



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: November 17, 2016

Re: In the Matter of the Application of Blackfoot Communications, Inc. d/b/a Blackfoot for a Certificate of Public Convenience and Necessity to Provide Telecommunications Services in the State of Utah, Docket Number 16-2592-01.

RECOMMENDATION (Approve):

The Division of Public Utilities (“Division”) has reviewed the technical, managerial, and financial abilities of the Blackfoot Communications, Inc. d/b/a Blackfoot 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 approve Blackfoot Communications, Inc. d/b/a Blackfoot 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 October 20, 2016, Blackfoot Communications, Inc. d/b/a Blackfoot (“Blackfoot or Applicant”) filed an application for a CPCN. The Division reviewed the application and found the following:

Blackfoot Communications, Inc. d/b/a Blackfoot is a registered foreign corporation within the State of Utah; with its corporate headquarters located at 1221 North Russell Street, Missoula, MT 59808. Blackfoot is a wholly owned-subsiary of Blackfoot Telephone Cooperative, Inc.

Applicant seeks authority to offer interexchange and local exchange services on a statewide basis, with the exception of exchange areas with 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. § 54-8b-2.1. If additional areas become open to competition, Blackfoot seeks authority to provide services in those areas. To the extent Blackfoot provides basic local exchange service, it will initially do so in the areas served by Qwest d/b/a CenturyLink on a resale basis or utilizing another authorized CLEC.

Blackfoot seeks authority to provide all forms of facilities-based and resold local exchange, interexchange, and access telecommunications services to and from all points in the State of Utah that are currently or become open to competition. In addition, Applicant intends to provide other, unregulated services including broadband Internet service. Applicant will initially utilize resold services and combinations of network elements provided by underlying carrier(s). Underlying carriers will perform switching, routing and call completion functions. Applicant will transition to facilities-based service provisioning as market forces require.

The Applicant does not currently own property in the state and does not plan to construct any facilities in the state. Responsibility for Utah operations will be handled by Applicant’s current management team from its headquarters in Missoula, Montana. 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 for an interconnection/commercial agreement immediately upon receiving approval from the Commission to operate as a local exchange telecommunications service provider in the State of Utah.

To the extent Blackfoot provides basic local exchange services it will provide access to local exchange, operator services, directory assistance, directory listings, and emergency services such as 911 and E911 either through facilities-based interconnection or resale services purchased from an underlying provider.

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 Jason Williams, COO, Blackfoot Communication, Inc. d/b/a Blackfoot, 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 California, Colorado, Idaho, Montana, Washington, Wyoming.

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: Jason Williams, COO, Blackfoot Communication, Inc. d/b/a Blackfoot
Michelle Owens, Regulatory Specialist, Blackfoot Communication, Inc. d/b/a Blackfoot
Justin Jetter, Assistant Attorney General, State of Utah
Cheryl Murray, Utility Analyst, Office of Consumer Services, State of Utah