

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION**

**NASHVILLE, TENNESSEE**

**November 17, 2017**

**IN RE:**

**APPLICATION OF SQF, LLC FOR A CERTIFICATE TO  
PROVIDE COMPETING LOCAL TELECOMMUNICATIONS  
SERVICES IN TENNESSEE**

**DOCKET NO.  
17-00109**

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**INITIAL ORDER GRANTING CERTIFICATE OF  
PUBLIC CONVENIENCE AND NECESSITY**

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This matter came before the Hearing Officer of the Tennessee Public Utility Commission (the "Commission" or "TPUC") at a Hearing held on November 7, 2017 to consider the *Application of SQF, LLC for a Certificate to Provide Competing Local Telecommunications Services* (the "*Application*") filed by SQF, LLC ("SQF" or "Applicant") on September 26, 2017. In its *Application*, SQF seeks a Certificate of Public Convenience and Necessity ("CCN") for authority to provide competing local telecommunications services within the State of Tennessee.

**LEGAL STANDARD**

SQF'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 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 commission, 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.

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Furthermore, pursuant to Tenn. Code Ann. § 65-5-112, a competing telecommunications provider is required to file with the Commission 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, public notice of the Hearing in this matter was issued by the Hearing Officer on October 27, 2017. No persons sought intervention prior to or during the Hearing. Mr. Timothy Schneider, General Counsel of Tilson Technology Management, the parent company of SQF, appeared telephonically at the Hearing and provided testimony. Mr. Nicholas Bournakel, Administrator of SQF, was also present telephonically at the Hearing on behalf of SQF, but did not offer testimony.

Thereafter, Mr. Schneider participated in the Hearing, adopted and summarized his pre-filed testimony and was subject to examination by the Hearing Officer. During the Hearing, Mr. Schneider offered some revisions to his pre-filed testimony. First, Mr. Schneider indicated that North Carolina, Connecticut and Utah had approved applications to provide telecommunications, where these states had been indicated as pending in SQF's *Application*. In addition, Mr. Schneider testified that an application in Colorado, which was listed as pending in SQF's *Application*, had been withdrawn at the Colorado Commission Staff's request due to a pending change in rules and regulations the telecommunications application approval process in said state. Mr. Schneider indicated that Colorado was developing new forms for such applications and was awaiting receipt of these forms in order to submit a new application. Finally, Mr. Schneider testified that as of November 13, 2017, SQF's office address will change to 16 Middle Street, Fourth Floor, Portland, Maine 04101. The telephone number will remain the same. Mr. Schneider further submitted testimony concerning the financial statements and other exhibits submitted and submitted such documents as part of the record of this matter.

The Hearing Officer opened the floor for public comment, but no member of the public came forward to comment. Upon conclusion of the presentation of its proof, the Hearing Officer granted SQF's *Application* based upon the following findings of fact and conclusions of law:

#### **I. SQF'S QUALIFICATIONS**

1. SQF is a limited liability company organized under the laws of the State of Maine, originally established on July 11, 2012 and authorized to transact business in Tennessee by the Secretary of State on August 10, 2017.

2. The complete street address of the registered agent for SQF, Corporation Service Company, is 2908 Poston Avenue, Nashville, Tennessee 37203. The complete street address of

the corporate office of SQF, as of November 13, 2017, is 16 Middle Street, 4<sup>th</sup> Floor, Portland, Maine 04101. The telephone number is (207) 358-7415.

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

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

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

## **II. PROPOSED SERVICES**

SQF intends to provide wholesale facilities-based point-to-point fiber optic transport services to wireless and other carriers. Said services will be provided via SQF's own hub and fiber optic facilities as well as by leasing facilities from other suppliers. It will not serve any type of end user directly, only providing service to other carriers on a wholesale, non-switched basis, and will therefore, not provide switched voice services or dial tone to wireless service providers or any other end users in the State. SQF will not provide telephone numbers to any end users and will not be requesting and NXXs from NANPA.

## **III. PERMITTING COMPETITION TO SERVE THE PUBLIC CONVENIENCE AND NECESSITY**

SQF's *Application* and its proposed services would inure to the benefit of the present and future public convenience by providing greater, more reliable wireless networks. Further, the public will benefit by permitting competition in the telecommunications services markets in the

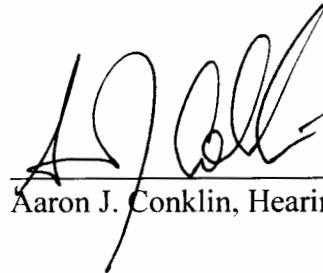
State and fostering the development of an efficient, technologically advanced statewide system of telecommunications services.

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

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

**IT IS THEREFORE ORDERED THAT:**

1. The *Application of SQF, LLC for a Certificate to Provide Competing Local Telecommunications Services in Tennessee* 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 Public Utility Commission, if no petition for reconsideration or appeal of this Order is filed prior to the expiration of the fifteen-day appeal period.



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Aaron J. Conklin, Hearing Officer