

2008 FEB 13 PM 4:03

Application of Access Point, Inc. )  
To Provide Basic Resold and Facilities-Based )  
Local Exchange Telecommunications Services )  
Throughout the State of Idaho )

Case No. ACS-T-08-01 IDAHO PUBLIC UTILITIES COMMISSION

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

Pursuant to Title 62 of the Idaho Code and IDAPA 31.01.111, Access Point, Inc. ("Access Point" or "Applicant") respectfully requests that the Idaho Public Utilities Commission ("Commission") grant the Company a Certificate of Public Convenience and Necessity to provide local exchange telecommunications services within the State of Idaho.

*In support of its Application, Access Point submits the following:*

**1. Introduction**

Access Point currently offers resold long distance service throughout the state of Idaho. Applicant is requesting authority to provide basic resold and facilities-based local exchange services throughout the state of Idaho in all exchanges not exempt from competition.

Access Point proposes to provide local telecommunications service to both residential and business customers. Access Point plans to offer service through UNE-P facilities and resale arrangements with incumbent local exchange carriers. Applicant will not provide operator assisted services; Applicant's underlying carrier will handle calls that require operator assistance. Emergency calls placed by dialing 911 will not be routed to or handled by Access Point. Such calls will be routed through the underlying carrier to the appropriate emergency agency serving the originating location. Access Point sets the rates for its services and handles its own customer service. All services are offered twenty-four hours per day, seven days a week



February 11, 2008  
*Via Overnight*

RECEIVED  
2008 FEB 13 PM 4:03  
IDAHO PUBLIC  
UTILITIES COMMISSION

ACS-T-08-01

2600 Maitland Center Pkwy.  
Suite 300  
Maitland, FL 32751  
P.O. Drawer 200  
Winter Park, FL  
32790-0200  
Tel: 407-740-8575  
Fax: 407-740-0613  
www.tminc.com

Ms. Jean D. Jewell, Secretary  
Idaho Public Utilities Commission  
472 West Washington  
Statehouse  
Boise, Idaho 83720-0074

**Re: Local Application for Access Point, Inc.**

Dear Ms. Jewell:

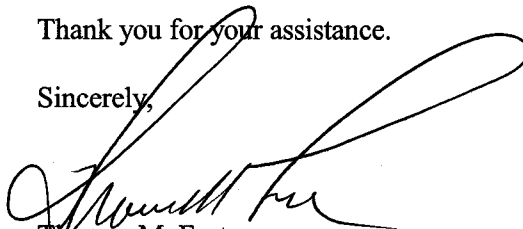
Enclosed for filing are the original and three (3) copies of the above-referenced application submitted on behalf of Access Point, Inc.

Please acknowledge receipt of this filing by returning one copy of this transmittal letter date stamped in the self addressed stamped envelope enclosed for that purpose.

Any questions you may have pertaining to this filing may be directed to me at (407) 740-3001 or via email at [tforte@tminc.com](mailto:tforte@tminc.com).

Thank you for your assistance.

Sincerely,



Thomas M. Forte  
Consultant to Access Point, Inc.

TMF/rg

Enclosures

cc: J. Brown – Access Point  
file: Access Point – ID - Local  
tms: ID10800

## II. Description of the Applicant

- (a) Access Point, Inc. is incorporated in the State of North Carolina on April 30, 1996. The main address of the corporation is:

Access Point, Inc.  
1100 Crescent Green, Suite 109  
Cary, North Carolina 27518  
Telephone: (919) 851-4838  
Facsimile: (919) 851-5422

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

Thomas M. Forte  
Consultant to Access Point, Inc.  
Technologies Management, Inc.  
2600 Maitland Center Parkway, Suite 300  
Maitland, Florida 32751  
Telephone: (407) 740-3001  
Facsimile: (407) 740-0613  
Email: tforte@tminc.com

- (c) The Applicant is a North Carolina corporation, authorized by the Idaho Secretary of State to transact business within the State of Idaho.

- (d) The Company's Registered Agent in Idaho is:

TCS Corporate Services, Inc.  
5481 Kendall Street  
Boise, ID 83706

- (e) Officers and Directors

Officers and Directors of Access Point, Inc. are provided as **Exhibit C**.

- (f) Stockholders

Stockholders holding a 5% or greater interest in the Company are provided as **Exhibit D**.

- (g) Access Point has been providing long distance telecommunications services for seven (7) years and local telecommunications services for fifteen (15) months. Applicant currently has authority to provide long distance service in forty-eight (48) states and is in the process of requesting expanded authority to provide local exchange services.

**Exhibit E** contains a detailed list of the states Access Point currently has authority to provide local exchange service and/or long distance services.

### **III. Exhibits**

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

- Exhibit A - Certificate of Incorporation;
- Exhibit B - Certificate of Authority to Transact Business in the State of Idaho;
- Exhibit C - Officers and Directors
- Exhibit D - Stockholders
- Exhibit E - Certification Status of Access Point, Inc./
- Exhibit F - Financial Statements
- Exhibit F - Profiles of Senior Management Key Personnel
- Exhibit G - Proposed service area map (Rule 112(c))
- Exhibit H - Illustrative Local Exchange Tariff

### **IV. Financial, Technical and Managerial Qualifications**

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

#### **IV.A. Financial Qualifications**

- (a) Access Point is financially and otherwise capable and qualified to offer and maintain all of its tariffed services in its territories. In support of its financial stability, Access Point, Inc. is providing the financial statements of the Company (see **Exhibit F** as proof of its financial ability to provide service within the state of Idaho.
  
- (b) As a UNE-P CLEC, Access Point, Inc. will not build facilities and will not incur any additional capital expenditures associated with providing local service in the District. Nor will Access Point require additional sources of funding for its District operations during its initial phase

#### **IV.B. Managerial Qualifications**

- (a) Access Point has an excellent senior management team, backed by experienced employees, who are competent in telephony engineering, operations and marketing. Attached hereto as **Exhibit G** are the biographies of the Access Point senior management team.

#### **IV.C. Technical Qualifications**

- (a) Access Point's services will satisfy the minimum standards established by the Commission. The Company will file and maintain tariffs in the same manner and form as required of incumbent local exchange telecommunications companies with which Access Point seeks to compete.
- (b) Access Point management team has had prior experience operating competitive local exchange and interexchange service providers and possesses considerable telecommunications expertise. Based on the experience and proven track record of the Company's management team, Access Point is technically well-qualified to provide local exchange service in Idaho
- (c) Access Point will initially utilize resold services and combinations of network elements provided by the underlying carrier(s). Underlying carriers will perform all local switching, routing and call completion functions. Company personnel have experience working with underlying carriers of long distance and local services. Applicant's technical and managerial personnel are well qualified to direct the delivery and billing of the proposed services.

**V. Customer Service**

Access Point understands the importance of effective customer service for local service consumers. Once it initiates operations, Access Point's toll free customer service telephone number will be available with live operators Monday-Friday from 8:00 a.m. to 6:00 p.m. EST.

Access Point's toll free telephone number for customer inquiries, complaints and repair is 1-800-957-6468. Customers may contact the company in writing at the headquarters address indicated below.

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

Ted Bohner, Customer Service  
Access Point, Inc.  
1100 Crescent Green, Suite 109  
Cary, North Carolina 27518  
Telephone: (919) 851-4838  
Facsimile: (919) 851-5422  
Toll Free: (800) 957-6468  
Email: [ted.bohner@accesspointinc.com](mailto:ted.bohner@accesspointinc.com)

**VI. Service Description and Anticipated Service Date**

Access Point proposes to provide local telecommunications service to both residential and business customers. Access Point plans to offer service through UNE-P facilities and resale arrangements with incumbent local exchange carriers located in the State pursuant to interconnection agreement(s) that Applicant has filed or will file with the Commission. Applicant will not provide operator assisted services; Applicant's underlying carrier will handle calls that require operator assistance. Emergency calls placed by dialing 911 will not be routed to or handled by Access Point. Such calls will be routed through the underlying carrier to the appropriate emergency agency serving the originating location. Access Point sets the rates for its services and handles its own customer service. All services are offered twenty-four hours per day, seven days a week.

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

**VI. Public Interest Standard**

Grant of Access Point's Application to provide basic resold and facilities-based local exchange services is in the public interest and serves the public convenience and necessity. In enacting the Federal Telecommunications Act of 1996, the United States Congress determined that it is in the public interest to promote competition in the provision of telecommunications services, including local exchange services. Experience with competition in other telecommunications markets, such as long distance, competitive access, and customer premises equipment, demonstrates the benefits that competition can bring to consumers. Consumers are enjoying increased services, lower prices, higher quality, and greater reliability. This is true not only with respect to the service offerings of the new entrants, but also as a result of the response of incumbent monopoly providers to the introduction of competition.

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

**VIII. Waivers and Regulatory Compliance**

Access Point has reviewed all of the Commission's rules applicable to competitive local exchange service and interexchange service providers and agrees to comply with those rules except to the extent the any such rules are explicitly waived generically for carriers in the same class.

**IX. Conclusion**

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

WHEREFORE, Access Point, Inc. respectfully requests that the Commission:

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

Respectfully submitted,

**Access Point, Inc.**



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Richard E. Brown  
Chief Executive Officer and President  
Access Point, Inc.



**APPLICATION OF  
ACCESS POINT, INC.**

**EXHIBIT A  
ARTICLES OF INCORPORATION**

STATE OF  
NORTH  
CAROLINA



Department of The  
Secretary of State

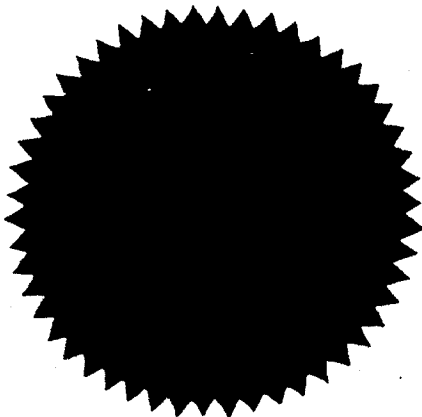
To all whom these presents shall come, Greetings:

I, Janice H. Faulkner, *Secretary of State of the State of North Carolina*, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF INCORPORATION  
OF  
ACCESS POINT, INC.

*the original of which is now on file and a matter of record in this office.*

*IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 6th day of June, 1996.*



*Janice H. Faulkner*  
Secretary of State

0-0394829  
**FILED**  
10:38 AM  
JUN 03 1996

961559022 ARTICLES OF AMENDMENT  
OF  
AMERICAN ACCESS, INC.

Pursuant to § 55-10-05 and § 55-10-06 of the General Statutes of North Carolina, the undersigned corporation (the "Secretary of State") hereby submits the following Articles of Amendment for the purpose of amending its Articles of Incorporation:

1. The name of the Corporation is: American Access, Inc.
2. The text of the amendment adopted is as follows:

Article 1 of the Articles of Incorporation shall be deleted in its entirety and there shall be substituted in lieu thereof a new Article 1 which shall read as follows:

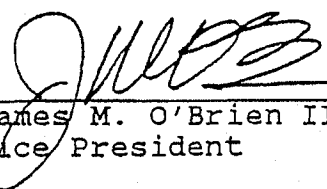
"1. The name of the corporation is Access Point, Inc."

3. The amendment does not provide for an exchange, reclassification, or cancellation of issued shares.
4. The date of adoption of the amendment was May 31, 1996.
5. The amendment was adopted by the sole incorporator without shareholder action. Shareholder action was not required because the amendment was adopted prior to the appointment of a board of directors and prior to the issuance of shares of the Corporation.
6. These articles will be effective upon filing.

This the 31st day of May, 1996.

AMERICAN ACCESS, INC.

By: SPRUILLCO, LTD., Incorporator

By:   
James M. O'Brien III  
Vice President

0-0394829

FILED

2:00 PM  
APR 30 1996

961209064

ARTICLES OF INCORPORATION

OF

AMERICAN ACCESS, INC.

RECEIVED  
JANICE H. FAULKNER  
SECRETARY OF STATE  
NORTH CAROLINA

Pursuant to Section 55-2-02 of the General Statutes of North Carolina, the undersigned does hereby submit these Articles of Incorporation for the purpose of forming a business corporation.

1. The name of the corporation is American Access, Inc.
2. The period of duration of the corporation is perpetual.
3. The purpose for which the corporation is organized is to engage in any lawful act or activity for which corporations may be organized under Chapter 55 of the General Statutes of North Carolina.
4. The number of shares of capital stock the corporation is authorized to issue is One Million (1,000,000). These shares shall be all of one class, designated as common stock with a par value at \$.01 per share.
5. The street address and county of the initial registered office of the corporation is 102 Comrie Place, Cary, Wake County, North Carolina 27511.
6. The mailing address and the street address of the initial registered office of the corporation are the same.
7. The name of the initial registered agent is Richard E. Brown.
8. Except to the extent that the North Carolina General Statutes prohibit such limitation or elimination of liability of directors for breaches of duty, no director of the corporation shall have any personal liability arising out of an action whether by or in the right of the corporation or otherwise for monetary damages for breach of any duty as a director. No amendment to or repeal of this article shall apply to or have any effect on the liability or alleged liability of any director of the corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal. The provisions of this article shall not be deemed to limit or preclude indemnification of a director by the corporation for any liability that has not been eliminated by the provisions of this article.

9. The name and address of the incorporator is Spruillco, Ltd., 3600 Glenwood Avenue, Raleigh, North Carolina 27612.

10. These articles will be effective upon filing.

This the 26<sup>th</sup> day of April, 1996.

SPRUILLCO, LTD., Incorporator

By: 

Leibel H. Gibbons, III,  
Vice President

**APPLICATION OF  
ACCESS POINT, INC.**

**EXHIBIT B**

**CERTIFICATE OF AUTHORITY TO  
TRANSACTION BUSINESS WITHIN THE STATE OF IDAHO**

# State of Idaho

## Department of State

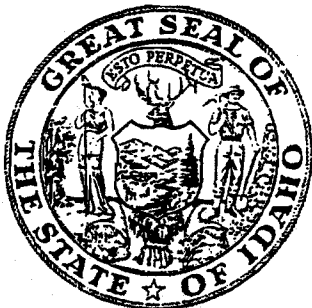
CERTIFICATE OF AUTHORITY  
OF

ACCESS POINT, INC.  
File number C 120739

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of an Application of ACCESS POINT, INC. for a Certificate of Authority to transact business in this State, duly signed and verified pursuant to the provisions of the Idaho Business Corporation Act, have been received in this office and are found to conform to law.

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

Dated: September 2, 1997



*Pete T. Cenarrusa*  
SECRETARY OF STATE

By *Natalie Lamb*

**APPLICATION OF  
ACCESS POINT, INC.**

**EXHIBIT C  
OFFICERS AND DIRECTORS**



**ACCESS POINT, INC.**

**OFFICERS AND DIRECTORS**

The following individuals serve as officers and directors of the Applicant. All officers and directors may be reached through the Applicant's corporate headquarters at 1100 Crescent Green, Suite 109, Cary, North Carolina 27518.

**Officers:**

Richard Brown	President/CEO
Robin Byers	Secretary/COO

**Director:**

Wilber Priester	Director
Henry Barrett	Director

**APPLICATION OF  
ACCESS POINT, INC.**

**EXHIBIT D  
STOCKHOLDERS**

One Hundred (100%) percent of the Company's stock is held by its parent company, Access Point Communications, Inc.

**APPLICATION OF  
ACCESS POINT, INC.**

**EXHIBIT E**

**CERTIFICATION STATUS OF ACCESS POINT, INC.**

Access Point has had their certificate revoked in Nebraska and Illinois due to not filing their annual financial statements, but have reconciled this problem internally and these certificates have been reinstated.

**ACCESS POINT, INC.  
CERTIFICATION STATUS**

**States Authorized to Provide Service**

Alabama  
Arizona  
Arkansas  
California  
Colorado  
Connecticut  
Delaware  
District of Columbia  
Florida  
Georgia  
Idaho  
Illinois  
Indiana  
Iowa  
Kansas  
Kentucky  
Louisiana  
Maine  
Maryland  
Massachusetts  
Michigan  
Minnesota  
Mississippi  
Missouri  
Montana  
Nebraska  
Nevada  
New Hampshire  
New Jersey  
New Mexico  
New York  
North Carolina  
North Dakota  
Ohio  
Oklahoma  
Oregon  
Pennsylvania  
Rhode Island  
South Carolina  
South Dakota  
Tennessee  
Texas  
Utah  
Vermont  
Virginia  
Washington  
West Virginia  
Wisconsin  
Wyoming

**Services Provided**

Local and Interexchange  
Interexchange, Application pending for local  
Interexchange, Application to be filed for local  
Interexchange, Application pending for local  
Interexchange  
Local and Interexchange  
Local and Interexchange  
Local  
Local and Interexchange  
Local and Interexchange  
Interexchange, Application to be filed for local  
Interexchange, Application pending for local  
Interexchange  
Interexchange (No Certification Required)  
Interexchange, Application pending for local  
Local and Interexchange  
Interexchange, Application pending for local  
Interexchange, Application pending for local  
Local and Interexchange  
Local and Interexchange  
Interexchange, Application pending for local  
Interexchange, Application pending for local  
Local and Interexchange  
Interexchange  
Interexchange, Application to be filed for local  
Local and Interexchange  
Local and Interexchange  
Interexchange, Application pending for local  
Local and Interexchange  
Interexchange  
Interexchange  
Interexchange  
Interexchange, Application to be filed for local  
Interexchange, Application pending for local  
Interexchange, Application pending for local  
Local and Interexchange  
Local and Interexchange  
Local and Interexchange  
Interexchange  
Local and Interexchange  
Interexchange, Application pending for local  
Interexchange (No Certification Required) , Application pending for local  
Local and Interexchange  
Local (Certificated as Access Point of Virginia, Inc.)  
Interexchange, Application pending for local  
Local and Interexchange  
Interexchange, Application pending for local  
Interexchange

**APPLICATION OF  
ACCESS POINT, INC.**

**EXHIBIT F**

**FINANCIAL STATEMENTS AND AFFIDAVIT**

Access Point, Inc. is currently not under the protection of the federal bankruptcy system. The applicant did file for bankruptcy in 2000 but emerged from bankruptcy in 2001.

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

To the Board of Directors of  
Access Point, Inc.:

We have audited the accompanying balance sheets of **Access Point, Inc.** (a North Carolina corporation and a majority-owned subsidiary of Access Point Communications, Inc.) as of December 31, 2006 and 2005, and the related statements of operations, changes in shareholders' (deficit) equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Access Point, Inc. as of December 31, 2006 and 2005, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

GRANT THORNTON LLP

Raleigh, North Carolina  
May 3, 2007

# Access Point, Inc.

## Balance Sheets

December 31, 2006 and 2005

<u>Assets</u>	<u>2006</u>	<u>2005</u>
<b>Current assets:</b>		
Cash and cash equivalents	\$ 302,138	\$ 638,732
Accounts receivable, net of allowance for doubtful accounts of \$612,139 and \$563,971, respectively	2,434,910	2,448,036
Inventory	99,375	62,734
Unbilled receivables	263,853	330,819
Prepaid expenses	89,796	99,473
Total current assets	<u>3,190,072</u>	<u>3,579,794</u>
Property and equipment, net	568,971	686,525
Deposits	424,856	288,186
	<u>\$ 4,183,899</u>	<u>\$ 4,554,505</u>
 <b><u>Liabilities and Shareholders' Deficit</u></b> 		
<b>Current liabilities:</b>		
Accounts payable	\$ 1,736,483	\$ 1,519,353
Accrued expenses	866,286	1,103,523
Current portion of capital lease obligation	61,723	47,576
Notes payable	1,755,557	1,473,159
Deferred revenue	587,190	539,926
Total current liabilities	<u>5,007,239</u>	<u>4,683,537</u>
Capital lease obligation, net of current portion	32,503	76,861
Deferred rent	33,248	42,311
Total liabilities	<u>5,072,990</u>	<u>4,802,709</u>
<b>Commitments and contingencies (Note G)</b>		
<b>Shareholders' deficit:</b>		
Common stock, \$.01 par value; 1,000,000 shares authorized, 109,220 shares issued and outstanding	1,092	1,092
Preferred stock, \$.01 par value; 1,000,000 shares authorized, 20,313 shares issued and outstanding	6,415,007	6,109,708
Additional paid-in capital	13,692,104	13,692,104
Accumulated deficit	<u>(20,997,294)</u>	<u>(20,051,108)</u>
Total shareholders' deficit	<u>(889,091)</u>	<u>(248,204)</u>
	<u>\$ 4,183,899</u>	<u>\$ 4,554,505</u>

The accompanying notes are an integral part of these financial statements.

# Access Point, Inc.

## Statements of Operations

For the Years Ended December 31, 2006 and 2005

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	<u>2006</u>	<u>2005</u>
Sales	\$23,249,130	\$24,645,068
Cost of sales	<u>16,329,344</u>	<u>16,815,172</u>
Gross margin	6,919,786	7,829,896
Operating expenses:		
Selling, general and administrative	6,989,277	8,171,553
Depreciation and amortization	<u>267,224</u>	<u>784,226</u>
Total operating expenses	<u>7,256,501</u>	<u>8,955,779</u>
Loss from operations	<u>(336,715)</u>	<u>(1,125,883)</u>
Other income and expense:		
Interest income	8,215	26,534
Interest expense	<u>(312,387)</u>	<u>(131,282)</u>
Total other expense	<u>(304,172)</u>	<u>(104,748)</u>
Net loss	<u>\$ (640,887)</u>	<u>\$ (1,230,631)</u>

The accompanying notes are an integral part of these financial statements.



