

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

February 11, 2016

IN RE:

APPLICATION OF QUANTUMSHIFT
COMMUNICATIONS, INC. D/B/A VCOM SOLUTIONS
FOR AN AMENDMENT TO ITS CERTIFICATE TO
PROVIDE COMPETING LOCAL
TELECOMMUNICATIONS SERVICES

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DOCKET NO.
15-00091

INITIAL ORDER GRANTING CERTIFICATE OF
PUBLIC CONVENIENCE AND NECESSITY

This matter came before the Hearing Officer of the Tennessee Regulatory Authority (the “Authority” or “TRA”) at a Hearing held on February 1, 2016 to consider the *Application of QuantumShift Communications, Inc., d/b/a VCOM Solutions For An Amendment To Its Certificate To Provide Competing Local Telecommunications Services* (the “Application”) filed by QuantumShift Communications, Inc., d/b/a VCOM Solutions (“QuantumShift” or “Applicant”) on September 24, 2015. In its *Application*, QuantumShift seeks a Certificate of Public Convenience and Necessity (“CCN”) for authority to provide competing local exchange and interexchange telecommunications services in Tennessee.

LEGAL STANDARD

QuantumShift’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. 2012), 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 (2015), 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 (2015), public notice of the Hearing in this matter was issued by the Hearing Officer on January 13, 2016. The Hearing was conducted on February 1, 2016. The witness for the *Applicant*, Mr. Gary Storm was allowed to testify by telephone in accordance with the *Order Granting Motion to Allow Witness to Participate by Telephone* issued by the Hearing Officer on January 15, 2016. No persons sought intervention prior to or during the Hearing.

I. QUANTUMSHIFT'S QUALIFICATIONS

1. QuantumShift is a corporation organized under the laws of the State of California and was licensed to transact business in Tennessee by the Secretary of State on May 21, 1999. Operating under the name MVX.com Communications, Inc., QuantumShift was granted a CCN to provide resold telecommunications in Docket No. 99-00677. The Applicant's name was changed to QuantumShift and approved by the Authority in Docket No. 01-00546. In Docket No. 04-00226, the Applicant filed an *Application For Approval of Control* of QuantumShift by VCOM Solutions, Inc. and added the assumed name of VCOM Solutions in Docket No. 08-00112.

2. The complete street address of the registered agent for QuantumShift is National Registered Agents, Inc., 2300 Hillsboro Road, Suite 305, Nashville, Tennessee 37212. The complete street address of the corporate office of QuantumShift is 12657 Alcosta Blvd., 418, San Ramon, CA 94945. The telephone number is (415) 209-7044.

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

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

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

II. PROPOSED SERVICES

In addition to the resale authority it possesses from the Authority, QuantumShift seeks to amend its certification to include facilities-based competitive local exchange and interexchange services in Tennessee. QuantumShift proposes to offer facilities-based and resale local exchange service, PBX trunk service, Centrex service, ISDN BRI/PRI service, Direct Inward Dialing, intra-state interexchange service, data and internet services.¹

The Applicant intends to provide service in the territory of BellSouth Telecommunications, LLC d/b/a AT&T and expand in response to market opportunities. QuantumShift states that it will coordinate with incumbent local exchange carriers for the provision of emergency 911 services, directory publications and directory distribution to local customers, as necessary.²

III. PERMITTING COMPETITION TO SERVE THE PUBLIC CONVENIENCE AND NECESSITY

QuantumShift's *Application* and its proposed services would inure to the benefit of the present and future public convenience by permitting 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

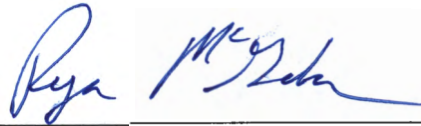
QuantumShift has filed a satisfactory small and minority-owned telecommunications business participation plan, pursuant to Tenn. Code Ann. § 65-5-112 (2015) and the Authority's Rules.

¹ *Application*, Exhibit 7, Pre-filed Testimony of Gary Storm, p. 5 (September 24, 2015).

² *Application*, p. 6-7.

IT IS THEREFORE ORDERED THAT:

1. The *Application of QuantumShift Communications, Inc., d/b/a VCOM Solutions For An Amendment To Its Certificate To Provide Competing Local Telecommunications Services* filed by QuantumShift Communications, Inc., d/b/a VCOM Solutions 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.

A handwritten signature in blue ink, appearing to read "Ryan McGehee", is written over a light gray rectangular background.

Ryan McGehee, Hearing Officer