William J. Evans Parsons Behle & Latimer 201 South Main Street, Suite 1800 Salt Lake City, UT 84111 801-536-6817 (tel) 801-536-6111 (fax) BEvans@parsonsbehle.com

Counsel for Onvoy, Inc.

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

Application of	
Onvoy, Inc. d/b/a Onvoy Voice Services	APPLICATION
for a Certificate of Public Convenience and Necessity to Provide Facilities-Based and Resold Local Exchange, Access, and Interexchange Telecommunications Services in the State of Utah	Docket No

APPLICATION OF ONVOY, INC.

Onvoy, Inc. d/b/a Onvoy Voice Services ("Onvoy" or "Applicant" or "Company"), 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. Onvoy requests that the Commission grant Onvoy authority to provide telecommunications services in Utah.

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

1. Applicant's legal name is Onvoy, Inc. Applicant will use the business name "Onvoy Voice Services" in Utah. Applicant may be reached at its principal place of business:

Onvoy, Inc. 300 South Highway 169, Suite 700 Minneapolis, MN 55426-1137 763-230-2036 (Tel) 952-230-4200 (Fax) www.onvoy.com

2. <u>R746-349-3(A)(16)</u>. Proof of authority to conduct business. Onvoy is a Minnesota corporation with its corporate headquarters located at 300 South Highway 169, Suite 700, Minneapolis, MN 55426-1137. Onvoy is a direct subsidiary of Zayo Group Holdings, Inc., a Delaware corporation. A copy of Onvoy's Articles of Incorporation is attached hereto as <u>Exhibit A</u>. A copy of Onvoy's authority to transact business as a foreign corporation in Utah is attached hereto as <u>Exhibit B</u>. A copy of Onvoy's registration of its business name is attached hereto as <u>Exhibit C</u>.

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

William J. Evans Parsons Behle & Latimer 201 South Main Street, Suite 1800 Salt Lake City, UT 84111 801-536-6817 (tel) 801-536-6111 (fax) BEvans@parsonsbehle.com

and

Jean L. Kiddoo Brett P. Ferenchak Bingham McCutchen LLP 2020 K Street, NW Washington, DC 20006-1806 202-373-6000 (Tel) 202-373-6001 (Fax) jean.kiddoo@bingham.com brett.ferenchak@bingham.com 4. Questions concerning the ongoing operations of Onvoy following certification should be directed to:

Scott Sawyer General Counsel Onvoy 300 South Highway 169, Suite 700 Minneapolis, MN 55426-1137 952-230-4660 (Tel) 952-230-4300 (Fax) scott.sawyer@onvoy.com

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

CT Corporation System 136 East South Temple, Suite 2100 Salt Lake City, UT 84111

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

Onvoy Customer Care 300 South Highway 169, Suite 700 Minneapolis, MN 55426-1137 800-933-1224, option 4 (Toll Free) 952-230-4277 (Fax) customercare@onvoy.com

7. <u>R746-349-3(A)(3)</u>. Facilities to be used. Onvoy will primarily use its own facilities to provide service in Utah. Onvoy may lease facilities of other telecommunications providers, including incumbent local exchange carriers. Onvoy does not expect to resell the services of other telecommunications carriers except possibly those of its affiliates.

8. <u>R746-349-3(A)(4)</u>. Services to be offered.

8(a) <u>R746-349-3(A)(4)(a)</u>. <u>Classes of customers</u>. Onvoy's customers are large enterprise customers and other carriers. At this time, Onvoy does not have plans to serve residential customers, but may do so in the future as market conditions warrant.

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8(b) <u>R746-349-3(A)(4)(b)</u>. Location of service. Onvoy seeks authority to offer interexchange, transit, tandem switching and private line telecommunications statewide. To the extent Onvoy provides basic local exchange service, it will initially do so in the areas served by Qwest and does not plan to provide service in areas of any small or rural local exchange carriers having fewer than 5,000 access lines.¹ However, Onvoy does seek statewide authority so that it may expand into other services as market conditions warrant and as additional service areas become open to competition.

8(c) <u>R746-349-3(A)(4)(c)</u>. Services Offered. Onvoy seeks authority to provide all forms of facilities-based and resold local exchange, access, and interexchange telecommunications services to and from all points in the State of Utah that are currently or become open to competition.

Onvoy provides wholesale local exchange, competitive tandem switching, transit, long distance, intrastate PRI service, direct inward dialing and SS7 services to other local exchange carriers and interexchange carriers, as well as some retail enterprise customers. Onvoy does not plan to offer prepaid local exchange and interexchange services. Onvoy seeks the full range of resold and facilities-based local exchange, access and interexchange authority so that it can have the flexibility in provisioning services in the future.

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

9. <u>R746-349-3(A)(5)</u>. Access to standard services. To the extent that Onvoy provides circuit switched voice service, Onvoy will provide access to ordinary

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

intraLATA and interLATA message toll calling, operator services, directory assistance, directory listings, and emergency services through interconnection with its underlying carrier.

10. <u>R746-349-3(A)(7)</u>. Professional experience and education of managerial personnel and personnel responsible for Utah operations. Onvoy 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 Minneapolis, Minnesota. Descriptions of the extensive telecommunications and managerial experience of Applicant's key personnel are attached hereto as <u>Exhibit D</u>.

11. <u>R746-349-3(A)(1), R746-349-3(A)(9)–(12)</u>. Financial abilities. Onvoy is financially qualified to provide telecommunications services in Utah. Onvoy 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.

11(a) <u>R746-349-3(A)(9). Chart of accounts.</u> Onvoy's chart of accounts including account numbers, names, and brief descriptions is attached hereto as <u>Exhibit E</u>. Please note that the information provided in <u>Exhibit E</u> 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 Onvoy's business operations, Onvoy respectfully requests that this information be treated confidentially and not be released to any member of the public absent Onvoy's prior written permission.

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11(b) <u>R746-349-3(A)(10)(a)-(d)</u>. Financial Statements. Onvoy'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 Onvoy is extremely well-qualified financially to operate and expand its business. Audited financial statements of Onvoy are provided confidentially as <u>Exhibit F</u>. Please note that the information provided in <u>Exhibit F</u> 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 Onvoy's business operations, Onvoy respectfully requests that this information be treated confidentially and not be released to any member of the public absent Onvoy's prior written permission. As shown in the attached information, Onvoy has a positive net worth and is financially qualified to operate within the State of Utah.

11(c) <u>R746-349-3(A)(11)(b)</u>. Sufficient projected and verifiable cash flow. Paragraph 12, below, provides evidence of a sufficient projected and verifiable cash flow to meet cash needs as shown in Onvoy's three-year projection of expected operations.

11(d) <u>R746-349-3(A)(2)</u>, <u>R746-349-3(A)(11)(c)</u>. Bond requirement.

Onvoy respectfully requests a waiver of the requirement in R746-349-3(A)(2)(c) for proof of a bond in the amount of \$100,000. Onvoy will not require Utah retail customers to make a service deposit. Further, as demonstrated by the financial statements provided as <u>Exhibit F</u>, Onvoy has the financial resources to cover other liabilities to telecommunications customers.

12. <u>R746-349-3(A)(12)</u>. Five-year projection of expected operations.

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12(a) <u>R746-349-3(12)(a)</u>. Income and cash flow statements. Attached hereto under seal as <u>Exhibit G</u> is Onvoy's five-year projection of expected operations. Please note that the information provided in <u>Exhibit G</u> 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 Onvoy's business operations, Onvoy respectfully requests that this information be treated confidentially and not be released to any member of the public absent Onvoy's prior written permission.

12(b) <u>R746-349-3(A)(12)(b)</u>. Types of technology to be deployed. Onvoy intends to provide facilities-based telecommunications services primarily using its own facilities. Some of these facilities Onvoy may lease from its affiliates or other carriers. These facilities include fiber and switching (including soft-switching) and routing equipment.

12(c) <u>R746-349(A)(12)(c)</u>. Maps of facilities locations. Initially, Onvoy will utilize the existing facilities of other carriers. While Onvoy may install a softswitch in Utah, Onvoy has not yet determined the exact location of any other future facilities or descriptions of the specific facilities to be deployed in the future.

13. <u>R746-349-3(A)(6)</u>, <u>R746-349-3(A)(13)</u>. <u>Implementation schedule</u>. Onvoy proposes to begin providing telecommunications service in Utah shortly after the Commission's grant of the Certificate pursuant to this Application and as soon as Onvoy acquires certain customers from 360networks (USA) inc. ("360networks"), following the acquisition of 360networks by Onvoy's affiliate, Zayo Group, LLC.²

² See Docket Nos. 11-2289-01 and 11-2536-02 for a description of these transactions.

14. <u>R746-349-3(A)(1)</u>, <u>R746-349-3(A)(14)</u>. <u>Technical and managerial</u> <u>abilities.</u> Onvoy is technically and managerially qualified to provide competitive local exchange and interexchange services in Utah. Onvoy'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 Onvoy's management team, is attached hereto as <u>Exhibit E</u>.

Onvoy is currently authorized to provide telecommunications service in California, Colorado, Indiana, Iowa, Michigan, Minnesota, Montana, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin. Onvoy is in the process of seeking authorization in the following states so that Onvoy can provide services to the customers of 360networks that are expected to be assigned to Onvoy following 360networks acquisition by Zayo: Arizona, Idaho, Nevada, New Mexico, Oregon, Texas, Washington and Wyoming. Onvoy has not been denied requested certification in any jurisdiction, nor has any permit, license, or certificate been revoked by any authority except where Onvoy sought authorization to provide services that were not within the jurisdiction of the state agency.³ Onvoy is also authorized to provide interstate and international telecommunications services by the Federal Communications Commission.

15. <u>R746-349-3(A)(8)</u>. <u>Employees</u>. Onvoy's Utah operations will be directed by its management team located at Onvoy's headquarters in Minneapolis, Minnesota. In

³ In Iowa, the Board of Public Utilities canceled Onvoy's basic local exchange certificate because Onvoy was not offering retail basic local exchange services and, at the time, had no intention of doing so. Onvoy does provide wholesale tandem switching and interexchange services in Iowa on a unregulated or deregulated basis.

lieu of an organizational chart, Onvoy offers the biographies of its key personnel set forth in <u>Exhibit E</u> to satisfy R746-349-3(A)(8).

16. R746-349-3(A)(1), R746-349-3(A)(15). Public interest. Grant of this Application will permit Onvoy to provide telecommunications services to the wholesale customers that Onvoy will obtain from 360networks after the completion of the acquisition of 360networks by Onvoy's affiliate, Zayo. The realignment and transfer of certain assets to consolidate services within the appropriate business unit of Zayo Holdings will reduce reporting and accounting burdens and provide operational efficiencies. Upon taking over the role of 360networks with respect to those customers, Onvoy will continue to deploy and expand a competitive telecommunications infrastructure in the State and 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.

17. R746-349-3(A)(17)–(18). <u>Unauthorized switching, solicitation of new</u> customers, and prevention of unauthorized switching or other illegal activities. Onvoy has not had any complaints filed against it in any jurisdiction. Onvoy is committed to complying with all state and federal rules and regulations governing telecommunications services, including the unauthorized switching of customers and other illegal activities. While Onvoy does not have a written slamming policy, Onvoy intends to comply with all applicable laws.

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Further, Onvoy notes that, at least initially, Onvoy's customers will be other carriers and not retail end-users. Onvoy is seeking the full range of authority in this application so that it has flexibility to expand it service offerings as its business plans and the market permit.

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,

Dated: December 2, 2011

By: /s/ William J. Evans William J. Evans Attorney at Law Parsons Behle & Latimer 201 South Main Street, Suite 1800 Salt Lake City, UT 84111 801-536-6817 (tel) 801-536-6111 (fax) BEvans@parsonsbehle.com Counsel for Onvoy, Inc.