

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF TNCI OPERATING)
COMPANY LLC'S APPLICATION FOR A) CASE NO. TOC-T-13-01
CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY TO PROVIDE LOCAL)
EXCHANGE AND EXCHANGE ACCESS) ORDER NO. 32836
TELECOMMUNICATIONS SERVICES)**

On April 30, 2013, TNCI Operating Company LLC (the "Company") applied to the Commission for a Certificate of Public Convenience and Necessity ("CPCN") authorizing the Company to provide resold and facilities-based local exchange and exchange access telecommunications services in Idaho. On May 7, 2013, the Company amended the Application by filing revised price lists.¹ On May 29, 2013, the Commission issued a Notice of Application and Notice of Modified Procedure that solicited public input on the Application and set a June 19, 2013 comment deadline. *See* Order No. 32818. Commission Staff filed the only comments in the case and supported the Company's Application. Having reviewed the record, the Commission approves the Company's Application for a CPCN as set forth below.

THE APPLICATION

In its Application, the Company says it is a Delaware limited liability company that is authorized to do business in Idaho. Its principal place of business is in Santa Barbara, California. The Company is wholly owned by TNCI Holdings LLC, which also is its manager. Application at 3-4.

The Company does not yet provide telecommunications services, but it is authorized to provide them in Montana and is obtaining authority to provide them in all of the contiguous United States, Hawaii, and the District of Columbia. *Id.* at 1-2. Further, the Company is buying the bankruptcy assets of Trans National Communications International, Inc. ("Trans National"), a company that the Commission has authorized to provide local exchange service (including exchange access) in Idaho. *Id.* at 1, *citing* Commission Order No. 29637. According to the Company, these assets include customer accounts and contracts, telecommunications equipment, and where allowed by law, the licenses needed to provide telecommunications services. *Id.* at 7. The Company says it will notify the Commission when the sale is completed. *Id.* at 2.

¹ This Order refers to the Application, as amended, as the "Application."

telecommunications services. *Id.* at 7. The Company says it will notify the Commission when the sale is completed. *Id.* at 2.

The Company does not plan to build new facilities. Rather, it is buying Trans National's assets and operations and will operate that business as configured. *Id.* at 2. The Company intends to provide the same facilities-based and resold local exchange, exchange access telecommunications services to business customers that Trans National provides. *Id.* at 2. The Company says that granting the Application will promote the public interest by permitting Trans National's existing customers to be assigned to a financially stable company that will continue to provide service without interruption. *Id.* at 7.

The Company intends to provide services including: (1) basic local exchange services and ancillary services like custom calling features, (2) dedicated Internet Protocol-enabled, integrated voice and data services, and (3) private line, frame relay and other non-voice services. The Company's network will primarily consist of facilities leased from other carriers, although it may deploy its own facilities. *Id.* at 2. The Company seeks to provide services to and from all points in Idaho that are currently open, and that become open, to competition. *Id.* at 4. The Company will compete with CenturyLink and Verizon to provide local exchange services. *Id.*

The Company has not yet entered into or requested interconnection/resale agreements in Idaho. But the Company has arranged with underlying carriers to assume Trans National's interconnection/resale agreements through the bankruptcy process. *Id.* at 6. The Company plans to use the existing local exchange boundaries and established local calling scope of the incumbent local exchange carriers in Idaho. *Id.*

The Company says it is financially, managerially, and technically qualified to establish and operate its proposed telecommunications business in Idaho. The Company provides pro forma financial information to support its Application. It also notes that its managers have significant experience in the telecommunications industry, and that it will share many of Trans National's personnel. *Id.* at 2-3. The Company represents that its operations will meet high standards for service quality and reliability, and will emphasize customer service. *Id.* at 3 and 7.

The Company says it will comply with Idaho law and rules and will provide service consistent with the Commission's approval of the Application. *Id.* at 4-6.

THE COMMENTS

Staff reviewed the Company's Application to ensure it satisfied the requirements for obtaining a CPCN, including RP 114 (specifying the information to be included in a CPCN application). Based on that review, Staff believes the Company's filing satisfies the Commission's requirements for the issuance of a CPCN. Staff believes the Company understands and will comply with the Commission's rules and requirements. Staff also believes the Company possesses the requisite financial, managerial, and technical qualifications necessary to provide local exchange telecommunications services. Staff thus recommended the Commission issue a CPCN to the Company, subject to the following conditions:

1. The Company must comply with the number pooling and reporting requirements of the North American Numbering Plan Administrator (NANPA).²
2. The Company must comply with all reporting and contribution requirements of Idaho's Universal Service Fund (USF; *Idaho Code* § 62-610; IDAPA 31.46.01), Telecommunications Relay Services (TRS) program (*Idaho Code* § 61-1304; IDAPA 31.46.02); and Telecommunications Service Assistance (TSA) program (*Idaho Code* § 56-904);³
3. The Company must comply with all future reporting requirements that the Commission deems appropriate for competitive telecommunications providers;
4. The Company must file a final price list with all its rates, terms, and conditions with the Commission before the CPCN will issue; and
5. The Company must relinquish its CPCN and all telephone numbers if, within one year of the issuance of a CPCN, the Company is not providing basic local exchange service in Idaho.⁴

DISCUSSION AND FINDINGS

Based on our review of the record, including the Company's Application and Staff's comments, we find that the Company's Application complies with RP 114. We thus approve the

² See Commission Order No. 30425.

³ See Commission Order Nos. 32637, 32524, and 32526.

⁴ "Basic local exchange service' means the provision of access lines to residential and small business customers with the associated transmission of two-way interactive switched voice communication within a local exchange calling area." *Idaho Code* § 62-603(1).

Company's Application for a CPCN to provide local exchange telecommunications services in Idaho, subject to the following conditions: (1) the Company must comply with the NANPA's number pooling and reporting requirements; (2) the Company must comply with all reporting and contribution requirements of Idaho's USF, TRS program, and TSA program; (3) the Company must comply with all future reporting requirements that the Commission deems appropriate for competitive telecommunications providers; (4) the Company must file a final price list with all its rates, terms, and conditions before the CPCN will issue; and (5) the Company must relinquish its CPCN and all telephone numbers if the Company is not providing local exchange telecommunications services in Idaho within one year after the CPCN issues.

ORDER

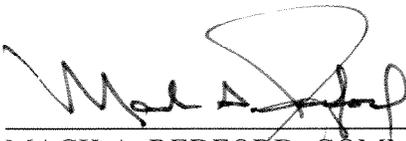
IT IS HEREBY ORDERED that the Company's Application is approved and the Company shall be issued a CPCN subject to the above conditions.

THIS IS A FINAL ORDER. Any person interested in the Order may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 25th
day of June 2013.



PAUL KJELLANDER, PRESIDENT

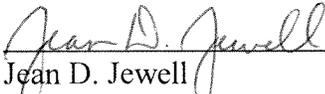


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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