

II. BACKGROUND AND PROCEDURAL HISTORY

A. THE PARTIES

4. GT is a Delaware limited liability company with its principal office located at 219 South Marine Corps Drive, Suite 206, Century Plaza, Tamuning, Guam. It is wholly owned by MCV Guam Investments, LLC ["MCVGI"], a Delaware Limited Liability Company. MCVGI is wholly owned by MCV Guam Holding Corporation ["MCVGH"], a Guam Corporation.⁴ The owner of MCVGH is DOCOMO Guam Holdings, Inc., a Guam Corporation.⁵
5. Among other services, GT provides high speed data, VoIP, telephone service, and resold wireless services to its customers. GT currently holds two Certificates of Authority issued by the PUC. A telecommunications company is required to hold a Certificate of Authority before it can provide or resell telecommunications services in Guam.⁶ On May 28, 2009, in GT Docket 09-01, PUC issued to GT a Certificate of Authority to provide resold and facilities based local exchange services within the Territory of Guam.⁷ On November 20, 2006, in Docket 06-09, the PUC issued a Certificate of Authority to GT to provide facilities-based and resold special access service in the form of private line service on Guam.⁸
6. DOCOMO Pacific, Inc. [DOCOMO Pacific] is a Guam Corporation with its principal office located at 219 South Marine Corps Drive, Suite 206, Century Plaza, Tamuning, Guam. It provides commercial mobile radio services in Guam. It is wholly owned subsidiary of DOCOMO Guam Holdings, Inc.⁹
7. NTT DOCOMO Inc. ["NTT DOCOMO, Inc"] is a Japanese corporation with its principal office located in Tokyo. NTT is the largest telecommunications company in Japan, serving over 68 million subscribers, via advanced wireless networks, including a nationwide LTE network and one of the world's most progressive LTE-Advanced networks.¹⁰ Nippon Telephone and Telegraph Corporation holds in

⁴ Joint Application at p. 2 and Exhibit A.

⁵ Id.

⁶ 12 GCA §12203(a); a Certificate of Authority is not required for any person to provide commercial mobile service.

⁷ PUC Order, GT Docket 09-01, issued May 28, 2009.

⁸ Certificate of Authority, Docket 06-09, issued November 20, 2006.

⁹ Joint Application at p. 2 and Exhibit A.

¹⁰ Response to PUC Requests, Response No. 23, DOCOMO Docket 16-01, filed under seal and claim of confidentiality on March 10, 2016.

excess of 63% equity and voting interest in NTT and the remaining interests in NTT are diversely publicly owned.¹¹

B. DESCRIPTION OF THE TRANSACTION

8. In GT Docket 12-03, the PUC approved the transfer of control and ownership of Guam Telecom, LLC to DOCOMO Guam Holdings, Inc. DOCOMO Guam Holdings, Inc. acquired all of the ownership and interest in Guam Telecom, LLC.¹²
9. In GT Docket 12-03, Guam Telecom, LLC and DOCOMO Guam Holdings, Inc. sought to transfer control of Guam Telecom to DOCOMO Guam Holdings, Inc. However there was no direct transfer of Guam Telecom's Certificates of Authority. Said Certificates remained in the name of Guam Telecom.¹³
10. After acquiring Guam Telecom, LLC and other related entities in 2013, DOCOMO Guam Holdings, Inc. continued the operations of the MCVGH entities as DOCOMO Pacific operations. Having successfully integrated pre-Merger DOCOMO services and MCVGH services, DOCOMO Guam Holdings, Inc. is now updating its corporate structure to consolidate the MCVGH functions and to use DOCOMO Pacific as the sole operating entity in Guam [the "Entity Consolidation"].¹⁴
11. Applicant's attorneys have undertaken and completed a series of mergers designed to streamline the ownership structure and reduce the internal administrative burden of maintaining layers of ownership that have no purpose or benefit. At the Public Hearing, Applicants presented three reasons for the Entity Consolidation: (a) to prevent confusion that had occurred with regard to public bids by the companies in the procurement process; (b) consolidation of employee payroll from different companies for tax purposes; and (c) elimination of Delaware companies that were merely holding companies for one corporate entity.¹⁵ The following mergers are included in the Entity Consolidation:
 - (a) the merger of GT into MCV Guam Investments, LLC;
 - (b) the merger of MCV Guam Investments, LLC into MCV Guam Holding Corp.;
 - (c) the merger of MCV Guam Holding Corp. into DOCOMO Pacific, Inc.¹⁶

¹¹ Id. at Exhibit 5.

¹² PUC Order Approving Sale/Transfer of Ownership and Control of Guam Telecom, LLC (Subject to Conditions), GT Docket 12-03, dated December 18, 2012.

¹³ Id at p. 3.

¹⁴ Joint Application at p. 4.

¹⁵ Presentation of James Hofman, Applicants' Attorney, at Public Hearing on March 8, 2016.

¹⁶ Joint Application at p. 4.

12. As a result, DOCOMO Pacific, Inc. will be the sole operating entity owned by DOCOMO Guam Holdings, Inc. DOCOMO Guam Holdings, Inc. is wholly owned by NTT DOCOMO. The changes in the structure of the companies is indicated in Exhibits A & B.¹⁷
13. When the Entity Consolidation is completed, there will be only three DOCOMO related entities for Guam: NTT DOCOMO, DOCOMO Guam Holdings, Inc., and its subsidiary DOCOMO Pacific, Inc.¹⁸
14. The Entity which now holds two Certificates of Authority, Guam Telecom, LLC., will no longer exist, but will be merged into DOCOMO Pacific, Inc. DOCOMO Pacific, Inc. would be the holder of the two Certificates of Authority previously held by Guam Telecom, LLC.¹⁹
15. There will be no substantial change in the ultimate ownership of the company which holds the Certificates of Authority resulting from the Entity Consolidation. As was the case prior to the transfer, the ultimate ownership and control of the Certificates will be under DOCOMO Guam Holdings, Inc. and NTT DOCOMO.²⁰
16. The Entity Consolidation does not disrupt the ultimate ownership of the Certificates, nor does it transfer control thereof to a third party. It is merely designed to eliminate tiers of subsidiaries that no longer serve any valuable purpose.²¹

C. PUBLIC HEARING

17. On February 27, 2016, and March 4, 2016, PUC caused a notice to be published in the Pacific Daily News attesting to: (1) the filing of the Joint Application; (2) the opportunity for interested parties to file comments of record regarding the Joint Application; and (3) the holding of a public hearing to receive public comment and testimony on the Joint Application.²²

¹⁷ Joint Application, Exhibits A & B.

¹⁸ Id at Exhibit A.

¹⁹ Id.

²⁰ Joint Application at p. 4.

²¹ Id.

²² PUC Public Notice of Joint Application of Guam Telecom LLC and DOCOMO Pacific, Inc. for Approval by the Guam Public Utilities Commission of the Transfer of Guam Telecom, LLC's Certificates

18. No written public Comments were filed in response to the Joint Application. On March 10, 2016, and March 11, 2016, NTT DOCOMO, INC., DOCOMO Pacific Inc. and Guam Telecom LLC filed their Responses and Supplemental Responses to the PUC Requests for Information.²³
19. On March 8, 2016, the ALJ conducted a Public Hearing on the Application at the DOL Conference Room, 3rd floor, GCIC Bldg. Applicants, through their attorney representatives, presented argument supporting the Joint Application. The representatives indicated that, after the Entity Consolidation and transfer of the Certificates of Authority, DOCOMO Pacific Inc. would continue to have sufficient technical, managerial, and financial resources to provide telecommunications services to the people of Guam. DOCOMO Pacific, Inc. would continue to operate through the management team of GT. The Entity Consolidation and the transfer of the Certificates of Authority will have no effect on the operations and services that are currently delivered to DOCOMO Pacific customers through the GT Certificates of Authority.²⁴
20. Furthermore, Applicants contended that the transfer of the Certificates of Authority does not change the rates or terms of service, and would allow DOCOMO Pacific to continue to make substantial annual investments to improve telecommunications services. Applicants stated that the three corporate mergers referenced in their Petition have been completed in full, and this was confirmed in Response No. 5 to the Requests for Information.²⁵ Over the next five years, there could be roughly \$90 Million dollars of investment in the network infrastructure.²⁶ The investment could potentially reach \$100M for network equipment, cell-site expansion, customer-facing technology, enterprise business applications, and additional products and services.²⁷

of Authority to Docomo Pacific, Inc., published in the Pacific Daily News on February 27, 2016 and March 4, 2016.

²³ NTT DOCOMO, INC., DOCOMO Pacific Inc., and Guam Telecom LLC., Responses to PUC Requests for Information, DOCOMO Docket 16-01, filed under seal and claim of confidentiality on March 10, 2016; Supplemental Responses to PUC Requests for Information, DOCOMO Docket 16-01, filed on March 11, 2016.

²⁴ Presentation at the Public Hearing and Joint Application at p. 6.

²⁵ Presentation at the Public Hearing; Response to PUC Request No. 5, DOCOMO Docket 16-01, filed under seal and claim of confidentiality on March 10, 2016.

²⁶ Presentation at the Public Hearing; Response to PUC Request No. 13, DOCOMO Docket 16-01, filed under seal and claim of confidentiality on March 10, 2016.

²⁷ Supplemental Responses to PUC Requests for Information, DOCOMO Docket 16-01, filed on March 11, 2016.

21. There was no other public testimony, and no objection was raised to the Joint Application. Thus, at the present time, there is nothing in the record before the PUC which suggests that Applicants fail to meet the statutory requirements for transfer of the Certificates of Authority of GT, or that such transfer would be contrary to the public interest. In fact, NTT Docomo, Docomo Guam Holdings Inc., and Docomo Pacific Inc. have fully committed to complying with all terms and conditions of the existing Guam Telecom Certificates of Authority.²⁸

III. DETERMINATIONS

A. THE PUC MUST REVIEW THE PROPOSED TRANSFERS OF GT'S CERTIFICATES OF AUTHORITY TO DOCOMO PACIFIC AND APPROVE THE SAME BEFORE THE TRANSFERS CAN BE EFFECTIVE

22. In the present case, Guam Telecom LLC and DOCOMO Pacific, Inc. seek to transfer Guam Telecom, LLC's Certificates of Authority to DOCOMO Pacific, Inc. There would be a new holder of the certificates of authority, but no change in the ultimate ownership of the company which holds the certificates of authority.²⁹
23. The duties of the PUC relative to the transfer of a Certificate of Authority are set forth in 12 GCA §12203 [the Guam Telecommunications Act of 2004].³⁰
24. 12 GCA §12203(g), provides as follows in pertinent part:

A telecommunications company shall not sell, assign, or transfer a certificate of authority, or any portion thereof, issued under this Article, ...without the prior approval of the Commission and a determination by the Commission that the proposed transfer satisfies the requirements for granting a certificate of authority under Subsection (c)..... (Emphasis added).³¹

25. Under the applicable statutory provisions, a Certificate of Authority may not be transferred without the prior approval of the Commission and a determination by

²⁸ Response to PUC Request No. 18, DOCOMO Docket 16-01, filed under seal and claim of confidentiality on March 10, 2016.

²⁹ Joint Application at p. 5.

³⁰ 12 GCA §12203(a).

³¹ 12 GCA §12203(g).

the Commission that the proposed transfer satisfies the requirements for granting a certificate of authority.³²

26. Before the transfer of a Certificate of Authority can be effective, the Commission must make a determination that the proposed sale or transfer satisfies the requirements for granting a certificate of authority as set forth in 12 GCA §12203(c).³³
27. 12 GCA §12203(g) does provide that “[P]rior approval [by the PUC] shall not be required for transfers of control that do not result in a substantial change in ultimate ownership of a telecommunications company holding a certificate of authority.”³⁴ This provision relates to transfers of control of a telecommunications company from one company to another. PUC need not review the transfers of corporate control or the merger transactions in this matter, as there is no change in the ultimate ownership. The ultimate owner remains as NTT Docomo.
28. In this case, however, the company holding the certificates of authority is itself being eliminated through Entity Consolidation. What is occurring here is not merely the transfer of control of GT to another company through merger, but the elimination of GT as an entity and the transfer of the Certificates of Authority to a new company through the merger. Approval by the PUC is required because the Certificates of Authority are being transferred to a new company. 12 GCA §12203 (g). The PUC must determine that the company to which the Certificates of Authority are being transferred meets the statutory requirements.
29. Before the Certificates of Authority may be transferred in the instant case, the Commission must make two findings required in Subsection (c):
 - (1) The applicant possesses sufficient technical, financial, and managerial resources and abilities to provide the telecommunications services in Guam for which it seeks a certificate of authority; and (2) the granting of a certificate of authority to the applicant would not be contrary to the public interest.³⁵

B. A REVIEW OF THE RECORD HEREIN REGARDING THE “FINANCIAL

³² Id.

³³ Id.

³⁴ 12 GCA §12203(g)

³⁵ See 12 GCA §12203(c)(1) and (2).

**RESOURCES OF APPLICANTS ESTABLISHES THAT APPLICANTS
WILL CONTINUE TO POSSESS SUFFICIENT FINANCIAL RESOURCES
AFTER THE TRANSFER OF THE CERTIFICATES OF AUTHORITY TO
DOCOMO PACIFIC TO PROVIDE TELECOMMUNICATION SERVICES
IN GUAM**

30. The PUC has previously determined that the Applicant Guam Telecom does possess sufficient financial, technical, and managerial resources and abilities to provide telecommunications services in Guam. In issuing two Certificate of Authority to Applicant, the Commission determined that the Applicant met the requirements of 12 GCA §12203(c) (1) and (2) in its November 20, 2006, and May 28, 2009, Orders.³⁶
31. In its Order Approving Sale/Transfer of Ownership and Control of Guam Telecom, LLC to DOCOMO Guam Holding, Inc., dated December 18, 2012, the PUC determined that Applicants Guam Telecom, LLC and DOCOMO Guam Holdings, Inc. possess and would continue to possess sufficient financial resources to provide telecommunications services in Guam under the existing Certificate of Authority of GT after the transfer of control of GT.³⁷
32. Applicant DOCOMO Pacific, Inc. its parent, DOCOMO Guam Holdings, Inc., and NTT Docomo have filed confidential Financial Statements.³⁸
33. The balance sheets and financial statements indicate that Applicants have substantial and significant financial resources which should enable them to continue to provide telecommunications service in Guam after the transfer of GT's Certificates of Authority to DOCOMO Pacific, Inc.
34. In addition, the parent company, NTT DOCOMO, is a large and financially secure company with revenues of approximately Forty billion dollars for FY2014.³⁹

³⁶ PUC Order, Docket No. 06-09, issued November 20, 2006; Certificate of Authority, GT Docket 09-01, issued May 28, 2009.

³⁷ PUC Order Approving Sale/Transfer of Ownership and Control of Guam Telecom, LLC (Subject to Conditions), GT Docket 12-03, issued December 18, 2012, at p. 8.

³⁸ Exhibits 1 and 2 to Responses to PUC Requests for Information, DOCOMO Docket 16-01, filed under seal and claim of confidentiality on March 10, 2016.

³⁹ Additional Responses to Requests No. 22 and 23 of the PUC Requests for Information, DOCOMO Docket 16-01, filed under seal and claim of confidentiality on March 10, 2016.

35. DOCOMO Pacific, Inc. also has substantial annual revenues for FY 2015.⁴⁰ It will continue to own assets, including property, plant and equipment, which constitute its telecommunications system which will enable it to provide telecommunications services to the people of Guam.

B. APPLICANTS HAVE SUFFICIENT TECHNICAL AND MANAGERIAL RESOURCES TO PROVIDE TELECOMMUNICATIONS SERVICES IN GUAM AND WILL CONTINUE TO HAVE SUCH RESOURCES AFTER THE TRANSFER OF THE CERTIFICATES OF AUTHORITY TO DOCOMO PACIFIC INC.

36. The PUC adopts the position of Applicants that “as an operationally integrated affiliate of GT, DOCOMO Pacific, Inc. has sufficient technical, financial and managerial resources and abilities required to provide telecommunications services in Guam permitted by the Certificates of Authority issued to GT. The Entity Consolidation that will ultimately replace GT with DOCOMO Pacific, Inc. at the operations level will have no effect on the operations and services that are currently delivered to DOCOMO Pacific, Inc. customers through the GT Certificates of Authority.”⁴¹

37. The management structure of GT will not change as a result of its merger into DOCOMO Pacific, Inc. It is not anticipated that there will be new or different managers than those who currently operate telecommunications services for GT. The top level of GT management will not be replaced.⁴²

38. The Entity Consolidation and the proposed transfer of the Certificates of Authority will occur at a corporate structural level that does not disturb operations or necessitate any changes in personnel. DOCOMO Pacific, Inc. will possess the same telecommunications expertise, management capabilities and financial stability as GT previously had, and upon which the Commission relied in approving the transfer of control of GT to DOCOMO Guam Holdings, Inc.⁴³

39. DOCOMO Pacific Inc. will have the assistance of the substantial technical, financial and managerial resources and abilities of its parent, NTT Docomo, in providing telecommunications services to the people of Guam.

⁴⁰ Id.

⁴¹ Joint Application at p. 6.

⁴² Responses to PUC Requests No. 15, 16, and 17, DOCOMO Docket 16-01, filed under seal and claim of confidentiality on March 10, 2016.

⁴³ Joint Application at p. 6.

C. APPROVAL BY THE PUC OF THE TRANSFER OF THE CERTIFICATES OF AUTHORITY FROM GT TO DOCOMO PACIFIC, INC. IS NOT "CONTRARY TO THE PUBLIC INTEREST"

40. The Guam Telecommunications Act of 2004 provides that it is in the public interest to provide the people of Guam with modern, innovative, accessible, and affordable telecommunications services and products.⁴⁴
41. The Entity Consolidation will have no appreciable effect on GT operations transferred to DOCOMO Pacific, Inc. or result in any functional change in the services that are provided under the GT Certificates of Authority.⁴⁵
42. Since the 2013 Merger, GT continued to provide services to customers in Guam without changing its rates or the terms of its services. With the transfer of the Certificates of Authority to DOCOMO Pacific, Inc., there will be continuity in such services; such continuity is in the public interest because the transfer of the Certificates of Authority will not interrupt or confuse the products or services offered by the holder of the Certificates of Authority.⁴⁶
43. DOCOMO Pacific, Inc. will continue to make substantial annual investments to improve telecommunications services.⁴⁷

IV. ORDERING PROVISIONS

After review of the Joint Application and attached Exhibits, the Responses and Supplemental Responses of Applicants to PUC Information Requests, the comments of the parties at the public hearing, the Administrative Law Judge Report, and the record in this docket, and for good cause shown, the Guam Public Utilities Commission **HEREBY ORDERS** that:

1. The Report issued by the ALJ on March 16, 2016, is hereby adopted and approved. The PUC concurs with the determinations and findings therein.
2. Guam Telecom, LLC is authorized to assign and transfer its Certificates of Authority [to provide resold and facilities based local exchange services within

⁴⁴ 12 GCA §12201(a) (2).

⁴⁵ Joint Application at p. 7.

⁴⁶ Id.

⁴⁷ Id.

the Territory of Guam and facilities-based and resold special access service in the form of private line service on Guam] to DOCOMO Pacific, Inc. Approval is granted as of the effective date of the mergers in the Entity Consolidation, December 31, 2015.

3. On November 29, 2010, in GT Docket 10-02, the PUC issued an Eligible Telecommunications Carrier Designation to GT after finding that the application was in the public interest, certifying GT's eligibility to receive Federal Universal Service Funds.⁴⁸ Docomo Pacific Inc. has affirmed and attested that it would continue, as a successor and assignee of GT, to observe the conditions and carry out the commitments mandated by the ETC Order.⁴⁹ In light of these commitments, the assignment and transfer of GT's ETC designation to DOCOMO Pacific is approved.
4. Applicants satisfy the requirements of 12 GCA §§12203(c) and (g): Applicants will continue to have sufficient financial resources to provide telecommunication services in Guam after the transfer of the Certificates of Authority of GT to DOCOMO Pacific, Inc.
5. Applicants will possess sufficient technical and managerial resources and abilities to provide the telecommunications services authorized by the present Certificates of Authority after the transfer of the GT Certificates of Authority to DOCOMO Pacific, Inc.
6. The transfer GT's Certificates of Authority to DOCOMO Pacific, Inc. is not contrary to the public interest.
7. The transfer of GT's Certificates of Authority to DOCOMO Pacific, Inc. will not affect the ability of DOCOMO Pacific, Inc. to continue to provide telecommunications services under the Certificates of Authority.
8. Applicants shall undertake the following actions to complete the transfer of the Certificates of Authority and the ETC Designation: (1) Guam Telecom, LLC's Certificates of Authority must be duly assigned and transferred to DOCOMO Pacific, Inc., and said Assignment must be filed with the Guam Public Utilities Commission; (2) there must be an Assignment and Transfer of GT's ETC

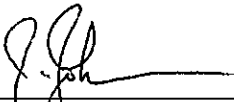
⁴⁸ PUC Order Approving Designation, GT Docket 10-02, dated November 29, 2010.

⁴⁹ Joint Application at p. 7.

Designation to DOCOMO Pacific Inc., and said Assignment must be filed with the Guam Public Utilities Commission.

9. Once the Certificates of Authority and the ETC Designation are duly transferred to DOCOMO Pacific, Inc., Applicants shall continue to be subject to the terms, conditions and requirements of 12 GCA §12203, and all PUC rules, regulations and orders. NTT DOCOMO, INC., DOCOMO Guam Holdings, Inc., and DOCOMO Pacific, Inc. must comply with all terms and conditions of the Certificates of Authority and the ETC Designation presently held by Guam Telecom LLC after such Certificates and ETC Designation are transferred to DOCOMO Pacific, Inc.

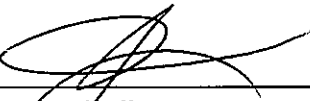
SO ORDERED this 31st day of March, 2016.



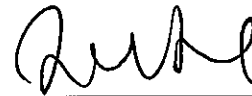
Jeffrey C. Johnson
Chairman



Joseph M. McDonald
Commissioner

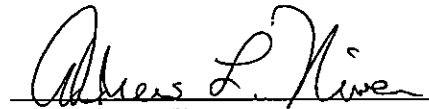


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