

MEMORANDUM

To: Missouri Public Service Commission Official Case File
Case No: LA-2011-0297
Applicant: GC Pivotal, LLC

From: Kari Salsman
Telecommunications Department
William Voight 4-29-11
Utility Operations Division/Date

Subject: Staff Recommendation for Approval of Certificate and/or Initial Tariff

Date: 4-29-11
Filing Deadline: 5-02-11

The Telecommunications Department Staff (Staff) recommends the applicant be granted the following certificate(s), as indicated below, to be effective on the same date the tariff becomes effective:

certificate to provide basic local exchange telecommunications services in the following service areas.

- All of AT&T Missouri
- All of CenturyLink
- All of Spectra
- Statewide
- Other _____ (please describe)

certificate to provide interexchange telecommunications services.

certificate to provide local exchange telecommunications services.*

*local exchange authority should be restricted to dedicated, private line services.

Staff recommends the applicant and its services receive competitive classification. Staff further recommends a Commission order granting certification state that pursuant to Section 392.410 RSMo, unless exercised within a period of one year from the issuance thereof, authority conferred by a certificate of service authority shall be null and void. In addition, Staff recommends approval of the waivers listed in the Notice.

Granting a certificate to provide basic local exchange telecommunications services should be based on the following two conditions:

1. The applicant's originating and terminating access rates shall not exceed the access rates of the incumbent local exchange company against whom the applicant is competing pursuant to Sections 392.361.6 and 392.370 RSMo.
2. If the directly competing ILEC, in whose service area the applicant is operating, decreases its originating and/or terminating access service rates, the applicant shall file an appropriate tariff amendment to reduce its originating and/or terminating access rates in the directly competing ILEC's service area

within 30 days of the directly competing ILEC's reduction of its originating and/or terminating access rates in order to maintain the cap.

- No objection to tariff taking effect (Insert MO PSC number.) Effective Date: The Staff states that the tariff meets the requirements of all applicable statutes, specifically, one or more of the following: Sections 392.200(8), (12); 392.455(3), (4); and 392.500(2) RSMo. In addition, the tariff filing does not conflict with the following Commission rules: 4 CSR 240-3.545 (4), (6), (7), (8 C,G,H), (9), (15), (16), (19); 4 CSR 240-31.065(1), (2), (3); 4 CSR 240-32.150(5), 32.160(1), (2), 32.190; 4 CSR 240-33.040(4), 33.045(2), 33.050(4) and 33.070(2).
- Tariff was not submitted with application. Pursuant to 4 CSR 240-3.510(1)(C), the applicant cannot lawfully provide service until tariffs are effective.

Additional Comments:

Paragraph 16 of GC Pivotal, LLC's (Pivotal's) application speaks to the company's offering of switched access services. Moreover, the opening paragraph of Pivotal's application requests the Commission grant Pivotal a certificate for "Exchange Access" (i.e.; "switched access service"). Staff notes that Pivotal cannot offer switched access telephone service because it is not seeking authority to provide basic local telephone service. Rather, Pivotal simply asks for "local exchange" service; however, it neglects to request the Commission limit such authority to providing non-switched private line service. Therefore, the Staff recommends the Commission restrict Pivotal's local exchange certificate to the provision of non-switched local exchange authority. Staff also recommends that Pivotal be granted interexchange telecommunications authority.

4 CSR 240-3.550 (5)(C) should be denied.

The Company is not delinquent in filing an annual report, paying the PSC assessment, MoUSF, and Relay Missouri.

The Company is delinquent. Staff recommends the Commission grant the requested relief/action on the condition the applicant corrects the delinquency. The applicant should be instructed to make the appropriate filing in this case after it has corrected the delinquency.

(No annual report Unpaid PSC assessment. Amount owed:
 Unpaid MoUSF Unpaid Relay Missouri)

Review Items for IXC, Non-switched Local and CLEC Certificate Applications (as required by 4 CSR 240-2.060):

- Proper Secretary of State authorization
- Statement of character of business performed.
- Statement declaring no pending action or final unsatisfied judgments
- Statement declaring no overdue annual reports/assessment fees
- Application includes an affidavit.
- The applicant is requesting waivers of rules or statutes previously granted to a competitively classified company

(as required by 392.430/.440):

- Application shows that grant of authority is in the public interest.

Additional Review Items for CLEC Applications (as required by 392.455):

- Possesses sufficient technical and managerial resources and abilities.
- Applicant has provided an affidavit attesting that the company possesses sufficient financial resources.
- Statement that the applicant will satisfy the minimum standards established by the commission.
- Identifies geographic area (no smaller than an exchange).
- Statement that applicant will give equitable access to all Missourians.

Tariff Review Items (applicable for all competitively classified companies):

- The tariff meets Staff's review for compliance with rules for competitive company tariff filings.

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

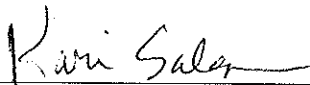
In the Matter of the Application of GC)
Pivotal, LLC for a Certificate of Service)
Authority to provide Local Exchange and)
Interexchange Telecommunications)
Services in Portions of the State of)
Missouri and to Classify Such Services and)
the Company as Competitive)

Case No. LA-2011-0297

AFFIDAVIT OF KARI SALSMAN

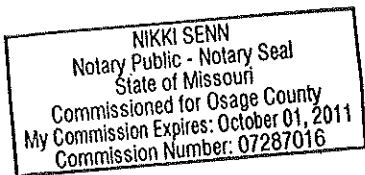
STATE OF MISSOURI)
) ss:
COUNTY OF COLE)

Kari Salsman, employee of the Missouri Public Service Commission, being of lawful age and after being duly sworn, states that she has participated in preparing the accompanying Staff recommendation, and that the facts therein are true and correct to the best of her knowledge and belief.



KARI SALSMAN

Subscribed and affirmed before me this 29th day of April, 2011.





NOTARY PUBLIC