

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of TeleSpan Communications, LLC (U6665C) to Expand Its Certificate of Public Convenience and Necessity to Provide Full Facilities-Based and Resold Competitive Local Exchange Service, Access and Interexchange Service in the State of California.

Application 12-04-005
(Filed April 13, 2012)

**DECISION GRANTING TELESPAN COMMUNICATIONS, LLC
AUTHORITY TO PROVIDE FULL FACILITIES-BASED AND RESOLD
COMPETITIVE LOCAL EXCHANGE SERVICE, ACCESS, AND
INTEREXCHANGE SERVICE IN THE STATE OF CALIFORNIA
REPLACING THEIR EXISTING REGISTRATION LICENSE WITH A
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

TABLE OF CONTENTS

Title	Page
DECISION GRANTING TELESpan COMMUNICATIONS, LLC AUTHORITY TO PROVIDE FULL FACILITIES-BASED AND RESOLD COMPETITIVE LOCAL EXCHANGE SERVICE, ACCESS, AND INTEREXCHANGE SERVICE IN THE STATE OF CALIFORNIA REPLACING THEIR EXISTING REGISTRATION LICENSE WITH A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY	1
1. Summary	2
2. Background	2
3. California Environmental Quality Act (CEQA)	3
4. Financial Qualifications	7
5. Managerial and Technical Qualifications.....	8
6. Tariffs.....	9
7. Map of Service Territory	9
8. General Order 104-A Statement.....	10
9. Expected Customer Base.....	10
10. Conclusion	10
11. Categorization and Need for Hearings	10
12. Comments on Draft Decision.....	11
13. Assignment of Proceeding	11
Findings of Fact.....	11
Conclusions of Law	12
ORDER	13
Attachment A: Requirement for Filing Tariffs	
Attachment B: Requirements Applicable to Competitive Local Exchange Carriers and Interexchange Carriers	
Attachment C: Annual Report	
Attachment D: Calendar Year Affiliate Transaction Report	

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1. Summary

TeleSpan Communications, LLC (TeleSpan) filed an application to expand its existing resale non-dominant interexchange carrier authority to provide full facilities-based and resold competitive local exchange service, access, and interexchange service in the State of California.

By this decision, we grant TeleSpan a certificate of public convenience and necessity to provide full facilities-based and resold competitive local exchange service, access, and interexchange service in the State of California on the terms and conditions set forth in the Ordering Paragraphs. This decision replaces the registration license previously granted in D.02-02-053 with a Certificate of Public Convenience and Necessity.

2. Background

On April 13, 2012, TeleSpan filed an application to expand its existing resale non -dominant interexchange carrier authority to provide full facilities-based and resold competitive local exchange telecommunications service, access, and interexchange service in the State of California, specifically, the service areas of AT&T, Verizon, SureWest, and Frontier. TeleSpan proposes to provide these services through a combination of its own facilities and facilities that will be leased from a variety of telecommunications carriers. TeleSpan's services will be both intrastate and interstate and may include a technical platform known as a "Distributed Antenna System" or "DAS." The DAS consists of (1) a Base Station Hotel; (2) Optical Conversion Equipment; (3) Remote Nodes;

and (4) Access Points.¹ TeleSpan asserts that its services are customized to the transport and backhaul needs of carrier customers and may also include services related to fiber-based backhaul for macro, micro, and pico cellular sites.

TeleSpan also contemplates potentially providing enterprise data networking services to Internet Service Providers or other large enterprise data customers over the same infrastructure.

Finally, TeleSpan plans to operate by installing aerial fiber and related equipment in or on existing poles, towers, buildings, fiber, conduits, ducts, rights-of-way, trenches, and other facilities and structures of other entities. TeleSpan represents that it will not need to construct any buildings, towers, conduits, poles, or trenches in California to provide services for which it seeks authority, except as discussed before on Section three and consistent with full facilities-based authority.

TeleSpan is a limited liability company under the laws of the State of California, and its principal place of business is 512 E. Gutierrez Street, Suite A, Santa Barbara, California 93103.

3. California Environmental Quality Act (CEQA)

Pursuant to CEQA and Rule 2.4² of the Commission's Rules of Practice and Procedure, the Commission examines projects to determine any potential environmental impacts in order that adverse effects are avoided and

¹ These terms are defined in TeleSpan's Application at 3.

² Unless otherwise noted, items labeled "Rule" are from the Commission's Rules of Practice and Procedure.

environmental quality is restored or enhanced to the fullest extent possible under CEQA.

In the Proponent's Environmental Assessment and Proposed Procedure for CEQA Review of Construction Activities,³ TeleSpan's activities include installation of fiber and related equipment in or on existing poles, towers, buildings, fiber, conduits, ducts, rights-of-way, trenches, and other facilities and structures of other entities. These activities fall within the following classes of projects that are likely exempt from CEQA and for which neither an Environmental Impact Report nor a Negative Declaration is required:

- (1) Class 3 Exemption: construction including water main, sewage, electrical, gas and *other utility extensions of reasonable length* to serve such construction. This includes the construction of limited numbers of new small facilities or utility extensions. 14 CCR § 15303.
- (2) Class 4 Exemption: minor public or private alterations in the condition of land, water, and/or vegetation which do not involve the removal of healthy, mature, scenic trees except for forestry and agricultural purposes. Among other things, this includes *filling of earth into previously excavated land with material compatible with the natural features of the site, and minor trenching and backfilling* where the surface is restored. 14 CCR § 15304.
- (3) Class 32 ("in fill") Exemption: applies where: i) the projects are consistent with the applicable general plan designation and applicable general plan policies and applicable zoning designation and regulation; ii) proposed development occurs within city limits on a project site of more than five acres substantially surrounded by urban uses; iii) the project site has no

³ Application, Exhibit B.

value as habitat for endangered, rare or threatened species; iv) approval of the project would not result in significant effects relating to traffic, noise, air quality, or water quality; and v) the site can be adequately served by all required utilities and public services. 14 CCR § 15332.

TeleSpan's proposed activities involve construction of reasonably short utility extensions (Class 3). The primary ground-disturbing activity will be limited to minor trenching and backfilling (Class 4) and often will occur in heavily-developed urban and suburban areas meeting the criteria for urban in-fill (Class 32). Exemption of these activities is consistent with Commission precedent. TeleSpan's proposed new construction activities are similar to those undertaken by other carriers that we have decided are categorically exempt from CEQA. (See, e.g., D.10-04-038 (*SnowCrest Telephone, Inc.*); D.10-01-014 (*Pacific Lightware*); D.09-07-043 (*Public Wireless, Inc.*); D.06-04-063 (*ClearLinx Network Corporation*); and D.06-04-067 (*CA-CLEC LLC*.) Further, the Commission has found previously that the type of activities that TeleSpan proposes to undertake have no significant effect on the environment and, therefore, will not require a CEQA review. (See, e.g. D.10-12-004 (*Mobilitie, LLC*); D.08-12-027 (*ATC Outdoor DAS*.)

TeleSpan requests approval to utilize a procedure for expedited review of its projects once it is aware of a specific site(s) in which it plans construction. The proposed procedure, described in Application Exhibit B, tracks the expedited review procedure that we have approved for other carriers. Such a process will expedite CEQA review and is appropriate for the type of construction outlined here, which will be likely categorically exempt. By establishing this expedited review process, we are able to review the information on a specific project to confirm that it is categorically exempt from CEQA or explain why further

environmental review is required. At the same time, the proposed CEQA review process will enable TeleSpan to undertake construction of its projects in an efficient manner without experiencing delays caused by an unnecessarily protracted CEQA review.

Similar to the procedure approved for other carriers, the following procedure will be used to obtain Commission approval of TeleSpan's claimed CEQA exemptions for proposed construction projects. TeleSpan will provide the Commission's Energy Division with information that: (1) describes the proposed project, including the environmental setting; (2) describes the proposed construction workplan, (3) lists the CEQA exemption(s) applicable to the proposed project; and (4) provides documentation and factual evidence sufficient to support a finding that the claimed exemption(s) is (are) applicable.

The Energy Division will review TeleSpan's submission for the proposed project to confirm that the claimed exemption(s) from CEQA are applicable. Within 21 days from the date of TeleSpan's submittal, the Energy Division will issue either: (1) A Notice to Proceed (NTP) and file a Notice of Exemption with the State Clearinghouse, Office of Planning and Research, or (2) A letter of denial stating the specific reasons why the claimed exemption(s) are not applicable to the proposed project.

We have reviewed the application and find that: (1) TeleSpan's proposed facilities-based project activities are very limited; (2) These activities would in almost all circumstances be very likely to qualify for an exemption from CEQA; and (3) The proposed process for reviewing the applicability of CEQA exemptions to TeleSpan's facilities-based projects is not only adequate for the Commission's purposes as CEQA Lead Agency, but is also in the public interest because it enables TeleSpan to respond in a timely manner to requests for service

without the delay or burden of a full CEQA review when such review is unnecessary.

We therefore approve TeleSpan's proposed process for Commission review of claimed CEQA exemptions for construction projects undertaken pursuant to TeleSpan's full facilities-based authority, based on the specific facts of this case with the following modifications related to the Commission's Energy Division review and approval or disapproval of the proposed exemptions. If the Energy Division disapproves TeleSpan's claimed CEQA exemption(s), and issues a letter of denial to TeleSpan, TeleSpan must either re-design the specific project and facilities and then reapply for a finding of exemption from CEQA, or file a formal application with the Commission seeking the requisite approval and full CEQA review, before commencing any construction activities.

TeleSpan shall not perform any full facilities-based construction activities without first obtaining an NTP from the Energy Division or authorization by the Commission after the requisite environmental review.

We have previously determined that the public convenience and necessity require that competition be allowed in the provision of competitive local exchange service. (See Rulemaking 95-04-043/Investigation 95-04-044.) Granting this application will benefit the public interest by expanding the availability of technologically advanced telecommunications services within the state.

4. Financial Qualifications

Pursuant to Rule 4.B of Decision (D.) 95-12-056, an applicant for a CPCN for authority to provide facilities-based local exchange service must demonstrate that it has \$100,000 cash or cash equivalent to meet the firm's start-up expenses. Applicant must also demonstrate that it has sufficient additional resources to

cover all deposits required by other telecommunications carriers in order to provide service in California.

In Section 11 of and Exhibit D⁴ to the application, TeleSpan provided a bank statement from Business First Bank which demonstrates that TeleSpan possesses a minimum of \$100,000 that is reasonably liquid and available. Thus, it has demonstrated that it has sufficient funds to meet its start-up expenses and has fulfilled this requirement.

TeleSpan does not currently owe and does not anticipate owing deposits to local exchange or interexchange carriers. (Initial Rules, Rule 4(B)(1).)

As such, TeleSpan meets the financial qualifications set forth in the Initial Rules for Competitive Local Exchange Carriers issued in D.95-07-054, D.96-02-072, and Rules 3.1(g) and 2.3.

5. Managerial and Technical Qualifications

To be granted a CPCN for authority to provide local exchange and interexchange service, an applicant must make a reasonable showing of managerial and technical expertise in telecommunications or a related business.⁵ TeleSpan has supplied biographical information on its management in Exhibit F to its application that demonstrated that it has sufficient expertise and training to operate as a telecommunications provider.

In its Application, TeleSpan verified to the best of its knowledge that no one associated with or employed by TeleSpan as an affiliate, officer, director,

⁴ Concurrent with this Application, TeleSpan filed a Motion for leave to file Exhibit D under seal.

⁵ D.95-12-056 at Appendix C, Rule 4.A.

partner, or owner of more than 10% of TeleSpan was previously associated with a telecommunications carrier that filed for bankruptcy, or was sanctioned by the Federal Communications Commission or any state regulatory agency for failure to comply with any regulatory statute, rule, or order.

TeleSpan also verified that no one associated with or employed by it as an affiliate, officer, director, partner, or owner of more than 10% of TeleSpan was previously associated with any telecommunication carrier that has been found either civilly or criminally liable by a court of appropriate jurisdiction for a violation of § 17000, et seq. of the California Business and Professions Code, or for any actions which involved misrepresentations to consumers, nor is currently under investigation for similar violations.

For the above reasons, we find that TeleSpan is in compliance with the requirements of D.95-12-056.

6. Tariffs

TeleSpan asserts that since it does not intend to offer residential basic services, it is entitled to an exception for the tariffing requirements. Pursuant to General Order 96-B and D.07-09-018, we grant TeleSpan's request for detariffing of nonresidential service offerings.

7. Map of Service Territory

To be granted a CPCN for authority to provide local exchange service, an applicant must provide a map of the service territories it proposes to serve.⁶ In its Application, Exhibit C, TeleSpan provided a map of the location of its proposed service territory, in compliance with this requirement.

⁶ D.95-12-056 at Appendix C, Rule 4.E.

8. General Order 104-A Statement

Rule 3.1(i) sets forth the requirement that a utility filing an application under Pub. Util. Code § 1001, provide a statement regarding General Order 104-A. TeleSpan states it is not a publicly-traded company and has no proxy statements, 10-Ks, or annual reports to provide. Further, TeleSpan states that none of its officers, directors, members, or stockholders have a material financial interest (as that term is defined in Section 2 of General Order 104-A) in any transaction involving the purchase of materials or equipment, or the contracting, arranging, or paying for construction, maintenance, or service on behalf of Applicant. Therefore, TeleSpan has nothing to report under this rule.

On a going forward basis, though, TeleSpan must file all reports required of a public utility under Commission jurisdiction.

9. Expected Customer Base

TeleSpan provided its estimated customer base for the first and fifth years of operation in Section 14 of its Application and in Exhibit E thereto which was filed under seal. Therefore, TeleSpan has complied with this requirement.

10. Conclusion

We conclude that the application conforms to our rules for certification as a competitive local exchange and interexchange carrier. Accordingly, we grant TeleSpan authority to expand its CPCN to provide full facilities-based and resold competitive local exchange service, access, and interexchange service in the State of California, subject to compliance with the terms and conditions set forth in the Ordering Paragraphs.

11. Categorization and Need for Hearings

In Resolution ALJ 176-3292, dated April 19, 2012, the Commission preliminarily categorized this application as ratesetting, and preliminarily

determined that hearings were not necessary. No protests have been received. There is no apparent reason why the application should not be granted. Given these developments, a public hearing is not necessary, and it is not necessary to disturb the preliminary determinations.

12. Comments on Draft Decision

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Section 311(g)(2) of the Public Utilities Code and Rule 14.6(c)(2), the otherwise applicable 30-day period for public review and comment is waived.

13. Assignment of Proceeding

Catherine J.K. Sandoval is the assigned Commissioner and Robert M. Mason III is the assigned ALJ in this proceeding.

Findings of Fact

1. Notice of the application appeared on the Daily Calendar on April 17, 2012. No protests have been filed. A hearing is not required.
2. The Commission is the Lead Agency for this project under CEQA.
3. TeleSpan's proposed construction activity falls within one or more CEQA categorical exemptions.
4. TeleSpan's authority to provide local exchange services will not have a significant adverse effect upon the environment.
5. TeleSpan has a minimum of \$100,000 of cash or cash equivalent that is reasonably liquid and readily available to meet its start-up expenses.
6. TeleSpan has sufficient additional cash or cash equivalent to cover deposits that may be required by other telecommunications carriers in order to provide the proposed service.

7. TeleSpan's management possesses sufficient experience, knowledge, and technical expertise to provide local exchange services to the public.

8. No one associated with or employed by TeleSpan as an affiliate, officer, director, partner, or owner of more than 10% of TeleSpan was previously associated with a telecommunications carrier that filed for bankruptcy, or was sanctioned by the Federal Communications Commission or any state regulatory agency for failure to comply with any regulatory statute, rule, or order.

9. No one associated with or employed by it as an affiliate, officer, director, partner, or owner of more than 10% of TeleSpan was previously associated with any telecommunication carrier that has been found either civilly or criminally liable by a court of appropriate jurisdiction for a violation of § 17000, et seq. of the California Business and Professions Code, or for any actions which involved misrepresentations to consumers, nor is currently under investigation for similar violations.

10. TeleSpan is eligible for detariffing of its nonresidential service offerings.

11. TeleSpan provided a map of the location of its proposed service territory.

12. TeleSpan has no information to report under Rule 3.1(i), which requires that a utility filing an application under Pub. Util. Code § 1001, provide a statement regarding compliance with General Order 104-A.

13. TeleSpan provided an estimate of its customer base for the first and fifth year of operation.

Conclusions of Law

1. TeleSpan should be granted a CPCN to provide full facilities-based and resold competitive local exchange service, access, and interexchange service in the State of California, subject to the terms and conditions set forth in the Ordering Paragraphs.

2. TeleSpan should be allowed to use the Energy Division 21-day CEQA exemption process.
3. TeleSpan, once granted an expanded CPCN, should continue to be subject to the applicable Commission rules, decisions, general orders, and statutes that pertain to California public utilities.
4. TeleSpan is granted detariffing of nonresidential service offerings as identified in this decision.

O R D E R

IT IS ORDERED that:

1. TeleSpan Communications, LLC is granted a certificate of public convenience and necessity to provide full facilities-based and resold competitive local exchange service, access, and interexchange service in the State of California, subject to the terms and conditions set forth below. This certificate of public convenience and necessity replaces the registration license previously granted to TeleSpan Communications, LLC in D.02-05-053.
2. The corporate identification number assigned to TeleSpan Communications, LLC, U6665C, must be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.
3. In addition to all the requirements applicable to competitive local exchange carriers and interexchange carriers included in Attachments B, C, and D to this decision, TeleSpan Communications, LLC is subject to the Consumer Protection Rules contained in General Order 168, and all applicable Commission rules, decisions, general orders, and statutes that pertain to California public utilities.

4. TeleSpan Communications, LLC must annually pay the user fee and public purpose surcharges specified in Attachment B. TeleSpan must report surcharges and user fees regularly even if the amount due is \$0. Instructions on the remittance and payment of surcharges and user fees are provided in Attachment B. Under Public Utilities Code Section 405, carriers that are in default of reporting and submitting user fees for a period of 30 days or more will be subject to penalties including suspension or revocation of their authority to operate in California.

5. Prior to initiating service, TeleSpan Communications, LLC must provide the Commission's Consumer Affairs Branch with the name and address of its designated contact person(s) for purposes of resolving consumer complaints. This information must be updated if the name or telephone number changes, or at least annually.

6. TeleSpan Communications, LLC must notify the Director of the Communications Division in writing of the date that local exchange service is first rendered to the public, no later than five days after service first begins.

7. TeleSpan Communications, LLC must file an affiliate transaction report with the Director of the Communications Division, in compliance with Decision 93-02-019, on a calendar year basis with the information contained in Attachment D.

8. TeleSpan Communications, LLC must file an annual report with the Director of the Communications Division, in compliance with General Order 104-A, on a calendar-year basis with the information contained in Attachment C to this decision.

9. The staff of the Commission's Energy Division is authorized to review, process, and act upon TeleSpan Communications, LLC's requests for a

determination that its full facilities-based construction activities are exempt from the requirements of the California Environmental Quality Act.

10. If TeleSpan Communications, LLC wishes to engage in full facilities-based construction activities and believes that these activities are exempt from California Environmental Quality Act, TeleSpan Communications, LLC shall first apply to the Commission's Energy Division staff for a determination of exemption from California Environmental Quality Act using the following procedure. TeleSpan Communications, LLC must provide the Commission's Energy Division with:

- a. A detailed description of the proposed project, including:
 - i. Customer(s) to be served;
 - ii. The precise location of the proposed construction project; and
 - iii. Regional and local site maps.
- b. A description of the environmental setting, including at a minimum:
 - i. Cultural, historical, and paleontological resources;
 - ii. Biological resources; and
 - iii. Current land use and zoning.
- c. A construction workplan, including:
 - i. Commission Preconstruction Survey Checklist – Archaeological Resources;
 - ii. Commission Preconstruction Survey Checklist – Biological Resources;
 - iii. A detailed schedule of construction activities, including site restoration activities;
 - iv. A description of construction/installation techniques;
 - v. A list of other agencies contacted with respect to siting, land use planning, and environmental resource issues, including contact information; and
 - vi. A list of permits required for the proposed project.

- d. A statement of the California Environmental Quality Act exemption(s) claimed to apply to the proposed project; and
- e. Documentation supporting the finding of exemption from California Environmental Quality Act.

11. The Energy Division will then review the submittal and notify TeleSpan Communications, LLC of either its approval or its denial of TeleSpan Communications, LLC's claim for exemption from California Environmental Quality Act review within 21 days from the time that TeleSpan Communications, LLC's submittal is complete.

12. If the Energy Division approves TeleSpan Communications, LLC's claimed California Environmental Quality Act exemption(s), the staff will prepare a Notice to Proceed and file a Notice of Exemption with the State Clearinghouse, Office of Planning and Research.

13. If the Energy Division disapproves TeleSpan Communications, LLC's claimed California Environmental Quality Act exemptions, the staff will issue to TeleSpan Communications, LLC a letter which states the specific reasons that the claimed California Environmental Quality Act exemptions do not apply to the proposed project.

14. If the Energy Division disapproves TeleSpan Communications, LLC's claimed California Environmental Quality Act exemptions, TeleSpan Communications, LLC shall either re-design the specific project and facilities and then reapply for a finding of exemption from California Environmental Quality Act, or file a formal application with the Commission seeking the requisite approval and full California Environmental Quality Act review, before commencing any full facilities-based construction activities.

15. Application 12-04-005 is closed.

This order is effective today.

Dated _____, at San Francisco, California.

ATTACHMENT A

REQUIREMENT FOR FILING TARIFFS

Exemption from filing tariffs is granted.

(END OF ATTACHMENT A)

ATTACHMENT B**REQUIREMENTS APPLICABLE TO COMPETITIVE LOCAL EXCHANGE CARRIERS AND INTEREXCHANGE CARRIERS**

1. Applicant shall file, in this docket with reference to this decision number¹, a written acceptance of the certificate granted in this proceeding within 30 days of the effective date of this order.

2. Applicant is subject to the following fees and surcharges that must be regularly remitted. Per the instructions in Exhibit E to Decision (D.) 00-10-028, the Combined California Public Utilities Commission Telephone Surcharge Transmittal Form must be submitted even if the amount due is \$0.

- a. The current 1.15% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the Universal Lifeline Telephone Service Trust Administrative Committee Fund Public Utilities (Pub. Util.) Code § 879; Resolution T-17071, dated March 1, 2007, effective April 1, 2007);
- b. The current 0.20% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California Relay Service and Communications Devices Fund (Pub. Util. Code § 2881; D.98-12-073 and Resolution T-17127, dated December 20, 2007, effective January 1, 2008);
- c. The user fee provided in Pub. Util. Code §§ 431-435, which is 0.18% of gross intrastate revenue (Resolution M-4819), dated June 7, 2007, effective July 1, 2007;

¹ Written acceptance filed in this docket does not reopen the proceeding.

- d. The current 0.40% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California High Cost Fund-A (Pub. Util. Code § 739.3; D.96-10-066, pp. 3-4, App. B, Rule 1.C; Resolution T-17357, dated June 7, 2012, effective July 1, 2012);
- e. The current 0.30% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California High Cost Fund-B. (D.96-10-066, p. 191, App. B, Rule 6.F., D.07-12-054, Resolution T-17311, dated March 24, 2011, effective May 1, 2011);
- f. The current 0.14% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California Advanced Services Fund (D.07-12-054) (Resolution T-17343 dated September 22, 2011 effective November 1, 2011); and
- g. The current 0.79% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California Teleconnect Fund (D.96-10-066, p. 88, App. B, Rule 8.G, Resolution T-17142, dated April 24, 2008, effective June 1, 2008).

Note: These fees change periodically. In compliance with Resolution T-16901, December 2, 2004, Applicant should check the joint tariff for surcharges and fees filed by Pacific Bell Telephone Company (dba AT&T California) and apply the current surcharge and fee amounts in that joint tariff on end-user charges until further revised.

- Carriers must report and remit CPUC telephone program surcharges online using the CPUC Telecommunications and User Fees Filing System (TUFFS). Information and instructions for online reporting and payment of surcharges are available at <http://www.cpuc.ca.gov/PUC/Telco/Information+for+providing+service/Surcharge+Remittance.htm>. To request a user ID and password for TUFFS online filing

and for questions, please e-mail
Telco_surcharges@cpuc.ca.gov.

- Carriers must file and pay the PUC User Fee (see above item 2c) upon receiving the User Fee statement sent by the Commission. User Fees cannot be reported or paid online. Instructions for reporting filing are available at <http://www.cpuc.ca.gov/PUC/Telco/Information+for+providing+service/userfee.htm>. Please call (415) 703-2470 for questions regarding User Fee reporting and payment.

3. Applicant is a competitive local exchange carrier. The effectiveness of its future tariffs is subject to the requirements of General Order 96-B and the Telecommunications Industry Rules (D.07-09-019).

4. Applicant is a non-dominant interexchange carrier (NDIEC). The effectiveness of its future NDIEC tariffs is subject to the requirements of General Order 96-B and the Telecommunications Industry Rules (D.07-09-019).

5. Tariff filings must reflect all fees and surcharges to which Applicant is subject, as reflected in #2 above.

6. Applicant must file a service area map as part of its initial tariff.

7. Prior to initiating service, Applicant must provide the Commission's Consumer Affairs Branch with the name and address of its designated contact person(s) for purposes of resolving consumer complaints. This information must be updated if the name or telephone number changes, or at least annually.

8. Applicant must notify the Director of the Communications Division in writing of the date that local exchange service is first rendered to the public, no later than five days after service first begins.

9. Applicant must notify the Director of the Communications Division in writing of the date local service is first rendered to the public within five days after service begins.²

10. Applicant must keep its books and records in accordance with the Generally Accepted Accounting Principles.

11. In the event Applicant's books and records are required for inspection by the Commission or its staff, it must either produce such records at the Commission's offices or reimburse the Commission for the reasonable costs incurred in having Commission staff travel to its office.

12. Applicant must file an annual report with the Director of the Communications Division, in compliance with General Order 104-A, on a calendar-year basis with the information contained in Attachment C to this decision.

13. Applicant must file an affiliate transaction report with the Director of the Communications Division, in compliance with D.93-02-019, on a calendar year basis with the information contained in Attachment D.

14. Applicant must ensure that its employees comply with the provisions of Pub. Util. Code § 2889.5 regarding solicitation of customers.

15. Within 60 days of the effective date of this order, Applicant must comply with Pub. Util. Code § 708, Employee Identification Cards, and notify the Director of the Communications Division in writing of its compliance.

² California is divided into ten Local Access and Transport Areas (LATAs), each containing numerous local telephone exchanges. InterLATA describes services, revenues and functions relating to telecommunications originating within one LATA and terminating in another LATA. IntraLATA describes services, revenues and functions relating to telecommunications originating within a single LATA.

16. If Applicant is 90 days or more late in filing an annual report, or in remitting the surcharges and fee listed in #2 above, the Communications Division must prepare for Commission consideration a resolution that revokes Applicant's certificate of public convenience and necessity unless it has received written permission from the Communications Division to file or remit late.

17. Applicant is exempt from Rule 3.1(b) of the Commission's Rules of Practice and Procedure.

18. Applicant is exempt from Pub. Util. Code §§ 816-830.

19. Applicant is exempt from the requirements of Pub. Util. Code § 851 for the transfer or encumbrance of property whenever such transfer or encumbrance serves to secure debt.

20. If Applicant decides to discontinue service or file for bankruptcy, it must immediately notify the Communications Division's Bankruptcy Coordinator.

21. Applicant shall send a copy of this decision to concerned local permitting agencies not later than 30 days from the date of this order.

(END OF ATTACHMENT B)

ATTACHMENT C**ANNUAL REPORT**

An original and a machine readable, copy using Microsoft Word or compatible format must be filed with the California Public Utilities Commission, State Office Building, 505 Van Ness Avenue, Room 3107, San Francisco, CA 94102-3298, no later than March 31st of the year following the calendar year for which the annual report is submitted.

Failure to file this information on time may result in a penalty as provided for in §§ 2107 and 2108 of the Public Utilities Code.

Required information:

1. Exact legal name and U # of the reporting utility.
2. Address.
3. Name, title, address, and telephone number of the person to be contacted concerning the reported information.
4. Name and title of the officer having custody of the general books of account and the address of the office where such books are kept.
5. Type of organization (*e.g.*, corporation, partnership, sole proprietorship, etc.).
If incorporated, specify:
 - a. Date of filing articles of incorporation with the Secretary of State.
 - b. State in which incorporated.
6. Number and date of the Commission decision granting the Certificate of Public Convenience and Necessity.
7. Date operations were begun.
8. Description of other business activities in which the utility is engaged.
9. List of all affiliated companies and their relationship to the utility. State if affiliate is a:
 - a. Regulated public utility.
 - b. Publicly held corporation.
10. Balance sheet as of December 31st of the year for which information is submitted.

11. Income statement for California operations for the calendar year for which information is submitted.
12. Cash Flow statement as of December 31st of the calendar year for which information is submitted, for California operations only.

For answers to any questions concerning this report, call (415) 703-2883.

(END OF ATTACHMENT C)

ATTACHMENT D**CALENDAR YEAR AFFILIATE TRANSACTION REPORT**

An original and a machine readable, copy using Microsoft Word or compatible format must be filed with the California Public Utilities Commission, State Office Building, 505 Van Ness Avenue, Room 3107, San Francisco, CA 94102-3298, no later than May 1st of the year following the calendar year for which the annual report is submitted.

Failure to file this information on time may result in a penalty as provided for in §§ 2107 and 2108 of the Public Utilities Code.

1. Each utility must list and provide the following information for each affiliated entity and regulated subsidiary that the utility had during the period covered by the annual Affiliate Transaction report.

- Form of organization (*e.g.*, corporation, partnership, joint venture, strategic alliance, etc.);
- Brief description of business activities engaged in;
- Relationship to the utility (*e.g.*, controlling corporation, subsidiary, regulated subsidiary, affiliate);
- Ownership of the utility (including type and percent ownership);
- Voting rights held by the utility and percent; and
- Corporate officers.

2. The utility must prepare and submit a corporate organization chart showing any and all corporate relationships between the utility and its affiliated entities and regulated subsidiaries in #1 above. The chart must have the controlling corporation (if any) at the top of the chart; the utility and any subsidiaries and/or affiliates of the controlling corporation in the middle levels of the chart and all secondary subsidiaries and affiliates (*e.g.*, a subsidiary that in turn is owned by another subsidiary and/or affiliate) in the lower levels. Any regulated subsidiary must be clearly noted.

3. For a utility that has individuals who are classified as “controlling corporations” of the competitive utility, the utility must only report under the requirements of #1 and #2 above any affiliated entity that either (a) is a public utility or (b) transacts any business with the utility filing the annual report excluding the provision of tariff services.

4. Each annual report must be signed by a corporate officer of the utility stating under penalty of perjury under the laws of the State of California (CCP 2015.5) that the annual report is complete and accurate with no material omissions.

5. Any required material that a utility is unable to provide must be reasonably described and the reasons the data cannot be obtained, as well as the efforts expended to obtain the information, must be set forth in the utility’s annual Affiliate Transaction Report and verified in accordance with Section I-F of Decision 93-02-019.

6. Utilities that do not have affiliated entities must file, in lieu of the annual transaction report, an annual statement to the Commission stating that the utility had no affiliated entities during the report period. This statement must be signed by a corporate officer of the utility, stating under penalty of perjury under the laws of the State of California (CCP 2015.5) that the annual report is complete and accurate with no material omissions.

(END OF ATTACHMENT D)