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Lieutenant Governor

State of Utah
Department of Commerce
Division of Public Utilities

FRANCINE GIANI
Executive Director

CHRIS PARKER
Director, Division of Public Utilities

MEMORANDUM

To: Public Service Commission

From: Division of Public Utilities
Chris Parker, Director
Bill Duncan, Telecommunications / Water Manager
Ron Slusher, Utility Technical Consultant

Date: June 25, 2019

Re: In the Matter of the Application of Commnet Rural America, LLC for a Certificate of Public Convenience and Necessity to Provide Resold and Facilities-Based Local Exchange Telecommunications Service within the State of Utah, Docket No.19-2613-01.

RECOMMENDATION (Approve):

The Division of Public Utilities (“Division”) has reviewed the technical, managerial, and financial abilities of the Commnet Rural America, LLC and has found that it has 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 Commnet Rural America, 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 June 17, 2019, Commnet Rural America, LLC (“Commnet Rural or Applicant”) filed an application for a CPCN. The Division reviewed the application and found the following:

Commnet Rural America, LLC is a registered foreign corporation within the State of Utah; with its corporate headquarters located at 400 Northridge Road, Suite 1100, Atlanta, GA 30350. It is a subsidiary of ATN International, Inc.

Applicant seeks statewide authority so that it may expand into other services as market conditions warrant and as additional service areas become open to competition. Commnet does not plan to provide switched voice services or dial-tone and will not provide such services to residential customers. Instead, it will primarily provide services to other carriers on a wholesale basis.

The Applicant does not currently own property in the state and does not plan to construct any facilities in the state. Applicant will provide its point-to-point transport services through a combination of deploying its own network and facilities, and using services leased from a variety of existing carriers and other suppliers.

Applicant has not yet determined a schedule for deployment of facilities in Utah, but it intends to begin operations by end of year 2019.

Commnet will not provide access to standard intraLATA and interLATA message toll calling, operator services, directory assistance, directory listings, or emergency services such as 911 and E911 through its own operations.

Applicant does not plan to operate an office in Utah and instead will manage its Utah operations from its existing offices in Arkansas, Colorado, Georgia and Massachusetts. Commnet Rural has the managerial and technical qualifications necessary to provide the proposed services in Utah. 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 Rohan Ranaraja, Exec. Director Government and Regulatory Affairs, of Commnet Rural America, LLC the Applicant has a positive net worth and has ample working capital.

Applicant does not intend to collect customer deposits for telecommunications services, offer any pre-paid services and will not offer end use services, it respectfully requests that the Commission grant a waiver for the requirement to show proof of a bond.

The Applicant is currently authorized to provide local exchange telecommunications services in California, Georgia, and Kansas. The Applicant has affiliates authorized to provide similar services in Arizona, New Mexico and Nevada.

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 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:

Rohan Ranaraja, Exec. Director Government and Regulatory Affairs, Commnet Rural America, LLC.

Justin Jetter, Assistant Attorney General, State of Utah
Office of Consumer Services, State of Utah