

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

In the Matter of the Application by	)	
Telecom Management, Inc. d/b/a	)	
Pioneer Telephone and	)	Case No. _____
Broadwing Communications, LLC	)	
For Approval of Asset Purchase Agreements	)	

**JOINT APPLICATION**

COME NOW Telecom Management, Inc. d/b/a Pioneer Telephone ("Pioneer") and Broadwing Communications, LLC ("Broadwing") (together "Applicants"), pursuant to Section 392.300.1, RSMo, 4 CSR 240-2.060 and 4 CSR 240-3.525, by and through undersigned counsel, and hereby jointly request Commission approval of a transaction whereby, pursuant to the Asset Purchase Agreements (the "Agreements"), Pioneer will acquire Broadwing's residential and small medium enterprise ("SME") long distance customer accounts in this State (the "Acquisition").

Applicants respectfully submit that the timely completion of the Acquisition is necessary to ensure uninterrupted service to Broadwing's customers. Broadwing will continue to provide service to its SME customers until such time as the Commission approves this Application. However, pursuant to a Management Agreement with Broadwing, Pioneer shall manage the operations of the residential base pending approval of the Application.

Applicants emphasize that the Acquisition will not change the rates, terms and conditions under which Broadwing's customers presently receive service. The Acquisition benefits Broadwing's customers by providing them assurances that they will continue to receive the same high quality services previously rendered to them. In compliance with

applicable law, Broadwing's customers will be informed of the Acquisition.<sup>1</sup> Accordingly, approval of the Acquisition will not in any way be detrimental to the public interest.

In support of this Application, Applicants submit the following:

## I. THE PARTIES

1. Pioneer is a Maine corporation with principal offices located at 583 Warren Avenue, Portland, ME 04103. The nature of Pioneer's business is the provision of telecommunications services. Pioneer is a certified long distance telecommunications provider in this State. Pioneer was granted certificate of service authority by the Commission to provide interexchange telecommunications services in Case No. XA-2005-0061, in an *Order Approving Interexchange Certificate of Service Authority and Order Approving Tariff* dated October 12, 2004 (effective October 23, 2004).<sup>2</sup> A copy of a certificate of good standing and fictitious name registration for Pioneer from the Missouri Secretary of State, as required by 4 CSR 240-2.060(1)(C), is a matter of record with the Commission in Case No. XA-2005-0061. Applicants respectfully request that the Commission take official notice of that certificate and incorporate it herein by reference pursuant to 4 CSR 240-2.060(1)(G).

2. Broadwing is a Delaware limited liability company and a wholly-owned subsidiary of Level 3 Communications, LLC, with principal offices located at 1025 Eldorado Boulevard, Broomfield, CO 80021. The nature of Broadwing's business is the provision of telecommunications services. Broadwing is a certified long distance telecommunications

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1 The proposed form of the customer notice is provided in **Exhibit "A"** attached hereto.

2 Tracking No. YX-2005-0170.

provider in this State. Broadwing was granted certificate of service authority by the Commission to provide interexchange and non-switched local exchange telecommunications services in Case No. XA-2003-0356, in an *Order Approving Transfer of Assets* dated June 17, 2003 (effective June 27, 2003).<sup>3</sup> A copy of a certificate of good standing for Broadwing from the Missouri Secretary of State, as required by 4 CSR 240-2.060(1)(C), is attached to this Application as **Exhibit B**.

## II. DESIGNATED CONTACTS

3. Correspondence or communications pertaining to this Application should be directed to:

William Steinmeier  
Mary Ann (Garr) Young  
William D. Steinmeier, P.C.  
2031 Tower Drive  
P.O. Box 104595  
Jefferson City, MO 65110-4595  
Telephone: (573) 859-8672  
Facsimile: (573) 636-2305  
Email: wds@wdspc.com  
myoung0654@aol.com

with copies to:

Leon Nowalsky, Esq.  
Nowalsky, Bronston & Gothard  
A Professional Limited Liability Company  
3500 North Causeway Boulevard, Suite 1442  
Metairie, Louisiana 70002  
Telephone: (504) 832-1984  
Fax: (504) 831-0892  
lnowalsky@nbglaw.com

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<sup>3</sup> Tracking No. YX-2003-2116. See also, two additional orders in Case XA-2003-0356: *Order Terminating Certificate* (issued June 26, 2003, effective July 4, 2003), and *Order Recognizing Change of Corporate Name* (issued July 15, 2003, effective July 25, 2003).

and to:

Rogelio Peña  
Corporate Counsel  
Level 3 Communications, LLC  
1025 Eldorado Boulevard  
Broomfield, CO 80021  
Telephone: (720) 888-7043  
Fax: (720) 888-7043  
rogelio.pena@level3.com

### III. REQUEST FOR APPROVAL OF THE ACQUISITION

4. Pursuant to the Asset Purchase Agreements (the "Agreements"), Pioneer will acquire Broadwing's residential and small medium enterprise ("SME") long distance customer accounts in this State (the "Acquisition"). Copies of the Agreements are attached hereto as **Exhibit "C"**. They are being filed as a separate pdf document, **designated as "Highly Confidential" (HC)** pursuant to 4 CSR 240-2.135. The Applicants elected to execute separate agreements for each base of customers that are to be acquired, and are requesting that both transactions be approved herein.

5. The Acquisition contemplates the following:

- a. Pioneer will receive ownership, right, title and interest in and to Broadwing's residential and SME customer accounts, as defined in the Agreements.
- b. Broadwing will receive the purchase price set forth in the Agreements.

6. Pioneer is qualified to consummate the transactions that are the subject of this Application. Broadwing's technical, managerial and financial personnel will assist Pioneer with the transition and integration of the acquired Assets after consummation of the

transaction.

7. Broadwing will continue to provide long distance telecommunications service in this State following consummation of the transaction.

#### **IV. PUBLIC INTEREST CONSIDERATIONS**

8. Crucial to the Acquisition is the need to ensure the continuation of high quality, uninterrupted service to all customers currently served by Broadwing. The Acquisition will serve the public interest in that it will ensure that current Broadwing customers maintain uninterrupted service.

9. The Acquisition will not have any impact on Broadwing's customers in terms of the services that they receive. In particular, the Acquisition will not cause any rate increases or changes to the terms and conditions of service that Broadwing's customers receive. If necessary, Pioneer will incorporate such rates, terms and conditions into its tariffs by separate filing.

10. The Acquisition will also provide Pioneer with a heightened level of operating efficiency, which will serve to enhance its overall capacity to compete in the marketplace and to provide telecommunications services for a greater number of consumers in this State at competitive rates.

#### **V. RESPONSES TO 4 CSR 240-3.520**

11. Applicants have complied with the requirements of the Commission's rules at 4 CSR 240-3.520 (2) as follows:

(A) Brief Description of the Property Involved: Approximately 1,948 residential Interexchange service customer accounts, and approximately 985 small medium enterprise

("SME") Interexchange customer accounts, of Broadwing in Missouri. Pioneer has approximately 605 residential Interexchange service customer accounts, and approximately 59 SME Interexchange customer accounts, in Missouri before the proposed transaction.

(B) Contract or Agreement of Sale: Copies attached as **Exhibit C (HC)**.

(C) Verification of Authority of Person Signing: Requirement not applicable per 4 CSR 240-3.520(1).

(D) Reasons not Detrimental to the Public Interest: Please see Section IV., above.

(E) Balance Sheet and Income Statement: Requirement not applicable per 4 CSR 240-3.525(1).

(F) Tax Impact: None. The proposed transaction will have no impact on the tax revenues of any political subdivision of the state.

(G) Customer Notice: See **Exhibit A** for form of customer notice.

## **VI. ADDITIONAL INFORMATION REQUIRED BY RULES**

12. Pursuant to the requirements of 4 CSR 240-2.060(K), Applicants state that they do not have any pending action or unsatisfied final judgments or decisions against them in any state or federal agency or court which involve customer service or rates, which action, judgment or decision occurred within the last three (3) years.

13. Pursuant to the requirements of 4 CSR 240-2.060(L), Applicants state that, to the best of their knowledge, they have no annual report or assessment fees that are overdue.

WHEREFORE, for the reasons stated herein, Applicants respectfully request Commission approval of the Application and request that the Commission also grant all other relief specifically requested herein.

Respectfully submitted,

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

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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, Missouri 65110-4595  
Phone: 573-659-8672  
Fax: 573-636-2305  
Email: wds@wdspec.com  
myoung0654@aol.com

COUNSEL FOR TELECOM MANAGEMENT,  
INC. D/B/A PIONEER TELEPHONE AND  
BROADWING COMMUNICATIONS, LLC

Dated: September 18, 2008

**Certificate of Service**

I hereby certify that a copy of this document has been electronically transmitted to the Office of the General Counsel of the Missouri Public Service Commission, and to the Office of Public Counsel, on this 18<sup>th</sup> day of September 2008.

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

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William D. Steinmeier



**EXHIBIT "A"**  
**SAMPLE CUSTOMER NOTICE**



Dear Customer:

Level 3 Communications, LLC and its affiliate Broadwing Corporation are selling their residential long distance customers to Telecom Management, Inc. d/b/a Pioneer Telephone. This transaction will require certain regulatory approvals. While awaiting those approvals, Pioneer will be managing your account on behalf of Level 3. The companies expect the transaction to be completed by <<EstimatedClosingDate>>.

The potential change in ownership of your account will not affect or disrupt your current service in any way. Your rates and the terms and conditions of your existing service will not be adversely affected as a result of this transaction. Pioneer will notify you of any changes to your rates, terms and conditions of service after the transaction is completed. However, there will be a billing cycle change for most customers. Bills will now be issued on or about the 15<sup>th</sup> of each month.

You should not incur any carrier-change charges from your local telephone company as a result of this transaction. If such a charge appears on the bill from your local telephone company, please call the customer service department toll-free at (888) 492-6878 and a representative will reimburse you or credit your account accordingly.

Any "freeze" you have placed on your existing telephone lines to prevent unauthorized transfer to another long distance carrier will need to be reinstated by you after the transfer is complete. Your customer care representative can provide you with further details.

You have a choice of long distance providers and have the right to choose a different carrier for your services. If you decide to switch to a different carrier and you have **not** informed Level 3 by the date of the transfer, your services and account will be transferred to Pioneer. Pioneer will be responsible for any outstanding Level 3 inquiries or complaints after the date of the transfer. Please contact a Customer Service Representative at (888) 492-6878 if you have any questions.

Pioneer welcomes you and appreciates the opportunity to be your long distance service provider.

Sincerely,

Sue Bouchard, President  
Pioneer Telephone

Randy Dunbar, Senior Vice President  
Level 3 Communications

**EXHIBIT "B"**

**Missouri Secretary of State Certificate of Good Standing**

**Broadwing Communications, LLC**

# 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

**BROADWING COMMUNICATIONS, LLC**

using in Missouri the name

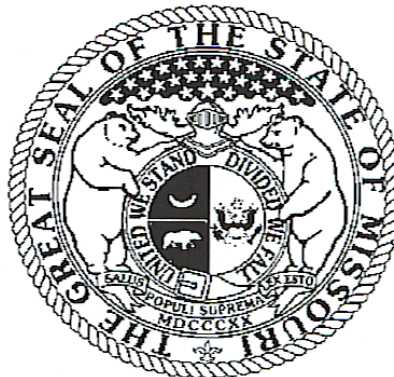
**BROADWING COMMUNICATIONS, LLC  
FL0080076**

a DELAWARE entity was created under the laws of this State on the 14th day of March, 2003, 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 25th day of July, 2008

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

Secretary of State



Certification Number: 10948452-1    Reference:  
Verify this certificate online at <http://www.sos.mo.gov/businessentity/verification>

**EXHIBIT "C"**

**ASSET PURCHASE AGREEMENTS**

*Being filed as separate pdf document,  
designated as  
HIGHLY CONFIDENTIAL (HC)*

**HC**

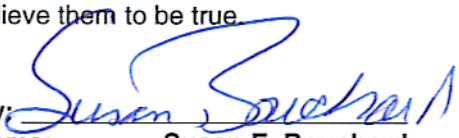
## **Verifications**

STATE OF MAINE

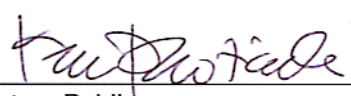
COUNTY OF CUMBERLAND

VERIFICATION

I, Susan E. Bouchard, am the President of Telecom Management, Inc. d/b/a Pioneer Telephone and am authorized to make this verification on its behalf. The statements made in the foregoing Application are true of my own knowledge, except as to those matters which are therein stated on information and belief, and as to those matters I believe them to be true.

By:   
Name: Susan E. Bouchard  
Title: President

Sworn to and subscribed before me, Notary Public, in and for the State and County named above, this 16<sup>th</sup> day of July, 2008.

  
Notary Public

My commission expires: 10/03/2009

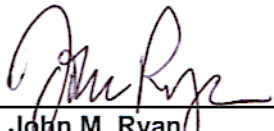
 KEVIN PHOTIADES  
Notary Public, Maine  
My Commission Expires October 3, 2009

STATE OF COLORADO

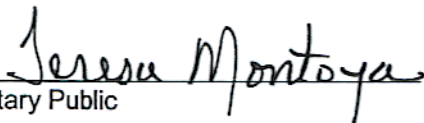
COUNTY OF BROOMFIELD

VERIFICATION

I, John M. Ryan, am the Senior Vice President of Broadwing Communications, LLC, and am authorized to make this verification on its behalf. The statements made in the foregoing Application are true of my own knowledge, except as to those matters which are therein stated on information and belief, and as to those matters I believe them to be true.

By:   
Name: John M. Ryan  
Title: Senior Vice President

Sworn to and subscribed before me, Notary Public, in and for the State and County named above, this 15<sup>th</sup> day of July, 2008.

  
Notary Public

My commission expires: 10-11-2010

