BEFORE THE PUBLIC UTILITIES COMMISSIOIN OF THE STATE OF SOUTH DAKOTA

In the matter of the Application of)	
)	
Onvoy, Inc. d/b/a Onvoy Voice Services)	Docket No.
)	
for a Certificate of Authority to)	
Provide Facilities-Based and Resold)	
Local Exchange Telecommunications)	
Services in South Dakota)	

APPLICATION OF ONVOY, INC. D/B/A ONVOY VOICE SERVICES

I. <u>INTRODUCTION</u>

Pursuant to S.D.C.L. § 49-31-3 and Administrative Rules of South Dakota ("ARSD") 20:10:32:03, Onvoy, Inc. d/b/a Onvoy Voice Services ("Applicant" or "Onvoy") respectfully seeks a Certificate of Authority to provide facilities-based and resold local exchange and access services in the State of South Dakota. Applicant was granted a Certificate of Authority to provide interexchange telecommunications services for several border exchanges. Applicant's Certificate of Authority for interexchange telecommunications services was amended to extend interexchange service to the entire state of South Dakota.

II. QUALIFICATIONS

In accordance with South Dakota Administrative Rules 20:10:32:03, Applicant provides the following information:

In the Matter of the Registration of Minnesota Independent Interexchange Corporation D/B/A Polaris Telcom to provide Interexchange Toll Service to the Customers of Farmers Mutual Telephone Company and Valley Telephone Company, Order Granting Registration and Approving Tariff, Docket. No. TC92-071 (July 31, 1992). Minnesota Independent Interexchange Corporation merged into Onvoy, its parent company, resulting in the transfer of the Certificate to Onvoy.

In the Matter of Application of Onvoy, Inc. for an Amended Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota, Order Granting Amended Certificate of Authority, Docket No. TC05-84 (Sept. 21, 2005).

(1) <u>20:10:32:03(1).</u> The applicant's name, address, telephone number, facsimile number, web page URL and e-mail address:

Onvoy, Inc. d/b/a Onvoy Voice Services 300 South Highway 169, Suite 700

Minneapolis, MN 55426 Telephone: (763) 230 – 2036 Toll Free: 1- 800 933-1224 Facsimile: (952) 230 – 4200 URL: www.onvoy.ocm

Email: customerservice@onvoy.com, ovsnocticket@onvoy.com,

ovsbillingccticket@onvoy.com

Correspondence or communications pertaining to this Application should be directed to:

Jean L. Kiddoo Brett P. Ferenchak Bingham McCutchen LLP 2020 K Street, NW Washington, DC 20006 (202) 373-6697 (Tel) (202) 373-6001 (Fax) jean.kiddoo@bingham.com brett.ferenchak@bingham.com

with copies to:

Scott Sawyer General Counsel Onvoy 300 South Highway 169, Suite 700 Minneapolis, MN 55426-1137 952-230-4660 (Tel) 952-230-4300 (Fax) scott.sawyer@onvoy.com

(2) <u>20:10:32:03(2).</u> A description of the legal and organizational structure of the Applicant's company:

Applicant is a corporation organized under the laws of the State of Minnesota. A copy of the Applicant's articles of incorporation is attached hereto as Exhibit A. A copy of Onvoy's authority to transact business as a foreign corporation in South Dakota is attached hereto as Exhibit B. Applicant has been in business since 1988.

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

Applicant will provide telecommunications under the business name Onvoy Voice Services. A copy of Onvoy's registration of its business name is attached hereto as Exhibit C.

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

Applicant does not currently have an office in South Dakota. Applicant's registered agent in South Dakota is:

CT Corporation System 319 S. Coteau Street Pierre, SD 57501

(5) <u>20:10:32:03(5).</u> A copy of its certificate to transact business in South Dakota from the Secretary of State:

A copy of Applicant's certificate to transact business in South Dakota is attached as Exhibit B.

(6) <u>20:10:32:03(6)</u>. A description of the applicant's experience providing any telecommunications business 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 services:

Onvoy has been providing telecommunications since 1988, and since 1992 in South Dakota. Onvoy currently provides local exchange, access and/or interexchange telecommunications service in the following states where it is authorized to do so: California, Colorado, Indiana, Iowa (IXC), Michigan, Minnesota, Montana, Nebraska (IXC), Nevada, North Dakota, Ohio, Oregon, South Dakota (IXC), Utah, Washington and Wisconsin.

Onvoy is in the process of seeking authorization in the following states so that Onvoy can provide (a) services to the customers of its affiliate, 360networks (USA) inc., that may be assigned to Onvoy and (b) wholesale local exchange, competitive tandem switching, transit and other access services to other potential customers: Arizona, Idaho, Nebraska (local exchange),

New Mexico, Texas (local exchange) and Wyoming. Onvoy is has a pending application seeking authorization to provide intrastate telecommunications in New York. Onvoy is also authorized to provide interstate and international telecommunications services by the Federal Communications Commission.

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

Applicant is a wholly owned direct subsidiary of Zayo Group Holdings, Inc. ("Zayo Holdings"), a Delaware company. Zayo Holdings is a wholly owned subsidiary of Communications Infrastructure Investments, LLC ("CII"), a Delaware limited liability company. Holdings and CII have a principal business address of 400 Centennial Parkway, Suite 200, Louisville, Colorado 80027. CII is a privately held company and has no majority owner.

Applicant currently has three subsidiaries: Minnesota Independent Equal Access Corporation, Zayo Enterprise Networks, LLC and VOIP 360, Inc. Attached as <u>Exhibit D</u> is an corporate structure chart showing Applicant's parent, affiliates, and wholly owned subsidiaries.

- (8) <u>20:10:32:03(8).</u> A list and specific description of the types of services the applicant seeks to offer and how the services will be provided including:
 - (a) Information indicating the classes of customers the applicant intends to serve:

Onvoy's customers are carriers and large enterprise customers. At this time, Onvoy does not have plans to serve residential customers, but may do so in the future as market conditions warrant.

(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:

Applicant expects to provide service through a combination of its own facilities and the facilities of other carriers. Specifically, Applicant expects to use its own switching equipment

but also will utilize other network facilities of other carriers to provide service. Applicant expects to begin providing service shortly after this application is granted. While Applicant does not expect to provide service via resale, Applicant seeks the full range of facilities-based and resale services to that it can expand its services as the market permits.

(c) A description of all facilities that the applicant will utilize to furnish the proposed local exchange services, including any facilities of underlying carriers:

Please see response to (b), above.

(d) Information identifying the types of services it seeks authority to provide by reference to the general nature of the service.

Onvoy seeks authority to provide all forms of facilities-based and resold local exchange, and access telecommunications services to and from all points in the State of South Dakota that are currently or become open to competition. Onvoy does not seek authority to provide service in the services areas of small or rural local exchange carriers at this time. Onvoy provides wholesale local exchange, competitive tandem switching, transit, long distance, intrastate PRI service, direct inward dialing and SS7 services to other carriers, as well as some retail enterprise customers. Onvoy seeks the full range of resold and facilities-based local exchange and access authority so that it can have the flexibility in provisioning services in the future.

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

Initially, Applicant intends to provide local exchange service in the areas served by CenturyLink (Qwest) and does not plan to provide service in areas of any small or rural local exchange carriers. However, Applicant seeks authority to provide services in all areas that are currently or become open to competition so that it may expand into other service areas as market conditions warrant. Applicant's exchanges will mirror those of the incumbent local exchange

carrier (initially, only CenturyLink (Qwest)) in whose service territories Applicant will provide service. Therefore, Applicant has not included a map showing proposed service areas.

- (10) <u>20:10:32:03(10)</u>. Information regarding the technical competence of the applicant to provide its proposed local exchange services including:
 - (a) A description of the education and experience of the applicant's management personnel who will oversee the proposed local exchange services:

A description of the background of Applicant's key personnel, which demonstrates the extensive telecommunications experience of Applicant's management team, is attached as Exhibit E.

(b) Information regarding polices, personnel, or arrangements made by the applicant with demonstrates the applicant's ability to respond to customer complaints and inquires promptly and to perform facility and equipment maintenance necessary to ensure compliance with any commission quality of services requirements:

Applicant's customer service representatives handle all initial customer disputes.

Customers can reach Applicant's customer care by calling toll free 1-800-933-1224, option 4 or by emailing to customerservice@onvoy.com. Customers can also reach Customer Care from its web page and may submit an online ticket or email.³

The Applicant maintains a network operations center (NOC) staffed 24 hours a day.

Customers can call the Applicant's toll free number, 1-800-933-1224 to report problems or go on line on the Applicant's web site and submit a trouble ticket.

Applicant prides itself on providing good customer service for its customers. Customer Care representatives are available from 8 am to 5pm Monday through Friday. All calls to customer care outside of the work week which includes week nights and weekends are answered by a live Company operator.

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³ http://www.onvoy.com/contact_custcare.html

(11) <u>20:10:32:03(11).</u> 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:

Applicant is capable through its own operators of providing the full range of operator services and local and interstate directory assistance. Applicant is already an approved interexchange telecommunications services in the state of South Dakota. Applicant has numerous direct connections with all the major/nation wide interexchange carriers to accommodate request to be picked to a specific IXC. Applicant will provides access to all local customers to state or federal telecommunications relay services. 911 service will be provided by an underlying carrier or third party provider of 911 services.

(12) <u>20:10:32:03(12).</u> 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 statement, if available:

The Commission previously determined that Applicant is financially qualified to provide interexchange services. Similarly, Applicant is well-qualified financially to provide local exchange and access services within the State of South Dakota. In support of Applicant's financial qualification, Applicant's most recent audited financial statements are provided *under seal* as Exhibit F. Applicant is a privately held company and as such its financial statements are not readily available to the public. Applicant, therefore, request confidential treatment of its financial statements.

- (13) <u>20:10:32:03(13).</u> Information detailing the following matters associated with interconnection to provide proposed local exchanges services:
 - (a) The identity of all local exchange carriers with which the applicant plans to interconnect:

Applicant plans to interconnect with CenturyLink (Qwest).

(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:

Applicant will initiate negotiations with the LEC shortly after this application with the Commission.

(c) A copy of any request for interconnection made by the applicant to any local exchange carrier:

Applicant has not yet made a request for interconnection with any local exchange carrier in South Dakota.

(14) <u>20:10:32:03(14)</u>. 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:

Applicant will not engage in multilevel marketing of its services. Applicant will initially directly market its services to its customers (currently, large enterprise customers and other carriers). Applicant may also utilize sales agents to solicit customers by telephone or in person.

(15) <u>20:10:32:03(15)</u>. 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 applicants plans for meeting the service obligations:

At this time, Applicant is not seeking authority to provide local exchange service in the service areas of any rural telephone company. Applicant seeks to provide local exchange services only in service areas of Qwest or that are currently open or in the future become open to competition. To the extent that Applicant seeks to provide local exchange service in the service areas of a small or rural telephone company in the future, Applicant will file an application to expand its Certificate of Authority to include that service areas and will comply with the applicable service obligations imposed by ARSD 20:10:32:15.

(16) 20:10:32:03(16). A list of the states in which applicant is registered or certified to provide telecommunications services, whether the applicant has even been denied registrations or certification in any state and the reasons for the denial, a statement as to whether or not the applicant is in good standing with 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:

Onvoy is currently authorized to provide local exchange and/or interexchange telecommunications service in California, Colorado, Indiana, Iowa (IXC), Michigan, Minnesota, Montana, Nebraska (IXC), Nevada, North Dakota, Ohio, Oregon, South Dakota (IXC), Utah, Washington and Wisconsin. Onvoy is in the process of seeking authorization in the following states so that Onvoy can provide services to the customers of its affiliate, 360networks (usa) inc., that may be assigned to Onvoy: Arizona, Idaho, Nebraska (local exchange), New Mexico, Texas (local exchange) and Wyoming. Onvoy is has a pending application seeking authorization to provide intrastate telecommunications in New York. Onvoy has not been denied requested certification in any jurisdiction, nor has any permit, license, or certificate been revoked by any authority except where Onvoy sought authorization to provide services that were not within the jurisdiction of the state agency.⁴ Onvoy is also authorized to provide interstate and international telecommunications services by the Federal Communications Commission ("FCC").

To Applicant's knowledge, Applicant is in good standing with the FCC and each regulatory agency in the states where it is registered or certified.

In Iowa, the Board of Public Utilities canceled Onvoy's basic local exchange certificate because Onvoy was not offering retail basic local exchange services and, at the time, had no intention of doing so. Onvoy does provide wholesale tandem switching and interexchange services in Iowa on a unregulated or deregulated basis.

(17) 20:10:32:03(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:

All complaints should be directed to:

Customer Care Onvoy, Inc. d/b/a Onvoy Voice Services 300 South Highway 169, Suite 700 Minneapolis, MN 55426 Toll Free: 1-800-933-1224

E-mail: customerservice@onvoy.com

All regulatory matters should be directed to:

Mary T. Buley Senior Regulatory & Interconnection Manager Onvoy, Inc. d/b/a Onvoy Voice Services 300 South Highway 169, Suite 700 Minneapolis, MN 55426

Telephone: (952) 230-4183 Facsimile: (952) 230 - 4200 E-mail: mary.buley@onvoy.com

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

Applicant will send out monthly bills on or about the first of the month. Payment is due within 30 days of the invoice date. Applicant generates most of its own bills and uses a billing service bureau for specialized carrier services.

(19) <u>20:10:32:03(19)</u>. 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.

Applicant will only change a customer's service when it has a valid order from the customer. Applicant will comply with all applicable laws and regulations to prevent the unauthorized switching of local service customers by the Applicant, its employees or agents.

(20) <u>20:10:32:03(20)</u>. 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 customer for services that have not been ordered:

To Applicant's knowledge, Applicant has not been subject to slamming or cramming complaints.

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

Attached in Exhibit G is Applicant's proposed access tariff. Applicant will file a local exchange tariff prior to providing such services. Applicant's tariff(s) will be made available on its web page at: http://www.onvoy.com/legal.html. Applicant's tariff(s) may also be reviewed during normal business hours at its headquarters at 300 South Highway 169, Suite 700, Minneapolis, MN 55426. Pursuant to ARSD 20:10:27:02.01, Applicants intrastate switched access rates will not exceed intrastate switched access rates of the Regional Bell Operating Company in South Dakota.

(22) <u>20:10:32:03(22)</u>. 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:

Applicant will provide written notice sent through the US mail to customers for changes in rates, terms of conditions of service with at least a thirty day notice.

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

Applicant is not seeking a waiver of any rules at this time.

(24) <u>20:10:32:03(24).</u> Federal Tax Identification and South Dakota sales tax number:

FEIN number: 41-1624131

South Dakota Sales Tax number: 73-001-411624131E-ST-001

(25) <u>20:10:32:03(25)</u>. Other information requested by the commission needed to demonstrate that the applicant has sufficient technical, financial, and managerial capabilities to provide the local exchange service it intends to offer consistent with the requirements of this chapter and other applicable rules and laws:

Applicant is technically and managerially qualified to provide competitive local exchange and access services in South Dakota. Granting this Application will promote the public interest by increasing competition in the provision of telecommunications services in South Dakota. Applicant will provide customers high quality, cost effective telecommunications services, with an emphasis on customer service. In addition to driving prices closer to costs, thereby ensuring just and reasonable rates, competition also promotes efficiency in the delivery of services and in the development of new services. These benefits work to maximize the public interest by providing continuing incentives for carriers to reduce costs while, simultaneously, promoting the availability of potentially desirable services.

III. <u>CONCLUSION</u>

For the reasons stated above, Applicant respectfully submits that the public interest, convenience, and necessity would be furthered by a grant of this Application for the authority to provide all types of facilities-based and resold local exchange and access telecommunications services.

Respectfully submitted,

By:

Jean L. Kiddoo
Brett P. Ferenchak
BINGHAM MCCUTCHEN LLP
2020 K Street, NW
Washington, DC 20006
202-373-6697 (tel)
202-373-6001 (fax)
jean.kiddoo@bingham.com
brett.ferenchak@bingham.com

COUNSEL FOR APPLICANT

Dated: March 27, 2012