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*Attorneys for Applicant Hudson Fiber Network Inc*

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**BEFORE THE UTAH PUBLIC SERVICE COMMISSION**

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In the Matter of the Application of HUDSON FIBER NETWORK INC for a Certificate of Public Convenience and Necessity to Provide Resold and Facilities-Based Public Telecommunications Services within the State of Utah	Docket No. 20-2621-01  APPLICATION
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**APPLICATION**

Hudson Fiber Network Inc (“HFN” or “Applicant”), by its undersigned counsel and pursuant to Chapter 8b of Title 54 of the Utah Code; the Commission’s Rules of Practice and Procedure, Utah Admin. Code §§ 746-349-1 et seq.; and the federal Telecommunications Act of 1996, 47 U.S.C. §§ 151 et seq., hereby applies to the Utah Public Service Commission for a certificate of public convenience and necessity (“CPCN”) authorizing Applicant to operate as a provider of resold and facilities-based public telecommunications services in the State of Utah.

In support of its Application, HFN provides the following information pursuant to Utah Admin. Code R746-349:

**I. GENERAL INFORMATION**

**A. Corporate Information**

Applicant's legal name is "Hudson Fiber Network Inc." Applicant may be reached at its principal place of business:

Hudson Fiber Network Inc  
3030 Warrenville Road, Ste. 340,  
Lisle, IL 60532  
Telephone: (630) 505-3800  
www.extenetsystems.com

HFN was formed as a New Jersey corporation on May 6, 2008. HFN's formation documents and its Utah Certificate of Existence are attached as **Exhibit A** and **Exhibit B**, respectively.

Applicant is a direct, wholly owned subsidiary of Hudson Fiber Holdings, Inc. ("HF Holdings"), a Delaware corporation. HF Holdings is a direct, wholly owned subsidiary of ExteNet Systems, Inc. ("ESI"). ESI is a privately held Delaware corporation and a direct, wholly owned subsidiary of Odyssey Acquisition, LLC ("Odyssey"), a Delaware limited liability company. Odyssey is an indirect, wholly owned subsidiary of Mount Royal Holdings, LLC ("Parent"), a Delaware limited liability company. Parent has executive offices located at 750 Park of Commerce Drive, Suite 200, Boca Raton, Florida 33487. Parent has no majority owner, but rather is owned by multiple private equity firms and certain individuals in management of ESI.

**B. Contact Information**

Correspondence or communications pertaining to this Application should be directed to:

William J. Evans  
Adam E. Weinacker  
Parsons Behle & Latimer  
201 South Main Street, Suite 1800  
Salt Lake City, Utah 84111  
801-532-1234 (tel)  
801-536-6111 (fax)  
BEvans@parsonsbehle.com  
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With a copy to:

Ronald W. Del Sesto, Jr.  
Stephany Fan  
Morgan Lewis & Bockius LLP  
1111 Pennsylvania Ave., N.W.  
Washington, DC 20004  
202-739-3000 (tel)  
202-739-3001 (fax)  
ronald.delsesto@morganlewis.com  
stephany.fan@morganlewis.com

Questions concerning the ongoing operations of Applicant following certification should be directed to:

Brian S. Kirk  
Deputy General Counsel  
ExteNet Systems, Inc.  
3030 Warrenville Road, Ste. 340,  
Lisle, IL 60532  
Phone: 630-505-3800  
compliance@util.extenetsystems.com

Applicant's registered agent in the State of Utah is:

Corporation Services Company  
10 E. South Temple, Suite 850  
Salt Lake City, UT 84133

**C. Customer Service Information**

HFN's toll-free number for customer inquiries is 1-888-436-3690.

**1. R746-349-3(A)(1). Technical, Financial, and Managerial Abilities**

Applicant's indirect parent, ESI, will provide all employees' services required to manage and operate HFN's assets and business in Utah. ESI's financial, technical, and managerial qualifications are stated in the body of this Application, specifically in paragraph 11, and in the Exhibits hereto.

**2. R746-349-3(A)(2). Proof of Bond**

Applicant provides proof of a bond in the amount of \$100,000 for customer deposits or other customer and state fund liabilities as **Exhibit E**.

**3. R746-349-3(A)(3). Facilities to Be Used**

Applicant's business is providing communications solutions to enterprise, carrier and governmental customers for each project's needs. Applicant will primarily provide point-to-point telecommunications services such as Private Line, Ethernet, Wavelength, and similar services to wholesale customers (e.g., other carriers and providers), government customers, and health care, education, financial services, and other enterprise customers. Applicant will provide services primarily using facilities owned by ESI and its subsidiaries (collectively, "ExteNet") as well as facilities leased from other carriers,<sup>1</sup> but also seeks authority to provide service via resale arrangements. Applicant provides most of its services using fiber optic cable along with other equipment and facilities to originate, terminate, and amplify signals.

**(a) Description of network**

Applicant, originally founded in 2008, historically has provided high-bandwidth, low-latency fiber-based solutions to customers primarily in Illinois, New Jersey and New York, where

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<sup>1</sup> Applicant does not have existing facilities in Utah, nor does it have any current plans to construct network facilities in Utah. If in the future, Applicant plans to construct facilities, Applicant will comply with all applicable laws and regulations to undertake such construction.

Applicant is authorized to provide intrastate telecommunications service. In addition, Applicant provides domestic (interstate) and international telecommunications services pursuant to Federal Communications Commission authorization. Applicant was acquired by ESI in 2018 and is expanding its network reach and service offerings. Founded in 2002, ExteNet designs, builds, owns and operates distributed networks for use by national and regional wireless service providers in key strategic markets in North America, including Utah. Using fiber-fed distributed antenna systems, small cells, Wi-Fi and other technologies (“DAS”), ExteNet deploys distributed networks to enhance coverage and capacity and enable superior wireless service in both outdoor and indoor environments. Primary markets addressed by ExteNet include outdoor distributed networks in a variety of densely occupied or heavily traveled settings, and venues used for sports and entertainment events, the hospitality industry, commercial buildings, and healthcare facilities. Through HFN, ExteNet also provides private lines or IP-based transport services to other carrier and enterprise customers. In Utah, ESI has received authority to create and administer DAS, through which it provides transport and backhaul services to other carriers. *See* Certificate 2586, Docket No. 16-2586- 01 (issued March 9, 2016).

HFN will not furnish switched voice services or dial tone. HFN’s services are subject to availability of equipment and technical/economic feasibility of constructing or leasing necessary facilities. HFN installs its network equipment on or in existing infrastructure such as utility poles and conduit wherever possible, but it does place its own infrastructure if there are no commercially reasonable options using existing infrastructure.

**4. R746-349-3(A)(4). Services to Be Offered**

**(a) R746-349-3(A)(4)(a). Classes of customers**

Applicant’s business is providing communications solutions to enterprise, carrier and governmental customers for each project’s needs. Applicant will primarily provide point-to-point

telecommunications services such as Private Line, Ethernet, Wavelength, and similar services to wholesale customers (e.g., other carriers and providers), government customers, and health care, education, financial services, and other enterprise customers.

**(b) R746-349-3(A)(4)(b). Location of service**

HFN seeks authority to provide service to and from all points in Utah where demand for its services arises except within any local exchange that has fewer than 5,000 lines and that is owned or controlled by an incumbent telephone corporation with fewer than 30,000 access lines in the state.

**(c) R746-349-3(A)(4)(c). Types of services to be offered**

HFN proposes to operate in Utah offering non-switched point-to-point telecommunications services to wireless carriers and enterprise, carrier and governmental customers on a competitive basis. HFN's communications services will be available on a full-time basis, twenty-four (24) hours a day, seven (7) days a week. Although HFN plans to immediately offer such public telecommunication services to enterprise and governmental customers, it does not presently plan to offer local exchange service in Utah. If in the future it desires to offer local exchange service, it will seek the appropriate authority from the Commission.

**5. R746-349-3(A)(5). Access to Standard Services**

It will be the responsibility of HFN's wholesale customers to provide end user services such as directory assistance, directory listings, operator services and 911 either through their own operations or by making arrangements for those services from underlying carriers.

If HFN desires to provide local exchange service to end users in the future, it will seek to amend its CPCN to provide local exchange service and, at that time, explain how it proposes to provide access to ordinary intraLATA and interLATA message toll calling, operator services, directory assistance, directory listings, and emergency services.

**6. R746-349-3(A)(6). Implementation Schedule**

HFN anticipates offering services as soon as reasonably practicable after receiving approval of its Application for a CPCN.

**7. R746-349-3(A)(7). Professional Experience and Education of Managerial Personnel**

Applicant will be managed and operated by capable, experienced executives and employees of its indirect parent, ESI, which individuals possess extensive managerial, financial and technical experience in the telecommunications industry. ESI's technical and managerial personnel are well qualified to direct the provisioning, delivery, billing and customer service for HFN's proposed services. Descriptions of the extensive telecommunications and managerial experience of ESI's key management personnel and officers are attached as Exhibit C.

**Corporate Officer and Directors**

James Hyde – President  
Richard Coyle – Executive Vice President  
Garth Williams – Executive Vice President and Treasurer  
H. Anthony Lehv – Senior Vice President & Secretary

James Hyde – Director  
Marc Ganzi – Director  
Brian McMullen – Director

**8. R746-349-3(A)(8). Employee Organization Chart**

In lieu of an employee organizational chart, HFN offers the biographies of its key personnel set forth in Exhibit C to satisfy R746-349-3(A)(8). Although HFN's management team will be based in Illinois, it will utilize local labor and other local services and equipment to construct and maintain networks in Utah.

**9. R746-349-3(A)(9). Chart of Accounts**

The financial information contained in Confidential Exhibit D was compiled in accordance with Generally Accepted Accounting Principles ("GAAP"). The requirement for a

chart of accounts is typically necessary with an entity using regulated rate base or rate of return methodology so that authorities can be confident of the proper classification of revenue and expenses for end user price calculations in a monopoly environment. This is not the financial environment surrounding the services offered by HFN. Therefore, Applicant asks that the requirement for a chart of accounts be waived.

**10. R746-349-3(A)(10). Financial Statements**

HFN is financially qualified to provide facilities-based and resold public telecommunications services in Utah. In particular, HFN has access to the financing and capital necessary to conduct its telecommunications operations as specified in this application. Given that Applicant does not maintain financial statements separate from the consolidated financial statements of Applicant's parent company, ESI, for purposes of this Application, Applicant will rely on the audited financial statements of ESI to demonstrate Applicant's financial qualification to operate within the State of Utah. Financial information for ESI, Applicant's parent company, is provided as **Confidential Exhibit D**.

ESI is a privately held company, and its financial information is not publicly available. ESI takes all reasonable steps to protect the privacy of its financial information. In situations where ESI must provide its financial information to other public utilities commissions or governmental entities, it does so under seal and requests confidential treatment. Therefore, the information provided in **Confidential Exhibit D** is proprietary and has been attached in a sealed envelope marked "**Confidential – Subject to Utah Public Service Commission Rules R746-1-602 and 603.**" As it contains sensitive information regarding ESI's business operations, HFN respectfully requests that this information be treated confidentially and not be released to any member of the public absent ESI's prior written permission.



(a) **R746-349-3(A)(10)(a). Balance sheet, income statement and cash flow statement**

The Company's financials are reported on a consolidated basis with its parent company, ESI. A Balance Sheet and Income Statement for ESI are attached hereto as **Confidential Exhibit D**. HFN respectfully requests that this exhibit be treated as Confidential Information subject to R746-1-602 and 603.

(b) **R746-349-3(A)(10)(b). Letter from management**

**Confidential Exhibit D** includes a verification attesting to the accuracy of the financial statements and that the statements were prepared according to GAAP.

(c) **R746-349-3(A)(10)(c). Start-up company balance sheet**

HFN is not a start-up company.

(d) **R746-349-3(A)(10)(d). Financial statements of parent corporation**

A financial statement for HFN's parent company, ESI, is attached as **Confidential Exhibit D**.

11. **R746-349-3(A)(11). Financial Statements to Demonstrate Sufficient Financial Ability on the Part of the Applicant's Statements**

(a) **R746-349-3(A)(11)(a). Positive net worth**

See **Confidential Exhibit D**.

(b) **R746-349-3(A)(11)(b). Sufficient projected and verifiable cash flow to meet cash needs as shown in a five-year projection of expected operations.**

As discussed above, HFN has access to the financing and capital necessary to conduct its telecommunications operations through its parent, ESI. A financial statement for HFN's parent company, ESI, is attached as **Confidential Exhibit D**.

**(c) R746-349-3(A)(11)(c). Proof of bond**

Applicant provides proof of a bond in the amount of \$100,000 for customer deposits or other customer and state fund liabilities as Exhibit E.

**12. R746-349-3(A)(12). Five Year Projection of Expected Operations**

**(a) R746-349-3(A)(12)(a). Pro-forma income and cash flow statements.**

See Confidential Exhibit D for financial status.

**(b) R746-349-3(A)(12)(b). Types of technology to be deployed.**

HFN will deploy the technology specified above in Section 3 of this Application.

**(c) R746-349-3(A)(12)(c). Maps of facilities locations.**

HFN does not have any existing facilities in Utah.

**13. R746-349-3(A)(13). Implementation Schedule**

HFN intends to begin offering its services as soon as reasonably practicable after it receives certification.

**14. R746-349-3(14). Technical and Managerial Abilities**

Pursuant to a Management Agreement between HFN and ESI, ESI will provide all employees' services required to manage and operate HFN's assets and business. ESI's technical and managerial personnel are well qualified to direct the provisioning, delivery, billing and customer service for HFN's proposed services. The senior management of ESI has great depth of experience in the telecommunications industry, and offers extensive telecommunications business, technical, and managerial expertise to HFN. Descriptions of the extensive telecommunications and managerial experience of ESI's key management personnel and officers are attached as Exhibit C.

**(a) R746-3493(14)(a). Proof of certification in other jurisdictions**

Applicant is currently authorized to provide intrastate telecommunications service in the District of Columbia, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Missouri, New Jersey, Nevada, New York, North Carolina, Ohio, Oklahoma, Tennessee, Wisconsin, and Washington. In addition to Utah, Applicant is in the process of seeking authorization to provide intrastate telecommunications services in the following jurisdictions: California (pending), Connecticut, Maryland (pending), and Pennsylvania (pending). Applicant has not been denied requested certification in any jurisdiction, nor has any certification been permanently revoked by any authority.

To avoid duplication of documents submitted to the Commission, Applicant submits as **Exhibit F** certifications from New York and New Jersey.

**(b) R746-349-3(14)(b). 2 years of recent experience providing telecom service**

HFN has provided high-bandwidth, low-latency fiber-base solutions to customers primarily in Illinois, New Jersey and New York for more than two years.

**15. R746-349-3(A)(15). Public Interest**

Granting this Application will promote the public interest by increasing competition in the provision of telecommunications services in Utah. The entry of Applicant into the Utah telecommunications market will enhance competition in the provision of telecommunications services within the State of Utah. By enhancing competition, Applicant will bring significant benefits to telecommunications users within the State of Utah by providing: (a) lower-priced and better-quality service; (b) innovative telecommunications services; (c) efficient use of existing communications resources; and (d) increased diversification and reliability in the supply of communications services. Given that HFN and ESI share the same management team, HFN's

customers will benefit from that team’s knowledge and experience in the Utah market. HFN will operate its networks and offer services designed to meet the individual needs of its customers in providing high-quality services to their end user customers in an efficient and cost-effective manner.

**16. R746-349-3(A)(16). Authority to Conduct Business in Utah**

Please see **Exhibit B**.

**17. R746-349-3(A)(17). Unauthorized Switching, Solicitation of New Customers, and Prevention of Unauthorized Switching**

No complaints have been made nor has any investigation been undertaken against Applicant or any of its affiliates for unauthorized switching (“slamming”) or any other illegal activities. Applicant will not provide dial tone.

**18. R746-349-3(A)(18). Applicant’s Written Solicitation Policies**

Since Applicant does not provide switched voice services to end users currently, Applicant does not have a written solicitation policy. To the extent that HFN provides local exchange services to end users in the future, Applicant will comply with all applicable laws and regulations to prevent the unauthorized switching of local service customers by the Applicant, its employees or agents.

WHEREFORE, HFN respectfully requests that the Utah Public Service Commission issue a Certificate of Public Convenience and Necessity authorizing HFN to provide resold and facilities-based public telecommunications services throughout the State of Utah except in local exchanges that have fewer than 5,000 lines and that are controlled by an incumbent telephone corporation with fewer than 30,000 access lines in the state.

Respectfully submitted this 23rd day of June, 2020.

PARSONS BEHLE & LATIMER

/s/ Adam E. Weinacker

*Attorneys for Applicant Hudson Fiber Network Inc*

## LIST OF EXHIBITS

- EXHIBIT A Formation Documents
  - EXHIBIT B Certificate of Authority to Transact Business in Utah
  - EXHIBIT C Management Biographies
  - EXHIBIT D Financial Information – **Confidential**
  - EXHIBIT E Proof of Bond
  - EXHIBIT F Certifications in Other States
- VERIFICATION