

**APPLICATION FORM FOR AUTHORITY TO
PROVIDE ALTERNATIVE LOCAL
EXCHANGE SERVICE WITHIN THE STATE
OF FLORIDA**

1. This is an application for (check one):

Original authority (new company)

Approval of transfer (to another certificated company)

Example, a certificated company purchases an existing company and desires to retain the original certificate authority.

Approval of assignment of existing certificate
(to a non-certificated company)

Example, a non-certificated company purchases an existing company and desires to retain the certificate of authority rather than apply for a new certificate.

Approval for transfer of control (to another certificated company)

Example, a company purchases 51% of a certificated company.
The Commission must approve the new controlling entity.

2. Name of applicant:

JATO Operating Two Corp. (hereafter "**Applicant**" or "**JATO TWO**")

3. Name under which the applicant will do business (d/b/a):

Same

4. If applicable, please provide proof of fictitious name (d/b/a) registration.

Fictitious name registration number N/A

A. National mailing address including street name, number, post office box, city, state, zip code, and phone number.

**JATO Operating Two Corp.
1099 18th Street, Suite 700
Denver, Colorado 80202
(303) 226-8398**

RECEIVED & FILED
[Signature]
FSC BUREAU OF RECORDS

B. Florida mailing address including street name, number, post office box, city, state, zip code, and phone number.

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Applicant does not have a Florida address.

5. Structure of organization Check Appropriate box(es)

- | | | | |
|-------------------------------------|-----------------------------------|--------------------------|-----------------------------------|
| <input type="checkbox"/> | Individual | <input type="checkbox"/> | Corporation |
| <input checked="" type="checkbox"/> | <u>Foreign Corporation</u> | <input type="checkbox"/> | Foreign Partnership |
| <input type="checkbox"/> | General Partnership | <input type="checkbox"/> | Limited Partnership |
| <input type="checkbox"/> | Joint Venture | <input type="checkbox"/> | Foreign Limited Liability Company |

6. If applicant is an individual, partnership, or joint venture, please give name, title and address of each legal entity.

N/A.

7. State whether any of the officers, directors, or any of the ten largest stockholders have previously been adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. If so, please explain.

None of the officers, directors, or any of the ten largest stockholders have previously been adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime.

8. If incorporated, please provide proof from the Florida Secretary of State that the applicant has authority to operate in Florida.

Applicant is in the process of obtaining proof of authority and will forward it to the Commission immediately upon receipt as Attachment A hereto.

9. Please provide the name, title, address, telephone number, Internet address, and facsimile number for the person serving as ongoing liaison with the Commission, and if different, the liaison responsible for this application.

Application

**Brad E. Mutschelknaus
Steven A. Augustino
Brian D. Hughes
Kelley Drye & Warren LLP
1200 19th Street, NW, Ste. 500
Washington, D.C. 20036
Telephone: (202) 955-9781
Facsimile: (202) 955-9792**

Ongoing

**David A. Bryson
Manager- Regulatory Affairs
JATO Operating Two Corp.
1099 18th Street, Suite 700
Denver, Colorado 80202
Telephone: (303) 226-8398
Facsimile: (303) 297-8905**

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10. Please list other states in which the applicant is currently providing or has applied to provide local exchange or alternative exchange service.

Applicant is not yet providing service in any jurisdiction, but expects to file applications for local exchange authority in Illinois and North Carolina concurrently with this application.

11. Has the applicant been denied certification in any other state? If so, please list the state and reason for denial.

Applicant has not been denied certification in any other state.

12. Have penalties been imposed against the applicant in any other state? If so, please list the state and reason for penalty.

Applicant has not had penalties imposed against it in any other state.

13. Please indicate how a customer can file a service complaint with your company.

Applicant is committed to providing telecommunications services of the highest quality to customers in Florida and will emphasize customer satisfaction. Applicant's customers will be able to reach customer service representatives 24 hours a day, seven days a week, by dialing toll-free, 1-888-353-5286. Customers will be able to register service complaints immediately via telephone, and may do so in writing by sending complaints to the customer service address listed on customer bills and on file with the Florida Public Service Commission.

14. Please complete and file a price list in accordance with Commission Rule 25-24.835. (Rule attached).

Applicant is still developing the prices to be included in its ALEC price list. However, JATO TWO will late-file, as Attachment B, its price list in accordance with Commission procedures and prior to actually providing service in the State.

15. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide alternative local exchange service in Florida.

A. Financial capability

As a newly formed company, Applicant has no substantial financial history. However, JATO TWO, backed by its parent corporation, JATO Communications Corp. ("JCC"), has sufficient financial capability to provide the requested telecommunications services in Florida and the financial capability to maintain those services. JCC

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will support its subsidiary's local exchange operations in Florida with a combination of (i) internal capital, (ii) proceeds from the sale of equity interests, and (iii) capital raised from other sources. Applicant's management has had extensive experience in developing and capitalizing early stage companies. Further, it should be emphasized that JATO TWO's initial business plan calls for it to provide primarily high-speed DSL data based telecommunications and telephone services using the ILEC's unbundled network elements in conjunction with its own facilities collocated at the ILEC's central offices, which does not require the extensive outlay of capital that standalone facilities and trunking would require. JCC's financial statements are being filed under separate seal as Attachment C to this Application. JATO TWO requests confidential treatment of these financial statements due to their highly proprietary nature. Applicant's proposed competitive local exchange service is economically feasible and in the public interest.

B. Managerial capability.

Please see Attachment D, appended hereto.

C. Technical capability.

Please see Attachment D, appended hereto.

(If you will be providing local intra-exchange switched telecommunications service, then state how you will provide access to 911 emergency service. If the nature of the emergency 911 service access and funding mechanism is not equivalent to that provided by the local exchange companies in the areas to be served, describe in detail the difference.)

Applicant will enter an arrangement to resell an underlying carrier's local exchange services, including 911 emergency service. Therefore, the nature of Applicant's 911 service access and funding mechanism will be the equivalent of, if not identical to, that of its underlying carrier.

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AFFIDAVIT

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide alternative local exchange service in the state of Florida. I have read the foregoing and declare that to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders.

Further, I am aware that pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and 775.083."

Official: 
Signature

May 27, 1999
Date

Title: V.P.
Vice President - Carrier Relations

303-226-8400
Telephone Number

Address: JATO Operating Two Corp.
1099 18th Street, Suite 700
Denver, CO 80202

ATTACHMENT A

(To Be Late-Filed)

ATTACHMENT B

(To Be Late-Filed)

confidential

ATTACHMENT C

(FILED UNDER SEAL)

confidential

ATTACHMENT D

Applicant is managerially and technically qualified to offer the proposed telecommunications services in Florida. Although JATO TWO is a start-up company, the combined technical expertise of its employees is significant. Collectively, its technical staff has designed, managed, and/or operated advanced communications facilities throughout the United States. Furthermore, JATO TWO's management team includes individuals with substantial experience in successfully developing, growing and operating telecommunications businesses. The Company's management team has an aggregate of over sixty years of development and operating experience in various segments of the telecommunications industry including cable television, wireless CLEC, local exchange carrier, mobile wireless services, and long distance. Applicant's management has a demonstrated capability to operate in start-up, high-growth and mature industries and a history of developing strategies and processes in early-stage telecommunications industry segments that are later broadly adopted by other industry participants. The majority of JATO TWO's management team has been involved in specific development efforts related to high-speed data networks in the U.S. since early 1997. Brief biographies of the management team are appended immediately hereafter.

A summary of the management and technical qualification of Applicant's management team is as follows:

Biographies of Key Personnel of JATO

Brian E. Gast - President and Chief Executive Officer. From 1996 through January 1998 Mr. Gast was the President of Formus Communications, Inc. (Formus). Formus is developing high-speed data and telephony networks in targeted international markets.

Mr. Gast co-founded Formus and participated in its initial staffing, facilitated the development of the company's strategic plan, and participated in raising \$58 million in seed-stage and first round equity financing. Mr. Gast also led Formus' evaluation of investing in Local Multi-point Distribution Service (LMDS) licenses in the US.

From 1988 through 1995, Mr. Gast was President, Chief Executive Officer and a co-founder of American Telecasting, Inc. (ATI), a leading operator of wireless cable television systems in the US. ATI employed over 1,400 full-time and contract employees, operated in 38 markets and served nearly 200,000 customers. The Company is publicly traded and had an equity market capitalization of nearly \$300 million at the time Mr. Gast left the company. ATI raised over \$260 million in public and private equity and debt under Mr. Gast's direction. ATI led the consolidation of the US

wireless cable industry, completing over \$160 million in mergers and acquisitions under Mr. Gast's leadership.

Mr. Gast served on the Executive Committee of the Board of Directors of the Wireless Cable Association from 1992 through 1995 and led the formation of the Wireless Cable Digital Alliance in 1995, an industry-wide group of suppliers and operators focused on the regulatory and technological advancement of digital transmission of video over MMDS networks.

Mr. Gast has also held positions in the venture capital and commercial banking industries concentrating primarily on the telecommunications industry. He holds a Bachelor of Business Administration degree from Temple University graduating with honors and a Masters of Business Administration from Drexel University.

Leonard E. Allsup - Vice President and Treasurer. From March 1997 through January 1998, Mr. Allsup was a Vice President of Formus Communications where he focused on the development of strategic alliances and distribution strategies for high-speed data transfer services businesses in the US. From July of 1995 to March of 1997 Mr. Allsup was a founder and principal of Creative Media LLC, which owned and operated cable television companies in Kentucky and Ohio.

From 1991 to 1995, Mr. Allsup was President and Chief Operating Officer of KBL-Media, Inc., a subsidiary of KBLCOM Inc., a telecommunications company generating over \$600 million in annual revenues and serving over one million cable television, audio and telephony customers in

the US. "KBL" operated cable television advertising sales organizations in nine major US markets. Mr. Allsup also served on the Executive Committee of KBLCOM, Inc., Mr. Allsup was a officer and senior member of the Houston Industries acquisition team facilitating the financing and purchase for Houston Industries of the U.S. Rogers Cable properties for 1.3 billion dollars.

Mr. Allsup has been repeatedly recognized by the Cable Advertising Bureau and the cable television industry for his significant contributions to cable advertising. He holds a Bachelor of Arts degree from the University of Tulsa.

Bruce E. Dines – Vice President and Secretary. From March 1997 through January 1998, Mr. Dines was a Vice President of Formus Communications where he evaluated operating support systems, analyzed industry and market-specific applications, market demand and the competitive environment associated with high-speed data, telephony and bundled services. Mr. Dines also developed operations infrastructure and operating strategy plans for Formus' IP based broadband business.

Prior to joining Formus, Mr. Dines worked for Telephone Express, a large, facilities based long distance carrier that originated traffic throughout US West territories, and terminated traffic all over the world. As the senior operating officer, Mr. Dines was responsible for switching, network access, translations, bill audits, trouble ticketing, network provisioning, trafficking,/routing, quality control and carrier negotiations.

Prior to joining Telephone Express, Mr. Dines served as Vice President of Operations for

American Telecasting, Inc. where he had bottom line responsibility for 30 operating systems and \$52MM in revenues. He joined the company in its start up phase and developed the operational processes, infrastructure, and organization needed to facilitate and drive the rapid expansion of the company. While with American Telecasting, Mr. Dines was active in the Wireless Cable Association (WCA), where he both formed and was chairman of the Customer Service Sub-committee of the WCA's Operators' Committee.

Mr. Dines has also held management positions in the cable television industry with Daniels & Associates and Leonard Communications. Mr. Dines received a Bachelors degree with honors from Stanford University and a Masters of Science degree, graduating with honors, from Louisiana State University.

KELLEY DRYE & WARREN LLP

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June 2, 1999

VIA OVERNIGHT DELIVERY

Ms. Blanco Bayo
Director
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

Check must be accompanied with filing and forwarded to Fiscal for deposit. Fiscal to forward a copy of check to RAR with proof of deposit.
Initials of person who forwarded check: *[Signature]*

Re: Application of JATO Operating Two Corp.

Dear Ms. Bayo:

Enclosed for filing with the Florida Public Service Commission ("Commission"), please find an original and 12 copies of JATO Operating Two Corp.'s Application for authority to provide alternative local exchange service in the State of Florida. Also enclosed is a check for the requisite \$250 filing fee. Please note, JATO submits Attachment C to the Application under separate seal and requests confidential treatment for the information contained in that Attachment due to the highly proprietary and competitively sensitive nature of this information.

Finally, also enclosed is a duplicate copy of this filing and a self-addressed

KELLEY DRYE & WARREN LLP
1200 19TH STREET, N.W.
WASHINGTON, DC 20036

FIRST UNION NATIONAL BANK
WASHINGTON, DC

68-122/540 00480

005538

June 2, 1999

PAY TO THE ORDER OF North Carlonia Utilities Commission \$ 250.00
Two-Hundred and fifty-----00/100-----DOLLARS

MEMO 011637.001 Filing fee

[Signature]