

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

March 21, 2017

IN RE:

APPLICATION OF UNITED COMMUNICATIONS, INC.
FOR A CERTIFICATE TO PROVIDE COMPETING
LOCAL TELECOMMUNICATIONS SERVICES

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DOCKET NO.
17-00007

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 March 10, 2017 to consider the *Application of United Communications, Inc. for a Certificate to Provide Competing Local Telecommunication Services* (the “*Application*”) filed by United Communications, Inc. (“United” or “Applicant”) on January 18, 2017. In its *Application*, United seeks a Certificate of Public Convenience and Necessity (“CCN”) for authority to provide competing local telecommunications services within the State of Tennessee.

LEGAL STANDARD

United’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 (2015) 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

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(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 a small and minority-owned telecommunications business participation plan which provides a plan containing the provider's plan for purchasing goods and services from small and minority-owned telecommunications businesses and 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 February 28, 2017. No persons sought intervention prior to or during the Hearing. Mr. R. Dale Grimes, counsel for United, appeared personally at the Hearing and facilitated the testimony of Mr. Tommy Welch, Director of Finance and Administration for United. Mr. William Bradford, President and Chief Executive Officer for

United, also appeared in person and made himself available for questions concerning United's application.

Thereafter, Mr. Welch participated in the Hearing, adopted his pre-filed testimony and was subject to examination by the Hearing Officer. During the Hearing, Mr. Welch stated that United operates a fiber rich network that covers 520 square miles in Middle Tennessee, pursuant to a CCN it currently holds to provide competing local exchange carrier services. Mr. Welch also described United's managerial, financial and technical abilities and the history of service provided by both United and its parent company. Upon conclusion of the presentation of its proof, the Hearing Officer granted United's *Application* based upon the following findings of fact and conclusions of law:

I. UNITED'S QUALIFICATIONS

1. United is a corporation organized under the laws of the State of Tennessee, originally established as UTC Video Concepts, LLC and converted to United Communications, Inc. on July 6, 2012 and was licensed to transact business in Tennessee by the Secretary of State on said conversion date.

2. The complete street address of the registered agent for United, Tommy Welch, is 120 Taylor Street, Chapel Hill, Tennessee 37034. The complete street address of the corporate office of United is 120 Taylor Street, Chapel Hill, Tennessee, 37034. The telephone number is (931) 364-2289.

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

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

5. United has represented that it will adhere to all applicable statutes, policies, rules and orders of the Authority.¹

II. PROPOSED SERVICES

United intends to initially offer services in the city of Shelbyville (Bedford County) and the city of Lewisburg (Marshall County), in areas that are contiguous and in close proximity with the present ILEC service area of its parent, United Telephone Company, where it operates regional fiber networks connecting its exchanges and surrounding areas. United expects to offer a broad variety of local exchange service, IP services, and broadband Internet services, primarily to business customers in Tennessee through the use of its own facilities, resold facilities and through a combination of these provisioning methods. Applicant intends to extend its fiber into contiguous areas in order to provide diversified telecommunications services, including, but not limited to, toll, local exchange, access, private line, voicemail, broadband internet, vertical features and related services and intends to build its own facilities and lease facilities as appropriate in order to provide these services. United's initial line of local services will be comparable to that currently offered by incumbent LECs.

III. PERMITTING COMPETITION TO SERVE THE PUBLIC CONVENIENCE AND NECESSITY

United'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.

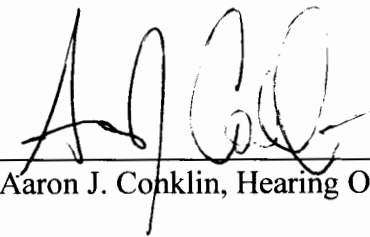
¹ United's parent company, United Telephone Company is an incumbent local exchange carrier ("ILEC") in the service areas designated in the Applicant's petition.

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

United 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.

IT IS THEREFORE ORDERED THAT:

1. The *Application of United Communications, Inc. for a Certificate to Provide Competing Local Telecommunication Services* filed by United Communications, 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.



Aaron J. Conklin, Hearing Officer