

April 22, 1998



VIA OVERNIGHT DELIVERY

Tom Williams III, Engineer
Bureau of Service Evaluation
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

980613-TX

Re: Application to Provide Alternative Local Exchange Company Service

Dear Mr. Williams:

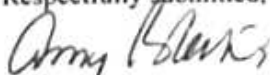
Transmitted herewith on behalf of VarTec Telecom, Inc. ("VarTec") are an original and seven copies of the Company's application for alternative local exchange service ("Application") to provide resold local exchange services within the state of Florida.

Enclosed with this Application is one sealed envelope containing information which the Company respectfully requests be treated as "confidential and proprietary information." VarTec is a privately held corporation and the release of such information could provide the Company's competitors with knowledge potentially compromising to the Applicant's ability to effectively compete with other carriers in the State of Florida. The Application is provided in compliance with the Rules of the Florida Public Service Commission (Chapter 25-24, Part XV) as instructed by Commission Staff.

Acknowledgment and date of receipt of this filing are respectfully requested. Please date and file stamp copy of this correspondence (attached) and return it in the self-addressed postage prepaid envelope provided.

In conclusion, VarTec has enclosed Company check number 1004258 in the amount of \$250.00 as requested for the Commission's filing fee. Please direct all correspondence regarding this filing to the undersigned directly at (972) 230-7358 or at the below referenced address. Thank you for your time and consideration regarding this matter.

Respectfully submitted,


Amy Blevins
Senior Consumer Analyst

RECEIVED

APR 25 1998

Enclosures

cc: Michael G. Hoffman, Esq.
General Counsel and
Executive Vice President
Legal and Regulatory Affairs

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

DOCUMENT NUMBER-DATE

05007 MAY -4 98

FPSC-RECORDS/REPORTING

VarTec Telecom, Inc.
5200 W. Pleasant Run Road
Forsyth, Texas 75119
(972) 293-7200
(972) 293-7299 Fax

Application Form

1. This is an application for (check one):
- Original authority (new company)
 - Approval of transfer (to another certificated company)
Example, a certificated company purchases an existing company and desires to retain the original certificate authority.
 - Approval of assignment of existing certificate
(to a noncertificated company)
Example, a non-certificated company purchases an existing company and desires to retain the certificate of authority rather than apply for a new certificate.
 - Approval for transfer of control (to another certificated company)
Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of Applicant:

VarTec Telecom, Inc.

3. Name under which the applicant will do business:

VarTec Telecom, Inc. d/b/a VarTec Telecom® and Clear Choice Communications®

4. If applicable, please provide proof of fictitious name registration:

Fictitious name registration number: G97190000061

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

VarTec Telecom, Inc.
3200 West Pleasant Run Road
Lancaster, Texas 75146
(972) 230-7200

DOCUMENT NUMBER-DATE

05007 MAY -4 88

FPSC-RECORDS/REPORTING

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

Applicant has no physical mailing address within the State of Florida.

6. Structure of Organization: Check appropriate box(es)

- | | |
|---|--|
| <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"/> Joint Venture | <input type="checkbox"/> Other, please explain _____ |

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

Not applicable

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

None of the Applicant's officers, directors or any of the ten largest stockholders have previously been adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, and no proceedings regarding such matters are pending.

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

Applicant was granted the authority to do business by the Florida Secretary of State under Corporate Charter Number P37841.

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

Amy Blevins, Senior Consumer Analyst
VarTec Telecom, Inc.
3200 West Pleasant Run Road
Lancaster, Texas 75146
(972) 230-7358 (Direct Dial)
(972) 230-7666 (Facsimile)
ablevins@vartec.net

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

Applicant has filed an application to provide alternative local exchange service in Texas.

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

Applicant has not been denied certification in any state.

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

No penalties have been imposed against the Applicant in any other state.

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

Customers may file a service complaint with Applicant at the following mailing address, telephone number or internet address:

VarTec Telecom, Inc.
P.O. Box 921
DeSoto, Texas 75115
(800) 583-8811
cussvc@vartec.net

-
15. Please complete and file a price list in accordance with Commission Rule 25-24.825.

Pursuant to Commission's instructions, Applicant will file a price list at least twenty-four hours prior to offering local service.

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

A. Financial Capability

Attached please find Exhibit A, labeled confidential, which includes one original copy of Applicant's audited financial records for 1995, 1996 and 1997. In addition, Footnote 6 of Applicant's 1996 and 1997 Consolidated Financial Statements fulfills the Commission's request for information related to the Company's financial capability to provide and maintain the requested service, as well as meet its ownership obligations.

B. Managerial Capability

Applicant has provided long distance telephone services to hundreds of thousands of customers within Florida since 1992. The key personnel of Applicant (detailed below) have much experience in the telecommunications industry and desire to expand Applicant's operations while providing increased consumer choice within the local market.

Key Personnel of VarTec Telecom, Inc.

A. Joe Mitchell, Jr.
President

Mr. Mitchell is a principal shareholder and the founder of VarTec. Mr. Mitchell has been an innovator in the long distance telephone business for many years. He received a Bachelor of Science Degree in Engineering and has performed post graduate work in Mechanical Engineering at Oklahoma State University. Mr. Mitchell was one of the original founders and initial President of ClayDesta Communications. He managed ClayDesta Communications from concept through start-up and successful operation. ClayDesta grew to annualized revenues in excess of \$50 million during Mr. Mitchell's three-year tenure. After leaving ClayDesta Communications, Mr. Mitchell formed the wholesale division at Teleconnect, later known as Telecom*USA. Prior to its acquisition by MCI, Telecom*USA was the fourth largest long distance company in the U.S. While at Teleconnect, Mr. Mitchell's wholesale division grew from start-up to \$60 million in annual revenues in only eighteen months. Mr. Mitchell's management experience and business relationships with high-volume customers across the nation are a critical asset for VarTec.

Ron L. Hughes
Chief Operating Officer

Mr. Hughes is a minority shareholder in VarTec. Mr. Hughes has a Bachelor of Science Degree in Biochemistry with a Math minor from Abilene Christian University where he graduated cum laude. He has over fifteen years of experience in the telecommunications industry. During his seven years of employment with Southwestern Bell Telephone Company, Mr. Hughes held positions as Communications Consultant, Account Executive, Customer Services Supervisor, Certified Industry Consultant and Product Delivery Marketing Manager. Upon leaving Southwestern Bell, Mr. Hughes became one of the original founders of ClayDesta Communications where he reported directly to Mr. Mitchell. While at ClayDesta, Mr. Hughes held the title of Senior Vice President - Sales/Marketing and was responsible for the entire sales effort of one hundred outside sales and one hundred fifty telemarketing personnel as well as directing the marketing and advertising effort. At VarTec, Mr. Hughes oversees the Company's Customer Service, Network, Sales and Marketing Departments.

Key Personnel of VarTec Telecom, Inc. (Continued)

Joe Cook
Chief Technology Officer

Mr. Cook is a minority shareholder in VarTec. He completed the college level General Education Development Series at the USAF Institute. Mr. Cook's early telecommunications career included a combined eighteen years of service with AT&T, GTE, and Sprint, f/k/a United Telephone. His many duties with these telephone companies included Director of Engineering and Design. Mr. Cook's long distance telephone experience also includes three years in the position of Vice President of Operations of SATELCO. He was also founder and Vice President of Advance Telecommunications Corporation (ATC), a major regional carrier in the south and southwest United States that was acquired by Jackson, Mississippi-based LDDS Communications, Inc. in December 1992. Immediately prior to joining VarTec, Mr. Cook was president and owner of BETA Consulting, a product design and acquisition corporation. At VarTec, Mr. Cook is responsible for overseeing the Company's Engineering and Operations Departments.

Gary D. Egger
Treasurer
Executive Vice President
Chief Financial Officer

Mr. Egger is a minority shareholder in VarTec. He received Bachelor of Business Administration degrees in Accounting and Finance from the University of Iowa. His finance and accounting experience spans more than fourteen years. He served three years with the big six accounting firm Ernst and Young, and held various financial positions with the prestigious William Morris Agency as well as Litton Industries. Prior to coming to VarTec, Mr. Egger served eight years with Telecom*USA as Vice President of Finance and Chief Financial Officer of the Teleconnect division. At VarTec, Mr. Egger is responsible for overseeing the Company's Billing and Accounting departments.

Key Personnel of VarTec Telecom, Inc. (Continued)

Michael G. Hoffman, Esq.
General Counsel and
Executive Vice President
Legal and Regulatory Affairs

Mr. Hoffman received a Bachelor of Arts Degrees in History and Latin American Studies with a Political Science minor from Dickinson College in Carlisle, Pennsylvania, where he graduated magna cum laude and Phi Beta Kappa. Mr. Hoffman then obtained a Juris Doctor Degree from the Washington College of Law at the American University in Washington, D.C. At law school, Mr. Hoffman was awarded highest honors in complex litigation and wrote on the American University Journal of International Law and Policy. Mr. Hoffman's regulatory and legal experience is significant. Mr. Hoffman clerked for the Mergers and Acquisitions Unit of the Federal Deposit Insurance Corporation's Legal Division, negotiating and drafting agreements for open bank assistance. Prior to joining VarTec, he worked as an associate in the Washington, D.C. office of Arter & Hadden, a 350-attorney national law firm based in Cleveland, Ohio. In addition to Mr. Hoffman's representation of VarTec at the Firm, he provided legal and regulatory counsel to numerous interexchange telecommunications carriers and business corporations. Further, Mr. Hoffman represented clients before various state and federal administrative agencies and regulatory bodies. While at the law firm, he also participated in a wide array of litigation matters involving employment law, fraud, insurance defense and workers' compensation, as well as copyright and trademark protection. Mr. Hoffman joined VarTec in May 1992 as its Corporate Counsel and Director of Regulatory Affairs. In this capacity, Mr. Hoffman has overseen VarTec's application for business licenses and certificates of authority in numerous jurisdictions. Additionally, he is responsible for VarTec's on-going compliance requirements, governmental affairs and inquiries, as well as the regulatory duties imposed on the Company by the Federal Communications Commission and various state utility commissions in the jurisdictions in which the Company currently operates. Mr. Hoffman was promoted to the position of Vice President in May 1993, Senior Vice President in November 1994 and Executive Vice President in November 1997.

C. Technical Capability

Applicant is proposing to resell the local exchange service, basic local telecommunications service and switched access service of existing and qualified local exchange carriers, including Bell South, GTE, Sprint United and Alltel. As such, the underlying carriers fulfill the technical qualifications required by the Commission.

APPLICATION FORM

AFFIDAVIT

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

Further, I am aware that pursuant to Chapter 837.6, 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."

Official: 
Michael G. Hoffman, Esq.

Apr 11 22, 1998

Date

Title: General Counsel and Executive Vice President
Legal and Regulatory Affairs

Address: 3200 West Pleasant Run Road
Lancaster, Texas 75146

Telephone: (972) 230-7200



DEPOSIT

DATE

D 7 6 8

MAY 04 1998

May 1, 1998

Tom E. Williams III, Engineer
Bureau of Service Evaluation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

980613-TX

RECEIVED
FLORIDA PUBLIC
SERVICE COMMISSION
MAIL ROOM
98 MAY -4 AM 10:57

Re: ALEC Filing Fee

Dear Mr. Williams:

VarTec Telecom, Inc. ("VarTec") sincerely appreciates you alerting the Company that its filing fee was not included with its Alternative Local Exchange Company application. Pursuant to the requirements of the Florida Public Service Commission, please accept the enclosed Company check, number 1004258, in the amount of \$250.00, for the filing fee of the above-reference application. The Company apologizes for the delay in forwarding said payment. If you have any questions regarding this correspondence, please contact the undersigned directly at (972) 230-7358.

Respectfully submitted,

Ann. Blund

DOCUMENT NUMBER - DATE
05007 MAY -4 98

THIS PAPER CONTAINS UV FIBERS - HOLD UNDER BLACK LIGHT TO VIEW

THE BACK OF THIS DOCUMENT CONTAINS AN ARTIFICIAL WATERMARK

VarTec
3200 W. PLEASANT RUN RD. PH. 214-230-7200
LANCASTER, TEXAS 75146

COMPASS BANK
(214) 238-8600
DALLAS, TX (746)

1004258
CHECK NO.

3-31-98
DATE

1004258
CONTROL NO.

***250.00**
AMOUNT

*** TWO HUNDRED FIFTY AND 00/100*****

PAY
TO THE
ORDER
OF

Florida Public Service Commission
2540 Shumard Oak Blvd
Tallahassee, Florida 32399-0850





DEPOSIT DATE
D768 MAY 04 1998

May 1, 1998

Tom E. Williams III, Engineer
Bureau of Service Evaluation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RECEIVED
FLORIDA PUBLIC
SERVICE COMMISSION
98 MAY -4 AM 10:57
MAIL ROOM

Re: ALEC Filing Fee

Dear Mr. Williams:

VarTec Telecom, Inc. ("VarTec") sincerely appreciates you alerting the Company that its filing fee was not included with its Alternative Local Exchange Company application. Pursuant to the requirements of the Florida Public Service Commission, please accept the enclosed Company check, number 1004258, in the amount of \$250.00, for the filing fee of the above-reference application. The Company apologizes for the delay in forwarding said payment. If you have any questions regarding this correspondence, please contact the undersigned directly at (972) 230-7358.

Respectfully submitted,

Amy Blevins
Senior Consumer Analyst

VarTec Telecom, Inc.
4200 W. Pleasant Run Road
Lancaster, Texas 75136
(972) 230-7200
(972) 230-7222 FAX