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June 24, 2002

Mr. Dale Hardy Roberts  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102

**RE: TA-2002-\_\_\_\_\_**  
Application of Xspedius Management Co. Switched Services, LLC for  
Certificate of Service Authority to Provide Basic Local Exchange  
Telecommunications Services

Dear Mr. Roberts:

Enclosed for filing on behalf of Xspedius Management Co. Switched Services, LLC. please find an original and eight (8) copies of an **"APPLICATION FOR CERTIFICATE OF SERVICE AUTHORITY AND FOR COMPETITIVE CLASSIFICATION."** A confidential exhibit, Exhibit C, is also being filed under seal (with eight copies, each under seal).

Please see that this filing is brought to the attention of the appropriate Commission personnel.

Copies of this filing are being hand-delivered, or sent via postage-prepaid U.S. mail, to the Office of Public Counsel and the Commission's General Counsel's office.

Thank you for your cooperation and assistance in this matter.

Sincerely,

WILLIAM D. STEINMEIER, P.C.

By:   
William D. Steinmeier

Enclosures

BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the matter of the Application of )  
 )  
**Xspedius Management Co. Switched** )  
**Services, LLC** )  
 )  
for a certificate of service authority to provide Basic )  
Local Telecommunications Service in portions of the )  
State of Missouri and for competitive classification )

Case No. \_\_\_\_\_

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

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COMES NOW Xspedius Management Co. Switched Services, LLC ("Xspedius" or "Applicant"), by its undersigned counsel, and hereby applies pursuant to Sections 392.361, 392.410 and 392.450 RSMo., 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 company as competitive. In support of its Application, Xspedius states as follows:

1. Applicant is a limited liability company formed under the laws of Delaware. The character of business performed by Applicant is telecommunications. Applicant is currently applying for a Certificate of Authority to do business in Missouri from the Missouri Secretary of State's Office. Applicant will late-file with the Commission its Certificate of Authority as **Exhibit A**. The Applicant's principal offices are located at P.O. Box 1116, O'Fallon, MO 63366-1116. Telephone: 1-877-962-1900.

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

William D. Steinmeier  
Mary Ann (Garr) Young  
William D. Steinmeier, P.C.  
2031 Tower Drive  
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with a copy to:

Brad Mutschelknaus  
Enrico C. Soriano  
Winafred Brantl  
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James C. Falvey  
Senior Vice President – Regulatory Affairs  
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Columbia, MD 21046

Leon Nowalsky  
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3500 N. Causeway Blvd., Suite 1442  
Metairie, LA 70002  
Telephone: (504) 832-1984  
Fax: (504) 831-0892  
Email: BHeggelund@nbglaw.com

The corporate contact for consumer issues or customer complaints is:

Chad Pifer, Esq.  
Directory of Regulatory & Legal Affairs  
Xspedius  
901 Lakeshore Drive  
Floor 2  
Lake Charles, LA 70601

3. By separate Joint Application filed simultaneously with the instant application, Xspedius seeks authority of the Commission to transfer virtually all of the assets of American Communications Services of Kansas City, Inc., ("ACSI of Kansas City") and ACSI Local Switched Services, Inc. ("ACSI Local"), collectively known as the "e.spire" Operating Entities. ACSI Local Switched Services, Inc., d/b/a e.spire ("ACSI Local") is a Delaware corporation providing competitive interexchange and local exchange telecommunications services in Missouri pursuant to authority granted by the Missouri Public Service Commission in its Report and Order issued September 23, 1997 in Case No. TA-98-57. American Communication Services of Kansas City, Inc., d/b/a e.spire ("ACSI of Kansas City") is a Maryland corporation providing basic local telecommunications service in Missouri pursuant to authority granted by the Missouri Public Service Commission in its Report and Order issued March 19, 1997 in Case No. TA-96-455.

4. By this Application, Xspedius seeks authority to provide competitive basic local exchange telecommunications services on both a facilities-based and resale basis, throughout all exchanges currently served by the incumbent local exchange telecommunications companies (ILECs): Southwestern Bell Telephone Company (SWBT), Sprint Missouri, Inc. d/b/a Sprint (Sprint), GTE Midwest Incorporated, d/b/a Verizon Midwest, Inc. (GTE) (or CenturyTel, its successor), and Spectra

Communications Group, LLC (Spectra). The specific SWBT, Sprint, GTE, CenturyTel, Spectra and ALLTEL exchanges within which Xspedius proposes to offer service are listed in the incumbent providers' respective local exchange tariffs. Applicant may seek authority to provide this service in other areas of the state in a subsequent proceeding.

The services proposed by Applicant may include, but are not necessarily limited to, telephone exchange, exchange access, and such other telecommunications services as may be lawfully provided by competitive basic local exchange carriers in Missouri. Xspedius will initially provide the following suite of services, which are the same switched services being provided by American Communications Services of Kansas City, Inc., ("e.spire"), to its existing customers:

- Exchange access services (e.g., basic exchange line services, basic exchange trunk and digital trunk services, DID Service, Hunt/Grouping Service, CLASS Features, Custom Call Services, corridor services, ISDN/PRI and e.spire ISDN services, payphone service, directory listings).
- Exchange access optional features (e.g., directory listings, main number retention, authorization codes, vanity number service).
- Directory assistance services.
- Operator services.
- Special arrangements.
- Optional local exchange services (e.g., integrated service products, ISDN, etc.)
- Other miscellaneous services.

5. The Applicant intends to offer local exchange telecommunications services in Missouri in accordance with the terms, conditions, and rates contained in the tariffs of American Communications Services of Kansas City, Inc., ("e.spire") and to file its

Adoption Notice adopting those tariffs at the time deemed appropriate by the Commission. Xspedius, by separate application being filed simultaneously herewith, is applying for authority to provide interexchange and non-switched local exchange telecommunications services. American Communications Services of Kansas City, Inc., ("e.spire") intends to discontinue providing competitive basic local exchange telecommunications services in Missouri upon approval of the acquisition of its customers by Xspedius, as described in the separate Joint Application.

6. Xspedius's customers may contact the company's Customer Service Department through its toll-free telephone number, 1-877-325-2255, for billing inquiries and questions.

7. Applicant possesses the technical and managerial expertise and experience necessary to operate a viable business and provide the services it proposes. Resumes of Applicant's management, which demonstrate their extensive experience and expertise, are attached hereto and incorporated herein by reference as **Exhibit B**.

8. Xspedius also possesses the necessary financial resources to provide the services for which authority is requested. A copy of the balance sheet of Xspedius Management Co., LLC ("Xspedius Management"), for the period ending June 1, 2002, is attached hereto and incorporated herein by reference as **Exhibit C**. Xspedius requests that the financial information attached as **Exhibit C** be treated as highly confidential by the Commission, and Xspedius is filing a Motion for Protective Order concurrently with this Application pursuant to 4 CSR 240-2.085. Xspedius Management and Xspedius are privately owned limited liability companies and their financial statements are not public information. Applicant requests that the financial statements filed under seal with

this application remain confidential and not be disclosed except pursuant to the terms of the Commission's protective order.

9. Applicant seeks classification of itself and its services as competitive, pursuant to Section 392.361 RSMo. and 4 CSR 240-2.060 (6)(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 applicable law. Applicant agrees to provide equitable access to affordable telecommunications services, as determined by the Commission, for all Missourians within the geographic area in which it proposes to offer basic local service, regardless of residence or income.

11. Xspedius is willing to comply with all applicable Commission rules and is willing to meet all relevant basic local service standards including, but not limited to, quality of service, billing standards, and tariff filing and maintenance in the same manner and form as the Commission requires of ILECs with which Applicant seeks to compete.

12. Applicant is willing to comply with all applicable Commission rules, except those for which specific waiver is requested by Applicant. Consistent with the Commission's treatment of other certificated competitive local exchange telecommunications companies, Applicant requests that the following statutes and regulations be waived for Xspedius and its basic local exchange service offerings:

**STATUTES**

§ 392.210.2	--	Uniform System of Accounts
§ 392.240(1)	--	Just and Reasonable Rates
§ 392.270	--	Ascertain Property Value
§ 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 and Notes
§ 392.340	--	Reorganization

**RULES**

4 CSR 240-10.020	--	Depreciation Fund Income
4 CSR 240-30.010(2)(C)	--	Posting of Rate Schedules at Central Office
4 CSR 240-30.040	--	Uniform System of Accounts
4 CSR 240-32.030(4)(C)	--	File exchange boundary maps with Commission
4 CSR 240-33.030	--	Inform Customers of Lowest Price
4 CSR 240-35	--	Bypass Reports

13. Xspedius also 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 include a proposed tariff with a forty-five (45) day effective date. Xspedius is not filing a proposed tariff at this time because Xspedius intends to adopt the basic local service tariff of American



Communication Services of Kansas City LLC in its entirety, and will file its tariff adoption notice at the time deemed appropriate by the Commission.

14. In any area served by a small ILEC, Xspedius agrees to offer telecommunications services defined by the Commission as essential to qualify for state universal service fund support (essential services) in 4 CSR 240-31.010(5), pursuant to Section 392.451.1(1).

15. In any area served by a small ILEC, Xspedius agrees to advertise the availability of essential services and the charges for those services using media of general distribution in compliance with Section 392.451.1(2) RSMo.

16. Xspedius herein states, in accordance with 4 CSR 240-2.060(1)(K), that there are no pending actions or final unsatisfied judgments or decisions against Xspedius 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.

17. Pursuant to 4 CSR 240-2.060(1)(L), Xspedius hereby affirms that the Company does not have any overdue annual reports or fees owed to the Missouri Public Service Commission.

18. Xspedius submits that the public interest will be served by Commission approval of this application because Xspedius'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. Approval of Xspedius' Application is likewise in the public interest because it will prevent the

customers of the e.spire Operating Entities from facing the risk of poor quality of service, interruption or disconnection which might occur as a consequence of e.spire's financial status. Expedited approval of this application will protect the viability of the transaction approved by the Bankruptcy Court on June 5, 2002, ensure a seamless transition from e.spire to Xspedius, and avoid customer confusion or inconvenience. Public interest considerations, therefore, compel that Xspedius' Application be granted.

19. Finally, Xspedius agrees that, unless otherwise ordered by the Commission, and notwithstanding the provisions of §392.500 RSMo., as a condition of certification and competitive classification, Applicant's originating and terminating access rates will be no greater than the lowest Commission approved corresponding access rates in effect for each large ILEC within whose service area(s) Applicant seeks authority to provide service. Additionally, Applicant agrees that if the ILEC in whose service area the Applicant is operating decreases its originating and/or terminating access service rates, Applicant shall file an appropriate tariff amendment to reduce its originating and/or terminating access rates within thirty (30) days of the ILEC's reduction of its originating and/or terminating access rates in order to maintain the access rate cap, consistent with the Commission's Report and Order in Case No. TO-99-596.

WHEREFORE, Applicant Xspedius Management Co. Switched Services, LLC respectfully requests that the Commission grant it a certificate of service authority to provide basic local telecommunications services as herein requested, classify Applicant and its proposed services as competitive, treat Applicant's financial information as Highly Confidential, and grant a waiver of the aforesaid statutes and regulations.

Respectfully submitted,



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Mary Ann (Garr) Young Mo. Bar # 27951  
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[WBrantl@kelleydrye.com](mailto:WBrantl@kelleydrye.com)

COUNSEL FOR XSPEDIUS MANAGEMENT  
CO. OF KANSAS CITY, LLC

Dated: June 24, 2002

Certificate of Service

I hereby certify that a copy of this document has been hand delivered or mailed by first class mail, postage prepaid, to the Office of the General Counsel of the Missouri Public Service Commission, and to the Office of Public Counsel, on this 24th day of June 2002.

  
William D. Steinmeier

**EXHIBIT A**

**Missouri Secretary of State Certificate of Authority**

**To be late-filed**

**EXHIBIT B**

**Management Resumes**

### **James Allen - Chairman**

James C. Allen has been a director of WorldCom since March 1998. Mr. Allen is currently an investment director and member of the general partner of Meritage Private Equity Fund, a venture capital fund specializing in the telecommunications industry. Mr. Allen is the former Vice Chairman and Chief Executive Officer of Brooks Fiber Properties where he served in such capacities from 1993 until its merger with WorldCom January 1998. Mr. Allen served as President and Chief Operating Officer of Brooks Telecommunications Corporation, a founder of Brooks Fiber Properties, from April 1993 until it was merged with Brooks Fiber Properties in January 1996. Mr. Allen serves as a director of Completel LLC, Xspedius, LLC, Masergy, Inc., David Lipscomb University and Family Dynamics Institute.

### **Mark W. Senda – Chief Executive Officer**

Mark W. Senda has been a key contributor and leader in the competitive communications industry over the past two decades in North America. He has had an uncanny ability to stay in front of the trends emerging in the rapidly changing communications services sector during a period of pre- and post-deregulation. More recently, as President of Local Services for AT&T Canada, he ran a \$200m+ business unit growing in excess of 100% per annum. AT&T Canada was the successor to MetroNet Communications where Mr. Senda was Chief Operating Officer for Canada's first national competitive communications company. Prior to his work in Canada, Mr. Senda implemented and operated competitive local access and exchange networks in the United States, first with MFS Communications in various progressive management

responsibilities leading up to Senior Vice President of Network Services and later with Brooks Fiber Properties as their Senior Vice President of Operations & Engineering. Prior to 1991, Mr. Senda spent nearly nine years with MCI Communications Corp. in various management roles. During this time, he was a key team member responsible for deploying MCI's enhanced messaging systems and services worldwide. Mr. Senda holds a BS in Business from The University of the State of New York and a MS in Telecommunications Policy from The George Washington University.

**Dan Lensgraf – Chief Executive Officer**

Daniel Lensgraf currently serves as Chief Financial Officer of Xspedius, LLC joined Xspedius in August 2000, as Chief Financial Officer. In this capacity, he is responsible for all financial operations of the company. Lensgraf also plays a key role in the day-to-day, business development, and strategy of the company. From August 1995 until joining Xspedius, Lensgraf served as Chief Financial Officer of Satellink Communications, Inc.; an Atlanta based communications provider. During his tenure with Satellink, Lensgraf facilitated thirteen acquisition transactions and was involved in numerous debt and equity fund raising transactions.

Lensgraf earned a Bachelor's Degree in Business Administration from the University of Oklahoma and an MBA from Duke University.

**Ines LeBow – Senior Vice President, Operations**

Ms. LeBow has twenty years experience in management, operations, engineering, finance and project management in telecommunications, wireless, long distance, competitive access and competitive local exchange. In her last position, Ms. LeBow was Executive Vice President, Operations and Engineering at Conversent



Communications; in that capacity, she developed a six-state region in the Northeast, managed the P&L, set company policy, deployed switches, established service delivery flows and OSS systems, built a Network Management Center, created a switched-services field organization and customer service. Former positions include Vice President, Global Network Operations for Viatel, a multinational long distance carrier; with management responsibility for 150 people in 14 cities worldwide. At Brooks Fiber Communications, Ms. LeBow served as Vice President, Implementation with responsibility for 22 new cities. Prior to Brooks, Ms. LeBow has similar responsibilities at MFS, GTE Spacenet and Contel ASC.

Ms. LeBow is a graduate of American University, Washington, DC and received a MA. in Languages and Linguistics and a MA. in Administration and Education.

**Michael Miller – President, Xspedius Management Co. Network Technologies, Inc.**

Michael P. Miller is currently serving as President of ACSI Network Technologies, Inc., **e.spire's** network design, construction and consulting subsidiary, a position he has held since January 2000. He previously served as ACSI Network Technologies' Senior Vice President, responsible for sales and operations support system outsourcing. He joined **e.spire** in 1996 to assume the position of Regional Vice President and General Manager, responsible for sales and operations in the eastern United States. Before joining **e.spire**, he was Senior Vice President for Sales and Marketing for Trescom International. Mr. Miller has also held positions with ITT-USTS and LDDS (now, MCI/WorldCom). He has more than 19 years of management experience with telecommunications companies.

**Randall Muench – Executive Vice President of Sales and Marketing**

Randall P. Muench is currently serving as **e.spire** Executive Vice President, Sales and Marketing, and manages the retail and wholesale sales force, alternate channels, customer service, technical consulting and training. Mr. Muench is also responsible for product marketing, brand marketing, new media and **e.spire's** outbound marketing programs. He was promoted to this position in January 2000. He previously served as Senior Vice President, Sales and Marketing and Vice President of Marketing. He joined **e.spire** in March of 1998 as Vice President of Sales Operations and Customer Service. Before joining **e.spire**, Mr. Muench was Director of Marketing and Finance for MCI's State Government and University Markets, a position he held for three years

**James C. Falvey – Senior Vice President of Regulatory Affairs**

James C. Falvey is currently serving as **e.spire** Senior Vice President of Regulatory Affairs and is responsible for federal regulatory and legislative matters, state regulatory proceedings and complaints, and municipal rights-of-way issues. He was promoted to his current position in March 2000. He joined **e.spire** in May 1996 as Vice President of Regulatory Affairs and has been instrumental in developing regulatory strategy; establishing interconnection agreements; pursuing reciprocal compensation and other regulatory complaints; managing certification, franchise, and compliance issues; and advocating **e.spire's** interests relating to regulatory and policy matters. Prior to joining **e.spire**, Mr. Falvey practiced law with the Washington, D.C. law firm of Swidler & Berlin, where he represented competitive local exchange providers in state and federal proceedings. Prior to his employment at Swidler & Berlin, Mr. Falvey

practiced antitrust litigation in the Washington office of Johnson & Gibbs, and worked as a legislative assistant for Senator Harry M. Reid of Nevada. He is a *cum laude* graduate of Cornell University, received his law degree from the University of Virginia School of Law, and is admitted to practice law in the District of Columbia and Virginia. He is a member of the CompTel Board of Directors and ALTS Operating Board.

**EXHIBIT C**

***Pro Forma* Balance Sheet**

**CONFIDENTIAL—FILED UNDER SEAL**

## Verifications

Parish  
County of Calcasieu )  
State of Louisiana )

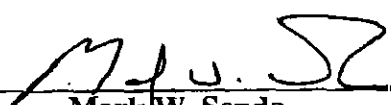
\_\_\_\_\_  
**VERIFICATION OF  
MARK W. SENDA**  
\_\_\_\_\_

I, **Mark W. Senda**, being duly sworn upon oath, do hereby depose and state as follows:

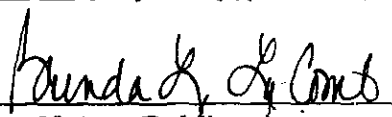
1. My name is Mark W. Senda. I am employed by Xspedius Management Co., LLC ("Xspedius") as Chief Executive Officer. My business address is Xspedius Management Co., LLC, P.O. Box 1116, O'Fallon, MO 63366-1116. I am authorized by Xspedius to make this Verification on its behalf.

2. I declare that I have read the foregoing document and that the facts and any matters stated therein are true to the best of my knowledge, information, and belief.

FURTHER AFFIANT SAYETH NOT.

  
\_\_\_\_\_  
Mark W. Senda

SUBSCRIBED AND SWORN TO BEFORE ME this 14<sup>th</sup> day of June, 2002.

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

