

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

**IN THE MATTER OF THE APPLICATION OF)
GC PIVOTAL, LLC FOR A CERTIFICATE OF)
AUTHORITY TO PROVIDE INTEREXCHANGE)
TELECOMMUNICATIONS SERVICES AND)
LOCAL EXCHANGE SERVICES IN SOUTH)
DAKOTA)**

**ORDER GRANTING
CERTIFICATE OF
AUTHORITY**

TC11-008

On February 25, 2011, the Public Utilities Commission (Commission) received an application from GC Pivotal, LLC (Pivotal) for a certificate of authority to provide local and long distance telecommunications service in South Dakota. Pivotal is a newly formed operating company that was formed to facilitate the ability of its indirect parent, FFN Investments, LLC (FFN), to acquire the telecommunications assets currently held by Global Capacity Group (GCG) and Global Capacity Direct, LLC (f/k/a Vanco USA Direct, LLC) (GCD) and then operate those assets. FFN is the direct 100% parent of Pivotal Global Capacity, LLC (Pivotal Holdco), which in turn owns 100% of Pivotal. FFN is a management company owned and controlled by a series of trusts formed for the benefit of F. Francis Najafi and his family members. Global Capacity Group, LLC and Vanco Direct USA, LLC are currently certificated by the Commission to provide local and long distance service in South Dakota. Pivotal intends to offer resold data circuits by utilizing the facilities of incumbent local exchange carriers and other facilities-based carriers. No voice services will be provided. Pivotal intends to provide interexchange services on a statewide basis, and local exchange services in areas that are not eligible for a small or rural carrier exemption pursuant to Section 251(f)(1) of the Federal Act. The deadline for intervention was March 18, 2011. No petitions to intervene or comments were received by the Commission.

At the April 5, 2011, meeting, the Commission considered Pivotal's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to the condition that Pivotal not offer any prepaid services (including prepaid calling cards) and not accept or require any deposits or advance payments without prior approval of the Commission, and subject to rural safeguards.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-31, specifically 49-31-3 and ARSD 20:10:24:02 and 20:10:32:03. The Commission finds that Pivotal has met the legal requirements established for the granting of a certificate of authority. Pivotal has, in accordance with SDCL 49-31-3, demonstrated sufficient technical, financial and managerial capabilities to offer telecommunications services in South Dakota.

The Commission approves Pivotal's application for a certificate of authority subject to the condition that Pivotal not offer any prepaid services (including prepaid calling cards) and not accept or require any deposits or advance payments without prior approval of the Commission, and subject to rural safeguards. The certificate of authority for Pivotal shall authorize it to provide local and long distance telecommunications service in South Dakota, except in those areas served by a rural telephone company. In the future, should Pivotal choose to provide local exchange services statewide, with respect to rural telephone companies, Pivotal will have to come before the Commission in another proceeding before being able to provide local service in that rural service area pursuant to 47 U.S.C. § 253(f) which allows the Commission to require a company that seeks to provide service in a rural service area to meet the requirements in 47 U.S.C. § 214(e)(1) for designation as an eligible telecommunications carrier. In addition, the granting of statewide certification will not affect the exemptions, suspensions, and modifications for rural telephone

companies found in 47 U.S.C. § 251(f).

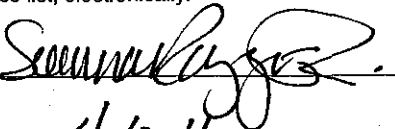
It is therefore

ORDERED, that Pivotal's application for a certificate of authority to provide interexchange telecommunications services and local exchange services is granted, subject to the condition that Pivotal not offer any prepaid services (including prepaid calling cards) and not accept or require any deposits or advance payments without prior approval of the Commission, and subject to rural safeguards. It is


FURTHER ORDERED, that this certificate of authority authorizes Pivotal to offer its local exchange services in South Dakota, except in those areas served by a rural telephone company. It is

FURTHER ORDERED, that this order constitutes Pivotal's certificate of authority as described above.

Dated at Pierre, South Dakota, this 6th day of April, 2011.

<p style="text-align: center;">CERTIFICATE OF SERVICE</p> <p>The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically.</p> <p>By: <u></u></p> <p>Date: <u>4.6.11</u></p> <p style="text-align: center;">(OFFICIAL SEAL)</p>
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BY ORDER OF THE COMMISSION:


STEVE KOLBECK, Chairman


GARY HANSON, Commissioner


CHRIS NELSON, Commissioner