

**BEFORE THE
PUBLIC SERVICE COMMISSION OF UTAH**

Application of
Peerless Network of Utah, LLC
for a Certificate of Public Convenience and
Necessity to Provide Telecommunications
Services in the State of Utah

Docket No. _____

**DIRECT TESTIMONY OF JOHN BARNICLE
ON BEHALF OF PEERLESS NETWORK OF UTAH, LLC**

Q. PLEASE STATE YOUR NAME, COMPANY NAME, BUSINESS ADDRESS, TELEPHONE NUMBER, AND POSITION.

A. My name is John Barnicle and I am the President and Chief Executive Officer of Peerless Network of Utah, LLC (“Applicant”). My business address is 222 South Riverside Plaza, Suite 2730, Chicago, Illinois 60606. Applicant’s main telephone number is 312-506-0920.

Q. WHAT ARE YOUR PRINCIPAL RESPONSIBILITIES?

A. I am responsible for overall company operations. In this capacity, I am responsible for the policies, personnel, financial profile, strategic planning and execution of the business plan of Applicant and Applicant’s parent company and subsidiaries.

Q. PLEASE DESCRIBE YOUR PROFESSIONAL BACKGROUND?

A. I have served as the President and Chief Executive Officer of Peerless Network, Inc. (Applicant’s parent company) since its inception in 2008. I have almost 30 years of experience in the telecommunications industry. Prior to my current role, I was President and Chief Executive Officer for Lynch Interactive Corp and served as Co-founder, President and Chief Operating Officer of Neutral Tandem, Inc. My responsibilities at Neutral Tandem

included overseeing the sales, marketing, engineering, operations and Information Technology departments, as well as profit and loss responsibility for the business. Prior to Neutral Tandem, I was the Co-founder, President, and Chief Operating Officer for Focal Communications Corporation. My responsibilities at Focal included: overseeing marketing, engineering, operations and IT departments, as well as sales and business development. I have an M.B.A. in Finance (with Distinction) from DePaul University (1995), and a B.S. in Electrical Engineering with an emphasis on RF communications systems from the University of Illinois at Champaign (1987).

Q. HAVE YOU EVER TESTIFIED BEFORE THE UTAH PUBLIC SERVICE COMMISSION?

A. No.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. My testimony supports the Application filed by Applicant with the Public Service Commission of Utah ("Commission") for a certificate of public convenience and necessity to provide facilities-based and resold local exchange and interexchange telecommunications services in the State of Utah. My testimony focuses on Applicant's technical, managerial and financial qualifications for granting the requested authority.

Q. PLEASE DESCRIBE THE COMPANY AND ITS OPERATIONS.

A. Peerless Network of Utah, LLC is a limited liability corporation organized on January 18, 2011, under the laws of the State of Utah. Applicant's Articles of Incorporation are attached to the Application as Exhibit A. Applicant has no current operations in Utah.

Q. PLEASE DESCRIBE THE SERVICES APPLICANT PROPOSES TO OFFER?

A. Applicant seeks authority to provide facilities-based and resold local exchange and interexchange telecommunications services to and from all points in the State of Utah that are currently or become open to competition. Applicant intends to offer services to residential (through resale) and business customers.

Q. HOW WILL APPLICANT PROVIDE SERVICES?

A. Applicant will provide its services through resale or unbundled interconnection with the Incumbent Local Exchange Carrier, and as business demands warrant, may deploy its own switching platform facilities in collocated sites in Utah. Peerless relies on Internet Protocol (“IP”) technology to provide signaling and call setup support for calls originating, terminating or traversing its network, and operates as a competitive local exchange carrier, competitive tandem provider and long distance company throughout the United States. The states in which Applicant’s affiliates are authorized to provide interexchange and local exchange services are listed in Exhibit F to the Application. Peerless’ success is built on its unique network design; it employs centralized, redundant call routing databases to route calls on a national level versus the industry norm of localized switching and signaling control. Peerless also uses regional media gateways to direct calls from multiple LATAs through its national IP network for transport and termination to one of the hundreds of carriers with whom it has direct interconnection arrangements. Peerless’ regional media gateway centers are termination points for customer and network switch interconnections via locally-accessed points of presence.

Q. WILL THE COMPANY OWN ANY SWITCHING OR TRANSPORT FACILITIES IN UTAH?

A. Not initially. However, as business demands warrant, Applicant may deploy its own

switching and transport facilities in data center sites in Utah.

Q. DOES APPLICANT HAVE THE MANAGERIAL RESOURCES TO PROVIDE TELECOMMUNICATIONS SERVICES IN UTAH?

A. Yes. My management team and I have been successfully overseeing the operations of Peerless Network, Inc. and its subsidiaries since Peerless' inception in 2008. This team has extensive telecommunications and business experience and is well qualified to manage the Company's operations. A summary of Applicant's managerial qualifications is provided in Exhibit B to the Application.

Q. DOES APPLICANT HAVE THE TECHNICAL RESOURCES TO PROVIDE TELECOMMUNICATIONS SERVICES IN UTAH?

A. Yes. The same technical resources that support Peerless' telecommunications operations in dozens of other states will support Applicant's telecommunications operations in Utah.

Q. DOES APPLICANT HAVE THE FINANCIAL RESOURCES TO PROVIDE TELECOMMUNICATIONS SERVICES IN UTAH?

A. Yes. Applicant has access to financial resources sufficient to provide telecommunications services in Utah. The unaudited financials for Peerless Network, Inc. (Applicant's parent company) for calendar year 2013 are provided under seal as Exhibit D to the Application. These financial statements have been prepared in accordance with GAAP and show that Applicant's parent company has sufficient and verifiable cash flow to fund Applicant's cash needs.

Q. IS APPLICANT SEEKING A WAIVER OF THE PROVISION TO SHOW PROOF OF BOND?

A. Yes. The bond is intended to provide security for customer deposits or other liabilities to telecommunications customers. Applicant does not plan to collect customer deposits or offer any prepaid services in Utah.

Q. WILL APPLICANT ABIDE BY STATE AND FEDERAL REGULATIONS DESIGNED TO PREVENT UNAUTHORIZED SWITCHING OF CUSTOMERS?

A. Yes. Applicant will comply with Utah law and Federal Communications Commission regulations regarding how carriers may change a consumer's local exchange and interexchange provider. Peerless has never had sanctions imposed against it for unauthorized switching.

Q. IS APPROVAL OF THE APPLICANT'S REQUEST FOR AUTHORITY TO PROVIDE TELECOMMUNICATIONS SERVICES CONSISTENT WITH THE PUBLIC INTEREST?

A. Yes. Applicant's entry into the Utah telecommunications market will further the public interest by increasing competition in the local and long distance markets and providing Utah consumers with an additional choice of local and interexchange service providers. The public will benefit both directly (through the use of the high-quality and reliable services offered by Applicant) and indirectly (because the presence of Applicant in Utah will increase the incentives for other telecommunications providers to operate more efficiently, offer more innovative services, reduce prices, and improve their quality of service).

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.