



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: March 03, 2015

Re: In the Matter of the Application of Vitcom LLC for a Certificate of Public Convenience and Necessity to Provide Facilities-Based and Resold Local Exchange and Interexchange Telecommunications Services within the State of Utah, Docket No.15-2576-01.

RECOMMENDATION (Approve):

The Division of Public Utilities (“Division”) has reviewed the technical, managerial, and financial abilities of the Vitcom, LLC and has found that they have provided the necessary information to fulfill the requirements as stated in the existing Public Service Commission (“Commission”) rules. The Division believes that the public interest will be promoted by recommending that the Commission allow the Vitcom, LLC a Certificate of Public Convenience and Necessity (“CPCN”) as requested under the same terms and conditions allowed in other CPCNs.

The Division also recommends that the \$100,000 bond be waived on the basis that the Applicant will not require customer deposits or prepayments of any kind.

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 February 03, 2015, Vitcom, LLC (“Vitcom or Applicant”) filed an application for a Certificate of Public Convenience and Necessity. The Division reviewed the application and found the following:

Vitcom, LLC is a registered foreign corporation within the State of Utah; with its corporate headquarters located at 14528 36th Street, Suite 203A, Brooklyn, NY 11218.

Vitcom seeks authority to offer interexchange telecommunications statewide. To the extent Vitcom provides basic local exchange service, it will initially do so in the areas served by CenturyLink Communications, Inc. (“CenturyLink”) and does not plan to provide service in areas of any small or rural local exchange carriers having fewer 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. 5 54-8b-2.1 (3) and (4). However, Vitcom 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.

The Applicant intends to provide a full range of telecommunications services to business customers in the incumbent, CenturyLink, exchanges statewide in Utah, consistent with the exchange maps CenturyLink has on file with the Commission. Vitcom does not currently plan to serve residential customers at this time, but may do so in the future as the market conditions

The Applicant does not currently own property in the State of Utah or plan to construct any facilities in the state. The Applicant intends to use the local loops and other existing network facilities where prudent of the local exchange incumbent provider.

The Applicant intends to commence negotiations with CenturyLink Communications for an interconnection/commercial agreement immediately upon receiving approval from the Public Service Commission of Utah to operate as a local exchange telecommunications service provider in the State of Utah.

Vitcom will provide access to local exchange, toll, operator services, directory assistance, directory listings, and emergency services such as 911 and E911 through either facilities-based interconnection or resale services purchased directly from the ILEC.

Summaries of professional experience and education of its managerial personnel demonstrate that the Applicant has considerable experience in the telecommunications industry.

According to financial statements attested to be accurate, objective and with integrity by Zalmen Ashkenazi, President, of Vitcom, LLC the Applicant has a positive net worth and has ample working capital.

The Applicant requests that the \$100,000 bond requirement be waived because it will not require customer deposits or prepayments of any kind.

The Applicant is currently authorized to provide local exchange telecommunications services in Florida, New Jersey, and New York.

Vitcom states that they will comply with Utah law and the Federal Communications Commission's ("FCC's) regulations regarding how interexchange carriers may change a consumer's Primary Interexchange Carrier. VITCOM will also comply with the FCC's regulations regarding how carriers may change a consumer's primary local exchange provider.

The Applicant claims that it has never had any complaints nor has any investigation been undertaken against it or any of its affiliates involving unauthorized switching (slamming) or any other illegal activities. The Applicant also states that it has implemented policies and procedures concerning solicitation of new customers. These policies require that customers sign a contract authorizing the Applicant to provide telecommunications services.

The Applicant asserts that approval of its application will serve the public interest creating and enhancing competition and expanding customer service options. Additionally, the approval of this application will expand the availability of innovative, high quality, reliable and competitively-priced telecommunications services in the State of Utah.

cc: Zalmen Ashkenazi, President, Vitcom, LLC.
Mordy Gross, Attorney for Vitcom, LLC.
Justin Jetter, Assistant Attorney General, State of Utah
Cheryl Murray, Utility Analyst, Office of Consumer Services, State of Utah