

**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

<b>APPLICATION OF GUAM TELECOM, LLC FOR CERTIFICATE OF AUTHORITY UNDER 12 G.C.A. §12103</b>	) ) ) ) ) )	<b>GT Docket 09-01  PUC LEGAL COUNSEL REPORT ON APPLICATION FOR CERTIFICATE OF AUTHORITY</b>
---	----------------------------	--

---

On April 6, 2009, Guam Telecom LLC ["GT"] filed its application for a Certificate of Authority, under 12 GCA §12103, with the Public Utilities Commission.<sup>1</sup> Applicant seeks to provide certain intrastate telecom services in Guam, including facilities based local exchange services and resold local exchange telecom services.<sup>2</sup> Guam Telecom is a duly registered as a foreign limited liability company in Guam.<sup>3</sup>

The Application contains the information requested in the standard form required by the Public Utilities Commission, which is *Attachment B* to the Rules Governing Certificates of Authority under 12 GCA §12103 (issued by the PUC on July 27, 2005). GT submitted the required corporate information, including applicable certificates of good standing, corporate documents, and a listing of corporate owners. GT indicates that its financial condition is excellent; it is the sister company of Guam Cablevision LLC d/b/a/Marianas Cable Vision ("MCV"). Both companies are wholly owned by MCV Guam Investments, LLC.<sup>4</sup>

Furthermore, Applicant has submitted certain confidential information, under seal, which contains financial statements of Applicant and information concerning its projected revenues and operating expenses.<sup>5</sup>

---

<sup>1</sup> Guam Telecom LLC Application for Certificate of Authority, filed April 6, 2009.

<sup>2</sup> Id. at p. 1.

<sup>3</sup> Id. at p. 2.

<sup>4</sup> Guam Telecom LLC Application for Certificate of Authority, p. 4.

<sup>5</sup> GT Confidential Submission, filed April 5, 2009; in accordance with the PUC Rules governing certificates of authority and the PUC Rules Relating to the Protection of Confidential Information and Regulatory Proceedings under the Guam Telecommunications Act of 2004 (Docket 05-01, filed July 27, 2005), Applicant is entitled to file non-public financial information under a claim of confidentiality.

Applicant GT intends to purchase a carrier class soft switch to deliver VoIP Telephony Service to subscribers over its existing transmission facilities as a Cable Television and Internet Service Provider. Applicant also intends to seek an interconnection arrangement with the incumbent local exchange carrier if PUC approval for Applicant's Certificate of Authority is granted.<sup>6</sup> Applicant presently does not have a resale agreement for resold local exchange telecom services.<sup>7</sup> With regard to the technology that Applicant proposes to use for its facilities based local exchange services, it will continue to rely upon the VoIP technology which it presently provides through its existing transmission facilities in Guam.

The applicable requirements for issuance of a Certificate of Authority are set forth in 12 GCA §12103, Certificates of Authority [a provision within the Guam Telecommunications Act of 2004]. §12103 provides in pertinent part:

"No person shall provide or resell telecommunications services in Guam without a certificate of authority issued by the Commission...Any other person that seeks to offer telecommunication services or any certificated telecommunications company that seeks to provide new or additional telecommunications services shall first obtain a certificate or other authority as required by this Section 12103 and the rules and regulations adopted by the Commission pursuant hereto...After notice and opportunity for a hearing, the Commission shall approve an application for a certificate of authority if the Commission finds both of the following: (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."

There are essentially two findings, both of which the Commission must make, before it issues a Certificate of Authority:

- (1) That the applicant possesses sufficient technical, financial, and managerial resources and abilities to provide the telecommunications services for which it seeks a certificate; and

---

<sup>6</sup> Guam Telecom LLC Application for Certificate of Authority, p. 7.

<sup>7</sup> Id. at p. 6.

- (2) That the granting of the certificate would not be “contrary to the public interest.”

As to the first requirement, Applicant has submitted substantial information in its application demonstrating that it has sufficient technical, financial, and managerial resources and abilities to provide the telecommunications services for which it seeks a certificate of authority. Initially, it appears that Applicant will use the same technology and transmission facilities which it currently utilizes to provide and deliver VoIP Telephony Services to subscribers.<sup>8</sup>

As to financial ability, Applicant indicates that it will rely upon the financial resources of its sister company, Marianas Cable Vision, to provide both capital and operations support for telephone operations. Marianas Cable Vision has been operating on Guam since 1993 and has consistently provided and developed services to Guam customers.<sup>9</sup> The non-public financial information submitted by Applicant demonstrates that it does have the financial ability to provide telecommunications services in Guam for which it seeks a certificate of authority. With regard to managerial resources, Applicant’s current technical team is comprised of MCV managers who individually have over 25-years of experience in the industry. The resumes submitted indicate extensive technical experience in the Guam market.<sup>10</sup>

As a second requirement, the Commission must find that the granting of a certificate of authority to the applicant “would not be contrary to the public interest.” No information has come to the attention of PUC Legal Counsel which would suggest the granting of a certificate of authority to Guam Telecomm is contrary to the public interest. The application materials demonstrate that Applicant is an LLC “in good standing” under both the laws of its domicile state, Delaware, and in Guam. There are no known formal or informal complaint proceedings pending against Applicant, nor are Applicant, its officers, directors, partners or managers presently involved, or have they been involved, in civil matters, or judgments. Neither Applicant nor its officers or directors have been convicted of criminal acts within the last 10 years. There is no evidence to support any allegation that the granting of the certificate of authority to Applicant would be “contrary to the public interest.”

PUC Legal Counsel recommends that the Commission make specific findings that Guam Telecom LLC possesses sufficient technical, financial and managerial resources

---

<sup>8</sup> Id. at p. 6.

<sup>9</sup> Guam Telecom LLC Application for Certificate of Authority, p. 4.

<sup>10</sup> Id. at pg. 7 and ATTACHMENT 5.

and abilities to provide the telecommunications services in Guam for which it seeks a certificate of authority. Furthermore, the Commission should find that the granting of certificate of authority to Guam Telecomm LLC is not contrary to the public interest.

Counsel has prepared, for the review and approval of the Commissioners, a draft Certificate of Authority. The draft Order also requires that, before Guam Telecom LLC commences to provide services under its certificate of authority, it must file an appropriate tariff for such certificated services in accordance with 12 GCA 12106 and obtain PUC approval for such tariff(s). Please let me know if you have any further questions in this regard.

Sincerely,

---

Frederick J. Horecky  
PUC Legal Counsel