



ORIGINAL

McDaniel, Tinsley & Associates, Inc.
Telecommunications Management Consulting

August 20, 2003

030861 - TX

Florida Public Service Commission
Division of Commission Clerk and Administrative Services
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Application of ALEC, Inc.'s request for approval as an Alternative Local Exchange Carrier in the State of Florida.

Dear Sir or Madam:

Enclosed are the original and seven (7) copies of the Application. Please file the Application in your usual fashion and return one (1) file-stamped copy to us in the enclosed envelope.

If you have any questions or comments, please call me on (706) 467-0661.

Sincerely,

Richard McDaniel

Enc.

cc: ALEC, Inc.

Check received with filing and forwarded to Fiscal for deposit. Fiscal to forward deposit information to Records.

Initials of person who forwarded check

03 AUG 21 PM 12: 37
DISTRIBUTION CENTER
STATE RECORDS CENTER
07770 AUG 21 8 12 00
07770 01110

FPSC-COMMISSION CLERK

1170 Buckhead Drive
Greensboro, Georgia 30642
Tel: 706 467-0661 · Fax: 678 623-3633
Cell: 706 318-7898 · Email: rmdaniel@mta-consulting.com

3640 Valley Hill Road
Kennesaw, Georgia 30152
Tel: 770 425-4725 · Fax: 770 234-3938
Cell: 770 826-9822 · Email: jtinsley@mta-consulting.com

**** FLORIDA PUBLIC SERVICE COMMISSION ****

DIVISION OF COMPETITIVE MARKETS AND ENFORCEMENT
CERTIFICATION

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 Page 12).
- ◆ 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 the Commission Clerk and Administrative Services
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 Competitive Markets and Enforcement
Certification
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6600

APPLICATION

1. This is an application for (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:

ALEC, Inc.

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

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

3640 Valley Hill Road
Kennesaw, GA 30152

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

P. O. Box 950638
Lake Mary, FL 32795-0638

6. Structure of organization:

- | | |
|---|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Corporation |
| <input checked="" 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:

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

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

F00000006647

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): 65-1695079**

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.

None

(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.

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

(a) The application:

Name: Richard McDaniel

Title: President, McDaniel, Tinsley & Associates, Inc.

Address: 1170 Buckhead Drive

City/State/Zip: Greensboro, GA 30642

Telephone No.: (706) 467 - 0661 Fax No.: (678) 623 - 3633

Internet E-Mail Address: rmcdaniel@mta-consulting.com

Internet Website Address: www.mta-consulting.com

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

Name: Philip V. Patete

Title: President

Address: P.O. Box 950638

City/State/Zip: Lake Mary, FL 32795-0638

Telephone No.: (407) 833 – 8235 Fax No.: (954) 241 - 6847

Internet E-Mail Address: ppatete@heathrowcable.com

Internet Website Address:

(c) Complaints/Inquiries from customers:

Name: Philip V. Patete

Title: President

Address: P.O. Box 950638

City/State/Zip: Lake Mary, FL 32795-0638

Telephone No.: (407) 833 – 8235 Fax No.: (954) 241 - 6847

Internet E-Mail Address:

Internet Website Address:

17. List the states in which the applicant:

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

North Carolina

(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.

North Carolina

- (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 Exhibit 1 & 2 Attached

- 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 Exhibit 1 & 2 Attached

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.

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.

See Exhibit 3 Attached

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. **APPLICATION FEE:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

UTILITY OFFICIAL:

Philip V. Patete
Print Name

President
Title

(407) 833-8235
Telephone No.


Signature

8-19-03
Date

(954) 241-6847
Fax No.

Address: P.O. Box 950638
Lake Mary, FL 32795-0638

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:

Philip V. Patete
Print Name

President
Title

(407) 833-8235
Telephone No.


Signature

8-19-03
Date

(954) 241-6847
Fax No.

Address: P.O. Box 950638
Lake Mary, FL 32795-0638

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) _____ 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.

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:

EXHIBITS "1 AND 2"

MANAGERIAL AND TECHNICAL CAPABILITY

Philip V Patete, Ph.D. President

Philip Patete is a veteran of the telecommunications industry and has been a successful entrepreneur for the past 17 years. He served as the Chief Technical Officer for Volaris Online and its CLEC subsidiary ALEC, Inc. before purchasing ALEC, Inc. in 2002. In 1995, Dr. Patete founded an ISP in Ohio and then a CLEC in 1998. Both of these companies were sold in 1999 to Voyager.net, a large, public ISP. Dr. Patete joined Voyager.net as the Director of CLEC Services and initiated the sale of Voyager.net to Corecomm (COMM), a New York-based CLEC, in 2000. After the sale, Philip joined Volaris Online/ALEC as their Chief Technical Officer and has been primarily responsible for managing all network and CLEC operations for the company. Due to the dismantling of Volaris, Philip has taken this opportunity to purchase the ALEC, Inc. subsidiary in order to continue to provide competitive telecommunications service to ALEC's customers.

In addition to his telecommunications background, Dr. Patete has taught college level Chemistry and Computer courses. He also holds a Bachelor of Science in Microbiology/Virology and a Ph.D. in Biochemistry from the University of Akron.

Mark Hayes Vice President of CLEC Operations

Mark Hayes has served as Director of CLEC Engineering for Volaris Online/ALEC, Inc. since 1999. Mark has been responsible for the Competitive Local Exchange Carrier (CLEC) department. During his tenure, the CLEC grew from an initial SuperPOP based in Lexington, Kentucky to an eight state regional telecom network focused in the Southeast. Mark was instrumental in developing the "SuperPOP" architecture that today provides data, voice, DSL, Long Distance and Special Access Services on one ubiquitous network.

Prior to joining Volaris Online/ALEC, Mark served 5 years as a Senior Technician and later Operations Manager for one of the nations first alternative local exchange carriers, American Communications Services. With operations in Lexington and Louisville, Kentucky, Mark designed, installed and maintained a Sonet fiber and CLASS 5 Switch Network that encompassed both Metropolitan Service Areas. Mark was also previously employed by an Independent Telephone Company and by Siemens Stromberg-Carlson, a telecommunications

manufacturer based in Lake Mary, Florida. Together this represents over 16 years in the regulated utility and competitive markets.

Mark holds an Associate Degree in Applied Science of Electronic Engineering from R.E.T.S. Louisville, Kentucky.

Mark Elliott
Vice President of Network Operations

As Vice President of Network Operations at Volaris Online, Mark Elliott was responsible for managing network operations personnel and the day-to-day IP operations within the company. Mark joined Volaris Online in August of 1999 and immediately began the design and deployment of the eight-state Volaris Online ATM backbone. Mark was also responsible for all IGP/EGP design and configuration related to OSPF and BGP4 as well as vendor contracting.

Prior to joining Volaris Online/ALEC, Inc., Mark served as a network technician with KIH Online and was later promoted to the position of Network Operations Manager. Mark provided guidance during the original "SuperPOP" planning and design, which Volaris Online adopted as part of the KIH subscriber purchase.

Mark has previous employments with IBM and Commerce, Inc. Combined, this represents over 7 years experience in the telecommunications industry.

G. Todd Holmes
Regional Vice President

G. Todd Holmes has served as Regional CLEC Operations Manager since June 1999, managing all aspects of telecommunication integration and operations for a major ISP throughout North Carolina. His responsibilities included switch and facilities engineering, installation, operations, maintenance, provisioning and network integration of over 20 acquisitions. From July 1994 to June 1999, Todd was a Senior Systems Analyst for a Marine Corps Defense Department contractor working on the V22 Joint Service Project. He specialized in communications, computers, and network integration of the military and major vendor systems.

Following Todd's retirement from Southwestern Bell Telephone Company, and subsequent to his Department of Defense position, Todd was a Senior Computer Systems Analyst for six years at National Spinning Corporation. This combined experience included mainframe installations, systems programming, operations, functional accounting, database management and customer revenue billing.

Todd served four years in the US Coast Guard as an electronics and telephone technician and holds an AAS from St. Louis Community College.

EXHIBITS "1 AND 2 (cont)"

BIOGRAPHICAL STATEMENTS MCDANIEL, TINSLEY & ASSOCIATES, INC.

D. Richard McDaniel

McDaniel, Tinsley & Associates, Inc.

Prior to forming McDaniel, Tinsley & Associates, Inc., Richard served as Director – Carrier Relations for DURO Communications. In that position, he served as DURO Communications' interface with all ILEC's. His primary responsibilities were to direct the negotiation of Interconnection Agreements, assist in the development of rates for tariff filings and oversee the preparation of collocation applications. He also interfaced with the Accounting Department for invoice preparation and billing disputes. Any unresolved billing disputes were escalated to Mr. McDaniel for resolution. He served as a member of the Project Team to resolve any interconnection issues.

Prior to joining DURO Communications he directed the CHR Solutions' Client Services Group, Southeast Operations in Atlanta, Georgia. Mr. McDaniel has a background in network, engineering and operations.

Project Experience

- Interconnection Agreement Negotiations
- Billing Analysis
- Network and regulatory studies
- Extended Area Studies (EAS)
- Signaling System Seven (SS7)
- CLEC
- AIN
- Long Distance Resale Studies
- Switch Replacement Studies and Implementation
- Regulatory Filings

PROFESSIONAL BACKGROUND

<i>President- McDaniel, Tinsley & Assoc. Inc.</i>	<i>January 2003 – Present</i>
<i>Director-Carrier Relations</i>	<i>June 2000 - December 2002</i>
<i>Director, Southeast Client Services</i>	<i>October 1997 – June 2000</i>
<i>Senior Consultant</i>	<i>December 1990 – October 1997</i>
<i>Various Management Positions, AT&T</i>	<i>September 1962 - December 1989</i>

EDUCATION, CERTIFICATIONS AND MEMBERSHIPS

- BBA in Management, Georgia State University, 1973
- MBA, Fairleigh Dickinson University, 1982

Judy B. Tinsley

McDaniel, Tinsley & Associates, Inc.

Prior to joining in the formation of McDaniel, Tinsley & Associates, Inc., Judy served as Director of Regulatory Affairs for ALEC, Inc. In that position, she served as interface for ALEC, Inc. and the State Public Utility Commissions in the Southeast, coordinating with the ALEC legal counsel when necessary. Her primary responsibilities were making sure ALEC was compliant and up to date on the latest filing requirements of each state PUC and gathering the data from the appropriate ALEC departments for any additional reporting on the State and/or Federal level. In addition, Judy assisted in the development of rates for tariff filings, and served as a member of the CLEC SuperPOP development team, aiding in the preparation of collocation applications, ASR's and LSR's, Operating Company Code purchases and administration.

Prior to joining ALEC, Inc. she served as a member of CHR Solutions Client Services Group, Southeast Operations in Atlanta, Georgia. Judy has a background in telecommunications network operations, management and sales.

Project Experience

- Regulatory Reporting
- Tariff Development and Filing
- CLEC Project Coordination
- Network and Regulatory studies
- NECA Settlement Issues
- Switch Upgrade Assistance
- Extended Area Studies (EAS)
- Equal Access Conversion Coordination
- Customer Access Billing
- National Sales Support
- Network Management
- Data Processing

PROFESSIONAL BACKGROUND

<i>Vice President – McDaniel, Tinsley & Assoc. Inc.</i>	<i>January 2003 - Present</i>
<i>Director-Regulatory Affairs</i>	<i>June 2000 - December 2002</i>
<i>Manager, Southeast Client Services</i>	<i>October 1997 – June 2000</i>
<i>Associate Consultant</i>	<i>November 1996 – October 1997</i>
<i>Occupational & Management Positions, AT&T</i>	<i>September 1971 – January 1981</i>

10:40 AM
08/12/03
Accrual Basis

EXHIBIT 3

ALEC, Inc. Profit & Loss January through June 2003

ALEC, Inc. Financials

	<u>Jan - Jun 03</u>
Ordinary Income/Expense	
Total Income	3,288,974.33
Expense	
Total 6000 · Telecom Expenses	409,987.74
6120 · Bank Service Charges	423.90
6250 · Postage and Delivery	47.42
6270 · Professional Fees	676,797.32
6350 · Travel & Ent	-
6550 · Office Supplies	1,074.72
6820 · Taxes	
6700 · Other Expenses	1,713,125.41
Total Expense	<u>2,801,456.51</u>
Net Ordinary Income	<u>487,517.82</u>
Net Income	<u><u>487,517.82</u></u>