



BEFORE THE ARIZONA CORPORATION COMMISSION

CARL J. KUNASEK  
CHAIRMAN  
JIM IRVIN  
COMMISSIONER  
WILLIAM A. MUNDELL  
COMMISSIONER

2001 JAN 23 10:57

Arizona Corporation Commission

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JAN 23 2001

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IN THE MATTER OF THE APPLICATION )  
OF SCINDO NETWORKS INC. FOR A )  
CERTIFICATE OF CONVENIENCE AND )  
NECESSITY TO PROVIDE COMPETITIVE )  
TELECOMMUNICATIONS SERVICES )

Docket No. T-03978A-01-0033

Scindo Networks Inc. ("Scindo"), by its attorney and pursuant to R14-2-1105 of the Arizona Administrative Code, hereby submits responses to the Staff's questions of January 16, 2001 and supplements its Application to the Arizona Corporation Commission for a Certificate of Convenience and Necessity in the State of Arizona as follows:

1. Pursuant to A.A.C. R14-2-503(B), the amount of a deposit required by the utility shall not exceed 2 times that residential customer's estimated average monthly bill or the average monthly bill for the customer class for that customer whichever is greater. Nonresidential customer deposits shall not exceed 2 1/2 times that customer's estimated maximum monthly bill. The term "deposit" refers to all deposits, advance payments, and prepayments. The combined amount charged for deposits, advance payments, and prepayments, must be in compliance with the amount allowed by this rule.

**RESPONSE:** Scindo has changed Section 2.4.8, Deposits, to conform with the above language.

2. Please state whether you request certification for only the service territory of Qwest in the Phoenix and Tucson metropolitan areas or in the entire State of Arizona.

**RESPONSE:** Scindo is requesting certification for the service territory where Qwest is the ILEC in the Phoenix and Tucson metropolitan areas.

3. Please state the services for which your request certification: facilities-based local exchange, resold local exchange, facilities-based interexchange, and resold interexchange. Page 134 of your tariff includes interexchange services.

**RESPONSE:** Scindo is requesting certification for the following services: facilities-based local exchange, resold local exchange, facilities-based interexchange, and resold interexchange.

4. Please elaborate on what services (facilities-based or resold and interexchange or local) you currently offer or are approved to offer in each state.

**RESPONSE:** Scindo has been granted a Certificate of Public Convenience and Necessity by the Colorado Public Utility Commission to provide local and interexchange telecommunications services on a facilities-based and resold basis.

5. Include a copy of your Company's most recent income statement.

**RESPONSE:** Scindo's income statement, as of 12/31/00, is attached as Exhibit 1.

6. If the balance sheets you submit do not have retained earnings accounts, please provide this account information on a separate sheet.

**RESPONSE:** Scindo currently has no retained earnings accounts. Attached as Exhibit 2 is Scindo's balance sheet, as of 12/31/00.

7. Provide a customer service number.

**RESPONSE:** Scindo will request its customers to call collect to its customer service number, 720-528-4211.

8. Will your customers be able to access alternative toll service providers or resellers via 1+ or 101XXXX access if your system becomes nonoperational?

**RESPONSE:** Scindo's customers will have the ability to access interexchange carriers via any 10-10-XXXX-0-plus dial around service.

9. Please include brief biographies of all officers and directors (specify).

**RESPONSE:** See biographies below:

*Daniel F. Burns, Chief Executive Officer & President*

Daniel F. Burns is Scindo Networks' President and Chief Executive Officer. Mr. Burns brings over 20 years of key leadership experience in the Telecommunications Industry, with expertise in marketing, operations, public policy, information technology, and engineering. Previously, Mr. Burns was Vice President of Network Services with U S WEST, overseeing all aspects of the outside plant network for Colorado, Utah, Wyoming, the 2002 Winter Olympic Games, as well

as Contracting for the U S WEST 14 state region. Mr. Burns' teams were instrumental in driving unprecedented service improvements, productivity increases, capital efficiencies, and deployment of fiber-based, next generation capabilities deeper into the network. Prior to Mr. Burns' work in Network Services, he designed and deployed a project structure and process to facilitate U S WEST's entry into the long distance market via the 1996 Telecommunications Act. Mr. Burns was responsible for U S WEST's first four 271 state filings which spanned every organization within the company, as well as the FCC, State Commissions, and key congressional leaders. Additionally, Mr. Burns has held executive leadership positions with the Prudential Insurance Company of America. Mr. Burns holds a Bachelor of Science in Mechanical Engineering and a Master of Science in Engineering Management both from Washington State University.

*Rex A. Humston, Executive Vice President and Chief Technology Officer*

Rex A. Humston is responsible for all aspects of Scindo Networks Network Operations, Service Delivery, and Information Technology. Mr. Humston joins the company with 20 years of extensive experience in engineering, information technology, and operations. Previously, Mr. Humston was Senior Vice President, Engineering and Chief Technology Officer with Jato Communications, a regional DSL provider focused on small and medium businesses. At Jato, Mr. Humston played a key role in setting operational and network strategy, leading to extensive growth in both revenue and customers. Prior to his employment with Jato, Mr. Humston held executive leadership positions with several early stage companies, including Health Decisions International and OneComm Corporation. At U S WEST Advanced Technologies, Mr. Humston led the design, development and deployment of many industry impacting telecommunications products and services. Mr. Humston was the lead technologist for the initial creation of U S WEST Interact division – U S WEST's entry into data services. Mr. Humston has also led the development and operations for Information Technology for Jones International Inc.

*Vincent C. DeGarlais, Executive Vice President Human Resources, Public Policy and Law*

Vincent C. DeGarlais is responsible for all aspects of Scindo Networks' Human Resources, Public Policy, and Law activities. Mr. DeGarlais joins the company with extensive experience in telecommunications, employment, commercial, and regulatory law. Previously, Mr. DeGarlais was a member of the U S WEST Policy and Law Department, where he had general counsel responsibilities for the Operations & Technology Division, the largest business unit at U S WEST with over 30,000 employees and a budget in excess of \$5 billion. Mr. DeGarlais is a former Senior Trial Attorney in the Employment Litigation Section of the Civil Rights Division of the United States Department of Justice. He joined the Department through the Honors Program after serving as a judicial clerk for former Chief Judge Monroe McKay of the United States Court of Appeals for the Tenth Circuit. He graduated Order of the Coif from Northwestern University School of Law, where he was an editor of the Law Review, and Utah State University, where he graduated summa cum laude with a degree in Business Administration.

*Brian A. Price, Vice President Business Development*

Brian A. Price is responsible for all aspects of Scindo Networks' corporate development,

strategic partnerships, market intelligence, and e-Business activities. Mr. Price joins the company with expertise in sales, marketing, and operations. Previously, Mr. Price was Director of Network Services for Qwest Communications where he was responsible for managing all activities around a portfolio of network based initiatives focused on revenue generation, service optimization, and customer satisfaction. Most recently, Mr. Price led a multi-year, multi-million dollar intra-city fiber network initiative, designed to position Qwest as a reliable, high quality, customer-driven provider of Hi-Cap services. Mr. Price was instrumental in tripling the fiber footprint at key buildings, reducing capital outlays by over 35 percent, and increasing capacity usage and scalability. Additionally, Mr. Price has held key leadership positions with the Prudential Insurance Company of America. Mr. Price holds a B.A. in Marketing Management from the University of St. Thomas, St. Paul, Minnesota.

*George T. Gavrilis, Vice President Program Management and Quality of Service*

George T. Gavrilis is responsible for ensuring flawless quality of service and driving cross organization projects relating to finance, marketing, and operations. Mr. Gavrilis joins the company with extensive experience in engineering, program management, and operations. Previously, Mr. Gavrilis was the Operations Team Leader in the Local Network Services organization at Qwest Communications, responsible for managing the engineering and construction operations for multiple programs within the company's 14 state territory. Mr. Gavrilis' projects focused on increasing revenue and improving service results. Specifically, Mr. Gavrilis was instrumental in improving the overall outside plant engineering and construction operations for the states of Colorado, Wyoming, and Utah. Additionally, Mr. Gavrilis implemented state specific operations plans and led the engineering and construction of the fiber infrastructure for the 2002 Winter Olympic Games. Mr. Gavrilis has a B.S. in Civil Engineering from the University of Colorado at Boulder and is currently pursuing an M.B.A. and an M.S. in Management at the University of Colorado at Denver.

*Thomas M. Dethlefs, Vice President Real Estate, Procurement and Contract Administration*

Thomas M. Dethlefs is responsible for all Real Estate, Procurement, and Contract Administration activities. Mr. Dethlefs joins the company with extensive experience in regulatory, real estate, and contract law. Previously, Mr. Dethlefs was a Senior Attorney with U S WEST, overseeing regulatory matters in the states of Arizona and Utah. Mr. Dethlefs was instrumental in developing U S WEST's advocacy concerning inter-carrier compensation for Internet-bound traffic and has represented U S WEST in cost dockets conducted for purposes of setting recurring and nonrecurring rates for unbundled elements, including high capacity loops, shared transport, enhanced extended links and dark fiber. Prior to joining U S WEST, Mr. Dethlefs was a partner at Hopkins & Sutter, a Chicago-based law firm. While at Hopkins & Sutter, he handled a variety of commercial matters and gained extensive experience in real estate and construction. He represented owners, lenders and contractors in disputes involving lien priority, right-of-way and other construction related issues. He was actively involved in alternative dispute resolution during his tenure at Hopkins & Sutter and successfully settled several hundred commercial disputes. Mr. Dethlefs graduated from the University of Chicago Law School (1986) and Baylor University (1981), where he graduated summa cum laude with a degree in Business Administration. He is a licensed CPA in Colorado.

Alan W. Baldwin, Director

Alan W. Baldwin has been appointed a director of the Company effective October 4, 2000. Mr. Baldwin also serves as director of CopperGlass Optical Solutions Inc., which designs, manufactures and markets broadband systems and components utilized in fiber-based networks. From November 1997 through June 2000, Mr. Baldwin has served as President of Wren Associates, Ltd., a management consulting firm specializing in advanced materials, Internet based business to business, EMF/ELF radiation suppression for cellular communications, and other business situations. From November 1997 through the present, Mr. Baldwin has served as director of Advanced Technical Products, Inc. From March 1994 through October 1997, Mr. Baldwin served as Chairman and Chief Executive Officer of Lunn Industries, Inc., completing a turnaround, reorganization and eventual merger of the company. From February 1982 through December 1993, Mr. Baldwin served as Chief Executive Officer of several business turnarounds involved in the manufacturing of hybrid integrated microcircuits, optical fiber, and environmental control systems. Mr. Baldwin is a graduate of the U. S. Military Academy at West Point, NY, and received a Masters Degree in engineering and mathematics from the University of Alabama.

Salvatore T. DiMascio, Director

Salvatore T. DiMascio has been appointed a director of the Company effective October 4, 2000. Since 1986, Mr. DiMascio has been President of DiMascio Venture Management, Inc., a management and investment firm. From 1994 to 1997, as Executive Vice President of Anchor Gaming (SLOT), Mr. DiMascio helped SLOT to transition from a private to a public company, which was the top performing gaming stock on Wall Street during this three-year period. From 1978 to 1986, as Chief Financial Officer of Conair Corp., Mr. DiMascio helped the company to grow from \$40 to over \$400 million in revenue. Mr. DiMascio currently serves on the boards of Fotoball USA, Inc. (FUSA) and HERC Products, Inc. (HERC) each of which is a public company. Mr. DiMascio also serves as a director of CopperGlass Optical Solutions Inc. Mr. DiMascio is a graduate of Villanova University, holds an MBA from the University of Rhode Island and is a Certified Public Accountant. Mr. DiMascio previously served as a director of Sphera Optical Networks.

Greg M. Winn, Director

Greg M. Winn has been appointed a director of the Company effective January 11, 2001. Mr. Winn is currently Chief Operating Officer of Graviton, Inc., a privately held company in La Jolla, California. Graviton provides information management solutions in many vertical markets for wireless data hub, object-oriented software, and spread-spectrum wireless and sensor technology. Previously, Mr. Winn was the executive vice president of Operations and Technologies of U S WEST, Inc., a position he assumed in July 1998, where he led more than 30,000 employees responsible for planning, designing, delivering and maintaining a broad range of high quality telecommunications services for more than 25 million customers in 14 western and mid-western states. Prior to this assignment, Mr. Winn was the executive vice president of Retail Markets for U S WEST, where he guided the growth and profitability of a portfolio of

retail business units that generated more than \$8 billion in annual revenues. Winn began his career with U S WEST in 1970, he has a broad background in marketing, sales, strategic planning, network operations and finance. Winn serves on the board for the National Alliance of State Science and Mathematics Coalitions (NASSMC).

10. List the states in which you have applied for authority to offer telecommunications services, and indicate the services you applied for in each state.

**RESPONSE:** Scindo has been granted a Certificate of Public Convenience and Necessity by the Colorado Public Utility Commission to provide local and interexchange telecommunications services on a facilities-based and resold basis.

11. Pursuant to A.A.C. R14-2-1108(B), please provide a Petition for Competitive Classification.

**RESPONSE:** Scindo is submitting its Petition for Competitive Classification as a separate pleading filed herewith.

When Scindo files its final tariff, it will list the maximum rates and actual rates to be charged.

Scindo will publish legal notice of the application in the counties of Maricopa, Pinal and Pima, where its services will be provided.

Respectfully submitted this 19<sup>th</sup> day of January, 2001.

Scindo Networks Inc.

By: Vincent C. DeGarlais  
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Scindo Networks Inc.  
**Income by Customer Summary**  
December 2000

	<u>Dec '00</u>
TOTAL	<u>0.00</u>

**EXHIBIT 1**

01/09/01

**Scindo Networks, Inc.**  
**Balance Sheet**  
As of December 31, 2000

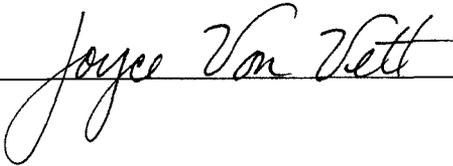
	<u>Dec 31, '00</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
Wells Fargo Checking	1,347,416.61
<b>Total Checking/Savings</b>	<u>1,347,416.61</u>
<b>Other Current Assets</b>	
Deposits	18,800.00
Interest Receivable	5,633.68
<b>Total Other Current Assets</b>	<u>24,433.68</u>
<b>Total Current Assets</b>	<u>1,371,850.29</u>
<b>Fixed Assets</b>	
Office Equipment	22,782.32
<b>Total Fixed Assets</b>	<u>22,782.32</u>
<b>TOTAL ASSETS</b>	<u><u>1,394,632.61</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Other Current Liabilities	
Accrued Salaries	16,730.78
<b>Total Other Current Liabilities</b>	<u>16,730.78</u>
<b>Total Current Liabilities</b>	<u>16,730.78</u>
<b>Total Liabilities</b>	<u>16,730.78</u>
<b>Equity</b>	
Additional-Paid-In-Capital	1,870,122.50
Common Stock	1,926.50
Net Income	-494,147.17
<b>Total Equity</b>	<u>1,377,901.83</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>1,394,632.61</u></u>

EXHIBIT 2

**CERTIFICATE OF SERVICE**

I hereby certify that an original and ten copies of the above and foregoing document were mailed via first-class mail, postage prepaid, on Jan. 19, 2001 to the following:

Arizona Corporation Commission  
Utilities Division  
1200 W. Washington  
Phoenix, AZ 85007-2929

  
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