

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

IN RE:	May 7, 2015)	
)	
APPLICATION OF EXTENET SYSTEMS, INC. FOR)	DOCKET NO.
AUTHORITY TO PROVIDE COMPETING LOCAL)	14-00092
EXCHANGE AND INTEREXCHANGE SERVICE)	
)	

INITIAL ORDER GRANTING CERTIFICATE OF
PUBLIC CONVENIENCE AND NECESSITY

This matter came before the Hearing Officer of the Tennessee Regulatory Authority ("Authority" or "TRA") at a Hearing held on April 30, 2015 to consider the *Application of ExteNet Systems, Inc. for a Certificate to Provide Competing Local Telecommunications Services* (the "*Application*") filed by ExteNet Systems, Inc. ("ExteNet" or "Applicant") on September 23, 2014. In its *Application*, ExteNet seeks a Certificate of Public Convenience and Necessity ("CCN") for authority to provide competing local exchange and interexchange telecommunications services in Tennessee.

LEGAL STANDARD

ExteNet's *Application* was made pursuant to and considered in light of the criteria for granting a CCN as set forth in Tenn. Code Ann. § 65-4-201 (Supp. 2014), which provides, in pertinent part:

(a) No public utility shall establish or begin the construction of, or operate any line, plant, or system, or route in or into a municipality or other territory already receiving a like service from another public utility, or establish service therein, without first having obtained from the authority, after written application and hearing, a certificate that the present or future public convenience and necessity require or will require such construction, establishment, and operation, and no person or corporation not at the time a public utility shall commence the construction of any plant, line, system or route to be operated as a public utility, or the operation of which would constitute the same, or the owner or operator

thereof, a public utility as defined by law, without having first obtained, in like manner, a similar certificate . . .

* * *

(c) After notice to the incumbent local exchange telephone company and other interested parties and following a hearing, the authority shall grant a certificate of convenience and necessity to a competing telecommunications service provider if after examining the evidence presented, the authority finds:

(1) The applicant has demonstrated that it will adhere to all applicable commission policies, rules and orders; and

(2) The applicant possesses sufficient managerial, financial, and technical abilities to provide the applied for services.

* * *

Furthermore, pursuant to Tenn. Code Ann. § 65-5-112 (2004), a competing telecommunications provider is required to file with the Authority (1) a plan containing the provider's plan for purchasing goods and services from small and minority-owned telecommunications businesses; and (2) information on programs that might provide technical assistance to such businesses.

HEARING ON THE MERITS

Pursuant to Tenn. Code Ann. § 65-4-204 (2004), public notice of the Hearing in this matter was issued by the Hearing Officer on April 17, 2015. No persons sought intervention prior to or during the Hearing.

I. EXTENET SYSTEMS, INC.'S QUALIFICATIONS

1. ExteNet is a corporation organized under the laws of the State of Delaware and was licensed to transact business in Tennessee by the Secretary of State on July 22, 2014.

2. The complete street address of the registered agent for ExteNet is Corporation Service Company, 2908 Poston Avenue, Nashville, Tennessee 37203. The complete street address of the corporate office of ExteNet is 3030 Warrenville Road, Suite 340, Lisle, Illinois

60532. The telephone number is (630) 245-6067.

3. The *Application* and information in the record indicate that ExteNet has the requisite technical and managerial ability to provide competitive access services and transport telecommunications services within the State of Tennessee. Specifically, ExteNet's senior management team possesses extensive business, technical, operational and regulatory experience.

4. ExteNet has the necessary capital and financial ability to provide the services it proposes to offer.

5. ExteNet has represented that it will adhere to all applicable statutes, policies, rules and orders of the Authority.

II. PROPOSED SERVICES

ExteNet proposes to operate in Tennessee as a wholesale provider offering non-switched dedicated Point-To-Point Private Virtual Circuit Transport Service to Wireless Services Providers ("WSPs") via a distributed Antenna System ("DAS") network. This service is offered to WSPs so they can improve their coverage by filling in "dead spots" or increase their capacity to provide services in geographic areas.

ExteNet's DAS networks begin at the ExteNet Base Station, which contains the Wireless Carrier's circuit terminating equipment known as a Base Transceiver Station, as well as ExteNet's Radio Frequency to Optical conversion equipment and multiplexers. The ExteNet equipment converts Wireless Carriers' Radio Frequency ("RF") signals into optical signals and places those signals onto fiber optic facilities, which transport those signals to one or more remote locations, and then re-convert it back to an RF signal that is transmitted from an antenna at the remote location. This network is bi-directional, and the same components input an RF signal from an antenna at the remote location, convert it to an optical signal, transport it on fiber

optic facilities back to the Base Station, and then re-convert it back to an RF signal that is handed off to WSP equipment located at the Base Station.

ExteNet does not intend to furnish switched voice services or dial tone, and will not provide services to any end user customer. Instead, it will provide service only to other carriers on a wholesale basis. ExteNet's services are subject to the availability of equipment and technical/economic feasibility of constructing or leasing necessary facilities. ExteNet installs its equipment on or in existing infrastructure, such as utility poles and conduit, whenever possible, but it does place its own infrastructure if there are no feasible options using existing infrastructure.

III. PERMITTING COMPETITION TO SERVE THE PUBLIC CONVENIENCE AND NECESSITY

ExteNet's *Application* and its proposed services would inure to the benefit of the present and future public convenience by furthering competition in the telecommunications services markets in the State and fostering the development of an efficient, technologically advanced statewide system of telecommunications services.


IV. SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS PARTICIPATION PLAN AND BUSINESS ASSISTANCE PROGRAM

ExteNet has filed a satisfactory small and minority-owned telecommunications business participation plan, pursuant to Tenn. Code Ann. § 65-5-112 (2004) and the Authority's Rules.

IT IS THEREFORE ORDERED THAT:

1. The *Application of ExteNet Systems, Inc. for a Certificate to Provide Competing Local Telecommunications Services* filed by ExteNet Systems, Inc. is approved.
2. Any party aggrieved by the Hearing Officer's decision in this matter may file a petition for reconsideration within fifteen days from the date of this Order.

3. This Initial Order shall become a Final Order of the Tennessee Regulatory Authority, if no petition for reconsideration or appeal of this Order is filed prior to the expiration of the fifteen-day appeal period.


Monica Smith Ashford, Hearing Officer