



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:** September 19, 2017

**Re:** In the Matter of the Application of SQF, LLC for a Certificate of Public Convenience and Necessity to Provide Local Exchange Telecommunications Services in the State of Utah Docket No.17-2599-01.

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**RECOMMENDATION (Approve):**

The Division of Public Utilities (“Division”) has reviewed the technical, managerial, and financial abilities of the SQF, 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 public interest will be promoted by the Commission granting SQF, 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, a filing of this type and with the information submitted by the company will generate no objections or opposition to this recommendation. Therefore, the Division requests that this docket be adjudicated informally in accordance with R746-110-1.

**EXPLANATION:**

On or about August 29, 2017, SQF, LLC (“SQF or Applicant”) filed an application for a CPCN. The Division reviewed the application and found the following:

SQF, LLC is a registered foreign corporation within the State of Utah; with its corporate headquarters located at 245 Commercial Street, Suite 203, Portland, ME 04101. SQF is a wholly-owned subsidiary of Tilson Technology Management.

SQF seeks authority to offer interexchange telecommunications statewide. To the extent SQF 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, SQF 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 provides wholesale transport, trunks and loops to wireless local loop providers by increasing network coverage and network capacity with its services. SQF deploys small network nodes (low-powered small cellular antennas), facilities-based and leased fiber transport, and routing/switching of comingled voice and data traffic (including local exchange bound service as internet protocol (IP) traffic generated by other retail providers) for its wholesale customers. SQF’s customers include wireless internet service providers (ISP’s) public safety network operators, CLECs, and cellular carriers.

Applicant does not currently own property in the State of Utah, but will acquire or construct any facilities in the state as necessary in order to provide its services. Services will be provided using a combination of fixed lines and microwave links to ensure resiliency

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 that SQF provides basic local exchange service 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 Joshua Broder, President, of SQF, 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 the District of Columbia, Delaware, Florida, Georgia, Maine, Maryland, New Jersey, New York, Oregon, Pennsylvania, Rhode Island, Texas, Virginia, Washington, and West Virginia.

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 states that the Commission's approval of this Application will serve the public interest by creating greater competition in Utah's local exchange marketplace. Grant of this application will have both direct and indirect public benefits. Direct in that the public will use the services offered by SQF; and indirect in that with SQF in the market, the increased competition will provide an incentive for existing carriers to improve their service offerings and become more efficient, productive, and innovative. There are significant economic benefits to allowing for increased competition in the realm of telecommunications services, in particular, a greater ability to attract and retain small and mid-sized businesses in the State. For all of the aforementioned reasons, the public convenience and necessity will be served by the Commission's issuance of a Certificate of Public Convenience and Necessity to the Applicant.

cc: Joshua Broder, President, SQF, LLC.  
Nicholas Bournakel, SQF, LLC.  
Justin Jetter, Assistant Attorney General, State of Utah  
Office of Consumer Services, State of Utah