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Date Submitted:

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Petition)	
of Airespring, Inc.)	
)	DOCKET NO.
for Authority to Compete as a)	
Telecommunications Corporation)	REQUEST FOR AGENCY ACTION
and to offer)	
Public Local Exchange)	
Telecommunications Services)	

Airespring, Inc., ("Airespring") hereby requests agency action from the Utah Public Service Commission (the "Commission") pursuant to the Commission's Rules of Practice and Procedure (Utah Admin. Code R746-100) and Section 63-46b-3 of the Utah Administrative Procedures Act. Airespring petitions the Commission for authority to compete as a telecommunications corporation (as defined at Utah Code Ann. § 54-8b-2(7)) and to compete in providing public local exchange telecommunications services (as defined at Utah Code Ann. § 54-8b-2(6)) in Utah. In support of this Request for Agency Action, Airespring alleges as follows:

DESCRIPTION OF PETITIONER

1. Airespring is incorporated in the State of Delaware and is in good standing under the laws of that state. The Company was incorporated on May 24, 2001 as Airespring, Inc.. The Company is authorized to do business as a foreign Corporation in the State of Utah.

2. Airespring, Inc. has no parent company or subsidiaries.

3. Airespring is a Delaware Corporation with offices located at 6060 Sepulveda Blvd., Van Nuys, California 91411; (818) 786-8990 (Phone); and (818) 786-9225 (Fax). The company's contact for customer complaints is Gary Locke, Customer Service Supervisor. The toll-free number for customer service is (888) 389-2899.

The name, address and telephone number (including toll free number from desired Utah service areas) electronic mailing address of the persons responsible for resolving complaints, inquires, and matters concerning rates and price lists and/or tariffs.

Cynthia Firstman, Director of Finance
(888) 389-2899
6060 Sepulveda Blvd., Van Nuys, California 91411
(818) 786-8990 (Phone)
info@airespring.com (E-mail)

4. Airespring was formed in Delaware to provide a comprehensive package of local and long distance telecommunications services to its targeted customers, primarily small to mid-sized business. An organization chart listing all the Company employees currently working or that plan to be working in or for Utah operations, their job titles, and responsibilities is attached hereto as Exhibit 10.

5. Airespring has access to the financial and capital necessary to conduct its telecommunications operations as specified herein. Airespring is financially qualified to provide telecommunications services in the State. Airespring has extensive experience in providing telecommunications services, and is currently providing service in Arizona, Alabama, Arkansas, California, Colorado, Connecticut, District of Columbia, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Virginia, Washington, Wisconsin and Wyoming. Airespring will rely upon existing financial, personnel and technological resources to provide the proposed local exchange services.

6. Airespring is financially and technically qualified to provide public telecommunications services in the State of Utah and has complied with or will comply with all legal requirements to act as a telecommunications corporation and to provide public telecommunications services in the State of Utah.

JURISDICTION

7. The Commission has jurisdiction to supervise and regulate every public utility in the State of Utah, including telephone corporations, under Utah Code Ann. Title 54 (the "Act").

PROPOSED UTAH SERVICES OF Airespring

8. Airespring hereby petitions the Commission for the legal authority as a telecommunications corporation to provide all forms of local exchange telecommunications services. Services will be provided by utilizing the facilities of incumbent local exchange carriers ("LECs") and facilities-based interexchange carriers, such as Qwest, WorldCom, and Global Crossing. Airespring seeks authority to provide the following services:

Interexchange (switched and dedicated services):

- A. 1+ and 101XXXX outbound dialing;
- B. 800/888 toll-free inbound dialing;
- C. Calling cards; and
- D. Data Services.

Local Exchange:

- A. Local Exchange Services that will enable customers to originate and terminate local calls in the local calling area served by other LECs, including local dial tone and custom calling features.
- B. Switched local exchange services, including basic service, trunks, carrier access, and any other switched local services that currently exist or will exist in the future.
- C. Non-switched local services (e.g., private line) that currently exist or will exist in the future.
- D. Centrex and/or Centrex-like services that currently exist or will exist in the future.
- E. Digital subscriber line, ISDN, and other high capacity line services.(the Airespring Services").

Initially, Airespring intends to offer services targeted to the small to mid-sized business customer market within the Airespring Service Territory (defined in paragraph 9).

An implementation schedule pursuant to 47 U.S.C. 252(c) of the Telecommunications Act of 1996 is as follows: The Company intends to commence providing local exchange service for residential and business customers in the 1st quarter of 2013.

9. Applicant seeks statewide authority 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). Specifically, Airespring seeks authority as a reseller of local exchange services in the service areas of Qwest Communications, Inc. and any other existing or future LECs providing service in Utah (the "Airespring Service Territory"). As service will be provided on a statewide basis and will mirror the service areas of certified local exchange carriers, a service area map is not being submitted at this time.

The Applicant will initially be providing resold local exchange service, and will utilize unbundled network elements, to provide local service in the State of Utah. Should the Applicant decide to install facilities in the State of Utah, Applicant is willing to provide detailed maps of proposed locations of facilities including a description of the specific facilities and services to be deployed at each location when the Applicant submits its first price list prior to beginning service in Utah. Airespring's proposed tariff describing its proposed local exchange services and operations, and relevant terms and conditions will be filed hereafter.

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

10. Airespring hereby petitions the Commission for the issuance of a certificate of public convenience and necessity under Utah Code Ann. § 54-4-25 ("Certificate") for the Airespring Service Territory. Airespring alleges as follows:

a. The entry of Airespring into the public intrastate telecommunications marketplace will enhance the public convenience and necessity. Among other things, Airespring's participation will:

(1) Provide a wider private investment in the telecommunications infrastructure of the State of Utah;

(2) Promote consumer choice by expanding the availability of innovative, high quality, reliable and competitively priced public telecommunications services; and

(3) Increase incentives for other providers of public telecommunications services to improve their responsiveness to consumers, to enhance their productive efficiency, to accelerate product innovation and to adjust service prices continually according to market conditions.

b. The public convenience and necessity requires the issuance of a Certificate to Airespring due to, among other things: (1) the significant benefits of the entry of Airespring to the citizens of Utah enumerated above; (2) the continuing changes in the public demand for public telecommunications services; (3) the rapid advance of telecommunications technology; and (4) the market position, managerial skill and technological expertise of Airespring.

c. Before engaging in regulated activities in geographic areas under the jurisdiction of any local public authority, Airespring will secure and submit to the Commission evidence of any required consent, franchise or permit of the local authority.

d. The proposed operations of Airespring will not conflict with or adversely affect the operations of any existing certificated fixed public utility in the Airespring Service Territory within the meaning of Utah Code Ann. § 54-4-25(3).

e. Airespring will not encroach upon, interrupt, overburden, disrupt or otherwise adversely affect the transmission lines, switches or facilities of any existing fixed public utility within the meaning of Utah Code Ann. § 54-4-25(3).

f. The proposed activities and services of Airespring are not an improper extension into the territory certificated to an existing fixed public utility within the meaning of Utah Code Ann. § 54-4-25(3).

g. The issuance of a Certificate to Airespring is a first and necessary step towards implementation of Airespring's offering of the Airespring Services in the Airespring Service Territory. Other related issues can be resolved through private negotiation, through additional proceedings before the Commission or both. However, resolution of all such issues need not delay the issuance of the Certificate to Airespring.

REQUEST FOR EXEMPTION FROM REGULATION

11. To the extent necessary for the Commission to issue a Certificate and to authorize Airespring to provide the Airespring Services in the Airespring Service Territory, Airespring petitions the Commission to exempt Airespring, pursuant to Chapter 8b of the Act, from certain restrictions and limitations of the Act. The requested exemptions would apply solely to Airespring in its capacity as a telecommunications corporation providing the Airespring Services in the Airespring Service Territory.¹ The requested exemptions include:

¹ Under Utah Code Ann. § 54-8b-3(1), the Commission has authority, upon proper findings, to exempt any telecommunications corporation or any public telecommunications service from any requirement of the Act.

a. An exemption to the extent the Commission determines that the Airespring Services will impermissibly conflict with the services of an existing fixed public utility, or that an exclusive territorial certificate has previously been granted to an existing service provider.

b. An exemption from the general rate making and any cost-of-service based pricing requirements relating to the sale of the Airespring Services.

c. An exemption from the requirements of the Act and any rules promulgated under the Act otherwise applicable to a noncompetitive telephone corporation related to the filing of service and class of service limitations, budgeting and budget filing requirements, tariff filings, the filing of contracts, seeking approval for issuance of securities or for transactions with affiliates, reporting transfers of property, and other similar or related filing, notice and reporting requirements.

d. All CLEC Exemptions set forth in R746-349-7, for both Title 53 and Commission rules, including Uniform System of Accounts, Tariff Filings, and Exchange Maps.

The Applicant is willing to accept only those exemptions listed in Utah Administrative Rule R746-349-7.

12. In support of its petition for exemption, Airespring alleges as follows:

a. In providing the Airespring Services in the Airespring Service Territory, Airespring will be subject to effective competition within the meaning of Utah Code Ann. § 54-8b-3(4)(a). Airespring will be subject to effective competition as shown, among other things, by the following:

(1) Each of the Airespring Services is currently offered by incumbent service providers in the Airespring Service Territory. Such incumbents have facilities in place and offer public telecommunications services in the Airespring Service Territory, which are functionally equivalent to or substitutable for the Airespring Services. Therefore, Airespring will face effective competition when Airespring offers the Airespring Services.

(2) Many of the incumbent telecommunications providers in Utah have nearly a century of operating experience in the intrastate public telecommunications marketplace and have clearly demonstrated they possess the technical ability, the economic substance and have in place or can put into service adequate facilities to provide functionally equivalent or substitutable services to intrastate offerings of Airespring at competitive rates, terms and conditions.

(3) Airespring, with its breadth and extent of its existing and planned network operations, and its proven managerial and technological expertise, has the ability to provide to its customers services which are comparable to and competitive with services currently offered in the Airespring Service Territory. Accordingly, competition is both feasible and practical.

(4) While Airespring, as a new entrant in the public telecommunications services market in Utah, will initially have no market share for its services, it is a strong potential competitor for public telecommunications services.

(5) Existing providers, by definition, are not subject to economic or regulatory barriers to entry. A significant barrier to entry for new entrants in the relevant intrastate telecommunications markets Airespring seeks to enter appear to be regulatory in nature and if regulatory barriers to entry are lowered or eliminated, market forces will accelerate the pace of technological advances which will benefit the public through increased choices and potentially lower cost of service.

(6) Upon the relaxation of existing regulatory barriers to entry, Airespring can enter the market and compete with the incumbent telecommunications service providers. In addition, other qualified competitors will have the potential to enter the market and to compete in the providing of public telecommunications services. The entry of Airespring in the marketplace will also increase competition for price and service of public telecommunications services. Competition will create an incentive for existing service providers to enhance their efficiency and to accelerate technological and service innovations. The result of such innovations will be additional and more convenient services, and greater choice in selecting services and service providers, all of which will benefit and promote the public interest. Competition will also increase system redundancies that can eliminate or mitigate the adverse effects of network failures.

(7) Airespring seeks an exemption to the extent necessary to allow Airespring, as a telecommunications corporation, to provide the Airespring Services in the Airespring Service Territory. Granting the proposed exemptions will not in and of itself alter the regulatory status of public telecommunications services provided by other telecommunications corporations, or the status of any other telecommunications corporations.

a. Authorizing Airespring to provide the Airespring Services in the Airespring Service Territory is in the public interest. Currently, a significant proportion of potential customers in the Airespring Service Territory are customers of an incumbent service provider. The entry of Airespring will afford those customers a choice in local exchange services, which choice is not currently available. Additionally, the granting of this request is and will be in the public interest, among other reasons, because of the following:

(1) Competition has emerged for many public telecommunications services that were previously thought to be natural monopolies;

(2) Advancements in telecommunications infrastructure will enhance the public welfare by helping to speed the delivery of new and competitive services;

(3) Increased competition in public telecommunications services will encourage infrastructure development and have beneficial effects on the price, universal availability, variety, and quality of public telecommunications services;

(4) The emergence of competition in public telecommunications services has already contributed, and can be expected to continue contributing, to the modernization of the telecommunications infrastructure;

(5) Competition in the local market will, as in the long distance industry and the communications equipment market, bring lower prices and higher quality services;

(6) A diversity of telecommunications carriers enhances the network reliability by providing redundant capacity, thereby lessening the impact of any network failure;

(7) Increasing the availability of interconnection and interoperability among the facilities of telecommunications carriers will help stimulate the development of fair competition among providers;

(8) Access to unbundled network features and functions will enhance the growth of competition and promote the diversity of services available to the public; and

(9) Access to switched, digital

telecommunications service for all segments of the population promotes the core First Amendment goals of diverse information sources and diverse means of disseminating information by enabling individuals and organizations alike to publish and otherwise make information available in electronic form.

b. Airespring will not have any captive customers because all potential customers of Airespring will have access to reasonably available alternative public telecommunications services.

c. Because the Airespring Services will be subject to effective competition, market pressures will establish prices for the Airespring Services that will not exploit customers and which, if efficiently delivered, will provide a fair return to Airespring. The resulting Airespring rates will be just and reasonable, and the Commission, with respect to Airespring, can replace regulatory rate making, which is only a substitute for effective competition, with actual competition.

RELATED ISSUES

13. Interconnection between Airespring and incumbent service providers is practical and technologically feasible and there are practical and feasible means for treating related interconnection issues such as 911/E911 routing, directory assistance, 800 routing, local area number portability, custom local area signaling services ("CLASS"),² operator services and the development and operation of an open network architecture. Airespring petitions the Commission for legal authority to resolve all such issues to the satisfaction of the Commission, either through private negotiation or through additional proceedings before the Commission. Specifically, Airespring petitions the Commission for an order which:

² CLASS is a generic term for features that require Signaling System 7 connectivity. The most well known feature under this umbrella is Caller Identification, commonly referred to as Caller ID.

a. Authorizes interconnection between Airespring and incumbent service providers in the Airespring Service Territory; and

b. Requires incumbent service providers in the Airespring Service Territory to sell access, interconnection and related services to Airespring on an unbundled basis.

14. Airespring will participate in all existing Commission approved programs and can satisfy statutory requirements relating to the universal availability of public telecommunications services in Utah. While it is the belief of Airespring that the competitive entry it has proposed in this Request for Agency Action will assist, not hinder, universal service, Airespring will, nonetheless, agree to participate in any reasonable program supporting universal availability of public telecommunications services that the Commission.

15. Airespring will further participate in all existing Commission approved programs and can satisfy statutory requirements relating to the provision of 911/E-911 services and Telecommunications Device for the Deaf (TDD).

16. Airespring further petitions the Commission for legal authority to undertake such additional activities as are necessary or incidental to bringing into operation the Airespring Services in the Airespring Service Territory.

NOW, THEREFORE, Airespring respectfully requests that the Commission:

A. Grant to Airespring a Certificate authorizing Airespring to compete as a telecommunications corporation offering the Airespring Local Exchange Services in the Airespring Service Territory.

B. As may be deemed necessary or appropriate by the Commission, issue an order under Chapter 8b of the Act granting Airespring an exemption to the requirements of the Act to allow Airespring:

1. To obtain a nonexclusive Certificate to compete as a telecommunications corporation offering the Airespring Local Exchange Services in the Airespring Service Territory;

2. To price the Airespring Services at market rates; and

3. As set forth in this Request for Agency Action, to operate without the reporting, notice and filing requirements imposed by the Act and applicable Commission rules on noncompetitive telephone corporations.

C. Issue an order under authority of Chapter 8b and Section 54-4-1 of the Act:

1. Authorizing Airespring to interconnect with incumbent service providers in the Airespring Service Territory;

2. Requiring incumbent local exchange telecommunications services providers to offer access, interconnection and related services to Airespring on an unbundled basis.

D. Issue an order authorizing Airespring to undertake such additional activities as are necessary or incidental to bringing into operation the Airespring Services in the Airespring Service Territory.

E. Grant Airespring a waiver of the \$100,000 bond requirement. Airespring will not require advance payments or deposits.

Respectfully submitted this 26th day of September, 2012.

By:

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Counsel for Airespring, Inc.

LIST OF EXHIBITS

1. AIRESRING, INC.'s Profit & Loss for the period ending December 31, 2011 and December 31, 2010, and Balance Sheet as of December 31, 2011 and December 31, 2010
2. STATEMENT REGARDING FACILITIES
3. MANAGEMENT PROFILES
4. CERTIFICATION IN OTHER JURISDICTIONS
5. PROOF OF AUTHORITY TO CONDUCT BUSINESS IN UTAH
6. 5 YEAR PROJECTION OF EXPECTED OPERATIONS
7. STATEMENT REGARDING COMPLAINTS
8. STATEMENT REGARDING WRITTEN POLICIES REGARDING SOLICITATION OF NEW CUSTOMERS AND DESCRIPTION OF EFFORTS MADE TO PREVENT UNAUTHORIZED SWITCHING OF UTAH LOCAL SERVICE
9. CHART OF ACCOUNTS
10. ORGANIZATIONAL CHART

1. AIRESPRING, INC.'s Profit & Loss for the period ending December 31, 2011 and December 31, 2010, and Balance Sheet as of December 31, 2011 and December 31, 2010

FILED CONFIDENTIAL

**Airespring, Inc.
6060 Sepulveda Blvd.
Van Nuys, California 91411**

VIA OVERNIGHT DELIVERY

Utah Public Service Commission
160 East 300 South
Salt Lake City, UT 84145
Att: Ms. Julie Orchard
Commission Secretary

Re: Petition of Airespring, Inc. for Authority to Compete as a Telecommunications Corporation and to Offer Public Local Exchange and Interexchange Telecommunications Services

Dear Ms. Orchard:

Avi Lonstein, President of Airespring, Inc. attests to the accuracy, integrity and objectivity that the statements were prepared in accordance with generally accepted accounting principles and the applicable rules of the Commission.

Sincerely,

David Lonstein
Vice President

Enclosures

cc: Lance J.M. Steinhart, P.C.

UT CLEC Petition

2. STATEMENT REGARDING FACILITIES

Upon initiation of service in Utah, the company proposes to offer resold local exchange services. The company may provide local services utilizing unbundled network elements. Such services will be provided by utilizing the facilities of incumbent local exchange carriers ("LECs") and facilities-based interexchange carriers.

3. MANAGEMENT PROFILES

See Attached

4. CERTIFICATION IN OTHER JURISDICTIONS

Applicant is currently authorized in Arizona, Alabama, Arkansas, California, Colorado, Connecticut, District of Columbia, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Virginia, Washington, Wisconsin and Wyoming. Applicant has not been denied authority for any of the services for which it seeks authority in this Application. Applicant is currently providing service in Arizona, Alabama, Arkansas, California, Colorado, Connecticut, District of Columbia, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Virginia, Washington, Wisconsin and Wyoming.

5. PROOF OF AUTHORITY TO CONDUCT BUSINESS IN UTAH

See Attached

6. 5 YEAR PROJECTION OF EXPECTED OPERATIONS

See Attached.

7. STATEMENT REGARDING COMPLAINTS

Airespring, Inc., has had no formal complaints filed with the FCC or any state regulatory authority, nor have any sanctions been imposed against the company.

8. STATEMENT REGARDING WRITTEN POLICIES REGARDING SOLICITATION OF NEW CUSTOMERS AND DESCRIPTION OF EFFORTS MADE TO PREVENT UNAUTHORIZED SWITCHING OF UTAH LOCAL SERVICE

The company intends to and is willing to abide by and comply with Commission Rule 746-349-3.

The company intends to and is willing to abide by and comply with Commission Rule 746-349-3.

The company's Policy on Slamming is as follows:

Verification of orders

Airespring will not submit a change order for local exchange or intrastate toll service until the change order is confirmed in accordance with one of the following procedure:

(a) Airespring has obtained the customer's written authorization to submit the order which includes the following information from the customer:

- (1) The customer billing name, billing telephone number and billing address and each telephone number to be covered by the change order;
- (2) The decision to change; and
- (3) The customer's understanding of the change fee, if any.

Implementing order changes

(a) Telemarketing orders. Within three business days of any telemarketing order for a change, Airespring will send each new customer an information package by first class mail containing at least the following information concerning the requested change:

- (1) The information is being sent to confirm a telemarketing order placed by the customer.
- (2) The name of the customer's current telecommunications company.
- (3) A description of any terms, conditions or charges that will be incurred.
- (4) The name of the newly requested telecommunications company.
- (5) The name of the person ordering the change.
- (6) The name, address and telephone number of both the customer and Airespring.
- (7) A postpaid postcard that the customer can use to deny, cancel or confirm a service order.
- (8) A clear statement that if the customer does not return the postcard, the customer's service will be switched fourteen days after the date the information package was mailed. If customers have cancelled their orders during the waiting period, Airespring cannot submit the customer's order.
- (9) The name, address and telephone number of a contact point for consumer complaints.

(b) The documentation of the order shall be retained by Airespring, at a minimum, for twelve months to serve as verification of the customer's authorization to change its telecommunications company. The documentation will be made available to the customer upon request.

(c) Customer initiated orders. Airespring when receiving the customer initiated request for a change of local exchange and/or intrastate toll shall keep an internal memorandum or record generated at the time of the request. Such internal record shall be maintained by Airespring for a minimum of twelve months to serve as verification of the customer's authorization to change telecommunications companies. The internal record will be made available to the customer upon request. Within three business days of the order, Airespring will send each new customer an information package by first class mail containing at least the following information concerning the request to change.

9. CHART OF ACCOUNTS

See Attached

10. ORGANIZATIONAL CHART