

**THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

Before Commissioners:                      Shari Feist Albrecht, Chair  
   Jay Scott Emler  
   Dwight D. Keen

In the Matter of the Application of SQF, LLC                      )  
for a Certificate of Convenience and Necessity                      )                      Docket No. 18-SQFT-395-COC  
to Provide Local Exchange and Exchange                      )                      (CLEC)  
Access Telecommunications Service in Kansas.                      )

**ORDER AND CERTIFICATE**

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and determination. Having examined its files and record and being fully advised in the premises, the Commission finds and concludes as follows:

**I. BACKGROUND**

1.            On March 13, 2018, SQF, LLC (SQF) filed an Application requesting a Certificate of Convenience and Authority to provide Competitive Local Exchange service within the State of Kansas.

2.            The Commission Staff (Staff) submitted a Report and Recommendation dated August 15, 2018, providing its analysis and recommendation regarding SQF's Application.

**II. DISCUSSION AND ANALYSIS**

3.            The Commission derives its authority to supervise telecommunications public utilities from K.S.A. 2017 Supp. 66-1,188. Defining telecommunications public utilities, K.S.A. 2017 Supp. 104(a) provides in part that:

The term "public utility" as used in this act, shall be construed to mean every corporation, company, individual, association of persons, their trustees, lessees or receivers, that now or hereafter may own, control, operate or manage, except for

private use, any equipment, plant or generating machinery, or any part thereof, for the transmission of telephone messages or for the transmission of telegraph messages through any part of the state...

K.S.A. 2017 Supp. 66-131(a) provides in part that:

No...common carrier or public utility...governed by the provisions of this act shall transact business in the State of Kansas until it shall have obtained a certificate from the corporation commission that public convenience will be promoted by the transaction of said business and permitting said applicants to transact the business of a common carrier or public utility in this state.

In determining whether the public convenience will be promoted by the transaction of said business, the Commission looks at a number of factors. Regarding such factors, K.S.A. 2017 Supp. 66-2005(w) provides in part that:

...telecommunications carriers that were not authorized to provide switched local exchange telecommunications services in this state as of July 1, 1996...must receive a certificate of convenience based upon a demonstration of technical, managerial and financial viability and the ability to meet quality of service standards established by the commission.

Staff determines from its review and investigation of the Application and information provided by SQF that the company possesses the requisite technical, managerial, and financial viability to provide Local and Exchange Access Service.

4. According to Staff, SQF intends to provide service in the territories served by AT&T Kansas and CenturyLink. SQF proposes to provide non-switched radio frequency transport service on a wholesale basis to other carriers using fiber optic cable between low-powered antenna nodes and data centers forming its network. SQF offers its wholesale transport services primarily to Wireless Services Providers. The effect of SQF's services is to improve wireless network coverage and capacity. SQF provides its services using both its own hub and fiber optic facilities, as well as by leasing facilities from other suppliers.

5. SQF initially intends to provide service to other carriers on a wholesale, non-switched basis and, as such, will not initially be providing switched voice services to residential customers in the state of Kansas. It will provide facilities-based and leased fiber transport and routing/switching of commingled voice and data traffic, including local exchange bound service as internet protocol (IP) traffic generated by other retail providers, for its wholesale customers. As part of its service offerings, SQF may provide retail fiber Internet transport services for business enterprise customers, which will carry voice and data.

6. SQF intends to provide additional networks based upon the needs of its individual customers. Consequently, it seeks the full range of local exchange and exchange access authority from the Commission to meet its customers' future needs.

7. SQF may be subject to the requirements of Section 251(f) of the Telecommunications Act of 1996 should it desire to provide local exchange service in a rural area. Section 251(f) exempts rural local exchange companies from certain competitive entry requirements and establishes an explicit procedure for lifting the exemption. Certification in a rural telephone company's service area is also governed by K.S.A. 2017 Supp. 66-2004.

8. SQF, LLC is a Maine Limited Liability Company located at 16 Middle Street, 4<sup>th</sup> Floor, Portland, Maine 04101. Staff states that SQF is properly registered with the Kansas Secretary of State's office as a foreign limited liability company, whose status with that office is "active and in good standing." Staff confirms that all other aspects of SQF's Application have been reviewed and determines that everything is acceptable with respect to the standards established through Staff's review process. SQF is a start-up company in Kansas and has provided confidential financial statements of its parent company, Tilson Technology Management, Inc. (Tilson) Staff states the financial records submitted by Tilson indicate that the company has

sufficient capital to fund the start-up of SQF in Kansas. SQF also has been providing its wholesale local exchange service to carriers in 24 other jurisdictions in the United States and employs personnel with experience in the telecommunications industry, having managed the planning, design and construction of telecommunications deployments, including smart grid, fiber optic and cellular long term evolution (LTE) projects. To the extent SQF's presence in Kansas would increase consumer options for local services, Staff believes the general public will benefit from Commission approval of the SQF's Application.<sup>1</sup>

6. Staff recommends the Commission grant SQF's Application and issue the company a Certificate of Convenience and Authority to provide Local and Exchange Access telecommunications services only within the territories served by AT&T Kansas and CenturyLink in Kansas. Staff adds that SQF must register with GVNW Consulting, Inc., within 30 days of issuance of an Order granting the company's Application. Within 30 days of generating Kansas intrastate assessable retail revenue, SQF shall make the appropriate KUSF remittance and payment election via the Company Identification and Operations Form and submit the relevant Carrier Remittance Worksheets (CRWs) and assessment payments to GVNW. Staff also recommends that SQF be reminded to notify the Commission immediately of any change in address or contact telephone numbers, file timely annual reports, maintain current registration with the Kansas Secretary of State's office, and pay all Commission and KUSF assessments in a timely manner.<sup>2</sup>

### **III. FINDINGS AND CONCLUSION**

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<sup>1</sup> Report and Recommendation at 2.

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

7. Pursuant to K.S.A. 2017 Supp. 66-1,188, the Commission has jurisdiction to supervise and control telecommunications public utilities doing business in Kansas. SQF is a telecommunications public utility under K.S.A. 2017 Supp. 66-1,187 and is therefore subject to the Commission's jurisdiction. The Commission adopts Staff's analysis and recommendations of August 15, 2018, as stated in its Report and Recommendation, which is attached hereto and made a part hereof by reference, and finds that SQF's Application should be granted and a Certificate of Convenience and Authority issued to SQF authorizing it to engage in the business of providing Competitive Local Exchange services within the territories served by AT&T Kansas and CenturyLink.

**IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:**

A. The Application of SQF, LLC, filed March 13, 2018, is hereby granted and SQF is hereby issued a Certificate of Convenience and Authority to provide Competitive Local Exchange services only within the territories served by AT&T Kansas and CenturyLink.

B. SQF is reminded of its obligation to comply with the requirements as set forth in paragraph 6 above; failure to do so could result in revocation of its Certificate.

C. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529 (a) (1).<sup>3</sup>

D. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order or orders as it may deem necessary.

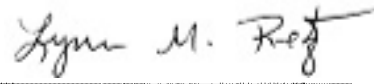
**BY THE COMMISSION IT IS SO ORDERED AND CERTIFIED.**

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<sup>3</sup> K.S.A. 66-118b; K.S.A. 77-503 (c) and K.S.A. 77-531(b).

Albrecht, Chair; Emler, Commissioner; Keen, Commissioner

Dated: 08/28/2018



Lynn M. Retz  
Secretary to the Commission

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# STATE OF KANSAS



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## REPORT AND RECOMMENDATION UTILITIES DIVISION

**TO:** Chair Shari Feist Albrecht  
Commissioner Jay Scott Emler  
Commissioner Dwight D. Keen

**FROM:** Kelly Mabon, Senior Telecommunications Analyst  
Christine Arnes, Chief of Telecommunications  
Jeff McClanahan, Director of Utilities

**DATE:** August 15, 2018

**SUBJECT:** Docket No. 18-SQFT-395-COC (CLEC)  
In the Matter of the Application of SQF, LLC for Certificate of Convenience and Necessity to Provide Local Exchange and Exchange Access Telecommunications Service in Kansas.

### **SUMMARY:**

On March 13, 2018, SQF, LLC applied for Certification to provide Competitive Local Exchange and Exchange Access Service within the state of Kansas. Staff recommends Commission approval of this Application.

### **BACKGROUND:**

The Commission derives its authority to supervise telecommunications public utilities from K.S.A. 66-1,188. The Commission derives its authority to certificate and de-certificate public utilities from K.S.A. 66-131.

Pursuant to K.S.A. 66-131, the Commission must review all certification and decertification Applications to determine whether the "public convenience" will be promoted by granting the request.

**ANALYSIS:**

SQF, LLC is a Maine Limited Liability Company located at 16 Middle Street, 4<sup>th</sup> Floor, Portland, Maine, 04101. SQF, LLC seeks certification to provide competitive local exchange service with the service area of AT&T and CenturyLink.

The Company proposes to provide non-switched radio frequency transport service on a wholesale basis to other carriers via fiber optic cable between low-powered antenna nodes and data centers forming its network. The Company will offer wholesale transport services primarily to Wireless Services Providers, the effect of the Company's services is to improve wireless network coverage and capacity. The Company will provide its services via both its own hub and fiber optic facilities, as well as by leasing facilities from other suppliers.

The Company initially intends to provide service to other carriers on a wholesale, non-switched basis and, as such, will not initially be providing switched voice services to residential customers in the state of Kansas. The Company will provide facilities-based and leased fiber transport and routing/switching of comingled voice and data traffic (including local exchange bound service as internet protocol (IP) traffic generated by other retail providers) for its wholesale customers. The Company's customers will include wireless Internet service providers, public safety network operators, Competitive Local Exchange companies, and cellular carriers. As part of its service offerings, the Company may provide retail fiber Internet transport services for business enterprise customers, which will carry voice and data.

The Company intends to provide additional networks based upon the needs of its individual customers. For the aforementioned reasons, the Company seeks the full range of local exchange and exchange access authority from the Commission so it can meet customers' future needs.

SQF, LLC is a Maine Limited Liability Company and was properly registered with the Kansas Secretary of State's office on February 2, 2018. They are currently "active and in good standing" with the Secretary's office.

Staff believes that adequate expertise exists to operate resold services. Confidential financial records of the Company's Parent Company submitted indicate there is sufficient capital to fund the startup of SQF, LLC. The Company submitted an access tariff with this filing. It has been reviewed by Staff and should be accepted for filing in this Docket.

All other aspects of SQF, LLC's Application have been reviewed and everything is acceptable with respect to the standards established through Staff's review process.

To the extent that the Company's presence in Kansas would increase the consumer's options for local service, Staff believes the general public would benefit from Commission approval of this Application.



**RECOMMENDATION:**

Staff recommends approval of SQF, LLC's Application to provide Local and Exchange Access Service within the AT&T and CenturyLink service areas of the state of Kansas.

The Company must register with GVNW Consulting, Inc., the Kansas Universal Service Fund (KUSF) Administrator, within 30 days of an Order granting the Company's Application. Within 30 days of generating Kansas intrastate assessable retail revenue, the Company shall make the appropriate KUSF remittance and payment election via the Company Identification and Operations Form and submit the relevant Carrier Remittance Worksheets and assessment payments to GVNW.

The Company is reminded to notify the Commission immediately of any change in address or contact telephone numbers, file timely annual reports, maintain current registration with the Kansas Secretary of State's Office, and pay all Commission and Kansas Universal Service Fund assessments in a timely manner.

## CERTIFICATE OF SERVICE

18-SQFT-395-COC

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of  
08/29/2018  
first class mail/hand delivered on \_\_\_\_\_.

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