

OPEN MEETING



0000158850

ORIGINAL

**MEMORANDUM
RECEIVED**

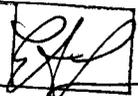
Arizona Corporation Commission
DOCKETED

DEC 17 2014

TO: THE COMMISSION 2014 DEC 17 A 9:28

FROM: Utilities Division AZ CORP COMMISSION
DOCKET CONTROL

DATE: December 17, 2014

DOCKETED BY 

RE: IN THE MATTER OF THE APPLICATION OF MEGAPATH CORPORATION FOR APPROVAL OF TRANSFER OF CUSTOMERS AND ASSETS TO GC PIVOTAL, LLC D/B/A GLOBAL CAPACITY AND FOR CANCELLATION OF CONVENIENCE AND NECESSITY. (DOCKET NO. T-20787A-14-0368 AND T-03632A-14-0368)

On October 7, 2014, MegaPath Corporation ("MegaPath") and GC Pivotal d/b/a Global Capacity ("GC Pivotal") (together, "Applicants"), filed a joint notification with the Arizona Corporation Commission ("Commission") of the transfer of MegaPath customers and assets in Arizona to GC Pivotal. In addition, the Applicants seek approval to cancel the Certificate of Convenience and Necessity ("CC&N") of MegaPath, a waiver of Arizona Administrative Code ("A.A.C.") R14-2-1901 *et seq.* (the "Slamming" Rules) and a waiver of any notice requirements under A.A.C. R14-2-1107.

In support of this filing, Applicants provide the following information.

Introduction

The Applicants submit this filing as a result of their intention to participate in a transaction whereby MegaPath will transfer certain of its network assets and customers to GC Pivotal (the "Transaction"). In Arizona, this Transaction involves all of MegaPath's jurisdictional assets and customers. Upon closure of the Transaction, MegaPath will no longer need its Arizona CC&N.

In order that GC Pivotal may provide services to the acquired customers, GC Pivotal separately filed a CC&N application in Docket No. T-20787A-14-0367 for authority to provide facilities-based and resold local exchange, facilities based and resold long distance and facilities-based private line. GC Pivotal requests that the Commission process the relief requested in this Application in parallel with the CC&N application, and together the Applicants are working towards a closing of the Transaction on or before December 31, 2014.

Description of the Applicants

A. MegaPath Corporation

MegaPath is a Virginia corporation with principal offices at 6800 Koll Center Parkway, Suite 200, Pleasanton, CA 94566. The Applicants state MegaPath is a leading nationwide provider of integrated voice and data communications. MegaPath offers commercial Digital Subscriber Line ("DSL"), Voice over Internet Protocol ("VoIP"), T1, Ethernet, Web hosting, manages security, IP

and dial-up, wireless broadband and bundled VoIP and data services to small and medium-sized business, enterprise businesses through MegaPath's network and through Internet Service Providers, value-added resellers, telecommunications carriers and affinity groups as well as commercial DSL, T1, Ethernet and other data services to wholesale customers who provide their own services using the MegaPath network.

MegaPath is authorized to provide competitive resold and facilities-based local exchange and interexchange services in Arizona pursuant to the granting of a CC&N in Decision No. 61942 dated September 17, 1999. MegaPath is also authorized by the Federal Communications Commission ("FCC") to provide international and domestic interstate services as a non-dominant carrier. Currently, in Arizona, MegaPath provides Voice over Internet Protocol ("VoIP") service to approximately 1,350 business customers, approximately 300 direct access customers (small or medium sized businesses that obtain internet access from MegaPath) and approximately 34 wholesale customers (carriers or partners that utilize MegaPath's network to provide service to the carrier's or partner's end users).

B. GC Pivotal, LLC d/b/a Global Capacity

GC Pivotal is a Delaware limited liability company with principal offices located at 180 North LaSalle Street, Suite 2430, Chicago, IL 60601. GC Pivotal is a portfolio company of Pivotal Group, an investment corporation headquartered in Phoenix, Arizona, that concentrates on private equity and real estate investments but does not offer any regulated telecommunications services. The Applicants state GC Pivotal improves the efficiency and reduces the cost of buying access networks globally through its One Marketplace, an automated platform that brings together customers and suppliers and provides ubiquitous access network solutions that deliver on a brand promise of Connectivity made Simple.

In Arizona GC Pivotal is authorized to provide competitive resold intrastate private line service pursuant to Commission Decision No. 73645 dated February 6, 2013.¹ GC Pivotal is also authorized by the FCC to provide international and domestic interstate services as a non-dominant carrier.

Description of the Transaction

The Applicants state that MegaPath and GC Pivotal entered into a Membership Interest Purchase Agreement dated September 5, 2014, whereby GC Pivotal intends to obtain certain network assets and certain customers served by those assets from MegaPath. The assets to be transferred consist of MegaPath's network, composed of equipment in Megapath's collocation spaces (*e.g.* Digital Subscriber Line Access Multiplexers ["DSLAMS"], routers, cable and racks), software applications used to provide service, equipment related to Megapath's points of presence and transport, wholesale and direct access customers and their respective contracts and other associated assets. MegaPath does not intend to transfer to GC Pivotal its certifications and other

¹ The Applicant states it currently operates in the following states: Alabama, California, Colorado, Connecticut, Delaware, The District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, West Virginia and Wisconsin.

authority to provide telecommunications services; nor will it undergo a transfer of control as a result of the Transaction.

The Applicants hold that the proposed Transaction is in the public interest and will not impair the ability of the Applicants to provide services to the public. The Transaction will be virtually transparent and seamless to the affected customers and is structured to assure an orderly transition of customers to a company whose operations are overseen by a well-qualified management team with substantial telecommunications experience and technical expertise. The Applicants further state that in the interests of assuring seamless and uninterrupted service, all of the assigned customers will continue to receive service from GC Pivotal under the same rates, terms and conditions of service as were previously provided by MegaPath. Moreover, there will be no charge assessed on the customers for the transfer. Future changes in the rates, terms and conditions of service to the affected customers will be undertaken pursuant to customer contracts and any applicable federal and state notice and tariff requirements.

Staff's Analysis

Request for Waiver of Slamming Rules

In the application MegaPath states that as no voice service customers are being transferred to GC Pivotal and since GC Pivotal will not be providing voice service to any customers, the FCC and Commission anti-slamming and/or mass migration rules do not apply to the customer transfer taking place as a result of the Transaction. However, the Applicants also state that in accordance with the terms of the customer service contracts and the rules and procedures of the Commission, affected customers will be properly notified of the Transaction and the change in their telecommunications services provider from MegaPath to GC Pivotal. MegaPath requests, based on the notice MegaPath will deliver to its customers and the nature of the customers, a waiver of A.A.C. R14-2-1901 to -1913, the Slamming Rules, to the extent those provisions are applicable to the customer transfers.

Staff disagrees that the Commission's Slamming Rules do not apply to the customer transfer. The Applicants are, by A.A.C. definition, telecommunications companies providing telecommunications service in the State of Arizona. Staff has reviewed the notice that will be sent to those affected customers. Because the notice informs customers that the rates, terms and conditions of service will not change as a result of the proposed transactions and informs customers that they may subscribe to the telecommunications service provider of their choice, Staff believes the Commission's Slamming Rules should be waived in this matter.

Request for Waivers of A.A.C. R14-2-1107 (A)(2) and (B)

In connection with the request for discontinuance, MegaPath requests the Commission waive any further notice requirements that may be required under A.A.C. R14-2-1107. There are two notice requirements in A.A.C. R14-2-1107: a customer notice section in A.A.C. R14-2-1107 (A)(2) and a publication requirement in A.A.C. R14-2-1107 (B).

As previously mentioned, MegaPath stated customers received a notice of the transfer from MegaPath in accordance with the rules and procedures of the Commission. Staff has examined the

THE COMMISSION

December 17, 2014

Page 4

customer notice and believes it meets the notice requirement of A.A.C. R14-2-1107 (A)(2). Therefore, the granting of a waiver request for A.A.C. R14-2-1107 (A) (2) would be appropriate.

Staff believes that a waiver of A.A.C. R14-2-1107 (B) is appropriate in this circumstance as service to MegaPath's customers will not be abandoned or discontinued and MegaPath's customers will continue to receive service under the same rates, terms and conditions.

Cancellation of CC&N

MegaPath states that because all of MegaPath's Arizona customers who purchase services over which the Commission has jurisdiction are being transferred to GC Pivotal, MegaPath will no longer require its authority to provide telecommunications in Arizona following the close of the Transaction. Therefore, MegaPath requests that the Commission approve MegaPath's discontinuance of service in Arizona under A.A.C. R14-2-1107 to the extent necessary and cancel MegaPath's CC&N upon notice of consummation of the Transaction.

MegaPath has ten (10) employees in Arizona; four (4) of whom will move over to GC Pivotal in this Transaction. The remaining six (6) will continue as MegaPath employees as MegaPath will continue to exist as an entity providing service to its VoIP customers. MegaPath does not collect advances, deposits and/or prepayments from customers in Arizona, does not have a performance bond on file with the Commission and was not required to obtain a Performance Bond or Irrevocable Sight Letter of Credit.

Complaints and Compliance

The Consumer Services Section of the Utilities Division reports that from January 1, 2011 to October 20, 2014 there have been no complaints or opinions about MegaPath and GC Pivotal. According to the Corporations Division, both MegaPath and GC Pivotal are in good standing. MegaPath filed its 2013 Utilities Annual Report. The Compliance Section of the Utilities Division reports both MegaPath and GC Pivotal are in compliance.

Staff Recommendations

Staff recommends approval of GC Pivotal's Application to acquire the Arizona customers of MegaPath. Staff also recommends, upon notification from the Applicants that the proposed transaction has been completed, the CC&N and tariffs of MegaPath be cancelled. Upon cancellation of its CC&N, MegaPath will no longer be authorized to provide telecommunications services in Arizona. Therefore, MegaPath will no longer be subject to the requirements of Decision No. 61942.

Staff further recommends that approval be conditioned on the following:

- a. Approval of the transfer of customers and assets should not become effective until the Commission approves the GC Pivotal application for a Certificate of Convenience and Necessity in Docket No. T-20787A-14-0367;

- b. The Applicants provide notice to Docket Control within thirty (30) days following completion of the proposed transactions in this Application;
- c. That MegaPath notify its customers of the proposed transfer through a direct mailing allowing those customers to continue or discontinue service with MegaPath, without prejudice. Verification of the notice should be filed with Docket Control within thirty (30) days of the notice being sent.; and
- d. That GC Pivotal file an updated tariff, within thirty (30) days of the effective date of a Decision in this matter, to incorporate the rates, terms and conditions of service that were included in the MegaPath tariff.

Staff believes the Commission's Slamming and Discontinuance Rules all apply to this transaction. However, based on the above, Staff recommends the following:

- a. A waiver of A.A.C. R14-2-1904 et seq. and any other applicable anti-slamming regulations that may be inconsistent with the FCC's rules regarding the transfer of customer bases because the notice informs customers that the rates, terms and conditions of service will not change as a result of this proposed transfer and informs customers that they may subscribe to the telecommunications service provider of their choice;
- b. A waiver of A.A.C. R14-2-1107 (B), which requires that Megapath publish legal notice of the application in all counties affected by the application describing with particularity the substance of the application; and
- c. A waiver of A.A.C. R14-2-1107 (A)(2), which governs a telecommunications company's verification that all affected customers have been notified of the proposed discontinuance of service and that all affected customers will have access to an alternative local exchange or interexchange service provider.



Steven M. Olea
Director
Utilities Division

SMO:MAC:sms\BH

ORIGINATOR: Matt Connolly

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 BOB STUMP

Chairman

3 GARY PIERCE

Commissioner

4 BRENDA BURNS

Commissioner

5 BOB BURNS

Commissioner

6 SUSAN BITTER SMITH

Commissioner

7
8 IN THE MATTER OF THE APPLICATION)
9 OF MEGAPATH CORPORATION FOR)
10 APPROVAL OF TRANSFER OF)
11 CUSTOMERS AND ASSETS TO GC)
12 PIVOTAL, LLC D/B/A GLOBAL)
13 CAPACITY AND FOR CANCELLATION)
14 OF CONVENIENCE AND NECESSITY.)
15 _____)

DOCKET NOS. T-20787A-14-0368
T-03632A-14-0368

DECISION NO. _____

ORDER

13 Open Meeting
14 Date to be Determined
15 Phoenix, Arizona

16 BY THE COMMISSION:

17 FINDINGS OF FACT

18 1. On October 7, 2014, MegaPath Corporation (“MegaPath”) and GC Pivotal d/b/a
19 Global Capacity (“GC Pivotal”) (together, “Applicants”), filed a joint notification with the Arizona
20 Corporation Commission (“Commission”) of the transfer of MegaPath customers and assets in
21 Arizona to GC Pivotal. In addition, the Applicants seek approval to cancel the Certificate of
22 Convenience and Necessity (“CC&N”) of MegaPath, a waiver of Arizona Administrative Code
23 (“A.A.C.”) R14-2-1901 et seq. (the “Slamming” Rules) and a waiver of any notice requirements under
24 A.A.C. R14-2-1107.

25 2. In support of this filing, Applicants provide the following information.

26 Introduction

27 3. The Applicants submit this filing as a result of their intention to participate in a
28 transaction whereby MegaPath will transfer certain of its network assets and customers to GC Pivotal

1 (the "Transaction"). In Arizona, this Transaction involves all of MegaPath's jurisdictional assets and
2 customers. Upon closure of the Transaction, MegaPath will no longer need its Arizona CC&N.

3 4. In order that GC Pivotal may provide services to the acquired customers, GC Pivotal
4 separately filed a CC&N application in Docket No. T-20787A-14-0367 for authority to provide
5 facilities-based and resold local exchange, facilities based and resold long distance and facilities-based
6 private line. GC Pivotal requests that the Commission process the relief requested in this Application
7 in parallel with the CC&N application, and together the Applicants are working towards a closing of
8 the Transaction on or before December 31, 2014.

9 Description of the Applicants

10 MegaPath Corporation

11 5. MegaPath is a Virginia corporation with principal offices at 6800 Koll Center Parkway,
12 Suite 200, Pleasanton, CA 94566. The Applicants state MegaPath is a leading nationwide provider of
13 integrated voice and data communications. MegaPath offers commercial Digital Subscriber Line
14 ("DSL"), Voice over Internet Protocol ("VoIP"), T1, Ethernet, Web hosting, manages security, IP and
15 dial-up, wireless broadband and bundled VoIP and data services to small and medium-sized business,
16 enterprise businesses through MegaPath's network and through Internet Service Providers, value-
17 added resellers, telecommunications carriers and affinity groups as well as commercial DSL, T1,
18 Ethernet and other data services to wholesale customers who provide their own services using the
19 MegaPath network.

20 6. MegaPath is authorized to provide competitive resold and facilities-based local exchange
21 and interexchange services in Arizona pursuant to the granting of a CC&N in Decision No. 61942
22 dated September 17, 1999. MegaPath is also authorized by the Federal Communications Commission
23 ("FCC") to provide international and domestic interstate services as a non-dominant carrier.
24 Currently, in Arizona, MegaPath provides Voice over Internet Protocol ("VoIP") service to
25 approximately 1,350 business customers, approximately 300 direct access customers (small or medium
26 sized businesses that obtain internet access from MegaPath) and approximately 34 wholesale
27 customers (carriers or partners that utilize MegaPath's network to provide service to the carrier's or
28 partner's end users).

1 GC Pivotal, LLC d/b/a Global Capacity

2 7. GC Pivotal is a Delaware limited liability company with principal offices located at 180
3 North LaSalle Street, Suite 2430, Chicago, IL 60601. GC Pivotal is a portfolio company of Pivotal
4 Group, an investment corporation headquartered in Phoenix, Arizona, that concentrates on private
5 equity and real estate investments but does not offer any regulated telecommunications services. The
6 Applicants state GC Pivotal improves the efficiency and reduces the cost of buying access networks
7 globally through its One Marketplace, an automated platform that brings together customers and
8 suppliers and provides ubiquitous access network solutions that deliver on a brand promise of
9 Connectivity made Simple.

10 8. In Arizona GC Pivotal is authorized to provide competitive resold intrastate private line
11 service pursuant to Commission Decision No. 73645 dated February 6, 2013. GC Pivotal is also
12 authorized by the FCC to provide international and domestic interstate services as a non-dominant
13 carrier.

14 Description of the Transaction

15 9. The Applicants state that MegaPath and GC Pivotal entered into a Membership Interest
16 Purchase Agreement dated September 5, 2014 whereby GC Pivotal intends to obtain certain network
17 assets and certain customers served by those assets from MegaPath. The assets to be transferred
18 consist of MegaPath's network, composed of equipment in Megapath's collocation spaces (*e.g.* Digital
19 Subscriber Line Access Multiplexers ["DSLAMS"], routers, cable and racks), software applications
20 used to provide service, equipment related to MegaPath's points of presence and transport, wholesale
21 and direct access customers and their respective contracts and other associated assets. MegaPath does
22 not intend to transfer to GC Pivotal its certifications and other authority to provide
23 telecommunications services; nor will it undergo a transfer of control as a result of the Transaction.

24 10. The Applicants hold that the proposed Transaction is in the public interest and will not
25 impair the ability of the Applicants to provide services to the public. The Transaction will be virtually
26 transparent and seamless to the affected customers and is structured to assure an orderly transition of
27 customers to a company whose operations are overseen by a well-qualified management team with
28 substantial telecommunications experience and technical expertise.

1 11. The Applicants further state that in the interests of assuring seamless and uninterrupted
2 service, all of the assigned customers will continue to receive service from GC Pivotal under the same
3 rates, terms and conditions of service as were previously provided by MegaPath. Moreover, there will
4 be no charge assessed on the customers for the transfer. Future changes in the rates, terms and
5 conditions of service to the affected customers will be undertaken pursuant to customer contracts and
6 any applicable federal and state notice and tariff requirements.

7 **Request for Waiver of Slamming Rules**

8 12. In the application MegaPath states that as no voice service customers are being
9 transferred to GC Pivotal and since GC Pivotal will not be providing voice service to any customers,
10 the FCC and Commission anti-slamming and/or mass migration rules do not apply to the customer
11 transfer taking place as a result of the Transaction. However, the Applicants also state that in
12 accordance with the terms of the customer service contracts and the rules and procedures of the
13 Commission, affected customers will be properly notified of the Transaction and the change in their
14 telecommunications services provider from MegaPath to GC Pivotal. MegaPath requests, based on
15 the notice MegaPath will deliver to its customers and the nature of the customers, a waiver of A.A.C.
16 R14-2-1901 to -1913, the Slamming Rules, to the extent those provisions are applicable to the
17 customer transfers.

18 13. Staff disagrees that the Commission's Slamming Rules do not apply to the customer
19 transfer. The Applicants are, by A.A.C. definition, telecommunications companies providing
20 telecommunications service in the State of Arizona. Staff has reviewed the notice that will be sent to
21 those affected customers. Because the notice informs customers that the rates, terms and conditions
22 of service will not change as a result of the proposed transactions and informs customers that they
23 may subscribe to the telecommunications service provider of their choice, Staff believes the
24 Commission's Slamming Rules should be waived in this matter.

25 **Request for Waivers of A.A.C. R14-2-1107 (A)(2) and (B)**

26 14. In connection with the request for discontinuance, MegaPath requests the Commission
27 waive any further notice requirements that may be required under A.A.C. R14-2-1107. There are two
28 ...

1 notice requirements in A.A.C. R14-2-1107: a customer notice section in A.A.C. R14-2-1107 (A)(2) and
2 a publication requirement in A.A.C. R14-2-1107 (B).

3 15. As previously mentioned, MegaPath stated customers received a notice of the transfer
4 from MegaPath in accordance with the rules and procedures of the Commission. Staff has examined
5 the customer notice and believes it meets the notice requirement of A.A.C. R14-2-1107 (A)(2).
6 Therefore, the granting of a waiver request for A.A.C. R14-2-1107 (A)(2) would not be appropriate.

7 16. Staff believes that a waiver of A.A.C. R14-2-1107 (B) is appropriate in this circumstance
8 as service to MegaPath's customers will not be abandoned or discontinued and MegaPath's customers
9 will continue to receive service under the same rates, terms and conditions.

10 Cancellation of CC&N

11 17. MegaPath states that because all of MegaPath's Arizona customers who purchase services
12 over which the Commission has jurisdiction are being transferred to GC Pivotal, MegaPath will no
13 longer require its authority to provide telecommunications in Arizona following the close of the
14 Transaction. Therefore, MegaPath requests that the Commission approve MegaPath's discontinuance
15 of service in Arizona under A.A.C. R14-2-1107 to the extent necessary and cancel MegaPath's CC&N
16 upon notice of consummation of the Transaction.

17 18. MegaPath has ten (10) employees in Arizona; four (4) of whom will move over to GC
18 Pivotal in this Transaction. The remaining six (6) will continue as MegaPath employees as MegaPath
19 will continue to exist as an entity providing service to its VoIP customers. MegaPath does not collect
20 advances, deposits and/or prepayments from customers in Arizona, does not have a performance
21 bond on file with the Commission and was not required to obtain a Performance Bond or Irrevocable
22 Sight Letter of Credit.

22 Complaints and Compliance

23 19. The Consumer Services Section of the Utilities Division reports that from January 1, 2011
24 to October 20, 2014 there have been no complaints or opinions about MegaPath and GC Pivotal.
25 According to the Corporations Division, both MegaPath and GC Pivotal are in good standing.
26 MegaPath filed its 2013 Utilities Annual Report. The Compliance Section of the Utilities Division
27 reports both MegaPath and GC Pivotal are in compliance.

28 ...

1 Staff Recommendations

2 20. Staff recommends approval of GC Pivotal's Application to acquire the Arizona
3 customers of MegaPath. Staff also recommends, upon notification from the Applicants that the
4 proposed transaction has been completed, the CC&N and tariffs of MegaPath be cancelled. Upon
5 cancellation of its CC&N, MegaPath will no longer be authorized to provide telecommunications
6 services in Arizona. Therefore, MegaPath will no longer be subject to the requirements of Decision
7 No. 61942.

8 21. Staff further recommends that approval be conditioned on the following:

- 9 • The transfer of customers and assets described herein not become effective
10 until the Commission approves the GC Pivotal application for a Certificate of
11 Convenience and Necessity in Docket No. T-20787A-14-0367;
- 12 • The Applicants provide notice to Docket Control within thirty (30) days
13 following completion of the proposed transactions in this Application;
- 14 • That MegaPath notify its customers of the proposed transfer through a direct
15 mailing allowing those customers to continue or discontinue service with
16 MegaPath, without prejudice. Verification of the notice should be filed with
17 Docket Control within thirty (30) days of the notice being sent; and
- 18 • That GC Pivotal file an updated tariff, within thirty (30) days of the effective
19 date of a Decision in this matter, to incorporate the rates, terms and conditions
20 of service that were included in the MegaPath's tariff.

21 22. Staff believes the Commission's Slamming and Discontinuance Rules apply to this
22 transaction. However, based on the above, Staff recommends the following:

- 23 • A waiver of A.A.C. R14-2-1904, et seq. and any other applicable anti-slamming
24 regulations that may be inconsistent with the FCC's rules regarding the transfer
25 of customer bases because the notice informs customers that the rates, terms
26 and conditions of service will not change as a result of this proposed transfer
27 and informs customers that they may subscribe to the telecommunications
28 service provider of their choice;
- A waiver of A.A.C. R14-2-1107(B), which requires that MegaPath publish legal
notice of the application in all counties affected by the application, not be
granted and that the Applicant be required to file notice of such publication in
this docket; and
- A waiver of A.A.C. R14-2-1107(A)(2), which governs a telecommunications
company's verification that all affected customers have been notified of the

1 proposed discontinuance of service and that all affected customers will have
2 access to an alternative interexchange service provider.

3 CONCLUSIONS OF LAW

4 1. MegaPath Corporation and GC Pivotal, LLC d/b/a Global Capacity are public service
5 corporations within the meaning of Article XV of the Arizona Constitution.

6 2. The Commission has jurisdiction over MegaPath Corporation and GC Pivotal, LLC
7 d/b/a Global Capacity and the subject matter in this filing.

8 3. The Commission, having reviewed the filing and Staff's Memorandum dated
9 December 17, 2014, concludes that it is in the public interest to grant approval as proposed and
10 discussed herein.

11 ORDER

12 IT IS THEREFORE ORDERED that the Application of MegaPath Corporation and GC
13 Pivotal, LLC d/b/a Global Capacity for GC Pivotal, LLC to acquire the customers (including the
14 customers' contracts) of MegaPath Corporation be and hereby is approved, effective upon
15 Commission approval of the GC Pivotal, LLC d/b/a Global Capacity application for a Certificate of
16 Convenience and Necessity in Docket No. T-20787A-14-0367, and as discussed herein.

17 IT IS FURTHER ORDERED that the request for a waiver of A.A.C. R14-2-1904 et seq. and
18 any other applicable anti-slamming regulations that may be inconsistent with the FCC's rules regarding
19 the transfer of customer bases be and hereby is approved.

20 IT IS FURTHER ORDERED that the request for a waiver of A.A.C. R14-2-1107 (B), which
21 requires that MegaPath publish legal notice of the application in all counties affected by the
22 application is approved.

23 IT IS FURTHER ORDERED that the request for a waiver of A.A.C. R14-2-1107 (A)(2),
24 governing a telecommunications company's verification that all affected customers have been notified
25 of the proposed transfer is approved .

26 ...

27 ...

28 ...

1 IT IS FURTHER ORDERED that within thirty (30) days following the closing of the
2 proposed transaction, MegaPath Corporation and GC Pivotal, LLC d/b/a Global Capacity inform the
3 Commission by filing an affidavit with Docket Control that transaction-related activities are
4 completed.

5 IT IS FURTHER ORDERED that within thirty (30) days following the closing of the
6 proposed transaction, MegaPath Corporation and GC Pivotal, LLC d/b/a Global Capacity inform the
7 Commission by filing an affidavit with Docket Control that verifies the customer notice has been
8 delivered to all affected customers.

9 ...

10 ...

11 ...

12 ...

13 ...

14 ...

15 ...

16 ...

17 ...

18 ...

19 ...

20 ...

21 ...

22 ...

23 ...

24 ...

25 ...

26 ...

27 ...

28 ...

1 IT IS FURTHER ORDERED that GC Pivotal, LLC d/b/a Global Capacity file an updated
2 tariff, within thirty (30) days of the effective date of a Decision in this matter, to incorporate the rates,
3 terms and conditions of service that were included in the MegaPath Corporation tariff.

4 IT IS FURTHER ORDERED upon notification from MegaPath Corporation and GC
5 Pivotal, LLC d/b/a Global Capacity that the proposed transaction has been completed, the CC&N
6 and tariff of MegaPath Corporation be cancelled. Upon cancellation of its CC&N, MegaPath
7 Corporation will no longer be authorized to provide telecommunications services in Arizona and
8 subject to the requirements of Decision No. 61942.

9 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

10
11 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

12
13
14 CHAIRMAN

COMMISSIONER

15
16 COMMISSIONER

COMMISSIONER

COMMISSIONER

17
18 IN WITNESS WHEREOF, I, JODI JERICH, Executive
19 Director of the Arizona Corporation Commission, have
20 hereunto, set my hand and caused the official seal of this
21 Commission to be affixed at the Capitol, in the City of
22 Phoenix, this _____ day of _____, 2015.

23 _____
24 JODI JERICH
25 EXECUTIVE DIRECTOR

26 DISSENT: _____

27 DISSENT: _____

28 SMO:MAC:sms\BH

1 SERVICE LIST FOR: MEGAPATH CORPORATION AND GC PIVOTAL, LLC D/B/A
GLOBAL CAPCITY

2 DOCKET NO. T-20787A-14-0368 and T-03632A-14-0368

3
4 Ms. Katherine K. Mudge
5 Vice President – Regulatory Affairs and Litigation
6 1835-B Kramer Ln
7 Suite 100
8 Austin, Texas 78758

9 Mr. Steven M. Olea
10 Director, Utilities Division
11 Arizona Corporation Commission
12 1200 West Washington Street
13 Phoenix, Arizona 85007

14 Ms. Janice M. Alward
15 Chief Counsel, Legal Division
16 Arizona Corporation Commission
17 1200 West Washington Street
18 Phoenix, Arizona 85007

19 Ms. Lyn Farmer
20 Chief Administrative Law Judge, Hearing Division
21 Arizona Corporation Commission
22 1200 West Washington Street
23 Phoenix, Arizona 85007

24
25
26
27
28