

PIPER & MARBURY
L.L.P.

1200 NINETEENTH STREET, N.W.
WASHINGTON, D.C. 20036-2430
202-661-3900
FAX: 202-223-2085

ORIGINAL

BALTIMORE
NEW YORK
PHILADELPHIA
EASTON

RANDALL B. LOWE
202-861-6477

rlowe@pipermar.com

July 15, 1999

BY FEDERAL EXPRESS

990932-TX

Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, FL 32339-0850

Re: Application of PRISM FLORIDA OPERATIONS, LLC For Authority
to provide Alternative Local Exchange within the State of Florida

Dear Sir/Madam:

On behalf of Prism Florida Operations, LLC, we are submitting an original and six (6) copies of an application for authority to provide alternative local exchange services within the State of Florida.

Please note that Prism Florida Operations, LLC and its parent company, Prism Communication Services, Inc., are privately held companies and the financial information concerning these companies that is submitted as part of this application is proprietary in nature. Review of this information should be held in the strictest confidence possible. The financial information concerning these companies is provided to the Staff under separate cover, is marked "PROPRIETARY AND CONFIDENTIAL - FILED UNDER PROTECTIVE SEAL," and is not to be made a part of the public record.

Please date-stamp and return the attached stamp-in copy in the enclosed self-addressed FedEx envelope.

**This document has been placed in
confidential storage pending advice on
handling from OPR staff.**

served with filing and
to Fiscal for deposit.
Fiscal to forward a copy of check
to RAR with proof of deposit.

Initials of person who forwarded check:

RL

DOCUMENT NUMBER-DATE

08498 JUL 16 1999

FPSC-RECORDS/REPORTING

July 15, 1999
Page 2

Any questions regarding this filing should be directed to the undersigned counsel.

Sincerely,

Randall B Lowe WAK
Randall B. Lowe

RBL/mjs
Enclosures

cc: Terrence Peck

PIPER & MARBURY
L.L.P.

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WASHINGTON, D.C. 20036-2430
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FAX: 202-223-2085

ORIGINAL

BALTIMORE
NEW YORK
PHILADELPHIA
EASTON

RANDALL B. LOWE
202-861-6477

rlowe@pipemar.com

056073

July 15, 1999

BY FEDERAL EXPRESS

DEPOSIT

DATE

D 1 6

JUL 1 6 1999

Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, FL 32339-0850

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Please date-stamp and return the attached stamp-in copy in the enclosed self-addressed FedEx envelope.

**PIPER & MARBURY
L.L.P.**
1200 NINETEENTH ST. N.W.
WASHINGTON, D.C. 20036-2430

FIRST UNION NATIONAL BANK
OF WASHINGTON, D.C.
WASHINGTON, D.C. 20403

056073

15-122
540

07/13/99

PAY TO THE ORDER OF FLA. PUBLIC SERVICE COMMISSION

\$ 250.00

Dollars

TWO HUNDRED FIFTY AND 00/100

FLA. PUBLIC SERVICE COMMISSION

Annalisa D. Waters

"056073"

56073

PIPER & MARBURY L.L.P.

INVOICE NUMBER	DATE	AMOUNT PAID	INVOICE DESCRIPTION
P. HANNON	07-13-99	250.00	C/M# 27549-20

ORIGINAL

RECEIVED
JUL 16 9 54 AM '99
ADMINISTRATION
MAIL ROOM

**** FLORIDA PUBLIC SERVICE COMMISSION ******DIVISION OF TELECOMMUNICATIONS
BUREAU OF CERTIFICATION AND SERVICE EVALUATION****APPLICATION FORM
for
AUTHORITY TO PROVIDE
ALTERNATIVE LOCAL EXCHANGE SERVICE
WITHIN THE STATE OF FLORIDA**

Instructions

- ◆ This form is used as an application for an original certificate and for approval of the assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Appendix A).
- ◆ Print or type all responses to each item requested in the application and appendices. If an item is not applicable, please explain why.
- ◆ Use a separate sheet for each answer which will not fit the allotted space.
- ◆ Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of **\$250.00** to:

**Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6770**

- ◆ If you have questions about completing the form, contact:

**Florida Public Service Commission
Division of Telecommunications
Bureau of Certification and Service Evaluation
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6600**

APPLICATION

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

Original certificate (new company).

Approval of transfer of existing certificate: Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority.

Approval of assignment of existing certificate: Example, a certificated company purchases an existing company and desires to retain the certificate of authority of that company.

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

2. Name of company:

Prism Florida Operations, LLC

3. Name under which the applicant will do business (fictitious name, etc.):

Prism Florida Operations, LLC

4. Official mailing address (including street name & number, post office box, city, state, zip code):

Prism Florida Operations, LLC

11 Beach Street

New York, NY 10013

5. Florida address (including street name & number, post office box, city, state, zip code):

None

6. Structure of organization:

- () Individual () Corporation
() Foreign Corporation () Foreign Partnership
() General Partnership () Limited Partnership
(x) Other: Foreign Limited Liability Company

7. **If individual**, provide:

Name: _____

Title: _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ Fax No.: _____

Internet E-Mail Address: _____

Internet Website Address: _____

8. **If incorporated in Florida**, provide proof of authority to operate in Florida:

- (a) **The Florida Secretary of State corporate registration number:**

9. **If foreign corporation**, provide proof of authority to operate in Florida:

- (a) **The Florida Secretary of State corporate registration number:**

M99000000879 See Exhibit 1

10. **If using fictitious name-d/b/a**, provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida:

(a) The Florida Secretary of State fictitious name registration number:

11. **If a limited liability partnership**, provide proof of registration to operate in Florida:

(a) The Florida Secretary of State registration number:

12. **If a partnership**, provide name, title and address of all partners and a copy of the partnership agreement.

Name: _____

Title: _____

Address: _____

City/State/Zip: _____

Telephone No.: _____ Fax No.: _____

Internet E-Mail Address: _____

Internet Website Address: _____

13. **If a foreign limited partnership**, provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable.

(a) The Florida registration number: _____

14. Provide **F.E.I. Number**(if applicable): 52-2116495

15. Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

(a) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. Provide explanation.

No

(b) an officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

No

16. Who will serve as liaison to the Commission with regard to the following?

(a) The application:

Name: Randall B. Lowe, Esq.

Julie Kaminski, Esq.

Title: Counsel

Address: Piper & Marbury, L.L.P. 1200 19th Street, N.W.

City/State/Zip: Washington, DC 20036

Telephone No.: (202) 861-3900 Fax No.: (202) 223-2085

Internet E-Mail Address: rlowe@piper&mar.com

jkaminski@pipermar.com

Internet Website Address: _____

(b) Official point of contact for the ongoing operations of the company:

Name: Terrence M. Peck

Title: Manager

Address: Prism Florida Operations, LLC 11 Beach Street

City/State/Zip: New York, NY 10013

Telephone No.: (212) 366-5001 Fax No.: (212) 366-5454

Internet E-Mail Address: tpeck@prismcsi.net

Internet Website Address:

(c) Complaints/Inquiries from customers:

Name: Sophia Corona

Title: V.P., Network Management

Address: Prism Florida Operations, LLC 8 West 19th Street

City/State/Zip: New York, NY 10011

Telephone No.: (212) 366-5001 Fax No.: (212) 366-5454

Internet E-Mail Address: scorona@prismcsi.net

Internet Website Address:

17 List the states in which the applicant:

(a) has operated as an alternative local exchange company.

None

(b) has applications pending to be certificated as an alternative local exchange company.

None. Affiliated companies have applications pending in Connecticut, DC,

, Illinois, Delaware and Virginia.

(c) is certificated to operate as an alternative local exchange company.

None. Affiliated companies have been certified in New York, North Carolina

Maryland, Texas and New Jersey.

(d) has been denied authority to operate as an alternative local exchange company and the circumstances involved.

None

(e) has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.

None

(f) has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

None

18. Submit the following:

A. Financial capability.

The application **should contain** the applicant's audited financial statements for the most recent 3 years. If the applicant does not have audited financial statements, it shall so be stated. See Exhibit 2

The unaudited financial statements should be signed by the applicant's chief executive officer and chief financial officer **affirming that the financial statements are true and correct** and should include:

1. the balance sheet:
2. income statement: and

3. statement of retained earnings.

NOTE: *This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.*

Further, the following (which includes supporting documentation) should be provided:

1. **written explanation** that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.
 2. **written explanation** that the applicant has sufficient financial capability to maintain the requested service.
 3. **written explanation** that the applicant has sufficient financial capability to meet its lease or ownership obligations.
- B. **Managerial capability:** give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each. See Exhibit 3
- C. **Technical capability:** give resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance. See Exhibit 3

**** APPLICANT ACKNOWLEDGMENT STATEMENT ****

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
4. **APPLICATION FEE:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

UTILITY OFFICIAL:

<u><i>Shirley Beck</i></u>	<u>July 13, 1999</u>
Signature	Date
<u>Manager</u>	<u>(212) 366-5001</u>
Title	Telephone No.
Address: <u>Prism Florida Operations, LLC</u>	<u>(212) 366-5454</u>
	Fax No.
<u>11 Beach Street</u>	
<u>New York, NY 10013</u>	

ATTACHMENTS:

- A - CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT
- B - INTRASTATE NETWORK
- C - AFFIDAVIT
- GLOSSARY

CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT

I, (Name) N/A

(Title) _____ of (Name of Company)

_____ and current holder of Florida Public Service Commission Certificate Number # _____
_____, have reviewed this application and join in the petitioner's request for
a:

- () sale
- () transfer
- () assignment

of the above-mentioned certificate.

UTILITY OFFICIAL:

Signature

Date

Title

Telephone No.

Address:

Fax No.

INTRASTATE NETWORK (if available)

Chapter 25-24.825 (5), Florida Administrative Code, requires the company to make available to staff the alternative local exchange service areas only upon request. This information has not yet been determined by the Applicant

1. POP: Addresses where located, and indicate if owned or leased.

1) _____	2) _____
_____	_____
3) _____	4) _____
_____	_____

2. SWITCHES: Address where located, by type of switch, and indicate if owned or leased.

1) _____	2) _____
_____	_____
3) _____	4) _____
_____	_____

3. TRANSMISSION FACILITIES: POP-to-POP facilities by type of facilities (microwave, fiber, copper, satellite, etc.) and indicate if owned or leased.

<u>POP-to-POP</u>	<u>OWNERSHIP</u>
1) _____	_____
2) _____	_____
3) _____	_____
4) _____	_____

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 company 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 s. 775.083."

UTILITY OFFICIAL:

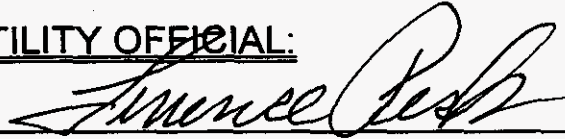
	<u>July 13, 1999</u>
Signature	Date
<u>Manager</u>	<u>(212) 366-5001</u>
Title	Telephone No.
Address: <u>Prism Florida Operations, LLC</u>	<u>(212) 366-5454</u>
<u>11 Beach Street</u>	Fax No.
<u>New York, NY 10013</u>	

EXHIBIT 1

LEC Item 9 -- Proof of Registration to Operate in Florida



FLORIDA DEPARTMENT OF STATE
Katherine Harris
Secretary of State

June 15, 1999

C T CORPORATION SYSTEM
660 EAST JEFFERSON STREET
TALLAHASSEE, FL 32301

Qualification documents for PRISM FLORIDA OPERATIONS, LLC were filed on June 15, 1999, and assigned document number M99000000879. Please refer to this number whenever corresponding with this office.

Your limited liability company is now qualified and authorized to transact business in Florida as of the file date.

A limited liability company annual report will be due this office between January 1 and May 1 of the year following the calendar year of the file date. A Federal Employer Identification (FEI) number will be required before this report can be filed. If you do not already have an FEI number, please apply NOW with the Internal Revenue by calling 1-800-829-3676 and requesting form SS-4.

Please be aware if the limited liability company address changes, it is the responsibility of the corporation to notify this office.

Should you have any questions regarding this matter, please telephone (850) 487-6051, the Registration and Qualification Section.

Diane Cushing
Corporate Specialist
Division of Corporations

Letter Number: 899A00032226

**APPLICATION BY FOREIGN LIMITED LIABILITY COMPANY FOR AUTHORIZATION TO
TRANSACTION BUSINESS IN FLORIDA**

IN COMPLIANCE WITH SECTION 608.503, FLORIDA STATUTES, THE FOLLOWING IS SUBMITTED TO REGISTER A FOREIGN LIMITED LIABILITY COMPANY TO TRANSACTION BUSINESS IN THE STATE OF FLORIDA:

1. Prism Florida Operations, LLC
 (Name of foreign limited liability company must end with the words "limited liability company" or "limited company" or their abbreviations "L.L.C." or "L.C." if not so contained in the name at present.)

2. Delaware 3. _____
 (Jurisdiction under the law of which foreign limited liability company is organized) (FEI number, if applicable)

4. May 7, 1999 5. perpetual
 (Date of Organization) (Duration: Year limited liability company will cease to exist or "perpetual")

6. Prism Florida Operations, LLC has not yet transacted business in Florida.
 (Date first transacted business in Florida. (See sections 608.501, 608.502 and 817.155, F.S.) *now qualified*)

7. 11 Beach Street, Second Floor
New York, NY 10013
 (Street address of principal office)

8. List name, title, and business address of each managing member [MGRM] or manager [MGR] who will manage the foreign limited liability company in Florida: (attach additional page if necessary)

NAME & ADDRESS:	TITLE:	NAME & ADDRESS:	TITLE:
<u>Terrence Peck</u>	<u>MGR</u>	_____	_____
<u>11 Beach Street, Second Floor</u>		_____	
<u>New York, NY 10013</u>		_____	
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

9. Attached is an original certificate of existence, no more than 90 days old, duly authenticated by the Secretary of State or the proper official having custody of records in the state under the law of which it is organized. (A photocopy is not acceptable. If the certificate is in a foreign language, a translation of the certificate under oath of the translator must be submitted.)

FILED
 JUN 19 1999
 PM 2:00
 TALLAHASSEE, FLORIDA
 STATE SECRETARY OF STATE

**AFFIDAVIT OF MEMBERSHIP AND CONTRIBUTIONS OF FOREIGN
LIMITED LIABILITY COMPANY**

The undersigned member or authorized representative of a member of Prism Florida Operations, LLC
_____ certifies:

- 1) the above named limited liability company has at least one member;
- 2) the total amount of cash contributed by the member(s) is \$ 0 ;
- 3) if any, the agreed value of property other than cash contributed by member(s) is \$ 0 ;
(A description of the property is attached and made a part hereto.)
and
- 4) the total amount of cash and property contributed and anticipated to be contributed
by member(s) is _____ .
(This total includes amounts from 2 and 3 above.)

FILED
JUN 15 PM 2:00
\$250.00
STATE OF FLORIDA
TALLAHASSEE



Signature of a member or authorized representative of a member.
(In accordance with section 608.408(3), Florida Statutes, the execution of this
affidavit constitutes an affirmation under the penalties of perjury that the facts
stated herein are true.)

Terrence Peck.

Typed or printed name of signee

Filing Fee: \$250.00 for Application and Affidavit

**CERTIFICATE OF DESIGNATION OF
REGISTERED AGENT/REGISTERED OFFICE**

PURSUANT TO THE PROVISIONS OF SECTION 608.415 OR 608.507, FLORIDA STATUTES, THE UNDERSIGNED LIMITED LIABILITY COMPANY SUBMITS THE FOLLOWING STATEMENT IN DESIGNATING THE REGISTERED OFFICE/REGISTERED AGENT, IN THE STATE OF FLORIDA.

1. The name of the limited liability company is: Prism Florida Operations, LLC

2. The name and address of the registered agent and office is:

C T Corporation System

(Name)

c/o C T Corporation System, 1200 South Pine Island Road

(P.O. Box not acceptable)

Plantation, Florida 33324

(City/State/Zip)

FILED
99 JUN 15 PM 2:00
SECRET
TALLAHASSEE, FLORIDA

Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.



(Signature)

May 10, 1999

(Date)

Charlie F. Shampans, Asst. Secy.

FILING FEE: \$ 35 for Designation of Registered Agent

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF LIMITED LIABILITY COMPANY OF "PRISM FLORIDA OPERATIONS, LLC", FILED IN THIS OFFICE ON THE SEVENTH DAY OF MAY, A.D. 1999, AT 11:30 O'CLOCK A.M.



A handwritten signature in cursive script that reads "Edward J. Freel".

Edward J. Freel, Secretary of State

3040019 8100

991182154

AUTHENTICATION: 9731427

DATE: 05-07-99


**CERTIFICATE OF FORMATION
OF
PRISM FLORIDA OPERATIONS, LLC**

1. The name of the limited liability company is:

Prism Florida Operations, LLC

2. The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent is The Corporation Trust Company.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation as of the 7th day of May, 1999.



Daniel M. Horrigan
Authorized Person

EXHIBIT 2

IXC Item 21

Applicant believes the following additional information may be of assistance to the Commission in evaluating its application.

1. **Local Exchange Service** - These services will give residential and business users the ability to originate and terminate calls to other users with access to the local exchange network. The local exchange service provided by Applicant will also enable users to select the interexchange carrier of their choice.

2. **Interexchange Carrier Access Services** - These services will allow interexchange carriers to interconnect on a switched or dedicated basis with the local exchange network to originate and terminate intrastate toll calls.

3. **Interexchange Toll Services** - These services will be provided on a switched and dedicated basis and will enable residential and business users to complete intrastate toll calls.

Applicant will operate and maintain a state-of-the-art, high-speed, digital, meshed telephone and data communications network. In particular, Applicant will employ a switch-based network comprised of owned and leased transport and local loop facilities, as well as resold services, with a 24 hours, 7-by-7 customer service center. Moreover, the network will feature Nortel's new breakthrough Consumer Digital Model ("CDM") technology that will enable Applicant to utilize the existing copper wire telephone infrastructure as a dual voice and data network backbone¹ providing secure, "always up" connections² of 1 Mbps "downstream" to the user and 120 Kilobits per second ("Kbps") "upstream," which is roughly 8 times faster than prevailing dual-channel ISDN products, but at approximately the same cost.

¹Customers can use this copper wire connection for simultaneous telephone and fax communications, while still connected to the Internet, an Intranet, or the Company's Extranet.

²Customers will be connected to the Prism network 24-hours a day, seven days a week, i.e., there is no need to dial-in, there will be no busy signals, and no slowdowns.

Applicant's application will protect the affordability of basic local exchange telephone service and will assure the continuation of quality local exchange telephone service. Applicant's entry as a competitive local exchange service provider will provide an enhanced range of telecommunications services, increase customer choice, encourage more efficient service at lower prices, provide users of telecommunications services with greater reliability, and stimulate more responsive customer service. Approval will lead to additional private investment in Florida's telecommunications infrastructure.

Grant of Applicant's application will not prejudice or disadvantage any class of telephone company customers or telephone service providers. Applicant's entry into the Florida telecommunications market is clearly in the public interest as it will give consumers an additional, alternative service provider and an enhanced range of telecommunications services at competitive rates. Competition in the market should also bring about lower prices, more advanced technology, improved quality of service, and improved service offerings.

EXHIBIT 2

LEC Item 18.A Financial Capability

Applicant has the financial resources to offer its services in the State of Florida. Applicant will rely upon the financial resources of Prism Communication Services, Inc. ("PCSI"), its parent company, to provide initial capital investment and fund start-up operation. Attached hereto is a copy of the most recent consolidated financial statements for PCSI, including a Statement of Financial Position and Balance Sheet. Although operationally PCSI has not realized any significant revenues to date, it has approximately \$86 million in total assets and a level of capitalization in the amount of approximately \$53 million.

PCSI is 98.5% owned by Comdisco, Inc., an investment grade company engaged primarily in providing technology services and infrastructure management and optimization, with total assets as of March 31, 1999 of \$7.7 billion and annualized revenues of \$3.8 billion. As evidence of Comdisco's commitment to the financial success of PCSI and its operating subsidiaries, Comdisco has offered PCSI an uncommitted revolving line of credit in the amount of \$100 million. In addition to PCSI's capitalization, the inter-company loan from Comdisco will ensure that PCSI, and therefore Applicant, possesses adequate financial ability to provide its proposed services within the State of Florida.

Applicant and its parent company do not publish financial statements to the public, and consider this financial information to be proprietary in nature. The attached financial information is being provided to the Staff under seal, is marked "PROPRIETARY AND CONFIDENTIAL - FILED UNDER PROTECTIVE SEAL," and it is requested that it not be made a part of the public record.

VERIFICATION OF FINANCIAL INFORMATION

STATE OF NEW YORK)
) ss
BOROUGH OF MANHATTAN)

I, Montgomery W. Cornell, as Chief Financial Officer of Prism Communication Services, Inc. and Prism Florida Operations, LLC, do hereby certify that the financial statements submitted as exhibits to the application of Prism Florida Operations, LLC before the Florida Public Service Commission for authority to provide competitive local exchange, interexchange carrier access, and interexchange toll service are true and correct to the best of my knowledge, information and belief.

Montgomery W. Cornell

SUBSCRIBED AND SWORN to before me, a
Notary Public in and for the State and
County/Borough above named, this 13 day
of July, 1999.

Virginia Carter Ingram
(SEAL) Notary Public
VIRGINIA CARTER INGRAM
Notary Public, State of New York
No. 011N6017283
Qualified in Kings County
Commission Expires December 7, 2000

EXHIBIT 3

LEC Items 23B and C. - Managerial and Technical Capability.

Applicant's parent company, Prism Communication Services, Inc. ("PCSI"), will provide Applicant with the managerial and technical expertise necessary to offer its services. As described below, PCSI's executive, managerial and technical staff is comprised of highly capable professionals with extensive telecommunications experience.

Terrence Peck currently serves as our Chief Executive Officer. Mr. Peck is the founder and visionary behind Prism and has served as our principal since November 1997. Mr. Peck has more than 30 years of telecommunications experience, including all aspects of engineering, operations, regulation, construction, and business planning. He began his career as an engineer for AT&T Long Lines in 1966, and has since held the positions of President/CEO of Futurtek Communications, Vice President of Regulatory Affairs for ATC, Senior Vice President of TMC/Cignal, President of Digi-Net, and Vice President of Telesphere Network. He also served as Director of Network System for US Telephone, Senior Manager of Network Planning and Administration for US Sprint, and was a Switching Systems Engineer for MCI. Since 1994, Mr. Peck has also been a principal with Visual Radio, Inc., an Internet and Extranet developer, which specializes in technology incubations for the online community. He has also served on the board of directors of state and national industry associations, and serves as an expert witness in regulatory and legal cases involving telecommunications issues.

Montgomery Cornell, Chief Financial Officer, joined Prism after spending four years in various positions at Protection One, Inc., which is one of the largest monitored security companies in the United States. While at Protection One, he served as Treasurer and Vice President-Finance, and managed investor relations. He also assisted in raising over \$1 billion of debt and equity capital in private and public offerings. Mr. Cornell briefly served as Chief Financial Officer of Protection One [NYSE: POI] before he joined us. Mr. Cornell worked at several investment banks prior to joining Protection One.

Michael Ford, Chief of Staff, oversees project planning in the office of the President. Prior to joining us, Mr. Ford spent over 12 years at Nortel Networks where he began his career as a financial analyst. While at Nortel Networks, Mr. Ford held positions as Finance Manager, INS Pacific Region; Senior Manager – Consulting Services, Private Networks; Controller, Nortel Networks Communication Systems; and Director Major Accounts Sales, Public Carrier Networks.

Harold "Paul" Freels, Chief Operations Officer, oversees substantially all aspects of our network and operations. Mr. Freels has extensive experience in the telecommunications industry, most recently serving for three years as Vice President—Operations for Long Distance International, Inc. In his 45 years of telecommunication experience, Mr. Freels has also served in senior management capacities at International Telecharge, Inc. and U.S. Telephone, Inc. (now part of Sprint). Mr. Freels has significant operating experience in developing and managing

billing, customer service, network design, network management, operating support systems, order provisioning, and regulatory affairs functions.

Dennis Kruse, Chief Marketing Officer, oversees and is responsible for all marketing operations and programs for our communications services and solutions. Mr. Kruse has more than 20 years of combined industry experience in the development of advertising and brand marketing programs with major companies in the U.S. and abroad. Most recently, he served as a consultant for consumer marketing and new business development with MCI Telecommunications Corporation, managing strategic relationships with Fortune 500 companies including McDonald's, PepsiCo, Frito-Lay, Hershey's, The Coca-Cola Company and American Airlines. Prior to joining us, Mr. Kruse served as Vice President Advertising/Media and Promotion at Jerrico, Inc.; Partner/Executive Vice President at Weyman & Kruse, Inc.; Director of Advertising at Munford, Inc.; Regional Marketing Director at Southland Corporation; and Vice President of New Business at Houston Ritz & Associates. Mr. Kruse also served as a special assistant to President Reagan, handling both press and site advance assignments.

Sophia K. Corona, Vice President Network Planning, has over 13 years of Accounting and Finance experience in diversified industries. As Controller for an international consulting firm, Ms. Corona traveled throughout the Far East negotiating with Ministries of Finance on expatriate and corporate tax issues. As Corporate Controller for Ian Schragger Hotels, she was responsible for the restructuring of existing financial infrastructures. Most recently, she was Chief Financial Officer of a custom high-end lighting manufacturer serving the hospitality and interior design industries, during which she was responsible for a 30 percent growth in profitability over the past three consecutive years.

John Dodd, Vice President Network Construction, has 33 years experience in the telecommunications industry, John Dodd has worked within every facet of this technology, from design inception through manufacturing to contract fulfillment. Before joining Prism his most recent role was as Senior Operations Manager for Nortel and oversaw their \$165 million Bell Atlantic account. His broad experience brings a keen understanding and overview to our expansion plans, streamlining the process, making it possible to bring more technology to the consumer in less time and for less money.

Edward Kelly, Vice President of Network Operations, has more than 20 years of operational and engineering experience in carrier and enterprise telecommunications networks. For the past 14 years he has served in a variety of roles at MCI Worldcom, most recently as Senior Manager Network Operations and Security for the International Division where he helped expand MCI Worldcom's presence overseas. Prior to MCI Worldcom, he served as the head of U.S. technical support for Thomson-CSF/Alcatel; Manager of Field Operations and Sales Support at U.S. Telephone; and Manager of Field Services for TeleResources.

Richard Merson, Vice President Customer Service, has 12 years of experience as a customer operations leader with proven results in line operations management, reengineering, vendor management, system development, process measurement and project management. Before that, he spent seven years with AT&T Wireless Services where he was Director of Credit and Activations for National Customer Care Operations. Mr. Merson also spent five years with American Express as Director of Account Services for the Eastern Region.

Vincent Morreale, Jr., Vice President Sales, has 15 years of experience in sales and marketing within the telecommunications industry with a proven track record of achievements in selling and marketing telecommunications technology and services. He comes to Prism after 11 years with Northern Telecom where he was responsible for the direct management of its sales staff. While at Nortel Networks, Mr. Morreale received the Circle of Excellence Award, Honor's Circle, Presidential recognition for outstanding sales accomplishments, and Achievers Club for 2 consecutive years.

Debra A. Niewald, Vice President Corporate Communications, has more than 15 years experience developing and managing public relations and corporate identity programs, special and promotional events, and online marketing and communications programs, Ms. Niewald directs strategic positioning and messages of the company – its core competencies and achievements -- in order to accomplish the company's business objectives. She has held strategic positions in account management, marketing communications and new business development with companies in the entertainment, hospitality, retail and financial industries, including Visual Radio, Inc., Ian Schrager Hotels, Columbia Pictures, Ralph Lauren, Horizon Financial, and Sandven Advertising & Marketing, among others.

Greg B. Thomas, Vice President Market and Product Development, has over eight years of experience in market and product development for the telecommunications industry. Mr. Thomas was previously Director of Large Business Market Development for Bell Atlantic where he acted as Project Leader and primary interface for the University Corporation for Advanced Internet Development (UCAID). In addition, he focused on Directing the development and positioning of Bell Atlantic, as the service provider of choice within the Education segment as well as state and local government segment.

Robert Van Dyke, Vice President Engineering, has 30 years experience in deployment and operation of networks. He has served in numerous positions with Contel and was recently responsible for the design and deployment of Intermedia's network infrastructure including all switching, translations, transmission, outside plant and building elements. Prior to joining Prism, Mr. Van Dyke was Senior Vice President, Network Engineering and Operations for Long Distance International, responsible for deployment and operation of LDI's international network.

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July 15, 1999

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Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, FL 32339-0850

Re: Application of PRISM FLORIDA OPERATIONS, LLC For Authority to provide Alternative Local Exchange within the State of Florida

Dear Sir/Madam:

On behalf of Prism Florida Operations, LLC, we are submitting an original and six (6) copies of an application for authority to provide alternative local exchange services within the State of Florida.

Please note that Prism Florida Operations, LLC and its parent company, Prism Communication Services, Inc., are privately held companies and the financial information concerning these companies that is submitted as part of this application is proprietary in nature. Review of this information should be held in the strictest confidence possible. The financial information concerning these companies is provided to the Staff under separate cover, is marked "PROPRIETARY AND CONFIDENTIAL - FILED UNDER PROTECTIVE SEAL." and is not to be made a part of the public record.

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FLA. PUBLIC SERVICE COMMISSION



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