of Information Technology. He left American Telco to become Director of Information Technology at U.S. Long Distance. He later joined Billing Concepts (ZPDI) as Senior Vice President of Information Technology, focusing on wholesale billing and clearinghouse operations for four hundred commercial companies and later for Aptis, a subsidiary of Billing Concepts. He was Senior Vice President of Information Technology for First World Communications before joining American Lightwave Communications, Inc.

John Howard, Consultant, is a CPA who began his career with Price Waterhouse and later worked in the retail, oil field service, and telecommunications industries. He served in various financial management positions with Houston Cellular for 6 years during which annual revenues grew from \$50 million to over \$300 million. Mr. Howard most recently has provided project-based financial and accounting services to companies primarily in the distribution, energy and telecommunications industries.

John Skidmore, Consultant, has almost 30 years of experience in the telecommunications industry. He spent 20 years in the U.S. Navy, serving in many areas of communications. Upon his retirement in 1983, he worked as a technician for U.S. Tel, which eventually became Sprint. He joined American Telco in 1987 and became Switch Operations Manager. He stayed with the company until it was sold in 1998 and continued on with the new owners, Logix, until joining American Lightwave Communications, Inc. in August 2000.



Individuals will be hired to fill the positions listed below in order to provide quality service to the public. WCI will offer employment offers to many of the current Logix employees to continue providing quality service to the Applicant's customers. If current Logix employees are not offered positions or do not accept WCI's offers, these criteria will be used to evaluate applicants for the following positions:

Director of Operations – This person will have at least 3 years of telecommunications experience related to customer service, sales, and management.

Director of Customer Service – This person will have at least 5 years of telecommunications experience dealing with all levels of customer complaints, including billing issues, installation dates, duplicate bills, address changes, and all other issues related to customer satisfaction. The Director of Customer Service will be responsible for employing and supervising customer service representatives.

Director of Information Service – This person will have at least 3 years of telecommunications experience and will be responsible for the accuracy of all bills and the integrity of the information flow between the Applicant and incumbent local exchange carriers (ILECS).

Director of Provisioning – This person will have at least 5 years of telecommunications experience and will be responsible for meeting all due dates promised to the customer. Additionally, this person will have recent experience dealing with Southwestern Bell Telephone Company and CLEC OSS systems.


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# First Quarter 2002 Financial Results

## *Logix Communications Enterprises, Inc. Unaudited Consolidated Financial Performance*

(& in millions)	Actual 3/31/01	Actual 6/30/01	Actual 9/30/01	Actual 12/31/01	Actual 3/31/02
Local Data & Other CLEC Revenue	\$13.3	\$14.3	\$14.5	\$15.0	\$15.
Long Distance CLEC Revenue	7.3	7.1	6.7	5.9	6.
Fiber Revenue	1.3	1.3	1.4	1.3	2.
ILEC Revenue	<u>4.2</u>	<u>4.4</u>	<u>4.6</u>	<u>4.4</u>	<u>4.</u>
Total Revenue	26.1	27.1	27.2	26.6	29.
Cost of Service (1)	16.9	16.5	13.2	15.3	14.
Selling, Operating, & Admin	<u>15.0</u>	<u>13.6</u>	<u>15.0</u>	<u>11.5</u>	<u>11.</u>
Total Expense	<u>31.9</u>	<u>30.1</u>	<u>28.2</u>	<u>26.8</u>	<u>26.</u>
Operating Profit (EBITDA)	<u>(\$5.8)</u>	<u>(\$3.0)</u>	<u>(\$1.0)</u>	<u>(\$0.2)</u>	<u>\$3.</u>
Capital Expenditures	<u>0.9</u>	<u>2.2</u>	<u>1.8</u>	<u>1.5</u>	<u>1.</u>
Operating Cash Flow (2)	(6.7)	(5.2)	(2.8)	(1.6)	1.
Gross Margin	35%	39%	51%	42%	52%
Access Line Equivalents	91,621	101,466	108,514	121,820	127,08

1) Cost of service restated and includes only wholesale network costs

2) Defined as EBITDA less capital expenditures

EXHIBIT

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