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October 12, 1999

FILED²

OCT 12 1999

Missouri Public
Service Commission

TA-2000-272

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

Re: In the Matter of the Application of Delta Phones, Inc. for a Certificate of Service Authority to provide Basic Local Telecommunications Service in portions of the State of Missouri and to classify said services and the company as competitive.

Dear Mr. Roberts:

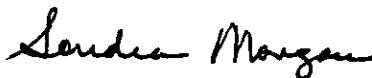
Enclosed please find the original plus fourteen (14) copies of Application for filing on behalf of Delta Phones, Inc. in the above referenced matter. Please bring this matter to the attention of the appropriate Commission personnel.

Thank you for your attention to this matter.

Very truly yours,

BRYDON, SWEARENGEN & ENGLAND P.C.

By:



Sondra B. Morgan

SBM/k

Enclosures

cc: Office of Public Counsel
Jon E. Davis

FILED²
OCT 12 1999

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

Missouri Public
Service Commission

In the Matter of the Application of)
Delta Phones, Inc. for a Certificate)
of Service Authority to provide Basic)
Local Telecommunications Service)
in portions of the State of Missouri)
and to classify said services and)
the company as competitive.)

Case No. TA 2000-272

**APPLICATION FOR CERTIFICATE OF SERVICE AUTHORITY
AND FOR COMPETITIVE CLASSIFICATION**

Comes now Delta Phones, Inc. ("Applicant" or "Delta"), by its undersigned counsel, and hereby applies pursuant to sections 392.361, 392.420, and 392.430 RSMo 1994, 392.410, 392.450 RSMo Supp. 1998, 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 the company as competitive. In support of its Application, Delta states as follows:

1. Applicant is a corporation duly organized and existing under and by virtue of the laws of the State of Louisiana and is duly authorized to do business in Missouri. A copy of Applicant's Articles of Incorporation and Certificate of Incorporation as well as a Certificate from the Missouri Secretary of State showing that Applicant is authorized to do business in the state are attached hereto and incorporated herein by reference as Appendix A. Delta's principal place of business and mailing address is 105 Illinois Street, P.O. Box 784, Delhi, Louisiana 71232, and its telephone number is (318) 878-3844.

2. All correspondence, communications, pleadings, notices, orders and decisions relating to this Application should be addressed to:

Sondra B. Morgan
Brydon, Swearngen & England P.C.
312 E. Capitol Avenue
P.O. Box 456
Jefferson City, MO 65102
(573) 635-7166

All inquiries or communications regarding the ongoing operations and management of Delta should be addressed to:

Mr. Jon E. Davis
Vice President
Delta Phones, Inc.
P.O. Box 784
Delhi, Louisiana 71232
(318) 878-3844

3. Delta proposes to provide resold basic local exchange services to both residence and business customers throughout all the exchanges currently served by Southwestern Bell Telephone Company ("SWBT"), GTE Midwest Incorporated ("GTE"), and Sprint Missouri, Inc. f/k/a United Telephone Company ("Sprint"). The specific exchanges within which Delta proposes to offer service are listed in that company's Missouri local exchange tariffs, copies of which are attached hereto as Appendix B and which are incorporated herein by reference. Delta's proposed service areas will follow the exchange boundaries of the stated incumbent local exchange company ("LEC") and shall be no smaller than an exchange pursuant to Section 392.455, RSMo, Supp. 1998. Delta is not seeking to provide basic local service in any exchanges served by any other incumbent local exchange telecommunications companies at this time but may seek authorization to do so in a subsequent proceeding.

4. Delta proposes to provide basic local telecommunications service through the resale of local exchange and basic local exchange telecommunications services of the above-specified

incumbent LECs. Should its Application be granted, Delta plans to commence offering service upon receiving Commission approval of its necessary resale/interconnection agreements and tariffs. Delta has negotiated a Resale Agreement with SWBT which is being filed with the Commission for approval at the same time as this Application.

5. Delta seeks to offer and provide resold basic local telecommunications service, including local calling ("dialtone"), on a prepaid basis only. Prepaid services are services for which a company does not perform consumer credit checking or application screening and which are paid for prior to service being rendered. Prepaid services are structured to attract customers in households that do not currently have telephone service; therefore, approval of this application will provide an opportunity to improve penetration rates in Missouri and enhance the possibility of universal service in the state. Prepaid service providers, like Delta, will block all direct-dial long distance calls, collect calls, operator assisted calls and third number-billed calls so that the service is a known, limited cost to the customer each month. All Delta customers will be required to sign a Customer Service Agreement, pay a service initiation charge and the first full month's service charge prior to receiving service. Delta will offer the proposed service to business and residential customers, including: basic dial tone, exchange access service, optional features, carrier access services, and other telecommunications services currently offered by the incumbent LECs. The quality of service that Delta's local exchange customers receive will be at least equivalent to that provided by the respective LECs.

6. Delta possesses the technical and managerial expertise and experience necessary to provide the services it proposes as required by Section 392.455(1), RSMo Supp. 1998. Delta's management has experience in providing telecommunications service as the company has served

as an agent for Budget Phone, Inc., processing applications and handling all repairs, complaints, billing and other operations for over fifty (50) dealers in Louisiana. This experience in obtained by working directly with the CLEC and the different agents has given the company the necessary experience and qualifications to become a CLEC provider. A copy of the Applicant's Business Plan which includes a description of Delta's management team is attached hereto and incorporated herein by reference as Appendix C.

7. Delta possesses the necessary financial qualifications to provide the services it proposes as required by Section 392.455(l), RSMo Supp. 1998. A copy of Delta's unaudited May 31, 1999, financial statements showing the financial qualifications of the company is marked Appendix D and attached hereto. Since Delta is a new company formed for the purpose of providing telecommunications services, a copy of the unaudited financial statements for an affiliated corporation, Easy Way, Inc., is also included in Appendix D. Mr. James T. Strong is the principal shareholder and President of both corporations.

8. Pursuant to 4 CSR 240-2.060(4)(F), by this Application, Delta also seeks classification of itself and its new basic local telecommunications service offerings as competitive, with accompanying reduced regulation pursuant to Section 392.361 and 392.420, RSMo 1994. The existing monopoly services of SWBT, GTE and Sprint will make the basic local markets Delta seeks to enter sufficiently competitive to make a lesser degree of regulation for Delta and its proposed services in the public interest, consistent with the legislative policies established by the Federal Telecommunications Act of 1996 and the recent revisions to Chapter 392 RSMo. This Commission already has approved numerous applications to provide basic local telecommunications services filed by new market entrants and has classified those new entrants

and their services as competitive.

9. Delta will offer basic local telecommunications service as a separate and distinct service in accordance with Section 392.455(4), RSMo Supp. 1998. Delta will provide equitable access for all customers in Missouri, without regard to their income or where they might reside, to affordable telecommunications services in Delta's proposed service areas in accordance with Section 392.455(5), RSMo Supp. 1998.

10. Consistent with Sections 392.450.2(1), (2) and 392.455 (2), RSMo Supp. 1998, Delta 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. Pursuant to Section 392.361.5, and consistent with the Commission's past treatment of other certificated competitive local exchange telecommunications companies, Delta requests that, at minimum, the following statutes and regulations for Delta and its basic local exchange service offerings be waived at this time:

STATUTES

392.210.2
392.270
392.280
392.290.1
392.300.2
392.310
392.320
392.330
392.340

REGULATIONS

4 CSR 240-10.020
4 CSR 240-30.040
4 CSR 240-35

11. Delta further requests a temporary waiver of 4 CSR 240-2.060(4)(H). This rule requires that an application for a certificate of service authority to provide interexchange, local exchange or basic local exchange service shall include a proposed tariff with a forty-five day

effective date. Delta finds it impossible at this time to develop tariffs to fully comply with this rule since the Commission has not yet approved its resale agreements with the incumbent local exchange telecommunications companies. At such time as all facts necessary for the development of such tariffs are known to Delta, it will file said tariffs bearing a thirty-day effective date with the Commission in a manner consistent with what Delta believes to be recent Commission practice in similar cases.

12. Delta submits that the public interest will be served by Commission approval of this Application because Delta'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. Experience with competition in other telecommunications markets, such as long distance, competitive access, and customer premises equipment, demonstrates the benefits that competition can bring to consumers. With competition, customers are enjoying increased service options, lower prices, higher quality and greater reliability. This is true not only with respect to the service offerings of new entrants, but also as a result of the response to incumbent local exchange carriers to the introduction of competition. Prompt approval of this Application will expand the availability of innovative, high quality and reliable telecommunications services, and further stimulate economic development, within the State of Missouri.

WHEREFORE, Applicant Delta Phones, Inc. 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,

Sandra B. Morgan

Sondra B. Morgan, Mo. Bar No. 35482
BRYDON, SWEARENGEN & ENGLAND P.C.
312 E. Capitol Avenue
P.O. Box 456
Jefferson City, MO 65102
573-635-7166
573-635-0427 (Facsimile)

Attorneys for DELTA PHONES, INC.

VERIFICATION

STATE OF LOUISIANA)
) ss
PARISH OF RICHLAND)

Jon E. Davis, having been duly sworn upon his oath, states that he is the Vice President of Delta Phones, Inc., the applicant herein, and as such, is duly authorized by the Applicant to execute the foregoing Application and to make this Affidavit on its behalf, and that the matters and things stated in the foregoing Application and Appendices thereto are true and correct to the best of his knowledge, information and belief.

Jon E. Davis
Name: Jon E. Davis
Title: Vice President

Subscribed and sworn to before me, a Notary Public, on this 27th day of SEPTEMBER, 1999.

Sandra W. Manis
Notary Public

My Commission Expires: at death

STATE OF MISSOURI



Rebecca McDowell Cook
Secretary of State

CORPORATION DIVISION
CERTIFICATE OF CORPORATE RECORDS

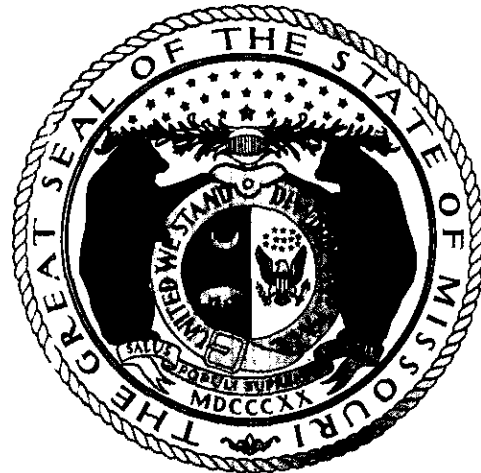
DELTA PHONES, INC.

USING IN MISSOURI THE NAME
DELTA PHONES, INC.

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 6TH DAY OF OCTOBER, 1999.

Rebecca McDowell Cook
Secretary of State



APPENDIX A

STATE OF MISSOURI



Rebecca McDowell Cook
Secretary of State

CORPORATION DIVISION - CERTIFICATE OF AUTHORITY

WHEREAS,
DELTA PHONES, INC.

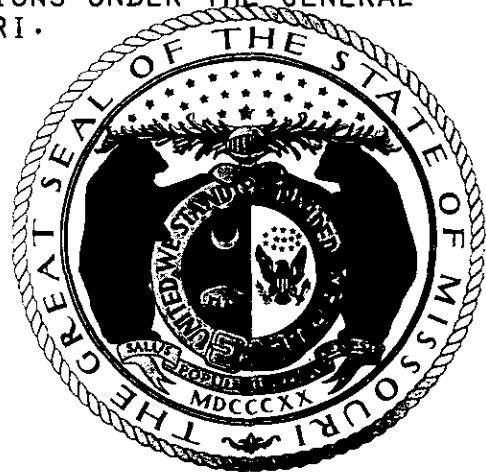
USING IN MISSOURI THE NAME
DELTA PHONES, INC.

HAS COMPLIED WITH THE GENERAL AND BUSINESS CORPORATION LAW WHICH GOVERNS FOREIGN CORPORATIONS; BY FILING IN THE OFFICE OF THE SECRETARY OF STATE OF MISSOURI AUTHENTICATED EVIDENCE OF ITS INCORPORATION AND GOOD STANDING UNDER THE LAWS OF THE STATE OF LOUISIANA.

NOW, THEREFORE, I, REBECCA MCDOWELL COOK, SECRETARY OF STATE OF THE STATE OF MISSOURI, DO HEREBY CERTIFY THAT SAID CORPORATION IS FROM THIS DATE DULY AUTHORIZED TO TRANACT BUSINESS IN THIS STATE, AND IS ENTITLED TO ALL RIGHTS AND PRIVILEGES GRANTED TO FOREIGN CORPORATIONS UNDER THE GENERAL AND BUSINESS CORPORATION LAW OF MISSOURI.

IN TESTIMONY WHEREOF, I HAVE SET MY HAND AND IMPRINTED THE GREAT SEAL OF THE STATE OF MISSOURI, ON THIS, THE 28TH DAY OF MAY, 1999.

Rebecca McDowell Cook
Secretary of State



\$155.00

UNITED STATES OF AMERICA
State of Louisiana

Jox McKeithen

SECRETARY OF STATE

As Secretary of State, of the State of Louisiana, I do hereby Certify that

a copy of an Amendment to the Articles of Incorporation of
FURNITURE MARKET, INC.

Domiciled at DELHI, LOUISIANA, changing the corporate name
to

DELTA PHONES, INC.

Was filed and recorded in this Office on August 6, 1998.

*In testimony whereof, I have hereunto set
my hand and caused the Seal of my Office
to be affixed at the City of Baton Rouge on,*

August 7, 1998
Jox McKeithen

MCO 34330304D 34672354
Secretary of State



ARTICLES OF AMENDMENT

TO

ARTICLES OF INCORPORATION

I, the Secretary of State, hereby certify that this is a true and correct copy, as taken from the original on file in this office.

Joe McKeithen

Joe McKeithen
Secretary of State

August 6, 1998

m

STATE OF LOUISIANA:

PARISH OF RICHLAND:

BE IT KNOWN that on this the 3rd day of August, 1998, before me, Notary Public, duly commissioned and qualified in and for the above state and parish, personally came and appeared James T. Strong and Marianne Cruse Strong, who are the sole officers, directors and shareholders of Furniture Market, Inc. Appearers declared that pursuant to the Resolution of the officers, directors, and shareholders of the corporation adopted at a meeting held on the 31 day of July, 1998, whereas all of the officers, directors, and shareholders of the corporation were present, said meeting being held at the office of the corporation in Delhi, Louisiana, amendments to the Articles of Incorporation of Furniture Market, Inc. were adopted, and appearers hereby execute this act of amendment and put into authentic form the amendment so agreed to by the unanimous vote of all the officers, directors, and shareholders of said corporation.

And said appearers further declared it was moved by James T. Strong and seconded by Marianne Cruse Strong that by said unanimous vote of all of the officers, directors, and shareholders of said corporation, it was resolved that Article I of the Articles of Incorporation be amended so that said article shall henceforth read as follows:

"ARTICLE I

NAME

The name and style of this corporation shall be DELTA PHONES, INC."

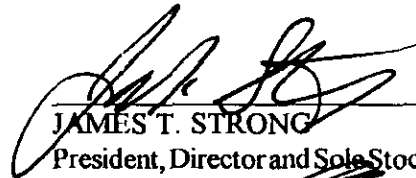
And said appearers having requested me, Notary, to note said amendment in authentic form, I do by these presents receive said amendment in the form of this public act to the end that said amendment may be promulgated and recorded and this be read into the charter of Furniture Market, Inc. As hereinabove set forth to rename the corporation Delta Phones, Inc.

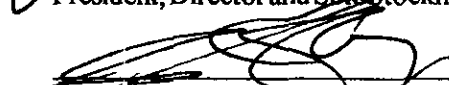
THUS DONE AND SIGNED in my office before me, Notary Public and in the presence of the undersigned witnesses on the date first named above.


WITNESSES:

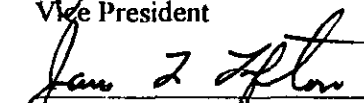
Vonessa Margom

Susan Mooney


JAMES T. STRONG
President, Director and Sole Stockholder


MARIANNE CRUSE STRONG
Former Secretary/Treasurer


JON DAVIS
Vice President


JAMES L. LOFTON
Secretary/Treasurer


NOTARY PUBLIC

MINUTES

A meeting of the officers, directors and stockholders of Furniture Market, Inc. was held this date and present were:

JAMES T. STRONG
MARIANNE CRUSE STRONG

It was then moved by James T. Strong and seconded by Marianne Cruse Strong and unanimously adopted that the name of the corporation shall be changed to "DELTA PHONES, INC." and that an amendment to the corporate articles shall be prepared in notarial form and filed with the Secretary of State.

It was then moved by James T. Strong and seconded by Marianne Cruse Strong and unanimously adopted that Marianne Cruse Strong's resignation as an officer of this corporation would be accepted and that Jon Davis was elected to serve as Vice President and James L. Lofton was elected to serve as Secretary/Treasurer, both of whom accepted their newly elected positions.

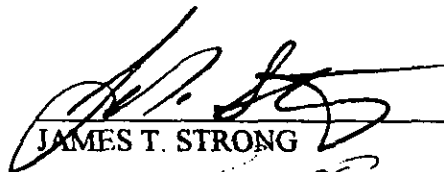
2700 Fallen Rd.
Delhi, LA 70132

468 Rogers Lane,
Delhi, LA
70132

By their signature herein appears hereby consent to this meeting and the above action without the need or necessity of notices for any formal meeting and hereby waive all formalities and notices of this meeting. James T. Strong holds the title of President and Director.

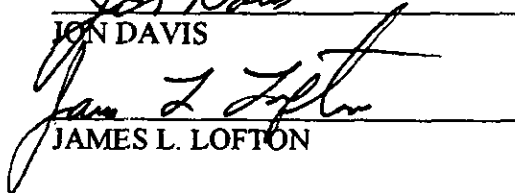
THUS DONE AND SIGNED at Delhi, Louisiana, on this the 3rd day of

August, 1998.


JAMES T. STRONG


MARIANNE CRUSE STRONG


JON DAVIS


JAMES L. LOFTON