

**Before the
South Dakota Public Utilities Commission
Pierre, South Dakota 57501**

In the Matter of)
)
Application of **Clarity Telecom, LLC**) TC16 - _____
d/b/a Vast Broadband for an Amended)
Certificate of Authority to Provide Local)
Exchange Telecommunications Services in the)
Brookings Rural Service Area)
)

APPLICATION FOR AMENDED CERTIFICATE OF AUTHORITY

Clarity Telecom, LLC d/b/a Vast Broadband (“Clarity,” or “Applicant”) files this Application to amend its Certificate of Authority to provide local exchange service in the Brookings, South Dakota service area pursuant to S.D. Codified Laws §§ 49-31-3 and 49-31-69; and S.D. Admin. R. 20:10:32:03 and 20:10:32:15. The issuance of an Amended Certificate of Authority to permit Clarity to provide local exchange service in the Brookings service area is in the public interest.

The following information is furnished in support of this application:

1. The applicant’s name, address, telephone number, facsimile number web page URL, and E-mail address (20:10:32:03(1))

Clarity Telecom, LLC d/b/a Vast Broadband
104 East Center Street, Suite 201
Sikeston, MO 63901
Phone: (573) 481-2263
Facsimile: (573) 475-9460
Attn: James M. Gleason, CEO
jgleason@claritycomm.net

2. A description of the legal and organizational structure of the applicant's company (20:10:32:03(2))

Clarity is a Delaware limited liability. Clarity Telecom Holdings, LLC, a Delaware

limited liability company, is the sole member of Clarity.

3. The name under which applicant will provide local exchange services if different than in subdivision (1) of this section (20:10:32:03(3))

Clarity will do business as and provide service under the name “Vast Broadband.”

4. The location of the applicant's principal office, if any, in this state and the name and address of its current registered agent, if applicable (20:10:32:03(4))

Clarity Telecom, LLC
5100 S. Broadband Lane
Sioux Falls, SD 57108

Corporation Service Company (Registered Agent)
503 South Pierre Street
Pierre, SD 57501-4522

5. A copy of its certificate of authority to transact business in South Dakota from the secretary of state (20:10:32:03(5))

A copy of Clarity’s Certificate of Authority to transact business as a foreign corporation in the State of South Dakota is attached hereto as **Exhibit A**.

6. A description of the applicant's experience providing any telecommunications services in South Dakota or in other jurisdictions, including the types of services provided, and the dates and nature of state or federal authorization to provide the services (20:10:32:03(6))

Clarity, d/b/a Vast Broadband, is a telecommunications company providing high-speed internet, television and digital telephone services for residential and business customers in South Dakota, northwestern Iowa and southwestern Minnesota. Clarity serves cities and communities including Sioux Falls, Rapid City, Spearfish, Luverne, Marshall, Watertown, Strugis, Storm Lake, Yankton, Worthington, Tea and Belle Fourche among many others. As the Commission is aware, in October 2014, Clarity acquired certain local telephone exchanges from Knology of the Plains, Inc.; Knology of the Black Hills, LLC ; Knology; Knology of South Dakota, Inc.; and Black Hills Fiber Systems, Inc.¹ Clarity has been providing local exchange and interexchange

¹ *In the Matter of the Joint Application of Kite Parent Corp. (A Subsidiary of Wideopenwest*

services, broadband services, as well as cable television services since the acquisition of those assets. On August 20, 2015, the South Dakota Public Utilities Commission approved Clarity's request for designation as an Eligible Telecommunications Carrier eligible to receive federal universal service support pursuant to 47 U.S.C. § 254.² By virtue of its designation as an Eligible Telecommunications Carrier in the state of South Dakota, Clarity has been deemed, by the South Dakota Public Utilities Commission to be in compliance with the service requirements imposed on carriers pursuant to 47 U.S.C. § 214(e)(1).

7. Names and addresses of applicant's affiliates, subsidiaries, and parent organizations, if any (20:10:32:03(7))

Clarity Telecom Holdings, LLC (parent).
912 S Main Street, Suite 106
Sikeston, Missouri 63801

8. A list and specific description of the types of services the applicant seeks to offer and how the services will be provided including: (20:10:32:03(8))

- a. Information indicating the classes of customers the applicant intends to serve
- b. Information indicating the extent to and time-frame by which applicant will provide service through the use of its own facilities, the purchase of unbundled network elements, or resale
- c. A description of all facilities that the applicant will utilize to furnish the proposed local exchange services, including any facilities of underlying carriers
- d. Information identifying the types of services it seeks authority to provide by reference to the general nature of the service

Clarity is currently certificated to provide local exchange service throughout the non-rural areas in the state of South Dakota. Clarity is currently formulating its business plans for the

Finance, LLC) and its Subsidiaries Knology of the Plains, Inc., Knology of the Black Hills, LLC, Knology Community Telephone, Inc., Knology of South Dakota, Inc., and Black Hills Fiber Systems, Inc. and Clarity Telecom, LLC Regarding the Sale of Telephone Exchanges to Clarity Telecom, LLC, Transfer of Certificates of Authority, Eligible Telecommunications Carrier Designation, and Relinquishment of Eligible Telecommunications Carrier, Public Utilities Commission of South Dakota, Order, TC14-073 (Sept. 8, 2014).

² *In the Matter of the Request of Clarity Telecom, LLC DBA Vast Broadband for Certification Regarding its Use of Federal Universal Service Support, Public Utilities Commission of South Dakota, Order, TC15-050 (Aug. 24, 2015).*

Brookings service territory, but commits to provisioning local exchange service exclusively through its own facilities.

Pursuant to S.D. Admin. R. 20:10:32:15, Clarity is able to satisfy the service requirements imposed on telecommunications companies seeking authority to provide local exchange service in the service area of a rural telephone company by virtue of its designation as an Eligible Telecommunications Carrier in the State of South Dakota.

9. A service area map or narrative description indicating with particularity the geographic area proposed to be served by the applicant (20:10:32:03(9))

Clarity seeks to provide competitive local exchange service in the Brookings, South Dakota service area.

10. Information regarding the technical competence of the applicant to provide its proposed local exchange services including (20:10:32:03(10))

- a. A description of the education and experience of the applicant's management personnel who will oversee the proposed local exchange services**
- b. Information regarding policies, personnel, or arrangements made by the applicant which demonstrates the applicant's ability to respond to customer complaints and inquiries promptly and to perform facility and equipment maintenance necessary to ensure compliance with any commission quality of service requirements**

Clarity is a broadband service provider currently operating throughout Eastern and Western South Dakota, as well as parts of Iowa and Minnesota. Clarity is managed by a team of experienced telecommunications professionals who have over 120 years of senior leadership experience in the broadband and telecommunications industry. Clarity currently operates over 110,000 connections to its network including more than 35,000 voice lines. Clarity is the primary service provider to many medical, civic, and academic organizations throughout its service area. This service area includes, but is not limited to, Rapid City Regional Health, Pennington County 911, Pennington County Administration Offices, Rapid City Schools, Black Hills State University, and The South Dakota School of Mines and Technology.

Since the beginning of 2015, Clarity has committed to investing nearly \$40,000,000 in capital throughout its network. A significant portion of this investment is dedicated to deploying “Next Generation” technology – for the backbone of the network – to further enhance network reliability as well as creating a scalable infrastructure to meet the future demands of customers and community.

The President and CEO of Clarity is James M. Gleason; its Chief Financial Officer is J. Keith Davidson; and its Executive Vice President and Chief Operating Officer is Larry Eby. Messrs. Gleason, Davision and Eby, were previously the CEO, CFO and COO, respectively, of NewWave Communications.

11. Information explaining how the applicant will provide customers with access to emergency services such as 911 or enhanced 911, operator services, interexchange services, directory assistance, and telecommunications relay services (20:10:32:03(11))

As part of its current service offerings, Clarity provides access to emergency services such as 911 and e911, operator services, directory assistance, and telecommunications relay service (“TRS”). Clarity intends to provide access to emergency services such as 911 and e911, operator services, directory assistance, and TRS as part of its local exchange service offering in the Brookings service territory.

12. For the most recent 12 month period, financial statements of the applicant consisting of balance sheets, income statements, and cash flow statements. The applicant shall provide audited financial statements, if available (20:10:32:03(12))

Clarity seeks waiver from responding to this question. See answer to Question 22.

13. Information detailing the following matters associated with interconnection to provide proposed local exchange services: (20:10:32:03(13))

- a. The identity of all local exchange carriers with which the applicant plans to interconnect
- b. The likely timing of initiation of interconnection service and a statement as to when negotiations for interconnection started or when negotiations are likely to start;
- c. A copy of any request for interconnection made by the applicant to any local

exchange carrier

Clarity plans to interconnect with City of Brookings Telephone, d/b/a Swiftel Communications in the Brookings, South Dakota service area. Clarity plans to begin negotiations to interconnect with City of Brookings Telephone, d/b/a Swiftel Communications in the Brookings, South Dakota service area immediately following the filing of this Petition.

14. A description of how the applicant intends to market its local exchange services, its target market, whether the applicant engages in multilevel marketing, and copies of any company brochures that will be used to assist in sale of the services (20:10:32:03(14))

Clarity will not engage in multilevel marketing. Clarity will market its services through its website and by radio, television and print. Clarity's target market will include the service areas where it has authority to operate. Clarity will also market its service through direct sales using personnel that have telecommunications sales experience.

15. If the applicant is seeking authority to provide local exchange service in the service area of a rural telephone company, the date by which the applicant expects to meet the service obligations imposed pursuant to § 20:10:32:15 and applicant's plans for meeting the service obligations (20:10:32:03(15))

By this application, Clarity is seeking authority to provide local exchange service in the Brookings, South Dakota service territory. Clarity is currently able to provide those services enumerated in response to paragraph 8 of this application, and proposes to begin service within 180 days of the Commission's favorable consideration of the application.

Pursuant to S.D. Admin. R. 20:10:32:15, Clarity is able to satisfy the service requirements imposed on telecommunications companies seeking authority to provide local exchange service in the service area of a rural telephone company by virtue of its designation, by the South Dakota Public Utilities Commission on August 24, 2015, as an Eligible Telecommunications Carrier in the State of South Dakota.

16. A list of the states in which the applicant is registered or certified to provide telecommunications services, whether the applicant has ever been denied registration or certification in any state and the reasons for any such denial, a statement as to whether or not the applicant is in good standing with the appropriate regulatory agency in the states where it is registered or certified, and a detailed explanation of why the applicant is not in good standing in a given state, if applicable (20:10:32:03(16))

Clarity is currently certificated to provide telecommunications services in South Dakota, as well as parts of Iowa and Minnesota.

17. The names, addresses, telephone numbers, E-mail addresses, and facsimile numbers of the applicant's representatives to whom all inquiries must be made regarding customer complaints and other regulatory matters (20:10:32:03(17))

For Regulatory Matters:

Regulatory Compliance Officer
Clarity Telecom, LLC
104 East Center Street, Suite 201
Sikeston, MO 63901
Phone: (573) 481-2263
Facsimile: (573) 475-9460
Email: Regulatory@vastbroadband.com

For Customer Care:

Clarity Telecom, LLC
5100 S. Broadband Lane
Sioux Falls, SD 57108
Residential – (888) 745-2888
Commercial – (866) 991-9722
Email: info@vastbroadband.com

18. Information concerning how the applicant plans to bill and collect charges from customers who subscribe to its proposed local exchange services (20:10:32:03(18))

Clarity will bill customers directly on a monthly basis by utilizing its own software and a third-party billing company for distribution of billings. All billing statements will list the appropriate contact information to contact Clarity including name, address and customer service toll free telephone number for customer inquiries or concerns.

19. Information concerning the applicant's policies relating to solicitation of new customers and a description of the efforts the applicant shall use to prevent the unauthorized switching of local service customers by the applicant, its employees, or agents (20:10:32:03(19))

Clarity will comply with the rules of the FCC and the Commission relating to solicitation of new customers, including obtaining the necessary authorization from new customers in accordance with these rules to prevent unauthorized switching of local service and interexchange customers.

20. The number and nature of complaints filed against the applicant with any state or federal commission regarding the unauthorized switching of a customer's telecommunications provider and the act of charging customers for services that have not been ordered (20:10:32:03(20))

No complaints have been filed regarding the unauthorized switching of a customer's telecommunications provider and the act of charging customers for services that have not been ordered.

21. Information concerning how the applicant will make available to any person information concerning the applicant's current rates, terms, and conditions for all of its telecommunications services (20:10:32:03(21))

Current rates, terms and conditions for telecommunications services will be listed on the website and available to the customer upon request in the local offices.

22. Information concerning how the applicant will notify a customer of any materially adverse change to any rate, term, or condition of any telecommunications service being provided to the customer. The notification must be made at least thirty days in advance of the change (20:10:32:03(22))

Clarity will provide written notice at least thirty days in advance directly to the customer in the event of any materially adverse change to any rate, term, or condition of any telecommunications service.

23. A written request for waiver of those rules believed to be inapplicable (20:10:32:03(23))

Clarity requests waiver of the requirement to submit financial statements for the most

recent 12 month period (see question 12). Clarity's financial statements contain proprietary and competitively sensitive information. The telecommunications services market is highly competitive, and the release of Clarity's financial statements that detail Clarity's cost structure would give other telecommunications providers an unfair competitive advantage. Clarity derives economic value from the fact that its proprietary financial information remains unknown to competitors. Therefore, Clarity requests waiver from answering Question 12 of this application.

While Clarity seeks waiver from the requirement to submit financial statements for the most recent 12 month period, Clarity has demonstrated its financial stability and capability to provide telecommunications service in the State of South Dakota. In fact, the South Dakota Public Utilities Commission voted unanimously to transfer the local exchange and interexchange certificate of authorities held by Knology CT, Knology Plains, and Knology Black Hills to Clarity on September 8, 2014. In doing so, the South Dakota Public Utilities Commission specifically held that Clarity "demonstrated sufficient technical, financial, and managerial capabilities to offer telecommunications services in South Dakota" pursuant to S.D. Codified Laws §§ 49-31-3, and 49-31-71. In addition, On August 20, 2015, the South Dakota Public Utilities Commission approved Clarity's request for designation as an Eligible Telecommunications Carrier eligible to receive federal universal service support pursuant to 47 U.S.C. § 254.

Clarity is financially capable and willing to provide robust telecommunications service in South Dakota, and hereby requests waiver from Question 12 and the requirement to submit financial statements for the most recent 12 month period.

24. Federal tax identification number and South Dakota sales tax number (20:10:32:03(24))

Federal tax identification number: 46-2667900

South Dakota Sales Tax license number: 1028-7423-STMC

WHEREFORE, Clarity Telecom, LLC d/b/a Vast Broadband, respectfully requests that the South Dakota Public Utilities Commission enter an order granting this Application, and such other relief as may be just and proper.

Respectfully Submitted,

Michael C. Sloan

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