

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

CONTACT NETWORK, LLC d/b/a InLine :
:
Application for a Certificate of Local :
Exchange and Interexchange Authority to : **14-0065**
Operate as a Reseller and/or Facilities :
Based Carrier of Telecommunications :
Services throughout the State of Illinois. :

ORDER

By the Commission:

On January 21, 2014, CONTACT NETWORK, LLC d/b/a InLine ("Applicant" or "CONTACT") filed a verified application with the Illinois Commerce Commission ("Commission") pursuant to Section 13-403 of the Illinois Public Utilities Act (the "Act") for a Certificate of Interexchange Service Authority to provide facilities-based interexchange telecommunications services; pursuant to Section 13-404 of the Act for a Certificate Service Authority to provide resold local and interexchange services; and pursuant to Section 13-405 of the Act for a Certificate of Exchange Service Authority to provide facilities-based local telecommunications services in Illinois (220 ILCS 5/13-403, 5/13-404 and 5/13-405).

Pursuant to notice given in accordance with the rules and regulations of the Commission, this matter came on for hearing on February 19, 2014 before a duly authorized Administrative Law Judge of the Commission at its offices in Chicago, Illinois. CONTACT appeared by counsel and presented the testimony of Jay Birnbaum, its Senior Vice President and General Counsel. At the conclusion of the hearing on February 19, 2014, the record was marked "Heard and Taken."

I. Applicant Position

CONTACT, an Alabama limited liability company authorized to transact business in Illinois, seeks to provide facilities-based interexchange, resold local and interexchange, and facilities-based local telecommunications services in Illinois. Applicant submitted evidence that it has the requisite technical, financial and managerial resources and abilities to provide the services set forth in its application. Applicant provided the management profile of its key officers to show that they have the necessary business and telecommunications experience to support the services Applicant will offer in Illinois. Mr. Birnbaum also elaborated on the managerial experience of himself and the other officers.

Applicant also filed a Consolidated Balance Sheet as evidence of its financial ability to support the services it will offer. Mr. Birnbaum testified that the Consolidated Balance Sheet substantially reflects the financial status of Applicant and its parent company, PEG Bandwidth, LLC. He stated that the financial resources of Applicant's parent would be available to Applicant in its provision of service in Illinois. Applicant stated in its application that technical personnel will be available at all times to assist customers with service problems. Mr. Birnbaum testified that Applicant will adhere to all federal and state laws and regulations pertaining to slamming and cramming. He also stated that the books and records pertaining to Applicant are maintained at the parent company's principal place of business in Pennsylvania.

The application states that Applicant has not been denied a Certificate of Service or had its certification revoked or suspended in any jurisdiction in this or any other name. Applicant has not had any complaints or judgments levied against it in any other jurisdiction in this or any other name.

Applicant has requested that the Commission make certain declarations and grant certain waivers of the requirements of the Public Utilities Act and from the rules and regulations of the Commission. The services Applicant proposes to provide will be competitive telecommunications services as described in Section 13-502(b) of the Act. Petitioner is required to file a tariff with the Commission under Section 13-501 of the Act describing the nature of its service, the applicable rates and charges, and the terms and conditions of the service provided. If Applicant files the required tariff in compliance with Section 13-502(e) of the Act and the rules adopted thereunder in 83 Ill. Adm. Code 745, many provisions of the Act as well as the regulations adopted by the Commission in Title 83 of the Illinois Administrative Code will be inapplicable to the Applicant.

For local and interexchange service, Applicant should be granted pursuant to Section 13-402 of the Act, a waiver of 83 Ill. Adm. Code, Part 710, the requirement to keep books and records in accordance with the Uniform System of Accounts, in order to reduce the economic burdens of regulation on a telecommunications carrier which provides only competitive services. For local service, Applicant should also be granted a variance from Part 735.180. Applicant will contract with underlying carriers to include Applicant's customer listings in their directories. For interexchange service, Applicant should further be granted a waiver of Part 735, governing credit, billing deposits, and termination of service, for the reasons stated hereinabove.

Applicant also requested Commission approval pursuant to 83 Ill. Adm. Code 250 to maintain its books and records at its parent company's principle place of business in Pennsylvania. Applicant's request should be granted in accordance with Section 5-106 of the Act.

II. Staff Position

Staff filed a verified statement saying that it had reviewed CONTACT's application and supporting documentation and based on that review, it had no objection to granting the requested certificates.

Findings and Ordering Paragraphs

The Commission, having considered the entire record herein and being fully advised in the premises, is of the opinion and finds that:

- (1) CONTACT NETWORK, LLC d/b/a InLine, an Alabama limited liability company authorized to transact business in Illinois, seeks a Certificate of Interexchange Service Authority pursuant to Section 13-403 of the Act to provide facilities-based interexchange telecommunications services; a Certificate Service Authority pursuant to Section 13-404 of the Act to provide resold local and interexchange telecommunications services; and pursuant to Section 13-405 of the Act for a Certificate of Exchange Service Authority to provide facilities-based local telecommunications services;
- (2) the Commission has jurisdiction over the parties and over the subject matter of this proceeding;
- (3) as required by Sections 13-403, 13-404 and 13-405 of the Act, Applicant possesses sufficient technical, financial and managerial resources to provide facilities-based and resold local and interexchange telecommunications services in Illinois;
- (4) Applicant should file with the Commission a tariff consisting of its rates, rules and regulations in accordance with Sections 13-501 and 13-502 of the Act, to be effective upon proper filing before commencing service;
- (5) with regard to Applicant's provision of local exchange service, Applicant should be granted a variance from the requirements of 83 Ill. Adm. Code 735, Section 735.180, regarding publication of local directories, as it will contact with the incumbent local exchange carrier to include Applicant's customer listings within those directories;
- (6) with regard to Applicant's provision of local and interexchange service, Applicant should be granted a waiver from 83 Ill. Adm. Code 710, the Uniform System of Accounts for Telecommunications Carriers, as long as Applicant maintains its accounting records in accordance with Generally Accepted Accounting Principles and at a level of detail substantially similar to the accounting system which it currently uses pursuant to its Chart of Accounts, and in sufficient detail to comply with all applicable tax laws;
- (7) with regard to Applicant's provision of interexchange services, Applicant should further be granted a waiver of Part 735, governing credit, billing deposits, and termination of service;
- (8) Applicant should establish books of account such that revenues from its telecommunications services, subject to the public utility revenue tax, are

segregated from the revenues derived from other business activities not regulated by the Commission;

- (9) pursuant to 83 Ill. Adm. Code 250, Applicant should be allowed to maintain its books and records at its parent company's principal place of business in Pennsylvania in accordance with Section 5-106 of the Act.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that CONTACT NETWORK, LLC d/b/a InLine be, and is hereby, granted a Certificate of Interexchange Service Authority pursuant to Section 13-403 to provide facilities-based interexchange telecommunications services in Illinois.

IT IS FURTHER ORDERED that the Certificate of Interexchange Service Authority hereinabove granted shall be the following:

CERTIFICATE OF INTEREXCHANGE SERVICE AUTHORITY

IT IS HEREBY CERTIFIED that CONTACT NETWORK, LLC d/b/a InLine is authorized, pursuant to Section 13-403 of the Public Utilities Act, to provide facilities-based interexchange telecommunications services within the State of Illinois.

IT IS FURTHER ORDERED that CONTACT NETWORK, LLC d/b/a InLine be, and is hereby, granted a Certificate of Service Authority pursuant to Section 13-404 to provide resold local and facilities-based telecommunications services in Illinois.

IT IS FURTHER ORDERED that the Certificate of Service Authority hereinabove granted shall be the following:

CERTIFICATE OF SERVICE AUTHORITY

IT IS HEREBY CERTIFIED that CONTACT NETWORK, LLC d/b/a InLine is authorized, pursuant to Section 13-404 of the Public Utilities Act, to provide resold local and interexchange telecommunications services within the State of Illinois.

IT IS FURTHER ORDERED that CONTACT NETWORK, LLC d/b/a InLine be, and is hereby, granted a Certificate of Exchange Service Authority pursuant to Section 13-405 to provide facilities-based local telecommunications services in Illinois.

IT IS FURTHER ORDERED that the Certificate of Exchange Service Authority hereinabove granted shall be the following:

CERTIFICATE OF EXCHANGE SERVICE AUTHORITY

IT IS HEREBY CERTIFIED that CONTACT NETWORK, LLC d/b/a InLine is authorized, pursuant to Section 13-405 of the Public Utilities Act, to provide facilities-based local exchange telecommunications services within the State of Illinois.

IT IS FURTHER ORDERED that CONTACT NETWORK, LLC d/b/a InLine file with this Commission a tariff consisting of its rates, rules and regulations, to be effective upon proper filing before commencing service.

IT IS FURTHER ORDERED that 83 Ill. Adm. Code 710, 735, and 735.180 be, and are hereby, waived as set forth in Findings (5), (6), and (7) hereinabove.

IT IS FURTHER ORDERED that as a condition of these Certificates, CONTACT NETWORK, LLC d/b/a InLine be, and is hereby, directed to establish books of account such that revenues from its telecommunications services, subject to the public utility revenue tax, are segregated from the revenues derived from other business activities not regulated by the Commission.

IT IS FURTHER ORDERED that pursuant to 83 Ill. Adm. Code 250, CONTACT NETWORK, LLC d/b/a InLine Telecom is authorized to maintain its books and records at its parent company's principal place of business in Pennsylvania.

IT IS FURTHER ORDERED that the financial statements filed by CONTACT NETWORK, LLC d/b/a InLine are afforded proprietary treatment and are exempt from public disclosure and will be accessible only by the Commission and Commission Staff for a period of two years from the date this Order is entered.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By order of the Commission this 5th day of March, 2014.

(SIGNED) DOUGLAS P. SCOTT

Chairman