



ORIGINAL

June 19, 2002

Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

020549-TX

Re: Application For Authority To Provide Alternative Local Exchange Service Within
The State Of Florida

Ladies/Gentlemen:

On behalf of TERRA TELECOMMUNICATIONS CORP., I enclose for filing the original and six (6) copies of the Application of TERRA TELECOMMUNICATIONS CORP. for Authority To Provide Alternative Local Exchange Service Within The State Of Florida together with our check in the amount of \$250.00.

Please date stamp the additional copy of the Application and return it to me for my files in the enclosed self-addressed, stamped letter.

Very truly yours,

Carlos A. Rodriguez.
Executive Vice President

Enclosures

Check received 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:

DOCUMENT NUMBER - DATE
06395 JUN 20 02
REC-COMMISSION CLERK

02 JUN 20 PM 12:00

DISTRIBUTION CENTER

Terra Telecommunications Corp.
Balance Sheet
As of December 31, 2001
(Unaudited)

ASSETS

Current assets:

Cash and cash equivalents	\$ 285,720
Certificate of deposit – restricted	100,000
Accounts receivable, net of allowance for doubtful accounts	1,890,591
Other receivables	21,514
Prepaid expenses and other current assets	59,770
Deferred income taxes	<u>1,317</u>
 Total current assets	 2,358,912

Property and equipment, net of accumulated depreciation	3,941,826
Investments and receivables from unconsolidated affiliates, at equity	335,229
Other assets	295,252
Deferred income taxes - Non-current	<u>863,153</u>
 Total assets	 <u>\$7,794,372</u>

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current liabilities:

Accounts payable	\$3,275,624
Accrued expenses	1,251,179
Leases payable - short-term	385,720
Income taxes payable	<u>110,000</u>
 Total current liabilities	 5,022,523

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FPSC-COMMISSION CLERK

Terra Telecommunications Corp.
Balance Sheet
AS OF DECEMBER 31, 2001
(Unaudited)

Long Term Liabilities:

Notes payable and capital lease obligations, net of current portion	\$ 2,699,368
Deferred taxes payable	<u>1,421,165</u>
Total Long Term Liabilities	4,120,533

Stockholders' Equity:

Preferred stock, \$.0001 par value, 5,000,000 shares authorized, none issued and outstanding	1,000
Common stock, \$.0001 par value, 100,000,000 shares authorized, 10,000,000 shares issued and outstanding	
Retained Earnings	(990,030)
Net Income (loss)	<u>(359,654)</u>
Total Stockholders' Equity	<u>(1,348,684)</u>
Total liabilities and stockholders' deficit	<u>\$ 7,794,372</u>

**NOTE: THESE FINANCIAL STATEMENTS ARE CONFIDENTIAL & FOR
MANAGEMENT DISCUSSION PURPOSES.
BALANCES ARE PENDING COMPLETION OF AUDIT PROCESS THAT CAN
POTENTIALLY FURTHER AUDIT ADJUSTMENTS.**

Terra Telecommunications Corp.
Profit & Loss Statements
For the Twelve Months ended December 31, 2001
(Unaudited)

Revenues	\$19,773,373
Costs of services	<u>17,370,084</u>
Gross profit (loss)	2,403,289
Selling, general and administrative Expenses	3,137,969
Depreciation Expense	<u>478,707</u>
Operating loss	(1,213,387)
Other income (expenses):	
Other income, net	<u>853,733</u>
Net Income (loss) from continuing operations	<u>\$ (359,654)</u>

**NOTE: THESE FINANACIAL STATEMENTS ARE CONFIDENTIAL & FOR
MANAGEMENT DISCUSSION PURPOSES.
BALANCES ARE PENDING COMPLETION OF AUDIT PROCESS THAT CAN
POTENTIALLY FURTHER AUDIT ADJUSTMENTS.**



TRADE REFERENCES



COMPANY NAME:

TERRA TELECOMMUNICATIONS CORP.
1160 NW 159 Drive
Miami, Fl. 33169
Federal ID: 84-1349551
D&B Number: 05-277-95-30
Year Business Establish: 7/1/1996

OFFICERS:

Joel Esquenazi, President
Carlos A. Rodriguez, Executive Vice President
James Dickey, V.P. General Counsel

BANKS:

INTERNATIONAL FINANCE BANK
Contact: Peter LaCau /Lourdes Menendez
8534 SW 8th Street
Miami, Fl. 33144
Phone: (305) 648-8800
Fax (305)266-8724
Acct: 0308262806



TRADE:

BELLSOUTH TELECOMMUNICATIONS CORP

Attn.: Ana Soto
Tel: 305-569-7366

USA TELEPORT INC.

Attn.: Noemi Dolinsky, General Manager
16555 N.W. 13th Ave.
Miami, Florida 33169
Phone 305-650-9505
Fax 305-650-9506

IDT

Attn: Dalia Grigorescu
520 Broad Street, 15th Floor
Newark, NJ 07102
Phone: 973-438-3013
Fax: 973-438-1412

ITXC

Attn: Ziad Zazzi
600 Collage Road East
Princeton, NJ 08540
Tel.: 1 (609) 750-3305
1(609) 750-1511

APPLICATION

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

(XX) Original certificate (new company).

020549-TX

() 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:

Terra Telecommunications Corp.

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

Terra Telecommunications Corp.

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

1160 NW 159th Drive
Miami, Florida 33169

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

Terra Telecommunications Corp.
1160 NW 159th Drive
Miami, Florida 33169

6. Structure of organization:

- | | |
|--|---|
| <input type="checkbox"/> Individual | <input checked="" type="checkbox"/> Corporation |
| <input type="checkbox"/> Foreign Corporation | <input type="checkbox"/> Foreign Partnership |
| <input type="checkbox"/> General Partnership | <input type="checkbox"/> Limited Partnership |
| <input type="checkbox"/> Other | |

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:

N/A

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

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

F02000000626

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:

N/A

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

(a) The Florida Secretary of State registration number:

N/A

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): 84-1349551

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.

N/A

(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.

Joel Esquenazi, President of Terra Telecommunications Corp. is also President of Nextelcom Corp., a Florida Certificated Telecommunications Company

Carlos A. Rodriguez, Executive Vice President of Terra Telecommunications Corp. is also Executive Vice President of Nextelcom Corp., a Florida Certificated Telecommunications Company

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

(a) The application:

Name: James R. C. Dickey
Title: General Counsel
Address: 1160 NW 159th Drive
City/State/Zip: Miami, Florida 33169

Telephone No.: (305) 577-9700
Fax No.: (305) 577-9774
Internet E-Mail Address: jdickey@terratelecom.net

Internet Website Address: http://www.terratelecom.net

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

Name: Carlos A. Rodriguez
Title: Executive Vice President
Address: 1160 NW 159th Drive
City/State/Zip: Miami, Florida 33169

Telephone No.: (305) 577-9700
Fax No.: (305) 577-9774
Internet E-Mail Address: crodriguez@terratelecom.net

Internet Website Address: http://www.terratelecom.net

(c) Complaints/Inquiries from customers:

Name: Carlos A. Rodriguez
Title: Executive Vice President
Address: 1160 NW 159th Drive
City/State/Zip: Miami, Florida 33169

Telephone No.: (305) 577-9700
Fax No.: (305) 577-9774
Internet E-Mail Address: crodriguez@terratelecom.net

Internet Website Address: http://www.terratelecom.net

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

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

None

- (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. Managerial capability: give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.**

See Attachment A

- B. 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 Attachment A

C. 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.

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.

SEE ATTACHMENT B

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.

THIS PAGE MUST BE COMPLETED AND SIGNED

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:

CARLOS A. RODRIGUEZ
Print Name

EXECUTIVE VICE PRESIDENT
Title

305.577.9700
Telephone No.

1160 N.W. 159TH DRIVE, MIAMI, FLA. 33169
Address


Signature

6/17/02
Date

305.577.9774
Fax No.

THIS PAGE MUST BE COMPLETED AND SIGNED

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:

CARLOS A. RODRIGUEZ
Print Name

EXECUTIVE VICE PRESIDENT
Title

305. 577. 9700
Telephone No.

1160 N.W. 154TH DRIVE, MIAMI, FLA. 33169
Address


Signature

6/17/02
Date

305.577.9774
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.

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) Excel Switch _____ 2)

1160 N.W. 159th Drive

Miami, Fla. 33169

Owned

3) _____ 4)

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

POP-to-POP

OWNERSHIP

1) _____

2) _____

3) _____

4) _____

CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT

I, (Name)
(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:

Print Name

Signature

Title

Date

Telephone No.

Fax No.

Address

Attachment A

Paragraph 18. A.

Management

Joel Esquenazi is a co-founder, President and Chief Executive Officer of Terra. He has more than 17 years of experience in telecommunications and development of network communications infrastructures. Mr. Esquenazi was involved in the satellite sales business and was a top account executive at ITT. He left ITT to provide a more customized service for his clients by starting Telecommunications Services Inc. and World Access Communications Corp., a wholly owned subsidiary of Terra Telecommunications Corp.

Carlos A. Rodriguez is our other co-founder, Executive Vice President and Chief Operating Officer of the Company and has over 14 years of experience in the telecommunications industry. Mr. Rodriguez previously held a position as Vice President, of facilities management for SunTrust Bank. He was instrumental in the development of Telecommunications Services Inc, and subsequently helped co-found World Access Communications Corp. Mr. Rodriguez was a founder of the "Young Latin Businessman's Association". He graduated with a B.A. in Business Management from the University of South Florida in 1987.

James R. C. Dickey, Esq. is a Vice President and our General Counsel. He specializes in the area of General Business Law, Commercial Litigation, Corporate Loan Workouts and Collections, Mergers and Acquisitions, Computer Hardware and Software Acquisition Agreements, and Securities Law. Before working with Terra, Mr. Dickey has served as in-house counsel for several banks and savings associations. Mr. Dickey has also served as counsel to various public and privately held firms advising them in a wide variety of corporate and securities matters. He is a graduate of the University of Miami Law School.

Luciano Garavaglia is Director of International Carrier Sales of Terra Telecommunications Corp. He has more than 7 years of experience in the telecommunications industry. Before working with Terra, he was in charge of the Latin-American Region in Telefonica de Argentina. He graduated with B.A. in Argentine Catholic University. 1998.
Technical Staff

18. B. The Company employs a staff of 10 engineering technical personnel and provides 24/7 response times to technical support needs of its clients.

ATTACHMENT B
FINANCIAL STATEMENTS

Addendum to Financial Data

18.C.

1. The Company intends to provide local telephone services to residential and business customers throughout the State of Florida. The Company believes that the amount of revenues will allow it to provide the subject services in the geographical area proposed to be served.

2. The Company has been in business and has been a FCC licensed carrier since 1998. Based upon the financial statements attached hereto, the Company believes it has the capability to maintain the requested services.

3. The Company has the financial capability to meet its lease or ownership obligations.