HELEIN & ASSOCIATES, P. C.

ATTORNEYS AT LAW

8180 GREENSBORO DRIVE SUITE 700 MCLEAN, VA 22102

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WRITER'S DIRECT DIAL NUMBER:

mail@helein.com (EMAIL)

WRITER'S DIRECT EMAIL ADDRESS:

jmarashlia@helein.com

(703) 714-1313

August 23, 1999

VIA OVERNIGHT DELIVERY

Dale Hardy Roberts
Executive Secretary
Missouri Public Service Commission
301 W. High Street, Room 530
Jefferson City, MO 65101

FILED

AUG 25 1999

Sarvice Commission

TA-2000-208

Re:

WebNet Communications, Inc.'s Application

for Authorization to Provide Intrastate Switchless Resale

of Telecommunications Services

Dear Mr. Hardy:

On behalf of WebNet Communications, Inc., a long distance resale carrier, we transmit herewith an original and fifteen (15) copies of an application for authorization to provide intrastate resale of long distance telecommunications services in Missouri.

An extra copy of this letter and application is also enclosed. Please date-stamp it and return it to the undersigned in the pre-addressed, postage-paid envelope provided. Should any questions arise, kindly contact the undersigned.

Respectfully submitted,

Jonathan Marashlian

Regulatory Counsel

**Enclosures** 

2000 00152

# BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

TA-2000-208

# APPLICATION FOR AUTHORIZATION TO PROVIDE INTRASTATE TELECOMMUNICATIONS RESALE SERVICES OF

WEBNET COMMUNICATIONS, INC. 3248 PROSPECT STREET, N.W. WASHINGTON, D.C. 20007

FILED

AUG 2 5 1999

Missouri Public Service Commission

### **REGULATORY COUNSEL:**

CHARLES H. HELEIN (Local Counsel)
MISSOURI BAR NO. 18227
JONATHAN S. MARASHLIAN
HELEIN & ASSOCIATES, P.C.
8180 Greensboro Drive, Suite 700
McLean, VA 22102
Telephone No. (703)714-1300
Facsimile No. (703) 714-1330

AUG 2 5 1999

## BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

| ocket No. |   | Service Commission |
|-----------|---|--------------------|
|           | ) |                    |

| Docket No.                         |   |   |             |
|------------------------------------|---|---|-------------|
| In the Matter of                   | ) |   |             |
| WebNet Communications, Inc.        | , | ) | TA-2000-208 |
| Application for Authorization to   | ) | • | 17(         |
| Provide Intrastate                 | ) |   |             |
| Telecommunications Resale Services | ) |   |             |

# APPLICATION OF WEBNET COMMUNICATIONS, INC.

WebNet Communications, Inc. ("WebNet" or "Applicant") herewith applies for a certificate of authority under Chapter 392.440, RSMO, to operate as an intrastate reseller of telecommunication services and also applies pursuant to section 392.361 for designation as a competitive telecommunications company. In support of this application, the following is shown:

- WebNet is incorporated in the Commonwealth of Virginia. A copy of the 1. Applicant's Articles of Incorporation is attached to this petition as Exhibit 1. WebNet is a privately held Subchapter S corporation.
- The Company's principal offices are located at 3248 Prospect Street, N.W., 2. Washington, D.C. 20007.
- 3. All questions regarding this application should be directed to Applicant's regulatory counsel at:

Jonathan S. Marashlian Helein & Associates, P.C. 8180 Greensboro Drive, Suite 700 McLean, Virginia 22102 Telephone No. (703)714-1313 Facsimile No. (703) 714-1330

4. The Company officers and directors are as follows:

**Officers** 

M. Howard Lewis

President/CEO/Treasurer

3248 Prospect Street, N.W.

Washington, D.C. 20007

Patrick H. Allen

Secretary

3248 Prospect Street, N.W. Washington, D.C. 20007

<u>Director</u>

M. Howard Lewis

5. Applicant is a Subchapter S corporation whose shareholders are:

M. Howard Lewis

100%

3248 Prospect Street, N.W.

Washington, D.C. 20007

- 6. Applicant's Certificate of Authority to transact business as a foreign corporation in the State of Missouri is attached as Exhibit 2.
  - 7. Applicant's registered agent to receive service is listed in Exhibit 3.
- 8. Applicant proposes to provide presubscribed 1+ long distance services already classified as competitive telecommunications services in the State of Missouri. Applicant also proposed to provide 800/888/877 inbound and calling card service. Applicant does not seek authority to provide services to pay phones. Both WebNet and all of the services to be provided will be subject to sufficient competition to justify a lesser degree of regulation. Such regulation will be consistent with the protection of the ratepayer and promote the public interest.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> Pursuant to its request to be classified as a competitive telecommunications company, WebNet also requests that certain statutory and regulatory requirements be waived, as set forth in

- 9. Applicant is a switchless reseller which provides interstate, interexchange long distance telephone service using the backbone nationwide and international networks of its underlying carrier, Sprint. Intrastate interLATA and, where permitted, intraLATA telecommunications services will also be offered to the public on a resale basis. Applicant is in the process of filing the requisite applications in all other states to be certified (where required). Applicant proposes to provide service throughout Missouri.
- 10. Applicant employs no switches or network facilities of its own because those are or will be provided by Applicant's underlying carrier.
- 11. Because the Company provides no equipment, transmission, or reception facilities, the technical expertise required to directly supervise and manage the underlying network facilities and equipment necessary for call completion and administration is not required. Reliable, high-quality services are assured because Applicant will maintain close and continuous liaison with its underlying carrier. This close contact enables Applicant to coordinate and expedite new service orders, changes, repairs, etc. of the facilities or the equipment of the underlying carrier.
- 12. Applicant has the financial ability to provide the services it requests the authority to provide. Attached are Applicant's projected Financial Statements. Because Applicant is a start-up company, having been in operation for less than a full year, it is not yet operating at a profit. However, Applicant has the financial resources to fund its operations.
  - 13. The proposed tariff of WebNet is attached as Exhibit 6.

14. WebNet submits that the public interest will be served by the approval of this application. For example, WebNet's proposed service will use existing communication facilities more efficiently, and will provide alternative services of the highest quality. Moreover, WebNet's services will provide increased consumer choice in billing options, as well as increasing the diversification and reliability of the supply of intrastate communications services.

WHEREFORE, WebNet Communications, Inc. prays that the Commission authorize it to engage in the resale of intrastate, interexchange telecommunication services to the public as proposed herein and as set forth in the attached tariffs.

Respectfully submitted this 25rd day of

Charles H. Helein, Esquire (Local Counsel)

Missouri Bar No. 18227

Jonathan S. Marashlian, Esquire

Regulatory Counsel

Helein & Associates, P.C.

8180 Greensboro Drive, Suite 700

McLean, VA 22102

Telephone No: (703) 714-1300 Facsimile No: (703) 714-1330

### **VERIFICATION**

)

DISTRICT OF COLUMBIA

)

Patrick H. Allen, being duly sworn, deposes and says: that he is the Secretary of WebNet Communications, Inc.; that he has read the foregoing petition and knows the contents thereof, and that the same is true of his own knowledge except as to the matters therein stated upon information and belief; and as to those matters he believes them to be true; that he consents to the verified affidavit being used as evidence in this proceeding.

Patrick H. Allen, Secretary

Subscribed and sworn to before me this day

1999

Notary Public

My commission expires:

A. G. QUEEN

Notary Public, District of Columbia

No. Commission Expires March 14, 2004

# WEBNET COMMUNICATIONS, INC. INC .

# ARTICLES OF INCORPORATION

# Commonwealth of Diaginia

# STATE CORPORATION COMMISSION

Richmond, June 4, 1998

This is to Certify that the certificate of incorporation of

WebNet Communications, Inc.

was this day issued and admitted to record in this office and that the said corporation is authorized to transact its business subject to all Virginia laws applicable to the corporation and its business. Effective date:

June 4, 1998



State Corporation Commission

William J Bridge Commission

SCC619 (1/89)

# Guide for Articles of Incorporation

|    |            | Articles of Incorpo  | ration of ons, Inc.        |                        |
|----|------------|--|----------------------------|------------------------|
|    |            | ndersigned, pursuant to Chapter 9 of T<br>s) as follows:   |                            | Code of Virginia,      |
| 1. | The        | name of the corporation is: WebNet Communications, Inc.  |                            |                        |
| 2. |            | number (and classes, if any) of shar<br>we is (are):   | es the corporation         | is authorized to       |
|    |            | umber of shares authorized   | Common                     |                        |
|    |            |  |                            |                        |
| 3. | Α.         | The corporation's initial registere and number, is:  | d office address,          | including street       |
|    |            | 8180 Greensboro Drive, #700, McLean (Number) (Street)  | (City or Town)             | VA 22102<br>(ZIP Code) |
| 4. | B.<br>A.   | The registered office is located in: The City of The name of the corporation's initia                            | OR the County of           | Fairfax .              |
|    |            | office is identical with the above-re-<br>Helein & Associates, P.C.  | gistered office, i         | s:                     |
|    | В.         | The initial registered agent is (mark  | appropriate box):          |                        |
|    |            | (1) An <u>individual</u> who is a resident o [ ] An initial director of the co [ ] A member of the Virginia Stat | rporation                  |                        |
|    |            | (2) [XX] A professional corporation re<br>Section 54.1-3902, Code of Vi  |                            | provisions of          |
| 5. | The<br>reg | names and addresses of the initial istered agent is an initial director)   | directors (require<br>are: | ed if the initial      |
|    |            |  |                            |                        |
| 6. | Inc        | Sheep XICA   | Steven A. Sco              |                        |
|    |            | HUNNIN   | Kla M. Mered               |                        |
|    |            | Signature(s)   | Printed                    | name(s)                |

# WEBNET COMMUNICATIONS, INC.

# AUTHORIZATION TO DO BUSINESS AS A FOREIGN CORPORATION



# Rebecca McDowell Cook Secretary of State

CORPORATION DIVISION - CERTIFICATE OF AUTHORITY

WHEREAS, WEBNET COMMUNICATIONS, INC.

USING IN MISSOURI THE NAME WEBNET COMMUNICATIONS, 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 VIRGINIA.

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 TRANSACT 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 20TH DAY OF AUGUST, 1999-

Secretary of State

\$155.00

# SECRETAIN OF

# State of Missouri

Rebecca McDowell Cook, Secretary of State ( F )

P.O. Box 778, Jefferson City, Mo. 65102ND CERTIFICATE OF

Corporation Division

Application for Foreign Corporation 1999

For a Certificate of Authority

|     | (Submit in duplicate with filing fee of \$155.00 ECRETARY OF COK  |
|-----|---|
| (1) | The corporation's name is Wehnet Communications Inc.  |
|     | and it is organized and existing under the laws of  |
|     | The name it will use in Missouri is Same  |
|     | The date of its incorporation was 6/4/98 , and the period of its duration is Perpetual.   |
|     | The address of its principal place of business 3248 Prospect Ave, NW, Wash., DC 20007   |
| (5) | The name and address of its registered agent and office in the State of Missouri is Corporation Service College CSC- Lawyers Incorporating Service Co., 221 Bolivar St., Jefferson City/Name  Name  City/State/Zip MO       |
| (6) | The specific purpose(s) of its business in Missouri are:  Telecommunications Services   |
| (7) | The name of its officers and directors and their business addresses are as follows:  (Officers)  Name  Address  City/State/Zip  President M. Howard Lewis 3248 Prospect Ave., NW, Wash, DC 20007                            |
|     | Secretary Patrick H. Allen 3248 Prospect Ave., NW, Wash., DC 20007<br>Treasurer M. Howard Lewis 3248 Prospect Ave., NW, Wash., DC 20007   |
|     | Director M. Howard Lewis 3248 Prospect Ave, NW, Wash., DC 2000  |
|     | Director  |
|     | Director  |
| (8) | The effective date of this document is the date it is filed by the Secretary of State of Missouri, unless you indicate a future date, as follows:  (Date may not be more than 90 days after the filing date in this office) |
|     | In affirmation thereof, the facts stated above are true.  Patricia de aller Secretary 6 8 99  |
|     | (Authorized signature of officer or chairman of the board) (Title) (Date of Signature)  |

Note: You must have a current certificate of good standing or certificate of existence with this application. This may be obtained from the Secretary of State or other authority that issues corporate charters.

# WEBNET COMMUNICATIONS, INC.

# REGISTERED AGENT FOR SERVICE

Corporation Service Company d/b/a CSC-Lawyers Incorporating Service Company 221 Bolivar Street Jefferson City, Missouri 65101

## WEBNET COMMUNICATIONS, INC.

# REQUEST FOR WAIVERS OF STATUTORY AND REGULATORY REQUIREMENTS

Pursuant to its request to be classified as a competitive telecommunications company, WebNet Communications, Inc. hereby requests the Commission to waive compliance with certain statutes and Commission regulations, as set forth below:

### **Statutes**

| 392.240 (1) | - | ratemaking                             |
|-------------|---|--|
| 392.270     | - | valuation of property (ratemaking)     |
| 392.280     | - | depreciation accounts                  |
| 392.290     | - | issuance of securities                 |
| 392.310     | - | stock and debt issuance                |
| 392.320     | _ | stock dividend payment                 |
| 392.330     | - | issuance of securities, debt and notes |
| 392.340     | - | reorganizations (s)                    |

### **Commission Rules**

| 4 CSR 240-10.020         | - | depreciation fund income    |
|--------------------------|---|-----------------------------|
| 4 CSR 240-30.010(2) (C)  | - | rate schedules              |
| 4 CSR 240-30.040         | - | uniform system of accounts  |
| 4 CSR 240-32.030 (1) (B) | - | exchange boundary maps      |
| 4 CSR 240-32.030 (1) (C) | - | record keeping              |
| 4 CSR 240-32.030 (2)     | - | in-state record keeping     |
| 4 CSR 240-32.050 (3)     | • | local office record keeping |
| 4 CSR 240-32.050 (4)     | - | telephone directories       |
| 4 CSR 240-32.050 (5)     | - | call intercept              |
| 4 CSR 240-32.050 (6)     | - | telephone number changes    |
| 4 CSR 240-32.070 (4)     | - | public coin telephone       |
| 4 CSR 240-33-030         | - | minimum charges rule        |
| 4 CSR 240-33.040 (5)     | - | financing fees              |
|                          |   |                             |

WebNet submits that its verified application and accompanying exhibits demonstrate

WebNet's compliance with the Commission's standards pertaining to applications requesting

authority to provide intrastate interexchange telecommunications services, and also demonstrate

that all the services that WebNet proposes to provide in Missouri are competitive telecommunications services. WebNet submits that it should therefore be classified as a competitive company pursuant to Section 392.361 of the Commission's rules, as additional competition in the intrastate interexchange market is in the public interest. Additionally, a waiver of the statutes and rules set forth above should be granted, as the waiver request is reasonable, consistent with prior Commission decisions concerning competitive telecommunications companies, and not detrimental to the public interest.

# WEBNET COMMUNICATIONS, INC.

# PROJECTED FINANCIAL STATEMENTS

# Profit and Loss Statement Twelve Months Projection Beginning: 10/1/99 For the State of Missouri

Estimated Number of Missouri Customers:

3000

Average monthly long distance bill:

\$29.00

Intrastate/Interstate toll revenue percentage:

50/50

Average intrastate monthly long distance bill:

\$14.50

 $3000 \times $14.50 = $43,500$ 

\$43,500 X 12 mo. = \$522,000

Gross revenue from intrastate services = \$522,000

Operating Expenses:

Line Charges

\$238,032

Marketing

\$63,474

Billing

\$55,540

**Customer Service** 

\$39,672

**Total Expenses** 

\$396,718

Net Intrastate First Year Earnings Before Taxes:

\$125,282

# EXHIBIT 6 WEBNET COMMUNICATIONS, INC. PROPOSED TARIFF