



State of Utah  
Department of Commerce  
Division of Public Utilities

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**MEMORANDUM**

**To:** Public Service Commission

**From:** Division of Public Utilities  
Chris Parker, Director  
Bill Duncan, Telecommunications / Water Manager  
Ron Slusher, Utility Technical Consultant

**Date:** October 28, 2014

**Re:** In the Matter of the Joint Application of MegaPath Corporation and GC Pivotal, LLC d/b/a Global Capacity for Approval of Asset Transfer Transaction, Docket No. 14-2539-01.

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**RECOMMENDATION (Approve):**

The Division of Public Utilities (“Division”) has reviewed the joint application between of MegaPath Corporation and GC Pivotal, LLC d/b/a Global Capacity and believes that the transfer of assets and customers is in the public interest. As a result of the acquisition, GC Pivotal, LLC d/b/a Global Capacity should be in a better position to provide expanded and advanced telecommunications and broadband services in the State of Utah.

The Division expects that based on history that a filing of this type and with the information submitted by the company there will be no objections or opposition to this recommendation. Therefore, the Division request that this docket be adjudicated informally in accordance with R746-110-1.

**EXPLANATION:**

On or about October 02, 2014, MegaPath Corporation (“MegaPath”) and GC Pivotal, LLC d/b/a Global Capacity (“Global Capacity”)(together “Applicants”) notified the Commission of a transaction, which will result in a transfer of control of MegaPath to GC Pivotal. The Division has reviewed the notice and found the following:

MegaPath Corporation is a Virginia corporation with principal offices at 6800 Koll Center Parkway, Suite 200, Pleasanton, CA 94566. In Utah, MegaPath is authorized to provide local exchange and interexchange telecommunications services pursuant to Commission authorization

issued in Docket No. 99-2277-01. MegaPath is also authorized by the Federal Communications Commission (“FCC”) to provide international and domestic interstate telecommunications services as a non-dominant carrier.

GC Pivotal, LLC, d/b/a Global Capacity (“Global Capacity”) is a Delaware limited liability company with principal offices located at 180 North LaSalle Street, Suite 2430 Chicago, IL 60601. In Utah, Global Capacity is authorized to provide local exchange and interexchange telecommunications services pursuant to Commission authorization issued in Docket No. 11-2539-01. Global Capacity is also authorized by the FCC to provide international and domestic interstate telecommunications services as a non-dominant carrier.

On September 05, 2014, MegaPath and Global Capacity entered into an agreement whereby Global Capacity intends to purchase network assets and customers from MegaPath. The customers that are being transferred from MegaPath are broadband customers, as MegaPath does not have any voice customers in the State of Utah. The Applicants are anticipating an end of current fiscal year, with the changes taking effect on January 01, 2015. When the transfer has been completed, MegaPath will file as separate request to cancel their Certificate of Public Convenience and Necessity.

The Applicants submit that the transaction is “consistent with the public interest and will not impair the ability of the Applicants to perform services to the public. The Transaction will result in the assignment of certain network assets and the customers served by those assets (*i.e.* broadband data customers) to a company with a history of providing high quality communications services. The Transaction will not only allow Global Capacity to continue to provide high level services to the broadband customers currently served by MegaPath who are part of the Transaction, it will also enable Global Capacity the opportunity to be a competitive alternative for business customers in Utah”.

The Applicants further submit that the transaction will be conducted in a manner that will be largely transparent their customers. The transaction will not result in a change of carrier for customers or any assignment of authorizations, and in no event will it result in the discontinuance, reduction, loss, or impairment of service to customers.

- cc. Katherine K. Mudge, Vice President – Regulatory Affairs & Litigation, MegaPath Corporation
- Jeremy M. Kissel, General Counsel, GC Pivotal, LLC d/b/a Global Capacity
- William J. Evans, Counsel, Parsons Behle & Latimer
- Justin Jetter, Assistant Attorney General, State of Utah
- Cheryl Murray, Utility Analyst, Office of Consumer Services, State of Utah