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State of Utah

Department of Commerce Division of Public Utilities

CHRIS PARKER
Executive Director

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Director, Division of Public Utilities

Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Artie Powell, Director

Brenda Salter, Utility Technical Consultant Supervisor

Ron Slusher, Utility Technical Consultant

Date: July 13, 2020

Re: **Docket No. 20-2621-01**, 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.

Recommendation (Approve)

The Division of Public Utilities (“Division”) has reviewed the technical, managerial, and financial abilities of the Hudson Fiber Network, Inc. (“Hudson or Applicant”) 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 Hudson Fiber Network Inc. a Certificate of Public Convenience and Necessity (“CPCN”) as requested under the same terms and conditions allowed in other CPCNs.

Hudson Fiber Network, Inc. submitted proof of a bond in the amount of \$100,000 for customer deposits or other customer and state fund liabilities.

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.

Discussion

On or about June 23, 2020, Hudson Fiber Network, Inc. filed an application for a CPCN. The Division reviewed the application and found the following:

Hudson Fiber Network, Inc. is a registered foreign corporation within the State of Utah; with its corporate headquarters located at 3030 Warrenville Road, Suite 340, Lisle, IL 60532.

The Applicant seeks authority to offer interexchange telecommunications statewide. To the extent Hudson provides basic local exchange service, it will initially do so in the areas served by CenturyLink Communications, Inc. 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. 54-8b-2.1 (3) and (4). However, Hudson 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.

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 ExteNet Systems, Inc., and its subsidiaries as well as facilities leased from other carriers.

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.

It will be the responsibility of Hudson'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.

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 H. Anthony Lehv, Senior Vice President and General Counsel of ExteNet Systems Inc. the Applicant has a positive net worth and has ample working capital.

The Applicant submitted proof of a bond in the amount of \$100,000 for customer deposits or other customer and state fund liabilities.

The Applicant is currently authorized to provide intrastate telecommunications service in the District of Columbia, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Missouri, Nevada, New Jersey, New York, North Carolina, Ohio, Oklahoma, Tennessee, Washington, and Wisconsin.

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 does not provide switched voice services to end users currently, Applicant does not have a written solicitation policy. 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.

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.

Conclusion

Based on the Division's review of the filing, we conclude the public interest will be promoted by the Commission granting Hudson Fiber Network, Inc. a CPCN and request the Commission approve the application.

Cc: William J. Evans, Parsons Behle & Latimer
Ronald W. Del Sesto, Jr., Morgan Lewis & Bockius LLP
H. Anthony Lehv, Senior Vice President and General Counsel, ExteNet Systems Inc.
Justin Jetter, Assistant Attorney General, State of Utah
Office of Consumer Services, State of Utah