

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

Application of)
ACN Communication Services, Inc.)
Provide Facilities-based Local)
Exchange Service Throughout Idaho)

Case No. ACN-T-04-01

APPLICATION FOR CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY TO PROVIDE
FACILITIES-BASED LOCAL TELECOMMUNICATIONS SERVICES

Pursuant to Procedural Order No. 26665 in Case No. GNR-T-96-4¹ and Section 253 of the Federal Telecommunications Act of 1996² (AAct@), ACN Communication Services, Inc. (AACN@) respectfully requests that the Public Utilities Commission (ACommission@) amend ACN=s Authority and grant a Certificate of Public Convenience and Necessity to include authority to provide local exchange telecommunications services within the State of Idaho.

In support of its Application, ACN submits the following:

1. Introduction

ACN is requesting authority to provide basic resold and facilities-based local exchange services to both residence and business customers throughout Idaho in all exchanges which are not exempt from competition. The services that ACN intends to offer will be an adjunct to the long distance services that the Company has previously received authority to provide statewide. ACN plans to offer local exchange services primarily via an unbundled network element platform (UNE-P) through interconnection agreements with incumbent local exchange carriers (ALECs@). Should its Application be granted, ACN plans to commence offering service immediately upon the establishment of the appropriate and necessary resale arrangements with the incumbent LECs.

¹ Title 61 of the Idaho Code ' ' 61-526 through -528 and IDAPA 31.01.01.111 (Rule 111).

² Telecommunications Act of 1996, 47 U.S.C. ' 253 (1996).

II. Description of the Applicant

- (a) ACN Communication Services, Inc. is incorporated in the State of Michigan. The main address of the corporation is:

ACN Communication Services, Inc.
32991 Hamilton Court
Farmington Hills, Michigan 48334
Telephone: (248) 699-4000
Facsimile: (248) 489-5917
Toll Free: (888) 226-9013
Website: www.acninc.com

- (b) All correspondence, notices, inquiries and other communications regarding this Application should be addressed to:

Monique Byrnes
Consultant to ACN Communication Services, Inc.
Technologies Management, Inc.
P.O. Box 200
Winter Park, Florida 32789
Telephone: (407) 740-8575
Facsimile: (407) 740-0613

- (c) The Applicant is a Michigan Corporation, authorized by the Idaho Secretary of State to transact business within the State of Idaho.
- (d) ACN is a telecommunications company that has been providing long distance services nationwide, including Idaho. The Company is authorized to provide local exchange services in the following states: Alabama, California, Colorado, District of Columbia, Florida, Georgia, Illinois, Kentucky, Maryland, Massachusetts, Michigan, Missouri, Nevada, New Jersey, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Texas, Utah, Washington and Wisconsin.

III. Exhibits

In support of this Application, the following exhibits are attached hereto:

- Exhibit A - Certificate of Incorporation;
- Exhibit B - Certificate of Authority to Transact Business in the State of Idaho;
- Exhibit C - Financial Statements
- Exhibit D - Profiles of Senior Management Key Personnel
- Exhibit E - Proposed service area map (Rule 112(c))
- Exhibit F - Proposed Tariff

IV. Financial, Technical and Managerial Qualifications

ACN possesses the managerial, technical and financial ability to provide local telecommunications service in the State of Idaho. ACN has strong financial resources to enable the Company to successfully provide local telecommunications service in the State of Idaho and the management team in place to manage this operations.

IV.A. Financial Qualifications

- (a) By utilizing its current customer service, operations and management workforce and infrastructure supporting its resold and facilities-based local exchange and resold interexchange operations, ACN is financially and otherwise capable and qualified to offer and maintain all of its tariffed services in its territories.
- (b) The costs of Idaho operations will consist of leasing UNE-P and additional administrative and sales overhead. ACN is already operating as an interexchange carrier in Idaho and is operating as a resold and facilities-based local exchange service provider in several states. The incremental administrative and sales costs are not projected to be significant for the Company. No new funds or capital will be required to expand the Company=s services in Idaho.
- (c) ACN provides the financial statements of its parent company, ACN, Inc. as proof of its financial stability to provide the required services within the State of Idaho as Exhibit C. Exhibit C is filed as Confidential.

IV.B. Managerial Qualifications

- (a) ACN possesses managerial qualifications to operate a Competitive Local Exchange Carrier within the State of Idaho. Biographical summaries of the managerial experience of ACN are found in Exhibit D.

IV.C. Technical Qualifications

- (a) ACN's services will satisfy the minimum standards established by the Commission. The Company will file and maintain tariffs in the same manner and form as required of incumbent local exchange telecommunications companies with which ACN seeks to compete.
- (b) ACN has experience operating as a local exchange provider in several states. The Company has in excess of 30,000 residential local exchange access line subscribers. As the foregoing illustrates, ACN possesses considerable telecommunications expertise. Based on the company's experience and proven track record, ACN is certainly technically qualified to provide local exchange service in Idaho.

V. Customer Service

ACN understands the importance of effective customer service for local service consumers. ACN has a toll free customer service telephone number that is available with live operator response 24 hours per day, 7 days per week. ACN's toll free telephone number for customer inquiries, complaints and repair is 1-888-226-9013. In addition, customers may contact the company in writing at the headquarters address.

The contact for resolution of customer complaints with the Commission is:

Daniel F. Gonos
Senior Regulatory Analyst
ACN Communication Services, Inc.
32991 Hamilton Court
Farmington Hills, Michigan 48334
248-699-3517

VI. Service Description and Anticipated Service Date

ACN proposes to provide resold and facilities-based local exchange services through the combination of its own facilities and the resale of other carriers' facilities and network elements. The Company intends to offer service immediately upon certification and approval of its interconnection agreement.

ACN's primary market is residential customers. ACN intends to provide a network bundled telecommunications service which would include long distance service, local exchange service, and selected custom calling features. In addition, the Company ensures customer access to emergency services such as 911/E911, operator services and directory assistance.

ACN intends to offer service in the geographic areas currently served by Qwest Communications. ACN will mirror the basic local calling scopes of the incumbent local exchange companies.

VI. Public Interest Standard

Grant of ACN's Application to provide facilities-based local exchange services is in the public interest and serves the public convenience and necessity. In enacting the Federal Telecommunications Act of 1996, the United States Congress determined that it is in the public interest to promote competition in the provision of telecommunications services, including local exchange services. 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. Consumers are enjoying increased services, lower prices, higher quality, and greater reliability. This is true not only with respect to the service offerings of the new entrants, but also as a result of the response of incumbent monopoly providers to the introduction of competition.

ACN plans to bring the benefits of competition to residential consumers. ACN's proposed services will provide multiple public benefits by increasing the competitive choices available to users in Idaho. Enhanced competition in telecommunications services likely will further stimulate economic development in Idaho. In addition, increased competition will create incentives for all carriers to offer lower prices, more innovative services, and more responsive customer service.

VIII. Waivers and Regulatory Compliance

ACN has reviewed all of the Commission's rules applicable to competitive local exchange service providers and agrees to comply with those rules except to the extent the rules are explicitly waived for ACN or for all carriers in the same class. Specifically, ACN requests exemption from the following rules:

- (a) Title 41, Chapter 1, Rules 101-103.02 - Guarantee in lieu of deposit: ACN requests exemption only from that portion of the rule that requires a guarantee form on file with the Commission.

- (b) Title 41, Chapter 1, Rule 502.01 - Service Standards: To the extent that ACN offers service on a UNE-P and resold basis from the incumbent local exchange service providers, ACN requests a waiver of the requirement to adopt and pursue a maintenance program for outside plant facilities and equipment.

- (c) Title 41, Chapter 2, Rule 102.03 - Press Release: ACN requests a waiver of the requirement to send a press release to all newspapers, radio and television stations on the Commission's list. Unlike the incumbent LECs whose customer density in any given area makes press releases practical, ACN does not anticipate sufficient market share to warrant the expense of preparing and coordinating a press release. ACN maintains a detailed web site which includes information on the Company's services and rates as well as corporate information and all press releases. ACN customers will be informed of the Company's web site and will be able to receive all manner of information from that cite. In addition, consumers will be informed of rate increases by bill insert. Therefore, the additional step of notification via press release is unnecessary.

VIII. Waivers and Regulatory Compliance, (Cont'd.)

(d) Local Exchange Directories

ACN requests that it not be required to publish local exchange directories. ACN will make arrangements with the incumbent LECs whereby the names of ACN=s customers will be included in the directories published by the incumbent LECs. These directories will be distributed to ACN=s customers. This approach is entirely reasonable and will have a direct benefit to the customers of both ACN and the incumbent LECs since customers will have to refer to only one directory for a universal listing of customer information. It would be an unnecessary burden on ACN to require that it publish and distribute its own directory to all customers located within each exchange area, particularly since nearly all of these customers will be customers of the incumbent LECs. It is more efficient for ACN to simply include its limited customer list in the existing directories of the incumbent LECs.

- (e) Title 41, Chapter 2, Rule 105 and 602.01: Customer Notice: ACN has requested a waiver of the requirement to publish Local Telephone Directories. Rules 105 and 602.01 require that each local exchange company summarize the provisions of Sections 48-1001 et seq., Idaho Code, and summarize the customer disclosure rules in an annual insert in a billing statement mailed to customer or by conspicuous publication in the consumer pages of the local telephone directory. ACN maintains that such information is published in the local telephone directories and therefore does not need to be redistributed by ACN on an annual basis.

(f) **Reporting Requirements**

ACN further requests waivers of any reporting requirements which, although applicable to incumbent LECs, are not applicable to competitive providers such as ACN because such requirements: (1) are not consistent with the demands of the competitive market; and (2) they constitute an undue burden on a competitive provider, thereby requiring an inefficient allocation of its limited resources. In addition, ACN reserves the right to seek any regulatory waivers which may be required for ACN to compete effectively in the Idaho local exchange services market.

IX. Conclusion

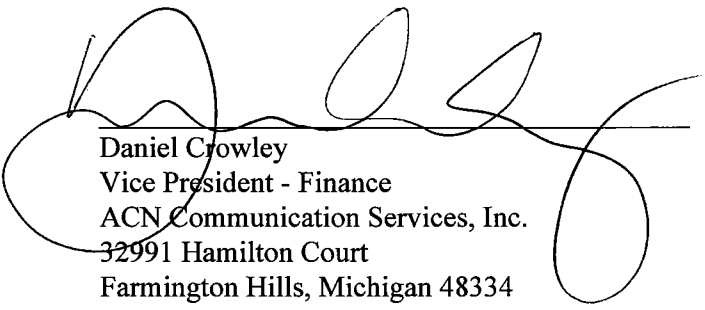
This Application demonstrates that ACN possesses the technical, financial and managerial resources to provide local exchange service in Idaho.

Wherefore, ACN respectfully requests that the Commission:

1. grant ACN authority to operate as a provider of resold and facilities-based basic local exchange telecommunications services in the State of Idaho;
2. grant the waivers requested in this Application; and
3. grant such other relief as it deems necessary and appropriate.

Respectfully submitted,

ACN Communication Services, Inc.



Daniel Crowley
Vice President - Finance
ACN Communication Services, Inc.
32991 Hamilton Court
Farmington Hills, Michigan 48334

ACN COMMUNICATIONS, INC

Exhibit A

Certificate of Incorporation

MICHIGAN DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES
CORPORATION, SECURITIES AND LAND DEVELOPMENT BUREAU

(FOR BUREAU USE ONLY)

Date Received	

FILED

APR 30 1999

Name David L. Steinberg, P.C.		
Address 1760 South Telegraph Road, Suite 300		
City Bloomfield Hills, MI	State	Zip Code 48302

Administrator
CORP. SECURITIES & LAND DEV. BUREAU

04/26/1999 CSALKELD
Trans 01340417
ACN
00013724
Total \$60.00

Corps Org & Filing & LLC art

EFFECTIVE DATE:

Document will be returned to the name and address you enter above

105-21A

ARTICLES OF INCORPORATION
For use by Domestic Profit Corporations
(Please read information and instructions on the last page)

Pursuant to the provisions of Act 284, Public Acts of 1972, the undersigned corporation executes the following Articles:

ARTICLE I

The name of the corporation is:

ACN Communication Services, Inc.

ARTICLE II

The purpose or purposes for which the corporation is formed is to engage in any activity within the purposes for which corporations may be formed under the Business Corporation Act of Michigan.

ARTICLE III

The total authorized shares:

1. Common Shares 60,000

Preferred Shares -0-

2. A statement of all or any of the relative rights, preferences and limitations of the shares of each class is as follows:

ARTICLE IV

1. The address of the registered office is:

32991 Hamilton Court, Farmington Hills , Michigan 48334
(Street Address) (City) (ZIP Code)

2. The mailing address of the registered office, if different than above:

_____, Michigan _____
(Street Address or P.O. Box) (City) (ZIP Code)

3. The name of the resident agent at the registered office is: David L. Steinberg, Esq.

ARTICLE V

The name(s) and address(es) of the incorporator(s) is (are) as follows:

Name	Residence or Business Address
<u>David L. Steinberg</u>	<u>1760 S. Telegraph Rd., Ste. 300</u> <u>Bloomfield Hills, MI 48302</u>

ARTICLE VI (Optional. Delete if not applicable)

When a compromise or arrangement or a plan of reorganization of this corporation is proposed between this corporation and its creditors or any class of them or between this corporation and its shareholders or any class of them, a court of equity jurisdiction within the state, on application of this corporation or of a creditor or shareholder thereof, or on application of a receiver appointed for the corporation, may order a meeting of the creditors or class of creditors or of the shareholders or class of shareholders to be affected by the proposed compromise or arrangement or reorganization, to be summoned in such manner as the court directs. If a majority in number representing 3/4 in value of the creditors or class of creditors, or of the shareholders or class of shareholders to be affected by the proposed compromise or arrangement or a reorganization, agree to a compromise or arrangement or a reorganization of this corporation as a consequence of the compromise or arrangement, the compromise or arrangement and the reorganization, if sanctioned by the court to which the application has been made, shall be binding on all the creditors or class of creditors, or on all the shareholders or class of shareholders and also on this corporation.

ARTICLE VII (Optional. Delete if not applicable)

Any action required or permitted by the Act to be taken at an annual or special meeting of shareholders may be taken without a meeting, without prior notice, and without a vote, if consents in writing, setting forth the action so taken, are signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all shares entitled to vote on the action were present and voted. The written consents shall bear the date of signature of each shareholder who signs the consent. No written consents shall be effective to take the corporate action referred to unless, within 60 days after the record date for determining shareholders entitled to express consent to or to dissent from a proposal without a meeting, written consents dated not more than 10 days before the record date and signed by a sufficient number of shareholders to take the action are delivered to the corporation. Delivery shall be to the corporation's registered office, its principal place of business, or an officer or agent of the corporation having custody of the minutes of the proceedings of its shareholders. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to shareholders who would have been entitled to notice of the shareholder meeting if the action had been taken at a meeting and who have not consented in writing.

Use space below for additional Articles or for continuation of previous Articles. Please identify any Article being continued or added. Attach additional pages if needed.

VIII
ARTICLE VIII

All stock shall be deemed Section 1244 stock pursuant to the IRS Code as amended.

I, (We), the incorporator(s) sign my (our) name(s) this 23 day of April, 1999.

David L. Steinberg

DAVID L. STEINBERG

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

ACN COMMUNICATIONS, INC

Exhibit B

Certificate of Authority to Transact Business in the State of Idaho

APPLICATION FOR CERTIFICATE OF AUTHORITY (For Profit)

(Instructions on Back of Application)

FILED
DEC 10 2 33 PM '99

To the Secretary of State of Idaho

The undersigned Corporation applies for a Certificate of Authority and states as follows:

- The name of the corporation is ACN COMMUNICATION SERVICES, INC.
- The name which it shall use in Idaho is _____
- It is incorporated under the laws of Michigan
- Its date of incorporation is 4/30/99
- The address of its principal office is 32991 Hamilton Court, Farmington Hills, Michigan 48334
- The address to which correspondence should be addressed, if different than item 5, is _____
- The street address of its registered office in Idaho is 300 North 6th Street, Boise, Idaho 83701
and its registered agent in Idaho at that address is C T Corporation System

8. The names and respective business addresses of its directors and officers are:

Name	Office	Address
See attached list of directors and officers		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dated: 11-11-99

ACN COMMUNICATION SERVICES, INC.
(Corporation name)

By *Wayne S. Dawson*

Its Secretary-Treasurer
(specify capacity of signer)

IDAHO SECRETARY OF STATE

Customer Acct # 12/10/1999 09:00
 CK: 184022659 CI: 19295 BH: 272766
 (If using pre-paid account)

Secretary of State use only
 1 @ 100.00 = 100.00 AUTH PRO # 2
 1 @ 20.00 = 20.00 EXPEDITE C # 3

C131480

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State of Idaho

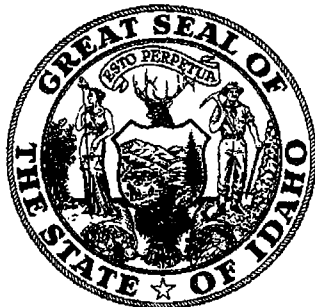
Office of the Secretary of State

CERTIFICATE OF AUTHORITY
OF
ACN COMMUNICATION SERVICES, INC.
File Number C 131480

I PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that an Application for Certificate of Authority, duly executed pursuant to the provisions of the Idaho Business Corporation Act, has been received in this office and is found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Authority to transact business in this State and attach hereto a duplicate of the Application for such Certificate.

Dated: December 10, 1999



Pete T. Cenarrusa
SECRETARY OF STATE

By *Constance Davis*

Appendix to Idaho
Application for Certificate of Authority

DEC 10 2 33 PM '99

**Directors and Officers of
ACN COMMUNICATION SERVICES, INC.**

-
1. Greg Provenzano, President and Director
11515 Vanstory Drive Ste 140
Huntersville, North Carolina 28078
 2. Jayne Diorka, Secretary and Treasurer
32991 Hamilton Court
Farmington Hills, Michigan 48334
 3. Robert Stevanovski, Director
11515 Vanstory Drive Ste 140
Huntersville, North Carolina 28078
 4. Anthony Cupisz, Director
32991 Hamilton Court
Farmington Hills, Michigan 48334
 5. J.D. Sullivan, Director
32991 Hamilton Court
Farmington Hills, Michigan 48334
 6. David Stevanovski, Director
32991 Hamilton Court
Farmington Hills, Michigan 48334
 - 7.

ACN COMMUNICATIONS, INC

Exhibit C

Financial Statements

The Company's Financial Statements are filed under separate Seal as Confidential.

ACN COMMUNICATIONS, INC

Exhibit D

Profiles of Senior Management Key Personnel

ACN COMMUNICATION SERVICES, INC.

MANAGEMENT PROFILES

Charles Barker - Chief Executive Officer - North America

Charles Barker is the Chief Executive Officer - North America for ACN has over 17 years of telecommunications experience. Prior to joining ACN he was Chief Financial Officer of Global Carrier Services for Global Crossing where, among other responsibilities, he oversaw strategic and product development analysis, customer provisioning and negotiations, billing and forecasting. Mr. Barker also held the position of Chief Financial Officer for North America Carrier Services with the Frontier Corporation and also served as Corporate Controller for Frontier. He worked for eleven years with PricewaterhouseCoopers LLP where his primary assignment was the Frontier Corporation audit. Mr. Barker has a bachelor's degree in accounting from Clemson University and is a Certified Public Accountant.

James F. Mulcahy - Secretary

James F. Mulcahy is the Secretary and Chief Operating Officer - Europe for ACN and has more than 20 years experience in corporate finance, including specific expertise in general accounting, credit and collection operations, financial reporting, budgeting and planning. Prior to joining ACN, he was Vice President International Carrier Finance for Global Crossing where he was responsible for the organization of credit and collection. From 1994 until 2000 Mr. Mulcahy worked for Frontier Corporation in various positions including Managing Director UK, Vice President Finance, Vice President Corporate Operations and Vice President Finance and CFO - FCI Long Distance. Prior to Frontier he held various executive level positions with the Dun & Bradstreet Corporation. Mr. Mulcahy has a BBA. in Accounting and an MBA in Finance from Pace University.

Neil Newcomb - Vice President of Call Center Operations

Neil Newcomb brings to ACN thirteen years of experience in a variety of management rolls with Allnet Communications, Frontier Communications and Global Crossing. Prior to joining ACN, Neil was responsible for the CLEC call center in Green Bay, Wisconsin for Frontier Communications/Global Crossing. During a brief three year assignment in a non-telecommunications environment, Neil was employed by AAA Michigan also in call center operations. Neil Newcomb joined the ACN team in 2003.

ACN COMMUNICATION SERVICES, INC.

MANAGEMENT PROFILES, (Cont'd.)

Dan Crowley - Vice President, Finance

Dan Crowley is the Vice President, Finance, North America for ACN, Inc., a telecommunications reseller based in Farmington Hills, MI. In this role, Dan is responsible for all financial operations of this \$100 Million division, including accounting, finance, credit & collections and corporate tax. Before joining ACN in August 2002, Dan provided strategic advisory services to companies in the CLEC and ISP markets. Dan helped launch Carrier Trust Company, which focused on financing alternatives for carriers and he also completing work on the Excite@Home reorganization and transitional strategy plan.

Dan left IQ Labs, Inc. in November of 2001, where he was the Vice President of business and product development. IQ Labs makes enterprise software that automates the provisioning process for enterprise communications equipment. In this role, Dan built the strategic plan that helped the company secure \$12 Million in venture funding. He also successfully re-crafted the company's product strategy to align it with enterprise customer's needs.

Prior to joining IQ Labs in July of 2000, Dan held various business and product development positions for Qwest Communications (formerly U S WEST) in the !NTERPRISE Networking Data business. !NTERPRISE was created by U S WEST in 1992 to address the advanced data and network integration needs of customers in its 14 Western and Midwestern states. As Director of product development, Dan led the team that conceived and launched the company's E-Commerce offerings. Previously, he was Director of business development for !NTERPRISE where he directed partnering and investment activity in the Internet and broadband sectors. Dan began his career at U S WEST in 1997 as Director of business development for U S WEST Long Distance, and moved to !NTERPRISE in 1998.

Before joining U S WEST, Dan was a member of the corporate development team at Frontier Corporation, in Rochester, New York, which merged with Global Crossing in 1998. While there, Dan helped complete seven acquisitions valued at over \$2 Billion. He also contributed to the groundbreaking Open Market Plan, which opened the local telephone markets of Frontier to competition. The Open Market Plan eventually served as a major blueprint for the Telecommunications Act of 1996, which sought to introduce local telephony competition across the country. Dan joined Frontier in 1994 after holding various positions with The Chase Manhattan Bank in corporate finance.

Dan graduated with a Bachelor of Science degree in business administration from the California State University at Humboldt and received an MBA from St. Bonaventure University in Olean, New York.

ACN COMMUNICATIONS, INC

Exhibit E

Proposed Service Area Map

ACN seeks statewide authority to offer its services.

ACN COMMUNICATIONS, INC

Exhibit F

Proposed Tariff