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Date Submitted:

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Petition of
McGraw Communications, Inc. for
Authority to Compete as a
Telecommunications Corporation
and to offer Interexchange and
Public Local Exchange
Telecommunications Services

DOCKET NO.
REQUEST FOR AGENCY ACTION

APPLICATION OF MCGRAW COMMUNICATIONS, INC.

McGraw Communications, Inc. ("McGraw" or "Applicant"), by its undersigned counsel and pursuant to Chapter 8b of Title 54 of the Utah Code, Utah Admin. Code §§ 746-100 et seq., and the rules and regulations of the Utah Public Service Commission ("Commission"), hereby applies for a Certificate of Public Convenience and Necessity to authorize it to provide facilities-based and resold local exchange, access, and interexchange telecommunications service throughout the State of Utah.

The State of Utah has adopted a policy of allowing competition in the local and long distance telecommunications markets, recognizing that it is in the public interest to develop effective competition to ensure that all consumers will have access to high quality, low cost, and innovative telecommunications services. The Federal Telecommunications Act of 1996 also seeks

to promote competition and reduce regulation in order to secure lower prices and higher quality telecommunications services for American consumers. Both goals will be promoted by granting this Application.

McGraw believes that a filing of this type, with the information submitted herein, will elicit no objections or opposition. Therefore, McGraw respectfully requests that this docket be adjudicated informally in accordance with R746-110-1.

The Applicant submits the following information pursuant to Utah Admin. Code R746 349 in support of its request.

1. Applicant's legal name is McGraw Communications, Inc. Applicant may be reached at its principal place of business:

McGraw Communications, Inc.
228 E. 45th Street
New York, NY 10017
(212) 849-2367 (Phone)
(646) 619-4734 (Fax).
(888) 543-2000 (Customer Service)

2. R746-349-3(A)(16). Proof of authority to conduct business. McGraw is a corporation organized under the laws of the State of New York. McGraw's authority to transact business as a foreign corporation in Utah is attached hereto as Exhibit A.

3. Correspondence or communications pertaining to this Application should be directed to:

Harry N. Malone
Devine, Millimet & Branch, P.A.
111 Amherst Street
Manchester, New Hampshire 03101
Telephone: (603) 695-8532
Facsimile: (603) 669-8547
hmalone@devinemillimet.com

4. Questions concerning the ongoing operations of McGraw following certification should be directed to:

Sadia Mendez
Manager of Regulatory Affairs
McGraw Communications, Inc.
228 E. 45th Street
New York, NY 10017
(212) 849-2367 (Phone)
(646) 619-4734 (Fax).
(888) 543-2000 (Customer Service)

5. McGraw's registered agent in the State of Utah is:

Incorp Services, Inc.
50 W. 3900 Street, Suite 2-B
Salt Lake City, UT 84107

6. For purposes of consumer inquiries, the contact information will be:

Sadia Mendez
Manager of Regulatory Affairs
McGraw Communications, Inc.
228 E. 45th Street
New York, NY 10017
(212) 849-2367 (Phone)
(646) 619-4734 (Fax).

McGraw's 24-hour customer service number is:

(888) 543-2000

7. R746-349-3(A)(3). Facilities to be used. McGraw has not yet reached an interconnection or resale agreement with any incumbent local exchange carrier in Utah.

8. R746-349-3(A)(4). Services to be offered. McGraw seeks authority to provide facilities-based and resold local exchange and interexchange telecommunications services to and from all points in the State of Utah, except within exchange areas with less than 5,000 access lines that are owned or controlled by an ILEC with fewer than 30,000 total access lines in accordance with Utah Code Ann. § 54-8b-2.1 (3) and (4).¹ McGraw will offer basic local exchange services, custom

¹ Applicant does not seek to terminate any exemption held by a rural telephone company pursuant to 47 U.S.C. § 251(f).

calling features, and interexchange toll services, including toll free services, to business and enterprise customers.

9. McGraw will offer basic local exchange services, custom calling features, and interexchange toll services, including toll free services, to business and enterprise customers. Facilities-based local exchange service will be provided via commercial wholesale agreement with incumbents. Initially, toll services will be provided via McGraw's underlying long distance carrier. McGraw, however, seeks the full range of resold and facilities-based local exchange and interexchange authority so that it can have the flexibility in provisioning services in the future. McGraw will not offer prepaid local exchange and interexchange services.

10. McGraw will offer interexchange telecommunications statewide. Initially, McGraw intends to provide local exchange service in the areas served by Qwest and does not plan to provide service in areas of any small or rural local exchange carriers.

11. Grant of this application will promote the public interest by increasing telecommunications service competition in Utah. McGraw will provide customers with high quality, cost effective telecommunications services, with an emphasis on customer service. In addition to driving prices closer to costs, thereby ensuring just and reasonable rates, competition also promotes efficiency in the delivery of services and in development of new services. These benefits work to maximize the public interest by providing continuing incentives for carriers to reduce costs while, simultaneously, promoting the availability of potentially desirable services.

12. McGraw will continuously monitor and maintain a high level of control over its network on a 24-hours-a-day, 7-days-a-week basis.

13. R746-349-3(A)(4)(a). Classes of customers. McGraw will initially offer its services to business customers. McGraw may serve residential customers in the future as market conditions warrant.

14. R746-349-3(A)(4)(b). Location of service. McGraw intends to provide resold and facilities-based services to subscribers from all points within the State of Utah and therefore seeks statewide authorization. Although McGraw requests authority to operate statewide in Utah, it will initially provide local exchange service in the existing service areas of incumbent local exchange carriers ("LECs") that are not exempted from the general duty to interconnect pursuant to section 251(f) of the Telecommunications Act of 1996. McGraw seeks statewide authority, so that it may expand its service areas as market conditions warrant and as additional service areas become open to competition.

15. R746-349-3(A)(5). Access to standard services. McGraw will provide access to ordinary intraLATA and interLATA message toll calling, operator services, directory assistance, directory listings, and emergency services through interconnection with its underlying carrier.

16. R746-349-3(A)(7). Professional experience and education of managerial personnel and personnel responsible for Utah operations. McGraw does not plan to operate an office within Utah. Responsibility for Utah operations will be handled by Applicant's current management team from its headquarters in New York City. Descriptions of the extensive telecommunications and managerial experience of Applicant's key personnel are attached hereto as Exhibit D.

17. R746-349-3 (A)(1), R746-349-3(A)(10)--(12). Financial abilities. McGraw is financially qualified to provide local exchange telecommunications services in Utah. McGraw has access to the financing and capital necessary to conduct the telecommunications operations as specified in this application, and will rely upon its existing personnel and technological and financial resources to provide intrastate services.

18. R746-349-3(A)(9). Chart of accounts. McGraw's chart of accounts including account

numbers, names, and brief descriptions is attached hereto as Exhibit E. Please note that the information provided in Exhibit E is proprietary and has been attached in a sealed envelope marked "CONFIDENTIAL - - SUBJECT TO UTAH PUBLIC SERVICE COMMISSION RULE 746-100-16." As it contains sensitive information regarding McGraw's business operations, McGraw respectfully requests that this information be treated confidentially and not be released to any member of the public absent McGraw's prior written permission.

19. R746-349-3(A)(10)(a)--(d). Financial Statements. McGraw's success in developing innovative products and services and in expanding its geographic reach has translated into impressive growth in recent years, and as such McGraw is extremely well-qualified financially to operate and expand its business. Financial information demonstrating McGraw's financial qualifications is provided confidentially as Exhibit C. As shown in the attached information, McGraw is financially qualified to operate within the State of Utah. Please note that the information provided in Exhibit C is proprietary and has been attached in a sealed envelope marked "CONFIDENTIAL - - SUBJECT TO UTAH PUBLIC SERVICE COMMISSION RULE 746-100-16." As it contains sensitive information regarding McGraw's business operations, McGraw respectfully requests that this information be treated confidentially and not be released to any member of the public absent McGraw's prior written permission. McGraw possesses the sound financial background necessary to effectively procure, install, and operate the facilities and services requested in this application. In accordance with R746-349-3(A)(11)(a), these financial statements show that McGraw has a positive net worth and that McGraw has sufficient cash flow to provide its proposed services.

20. R746-349-3(A)(10)(b). Sufficient projected and verifiable cash flow. Paragraph 22, below, provides evidence of a sufficient projected and verifiable cash flow to meet cash needs as shown in McGraw's three-year projection of expected operations.

21. R746-349-3(A)(2), R746-349-3(A)(11)(c). Bond requirement. McGraw respectfully requests a waiver of the requirement in R746-34-2(A)(2) for proof of a bond in the amount of \$100,000. McGraw will not require Utah customers to make a service deposit. Further, as demonstrated by its financial statements, McGraw has the financial resources to cover other liabilities to telecommunications customers.
22. R746-349-3(12)(a). Income and cash flow statements. Attached hereto under seal as Exhibit F is McGraw's five-year projection of expected operations. Please note that the information provided in Exhibit F is proprietary and has been attached in a sealed envelope marked "CONFIDENTIAL - - SUBJECT TO UTAH PUBLIC SERVICE COMMISSION RULE 746-100-16." As it contains sensitive information regarding McGraw's business operations, McGraw respectfully requests that this information be treated confidentially and not be released to any member of the public absent McGraw's prior written permission.
23. R746-349-3(A)(12)(b). Types of technology to be deployed. Initially, technology deployed will be the same as that currently deployed by the incumbent providers whose networks should be utilized on a wholesale basis. Other network technologies will be considered if and when McGraw deploys its own network facilities.
24. R746-349(A)(12)(c). Maps of facilities locations. As stated in Paragraph 7 above, McGraw currently does not initially plan to construct facilities in Utah and has not yet completed its plans for leasing facilities in Utah. McGraw has not yet determined the exact location of future facilities and descriptions of the specific facilities to be deployed in the future.
25. R746-349-3(A)(6), R746-349-3(A)(13). Implementation schedule. McGraw proposes to begin providing service in Utah shortly after it has obtained the requisite Commission approval and as soon as it is able to establish interconnection agreements and obtain collocation space with

the relevant incumbent LECs in Utah.

26. R746-349-3(A)(1), R746-349-3(A)(14). Technical and managerial abilities. McGraw is technically and managerially qualified to provide competitive local exchange and interexchange services in Utah. McGraw's Utah operations will be directed by its existing corporate management, technical and operations staffs who are responsible for the interexchange and local exchange operations in other states. A description of the background of Applicant's key personnel, which demonstrates the extensive telecommunications experience of McGraw's management team, is attached hereto as Exhibit D.

McGraw is well qualified to provide telecommunications services in Utah. Currently, McGraw has authority to provide facilities-based and resold, local exchange and interexchange telecommunications services in California, Colorado, Connecticut, District of Columbia, Florida, Georgia, Illinois, Indiana, Massachusetts, Maryland, Maine, Michigan, Minnesota, North Carolina, New Hampshire, New Jersey, Nevada, New York, Ohio, Oregon, Pennsylvania, Rhode island, Texas, Virginia, and Washington. McGraw has not been denied requested certification in any jurisdiction, nor has any permit, license, or certificate been revoked by any authority.

27. R746-349-3(A)(8). Employees. McGraw's Utah operations will be directed by its management team located at McGraw's headquarters in New York City. In lieu of an organizational chart, McGraw offers the biographies of its key personnel set forth in Exhibit D to satisfy R746-349-3(A)(8).

28. R746-349-3(A)(1), R746-349-3(A)(15). Public interest. Granting this Application will promote the public interest by increasing competition in the provision of telecommunications services in Utah. McGraw will provide customers high quality, cost effective telecommunications services, with an emphasis on customer service. In addition to driving prices closer to costs, thereby ensuring just and reasonable rates, competition also promotes efficiency in the delivery of

services and in the development of new services. These benefits work to maximize the public interest by providing continuing incentives for carriers to reduce costs while, simultaneously, promoting the availability of potentially desirable services.

29. R746-349-3(A)(17)—(18). Unauthorized switching, solicitation of new customers, and prevention of unauthorized switching or other illegal activities. McGraw has not had any complaints filed against it in any jurisdiction. The company intends to and is willing to abide by and comply with Commission Rule 746-349-5.

* * *

For the reasons stated above, Applicant respectfully submits that the public interest, convenience, and necessity would be furthered by a grant of this Application for the authority to provide all types of facilities-based and resold local exchange and interexchange telecommunications services.

Respectfully submitted,

McGraw Communications, Inc.
By its Attorneys,
DEVINE, MILLIMET & BRANCH,
PROFESSIONAL ASSOCIATION

Dated: July 28, 2010

By: _____
Harry N. Malone, Esq.
111 Amherst Street
Manchester, NH 03101
(603) 695-8532
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LIST OF EXHIBITS

- Exhibit A** **Utah Certificate of Existence**
- Exhibit B** **Financial Statements (CONFIDENTIAL - FILED UNDER SEAL)**
- Exhibit C** **Management Biographies**
- Exhibit D** **Chart of Accounts (CONFIDENTIAL - FILED UNDER SEAL)**
- Exhibit E** **5 Year Projection of Expected Operations (CONFIDENTIAL - FILED UNDER SEAL)**

- Verification**

Exhibit A

Utah Certificate of Existence

Exhibit B

Financial Statements (CONFIDENTIAL - FILED UNDER SEAL)

Exhibit C

Management Biographies

The officers and directors of McGraw are as follows:

Francis X. Ahearn, Chief Executive Officer
John Cunningham, President
Jay Monaghan, Chief Service Officer

All officers and directors can be reached at McGraw's principle place of business:
McGraw Communications, Inc.
228 E. 45th Street
New York, NY 10017

Francis X. Ahearn
Chief Executive Officer

As CEO of McGraw Communications, Mr. Ahearn oversees all aspects of carrier negotiations and network design. Frank co-founded McGraw in 1996 to pursue opportunities for voice and data growth in the small to medium business market. He has contributed to the success of the company by managing many aspects of the business including billing and finance. Frank now focuses on carrier evaluations and development of new voice and data products that deliver optimal performance.

Prior to McGraw, Frank Ahearn co-founded IMS Partner in 1986, a computer consulting company based in NY. In 1990, he began his career at Centex Telemanagement as a New York Sales Manager. In 1992 Frank co-founded Business Communications Management (BCM). In 1996 he co-founded McGraw Communications. He now services on the Board of Directors for both companies.

Currently, Frank sits on the CompTel CEO Council and PAETEC's Reseller Advisory Board.

John Cunningham
President

John Cunningham is one of the co-founders of McGraw Communications and currently is the President overseeing Sales and Marketing. He is responsible for the strategic planning, distribution strategy as well as revenue growth. His primary focus has been acquiring and retaining customers profitably in the 45 states that McGraw serves.

John began his career as a sales manager for Centex Telemanagement, serving as its youngest branch manager. At different times, he managed offices in New York, New Jersey, Philadelphia, Massachusetts, Washington, D.C. and Baltimore.

John serves on the Board of Directors for McGraw Communications and Business

Communications Management. In addition, John is on the Qwest Advisory Board and has served on the Level 3 Wholesale Advisory Council.

Jay Monaghan
Chief Service Officer

Jay Monaghan is one of the co-founders of McGraw Communications and presently serves as the Chief Service Officer. Jay has successfully managed Client Services including all aspects of the customer experience – Customer Care, Provisioning, Retention. Jay created the McGraw experience by developing personalized, high quality service to all Customers and Channel Partners. Jay has extensive Sales Management and Client Services experience from his career at Centex Telemanagement.

Exhibit D

Chart of Accounts (CONFIDENTIAL - FILED UNDER SEAL)

Exhibit E

5 Year Projection of Expected Operations (CONFIDENTIAL - FILED UNDER SEAL)