

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

Application of )  
 )  
**RCLEC, Inc.** )  
 ) Docket No. \_\_\_\_\_  
For a Certificate of Public Convenience and )  
Necessity to Provide Resold and )  
Facilities-Based Local Exchange and )  
Interexchange Services within the State of Utah )

**APPLICATION**

RCLEC, Inc. (“RCLEC” or “Applicant”), by its undersigned counsel and pursuant to Chapter 8b of Title 54 of the Utah Code; the Commission’s Rules of Practice and Procedure, Utah Admin. Code §§ 746-100 et seq.; and the federal Telecommunications Act of 1996, 47 U.S.C. §§ 151 et seq., hereby applies to the Utah Public Service Commission for a certificate of public convenience and necessity authorizing Applicant to operate as a provider of resold and facilities-based local exchange and interexchange telecommunications services in the State of Utah. In support of its application, RCLEC provides the following information pursuant to Utah Admin. Code R746-349:

**1. General information**

**A. Corporate information**

Applicant’s legal name is RCLEC, Inc. Applicant may be reached at its principal place of business:

RCLEC, Inc.  
20 Davis Drive  
Belmont, CA 94002  
Telephone: (650) 472-4100  
Toll Free: (888) 898-4591  
Facsimile: (888) 528-7464

RCLEC was incorporated in Delaware on January 26, 2012. RCLEC's Delaware Certificate of Good Standing and its certificate of authority to transact business as a foreign corporation in Utah are attached as Exhibits A and B.

**B. Contact information**

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

Anita Taff-Rice, Counsel for RCLEC, Inc.  
iCommLaw  
1547 Palos Verdes, #298  
Walnut Creek, CA 94597  
415-699-7885  
925-274-0988 (F)  
[anita@icommlaw.com](mailto:anita@icommlaw.com)

Questions concerning the ongoing operations of Applicant following certification should be directed to:

Jeff Slater, Sr. Director – Voice Gateways  
RCLEC, Inc.  
20 Davis Drive  
Belmont, CA 94002  
Phone: 650-931-6664  
Fax: 650-931-6664  
[jeff.slater@rlec.com](mailto:jeff.slater@rlec.com)

Applicant's registered agent in the State of Utah is:

InCorp Services, Inc.  
5278 S. Piedmont Drive, Suite A250  
Murray, UT 84123

**C. Customer service information**

RCLEC's toll-free number for customer inquiries is (877) 888-3156.

**2. R746-349-3(A)(2) Proof of bond – waiver request**

RCLEC respectfully requests that the Commission grant a waiver from the requirement to show proof of a bond in order to protect customer deposits or other liabilities. RCLEC does not intend to collect customer deposits or offer any pre-paid services and will not offer end user services.

**3. R746-349-3(A)(3). Facilities to be used**

RCLEC will operate in Utah as a wholesale carrier offering services to other providers. To support these services, RCLEC is currently constructing a nation-wide network, which includes a core structure of transport circuits connected to high capacity soft switches and media gateways in carrier hotels in New York, Miami, Los Angeles, San Francisco, Chicago and Dallas. Customer traffic will be picked up at one of two “super POPs” located in Virginia and California where RCLEC’s equipment will be collocated with RCLEC’s customers’ equipment for handoff of traffic, which is then transported across RCLEC’s backbone network to the appropriate switch for routing to a terminating carrier. The super POPs utilize fault tolerant, redundant equipment platforms connected to fully redundant circuits and carrier diverse meshed backbone, ensuring ensure a high level of reliability for customer traffic.

RCLEC will receive and send traffic for Utah customers from providers and will route that traffic to its switch and media gateway located in California. RCLEC will utilize high capacity trunks between the ILECs and RCLEC as well as obtaining backhaul facilities from other carriers to connect to ILEC access tandems or other points of interconnection in order to route traffic to and from Utah end users of RCLEC’s carrier customers. RCLEC will monitor its network serving customers in Utah from a network operation center in California.

RCLEC initially will purchase or lease network facilities from the ILECs or other carriers in Utah, so it does not anticipate engaging in any construction for its initial network deployment. If RCLEC anticipates the need to engage in construction of facilities at a later date, it will obtain all necessary permits and regulatory approval prior to such construction.

**4. R746-349-3(A)(4). Services to be offered**

RCLEC proposes to provide wholesale local exchange service to other telecommunications providers, on both a resale and facilities basis. RCLEC's communications services will be available on a full-time basis, 24 hours a day, seven days a week.

**(a) R746-349-3(A)(4)(a) Classes of customers**

RCLEC seeks to enter the Utah market selling its services to other providers. Essentially, RCLEC intends to provide voice telephony services on a wholesale basis to other providers. Through such arrangements, RCLEC's wholesale customers will be empowered to provide telephony to their retail end user subscribers without expensive and time-consuming installation of telecommunications equipment. These customers will be responsible for determining the actual configuration and combination of services for their retail end user customers.

**(b) R746-349-3(A)(4)(b) Location of service.**

RCLEC will provide service to and from all points in Utah.

**5. R746-349-3(A)(4)(c) Access to standard services**

Once voice services are initiated, RCLEC will provide access to ordinary intraLATA and interLATA message toll calling, but will not provide operator services, directory assistance, directory listings, and emergency services such as 911 and E911. It will be the responsibility of RCLEC's telecommunication provider customers to provide these services either through their own operations or by purchasing those services from underlying carriers.

**6. R746-349-3(A)(6) Implementation schedule**

RCLEC anticipates offering services to other providers on a wholesale basis after the approval of its Application for a CPCN sometime in the last quarter of 2015. The Company will not offer end user service to residential or business customers.

**7. – 8. R746-349-3(A)(7) Professional experience and education of managerial personnel**

Descriptions of the extensive telecommunications and managerial experience of Applicant's key personnel are attached as **Exhibit C**. Responsibility for Utah operations will be handled by Applicant's current management team from its headquarters in Belmont, California.

**9. R746-349-3(A)(9) Chart of accounts**

Request for a chart of accounts is typically necessary with an entity using regulated rate base or rate of return methodology so that authorities can be confident of the proper classification of revenue and expenses for end user pricing calculations. As RCLEC's customers will not be end users, the Applicant requests a waiver from providing a Chart of Accounts.

**10. R746-349-3(A)(10) Financial statements**

RCLEC is financially qualified to provide local exchange telecommunications services in Utah. In particular, RCLEC has access to the financing and capital necessary to conduct its telecommunications operations as specified in this application. Financial statements can be found in **Exhibit D**.

Please note that the information provided in **Exhibit D** is proprietary and has been attached in a sealed envelope marked “**Confidential – Subject to Public Service Commission of Utah Rule R746-100-16.**” As it contains sensitive information regarding RCLEC’s business operations, RCLEC respectfully requests that this information be treated confidentially and not be released to any member of the public absent RCLEC’s prior written permission.

**(a) R746-349-3(A)(9)(a) Balance sheet, income statement and cash flow statement.**

The Company’s Balance Sheet and Income Statement as of December 31, 2014, are attached hereto as **Confidential Exhibit D** which RCLEC respectfully submits as Confidential Information subject to 746-100-16.

**(b) R746-349-3(A)(9)(b) Letter from management**

Exhibit D includes a letter attesting to the accuracy of the financial statements and that the statements were prepared according to GAAP.

**(c) R746-349-3(A)(9)(c) Start-up Company Balance Sheet**

Exhibit D includes RCLEC’s Balance Sheet.

**(d) R746-349-3(A)(9)(d) Financial Statements of Parent Corporation.**

In addition to its own funding, RCLEC is able to rely on its parent company, RingCentral, Inc., for funding in Utah. RingCentral's consolidated financials are included in Exhibit D. RingCentral's latest 10-K report can be accessed at:

<http://ir.ringcentral.com/docs.aspx?iid=4406983>

**11. R746-349-3(A)(11) Financial statements to demonstrate sufficient financial ability on the part of the Applicant's statements.**

**(a) R746-349-3(A)(11)(a) Positive Net Worth**

See **Exhibit D**. Applicant is in a startup phase and is supported by its parent company until it reaches positive net worth.

**(b) R746-349-3(A)(11)(b) Sufficient projected and verifiable cash flow to meet cash needs as shown in a five-year projection of expected operations.**

See **Exhibit D**.

**(c) R746-349-3(A)(10)(c) Proof of bond – waiver requested**

RCLEC respectfully requests that the Commission grant a waiver from the requirement to show proof of a bond in order to protect customer deposits or other liabilities. RCLEC does not intend to collect customer deposits or offer any pre-paid services.

**12. R746-349-3(A)(11). Five-year projection of expected operations.**

**(a) R746-349-3(A)(11)(a) Pro-forma income and cash flow statements.**

See **Exhibit D** for financial projections.

**(b) R746-349-3(A)(11)(b) Types of technology to be deployed.**

RCLEC will continue to deploy the technology specified above in Section 3 of this Application.

**(c) R746-349(A)(11)(c) Maps of facilities locations.**

Please see Section 3 above. RCLEC has no facility construction plans for Utah.

Therefore, location of future facilities and descriptions of the specific facilities to be deployed will be determined based on facilities leased or purchased from ILECs.

**13. R746-349-3(A)(13) Implementation schedule**

RCLEC intends to initiate interconnection negotiations with ILECs during the fourth quarter of 2015, and will make provisions for collocating its equipment either at incumbent carrier central offices or carrier hotels and purchasing network facilities such as trunks. RCLEC intends to begin marketing its services during this same time frame. RCLEC will only provide wholesale services to other providers, and not offer services to residential or business customers.

**14. R746-349-3(14) Technical and managerial abilities**

RCLEC's officers have the necessary managerial and technical resources and qualifications necessary to execute its business plan, to provide its proposed telecommunications services, and to operate and maintain RCLEC's facilities over which such services will be deployed. RCLEC's management team has extensive experience in the telecommunications industry. Biographies of RCLEC's key personnel are attached hereto as **Exhibit C**.

**(a) R746-349-3(14)(a) Proof of certification**

The Company has already received certifications in the District of Columbia (D.C.) and the following states: California (A.12-04-012), Colorado (14A-0468T), Florida (120064),



Georgia (L-0535), Illinois (12-0336), Indiana (44499), Louisiana (S-33536), Maryland (160091), Michigan (U-17573), Minnesota (P6904/NA-13-238), Missouri (TA-2015-0186), Nevada (13-04032), New Jersey (TE12090821), New York (12-00716), Ohio (14-1165-TP-ACE), Oregon (CP 1570), Pennsylvania (A-2014-2403433, 2403434, 2403435), Texas (60895), Washington (140507) and Wisconsin (4945-NC-100). RCLEC has pending authorizations in the Alabama, Arizona, Idaho, North Carolina, Oklahoma, South Carolina, Tennessee, Utah and Virginia. RCLEC has not been denied requested certification in any jurisdiction, nor has it had a permit, license, or certificate revoked by any authority.

**(b) R746-349-3(14)(b) 2 years of recent experience providing telecom service**

Please see **Exhibit C** and response 14(a).

**15. R746-349-3(A)(15). Public interest.**

Approval of RCLEC's application will serve the public interest by creating greater competition in the local exchange marketplace. The public convenience and necessity, therefore, will be served by the issuance of a Certificate of Public Convenience and Necessity to Applicant authorizing it to provide the services described in this application.

**16. R746-349-3(A)(16) Authority to conduct business in Utah**

Please see **Exhibit A**.

**17. R746-349-3(A)(17) Unauthorized switching, solicitation of new customers, and prevention of unauthorized switching.**

No complaints have been made nor has any investigation been undertaken against RCLEC for unauthorized switching ("slamming") or any other illegal activities. RCLEC will not provide dial tone or have any direct contact with end users' telephone numbers.

**18. R746-349-3(A)(18) Applicant's written solicitation policies**

The Applicant's marketing plan, as discussed in this Application, will be limited in nature and focus on the provision of service to other providers. Therefore, the public's exposure to unauthorized switching of customers related to RCLEC's marketing practices will be non-existent.

WHEREFORE, RCLEC, INC, respectfully requests that the Utah Public Service Commission issue a Certificate of Public Convenience and Necessity authorizing RCLEC to provide resold and facilities-based local exchange and interexchange telecommunications services in the State of Utah.

Respectfully submitted,

\s\Anita Taff-Rice

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iCommLaw  
1547 Palos Verdes, #298  
Walnut Creek, CA 94597  
415-699-7885  
925-274-0988 (F)  
[anita@icommlaw.com](mailto:anita@icommlaw.com)

Counsel for RCLEC, Inc.

Dated: August 24, 2015

**VERIFICATION**

STATE: CALIFORNIA

COUNTY: SAN MATEO

I, Bruce Johnson, declare:

I am Secretary of RCLEC, Inc. ("RCLEC") and make this Verification.

I have read the foregoing **APPLICATION OF RCLEC, INC. FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY** and know the contents thereof. I herein attest that the facts are true of my own knowledge.

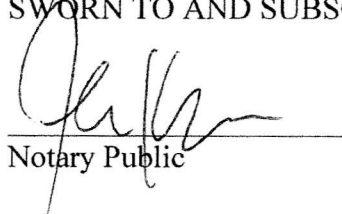
Pursuant to the laws of the State of California, I declare under penalty of perjury that the foregoing is true and correct.

Executed this 13<sup>th</sup> day of August, 2015 at Belmont, California.

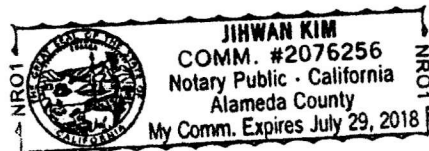


\_\_\_\_\_  
Bruce Johnson  
Secretary  
RCLEC, Inc.

SWORN TO AND SUBSCRIBED before me on the 13<sup>th</sup> day of August, 2015.

  
\_\_\_\_\_  
Notary Public

My commission expires: July 29, 2018



DOCKET NO. \_\_\_\_\_

**CERTIFICATE OF SERVICE**

I CERTIFY that on the 24<sup>th</sup> day of August, 2015, a true and correct copy of the foregoing was served upon the following as indicated below:

By Electronic Mail:

Anita Taff-Rice ([anita@icommlaw.com](mailto:anita@icommlaw.com))

Jeff Slater ([jeff.slater@rlec.com](mailto:jeff.slater@rlec.com))

Public Service Commission of Utah ([psc@utah.gov](mailto:psc@utah.gov))

By U.S. Mail:

Commission Secretary  
Public Service Commission of Utah  
Division of Public Utilities  
160 East 300 South, 4th Floor  
Salt Lake City, UT 84111

/s/ Inna Vinogradov