

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Application of )  
**Peerless Network of Missouri, LLC** for )  
Certificate of Service Authority to Provide )  
Basic Local Telecommunications Services in ) Case No. TA-2008-0360  
Portions of the State of Missouri and for )  
Competitive Classification. )  
)

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

Comes now Peerless Network of Missouri, LLC ("Applicant" or "Company"), by and through counsel, pursuant to Sections 392.361, 392.410, 392.420, 392.430 and 392.450, RSMo, the Federal Telecommunications Act of 1996, and 4 CSR 240-2.060 and 4 CSR 240-3.510, files this verified Application requesting that the Missouri Public Service Commission (hereinafter, "the Commission") issue an order that:

- (a) grants Applicant certificate of service authority to provide basic local exchange telecommunications services, pursuant to Chapter 392 RSMo;
- (b) grants competitive status to Applicant and Applicant's requested services; and
- (c) waives certain Commission rules and statutory provisions pursuant to Sections 392.420 and 392.361 RSMo, and 4 CSR 240-32.010 (2), consistent with the Commission's past treatment of other certificated providers of competitive interexchange telecommunications services.
- (d) approves Applicant's proposed tariff.

In support of its Application, Applicant states as follows:

1. Applicant is a limited liability company formed and operating under the laws of the State of Missouri. Applicant's principal place of business and contact information are shown in paragraph 3 below. The nature of the business performed by Applicant is telecommunications services. A copy of Applicant's Certificate of Good Standing from the Missouri Secretary of State, as required by 4 CSR 240-2.060(1)(C), is attached to this Application as **Appendix A**.

2. All communications, notices, orders and decisions respecting this Application and proceeding should be addressed to:

William D. Steinmeier  
Mary Ann (Garr) Young  
William D. Steinmeier, P.C.  
2031 Tower Drive  
Jefferson City, Missouri 65109  
Tel: (573) 659-8672  
Fax: (573) 636-2305  
Email: wds@wdspc.com  
myoung0654@aol.com

Patrick D. Crocker  
Early, Lennon, Crocker & Bartosiewicz, P.L.C.  
900 Comerica Building  
Kalamazoo, Michigan 49007-4752  
Tel: (269) 381-8844  
Fax: (269) 381-8822  
Email: pcrocker@earlylennon.com

3. Applicant's contact person and principal place of business is:

John Barnicle, CEO  
225 W. Washington Street, Suite 1285  
Chicago, IL 60606  
Telephone: (312) 642-6286  
Fax Number: (312) 896-1470  
Toll-Free Number: (888) 380-2721

4. Questions concerning Applicant's ongoing operations should be directed to Mr. Crocker at the above address and phone number. Questions regarding Applicant's proposed tariff should be directed to Ms. Young.

5. By this Application, Applicant seeks authority to offer and provide basic local telecommunications service on a facilities-based and resold basis to customers throughout all the exchanges currently served by: (a) Southwestern Bell Telephone, L.P. d/b/a AT&T Missouri (AT&T Missouri); (b) Embarq Missouri, Inc., (Embarq); (c) CenturyTel of Missouri, LLC (CenturyTel); and (d) Spectra Communications Group, LLC d/b/a CenturyTel (Spectra). The specific AT&T Missouri, Embarq, CenturyTel and Spectra exchanges within which Applicant proposes to offer service are listed in the local exchange tariffs of the respective incumbent local exchange providers, and will be listed in Applicant's initial proposed tariff. Applicant's proposed service areas will follow the respective exchange boundaries of the stated incumbent LECs and shall be no smaller than an exchange as required by Section 392.455(3) RSMo. Applicant may seek authorization to provide service in exchanges served by other incumbent LECs in a

subsequent proceeding.

6. Pursuant to this application, Applicant proposes to offer and provide all forms of basic local telecommunications service, including (but not limited to): (a) Basic Exchange Services, including local exchange flat rate, measured rate service, pre-paid local exchange, operator services, etc.; (b) Custom and Class Features, including call waiting, caller ID, call forwarding, etc.; and (c) Ancillary Services such as 911, directory listing, and directory assistance.

7. Applicant possesses the technical and managerial resources and abilities necessary to provide the services it proposes as required by Section 392.455(1) RSMo. The background and experience of Applicant's management is attached hereto as **Appendix B**.

8. Applicant possesses the necessary financial resources and abilities to provide the services it proposes as required by Section 392.455(1), RSMo, and has access to the necessary capital to conduct its proposed operations in Missouri. Applicant is a wholly owned subsidiary of Peerless Network, LLC, which may provide Applicant with financial support during the start-up phase. Financial information is being separately filed, marked "Highly Confidential," as **Appendix C**.

9. Pursuant to this Application, Applicant also seeks classification of itself and its new basic local telecommunications service offerings as competitive, with accompanying reduced regulation pursuant to Sections 392.361 RSMo and 4 CSR 240-3.510(1)(A). Applicant believes that its proposed services will be subject to sufficient competition to justify a lesser degree of regulation and that granting this request will allow greater price and service options for telephone users.

10. Applicant will offer basic local telecommunications service as a separate and distinct service in accordance with Section 392.455 RSMo. Applicant will give consideration to equitable access for all customers in Missouri, without regard to their income or where they might reside, to affordable telecommunications services in Applicant's proposed service areas in

accordance with Section 392.455(5) RSMo.

11. Applicant 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. Consistent with the Commission's treatment of other certificated competitive local exchange telecommunications companies, Applicant requests that, at minimum, the following statutes and regulations for Applicant and its proposed basic local exchange service offerings be waived at this time:

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

REGULATIONS

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

12. Pursuant to 4 CSR 240-3.510(1)(C), Applicant will late-file its proposed Basic Local Exchange tariff, designated as P.S.C. Mo. No. 1, as **Appendix D**. Applicant's proposed tariff will contain the rules, conditions and description of services and rates, and will bear an effective date forty-five (45) days after the issued date. Applicant respectfully requests approval of its Basic Local Exchange tariff, P.S.C. Mo. No. 1.

13. Applicant herein states that there are no pending actions or final unsatisfied judgments or decisions against it in any state, federal agency, or court, which involve customer service or rates for which action, judgment, or decision has occurred within three (3) years of the date of this Application.

14. Applicant hereby affirms that the Company does not have any overdue annual reports or fees owed to the Missouri Public Service Commission.

15. Applicant submits that the public interest will be served by Commission approval of this Application because Applicant'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. Prompt approval of this Application also will expand the availability of innovative, high-quality and reliable telecommunications services within the State of Missouri.

WHEREFORE, Applicant Peerless Network of Missouri, LLC 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,

**/s/ William D. Steinmeier**

William D. Steinmeier, MoBar #25689  
Mary Ann (Garr) Young, MoBar #27951  
WILLIAM D. STEINMEIER, P.C.  
2031 Tower Drive  
P.O. Box 104595  
Jefferson City, MO 65110-4595  
Phone: (573) 659-8672  
Fax: (573) 636-2305  
Email: wds@wdspc.com  
myoung@wdspc.com

ATTORNEYS FOR  
PEERLESS NETWORK OF MISSOURI, LLC

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Verified Application has been served electronically on the General Counsel's Office and the Office of the Public Counsel this 9<sup>th</sup> day of May 2008.

**/s/ William D. Steinmeier**  
William D. Steinmeier

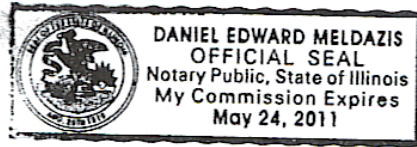
VERIFICATION

John Barnicle, CEO of Peerless Network of Missouri, LLC, first being duly sworn on oath, deposes and says that he has read the foregoing Application and verifies that the statements made therein are true and correct to the best of his knowledge, information and belief.

Peerless Network of Missouri, LLC

By: *John Barnicle*  
John Barnicle

The foregoing instrument was acknowledged  
before me this 20<sup>th</sup> day of February 20 08  
by John Barnicle.



*Daniel Edward Meldazis*  
NOTARY PUBLIC

**APPENDIX A**

**Secretary of State Certificate**



# 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

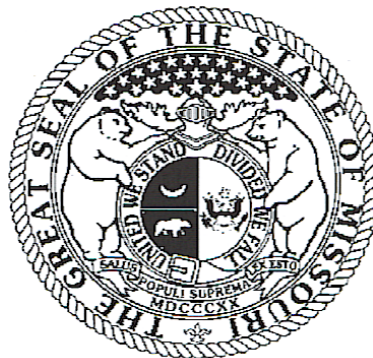
**PEERLESS NETWORK OF MISSOURI, LLC**  
**LC0753692**

was created under the laws of this State on the 24th day of July, 2006, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this 5th day of April, 2008

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

Secretary of State



Certification Number: 10619834-1 Reference:  
Verify this certificate online at <http://www.sos.mo.gov/businessentity/verification>

## **APPENDIX B**

### **Background and Experience of Management**

**John Barnicle**  
5216 S. Central Ave.  
Western Springs, IL 60558  
johnbarnicle@yahoo.com  
(312) 543-1660

## **Experience**

Oct. 2005 – May 2006                      **Lynch Interactive Corp.**                      Rye, NY  
**President and Chief Executive Officer**

- Completed “going dark” process necessary to take the company private to minimize impact of Sabanes-Oxley requirements of public companies.
- Started initiative to grow non-regulated revenue streams to reduce company’s reliance on USF support. Non-regulated revenue was on pace to grow 20% year over year.
- Completed refinancing of all or portions of six operating company loan agreements.

Feb. 2003 – October 2005                      **Neutral Tandem, Inc.**                      Chicago, IL  
**President and Chief Operating Officer**

- Co-founder of Neutral Tandem. The company grew organically from inception to an annualized revenue run rate of over \$40 million in only twenty months. It became EBITDA positive within twelve months of providing service. Customers included every major competitive wireless and wireline carrier in the country.
- Responsibilities included overseeing sales, marketing, engineering, operations and IS departments, with full P&L responsibility.
- Instrumental in raising over \$35 million in equity and debt capital at a challenging time in the telecom industry.

May 1996 – Oct. 2002                      **Focal Communications**                      Chicago, IL  
**President and Chief Operating Officer**

- Co-founder of Focal Communications. The company grew organically to annualized revenue run rate of approximately \$350 million, with nearly 1 million DS-0 equivalents of voice and data services in service across twenty-three markets
- Customers included half of the Fortune 100, wireless and VOIP providers and ISPs
- Services included local phone service (POTS, T-1s, Primary Rate ISDN), long distance, private lines, internet access, managed modem, co-location, and DSL
- Responsibilities included overseeing marketing, engineering, operations and IS departments, and various aspects of sales
- Service-related customer churn averaged about 1% per year, and the company won various awards for customer service and its IS systems implementation from customer groups, Innovation Week and CIO Magazine
- Full P/L responsibility, including responsibility for the capital budget, which peaked at nearly \$300 million per year.
- Participated in private and public fund raising including an IPO, two high yield bond offerings, bank credit facility and a private recapitalization raising over \$800 million

Feb. 1996 – May 1996                      **MFS Communications**                      Oak Brook Terrace, IL  
April 1992- Sept. 1994  
**Vice President – Marketing**

- Responsible for marketing all MFS services throughout North America. Led the integration the disparate marketing organizations of several MFS subsidiaries (Datanet, Intelenet, Telecom) when MFS underwent a major reorganization
- Developed and managed MFS' ILEC co-location business, responsible for everything from regulatory lobbying, budgeting, construction management, systems modifications, sales compensation plan adjustments, and sales support
- Participated on the team of people that developed MFS' switched services offering, which eventually grew into MFS Intelenet
- Responsible for negotiating MFS' first interconnection agreement with Ameritech
- Became the only employee of an MFS subsidiary (MFS Telephone), which acted as an agent to sell MFS Intelenet services to large businesses and internet services providers
- Provided technical sales support on the full range of services for MFS largest clients

Sept. 1994 – Feb.1996                      **Duff & Phelps Credit Rating Co.**                      Chicago, IL  
**Vice President**

- Issued credit ratings and related research reports on public debt instruments of communications companies
- Clients included top IXC, Cable TV, wireless and emerging wireline carriers
- Met with senior management teams of rating clients to understand strategic direction of companies, performed extensive financial analysis on business plans, financial reports and debt issuance documents to assess relative credit risk that helped establish and maintain appropriate interest rates on these debt instruments

June 1986 – April 1992                      **Centel**                      Various locations  
**Staff Engineer/Sr. Manager, Business Services**

- Responsibilities included all marketing efforts and resources associated with providing equipment and services to all business customers, representing approximately nearly \$100 million per year in revenue
- Developed a plan to utilize emerging competitive access providers to transport local telephony services outside of landlocked franchise territory boundaries into the greater metropolitan area served by Ameritech
- Planned and oversaw the initial introduction of Signaling System #7 in various Centel switching centers to support 800 number portability and CLASS services
- Planned all of Centel's 911/E911 implementation across 1.5 million access lines in nine states

#### **Education**

- M.B.A. Finance (with Distinction), DePaul University, 1995
- B.S. Electrical Engineering with an emphasis on RF communications systems, University of Illinois at Champaign, 1987

**Richard Knight**  
645 North Kingsbury #1302  
Chicago, IL. 60610  
312-642-6286  
[rfk312@gmail.com](mailto:rfk312@gmail.com)

**Summary** 17 years of award winning business-building experience encompasses launching new technologies and products, creating local and national marketing programs, acquiring customers and directly impacting corporate margins by increasing gross revenues. I have developed, sold, supported, engineered and implemented customer solutions that achieved high-margin revenues. Experience includes Fortune 500, affinity and wholesale market segments.

### **Career History**

**Origin Communications (10/2002 – Present)**  
Chicago, IL.  
*Founder/President*

Origin Communications provides customers in the call center and telecommunications markets with the latest cost savings technological solutions. Our programs increased customers' efficiencies and profitability by a minimum of 50%. Areas of expertise include Voice over Internet Protocol and sales and marketing strategies. Origin Communications delivers results to Small to Medium Enterprise (SME) Markets to the Fortune 500 Companies that positively impact profitability. Key accounts included Gateway Computers, TeleGuam Holdings, RWT Telephone, Excel Energy, Bramah Security Systems UK

**Focal Communications (08/1997 – 10/2002)**  
Chicago, IL.  
*National Vice President Sales and Support*

Executive responsible for developing rapid growth segments, driving network efficiencies, maximizing bottom line recurring revenues and minimizing SG&A costs. Effort included building a team that grew from 1 to over 120 sales, customer relations and technical support that was recognized as the industry leader in service quality.

- Drove revenue by creating Focal's first wholesale, strategic and agent business channels where my team sold network solutions to high-tech companies such as Time Warner/AOL, Excel Energy, Comcast, EarthLink, Bell South and Qwest.
- Increased revenues from \$0 to over \$280M or 80% of Focal's revenue.
- Inherited the declining business segment, the Data Services Group, which had lost \$40M or 33% of its revenues. Reversed the trend and began a 10% growth rate within 8 months.
- Maintain the lowest expense to revenue, bad debt to revenue, churn and highest revenue per team member.

**MCI Communications (4/1995 – 8/1997)**

Atlanta, GA.

*Executive Manager*

Led efforts on two initiatives to grow the Carrier business segment from \$300M to \$4B. Supervised 14 staff and a \$15.8M budget. The key was to build a marketing team and organizational structure from scratch. Recruited 14 product marketing and development managers internally from MCI divisions and led them to create segment specific products and programs.

- Introduced 6 new products worth \$1.7B in contracted revenue.
- Created MCI's first ever online, e-commerce services for our carrier customers to allow them to view order status and billing for their customer base.
- Provided training to over 300+ Carrier Services personnel.
- Implemented product strategies that minimized end-user confusion and regulatory risk.

**MCI Communications (11/1993 – 04/1995)**

Atlanta, GA.

*Senior Manager*

Developed and implemented new product segment strategies. Focused on new market entries that would diversify revenues and differentiate MCI from its key competitors.

- Initiated new programs that generated \$18M in annual revenue in the first 60 days.
- Introduced 3 new products representing over \$5M in monthly revenue.

**MCI Communications (04/1991 – 11/1993)**

Washington, DC

*Marketing Manager*

Managed Interexchange Carrier and Independent Telco Segments. Led national program development, implementation, support and strategy.

- Implemented initiatives that increased revenue over 75%, from \$350M to \$550M.
- Signed 8 Independent Telcos within the first 120 days.

**MCI Communications (08/1990 – 04/1991)**

Washington, DC

*Partner Marketing Manager*

Responsible for sales strategy to capture affinity marketing business revenues and then create the direct marketing campaigns to support revenue growth once the affinity partners signed-on.

- Established 7 new sales agents and affinity programs, which generated over \$1.5M in monthly revenues.
- Key accounts sold and managed included GE, American Home Builders Association and the American Bar Association

**Education**

M.B.A.	DePaul University	Chicago, IL.
B.B.A.	University of Iowa	Iowa City, IA.

## **Douglass B. Lee**

### **Co-Founder/Chief Financial Officer**

Douglass B. Lee has over 15 years of telecommunications industry experience, prior to co-founding Peerless Network, Doug served as Co-Founder and Chief Financial Officer of TeleGuam Holdings, LLC (the Incumbent Local Exchange Carrier (ILEC) on Guam, and an integrated provider of communications services in the Western Pacific, offering wireline, wireless, long distance, and broadband communication services to consumers and businesses). As a founding member for TeleGuam, he was responsible for managing all financial and accounting functions for the company, upon the company's leveraged buyout of the government run phone company. Doug also managed corporate development, IT, strategy, investor relations, and risk management, and was part of core team that successfully won the competitive bid over the Carlyle Group in 2004.

Doug has a wealth of financial experience both in and out of telecommunications having worked for Excelline Foods Inc as CFO and as a founding member of management in a private equity leveraged buyout of the company, as Vice President of Finance at Focal Communications and as a Senior Associate at PriceWaterhouse Coopers, Telecom, and Media in San Francisco CA, and at Coopers & Lybrand Consulting in Chicago Illinois.

Mr. Lee earned his M.B.A. from Harvard University Graduate School of Business Administration, and a B.S. from the University of Illinois, Urbana/Champaign, Illinois.

**APPENDIX C**

**Financial Qualifications**

***(Filed Separately as Highly Confidential)***



**APPENDIX D**

**Local Exchange Tariff**

***(To be late-filed)***