

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Vodex Communications Corporation for a Certificate of Public Convenience and Necessity to provide: (i) Full Facilities-Based and Resold Competitive Local Exchange Service throughout the service territories of Pacific Bell Telephone Company, Verizon California, Inc., Surewest Telephone and Citizens Telecommunications Company of California, Inc.; and (ii) Full Facilities-Based and Resold Interexchange Service statewide.

Application 12-08-011
(Filed August 3, 2012)

**DECISION GRANTING VODEX COMMUNICATIONS CORPORATION
A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

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**DECISION GRANTING VODEX COMMUNICATIONS CORPORATION
A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY****1. Summary**

Vodex Communications Corporation (Vodex or Applicant) is granted a certificate of public convenience and necessity to provide: (i) full facilities-based and resold competitive local exchange service throughout the service territories of Pacific Bell Telephone Company, Verizon California, Inc., Sure West Telephone, and Citizens Telecommunications Company of California, Inc.; and (ii) full facilities-based and resold interexchange service statewide subject to the terms and conditions set forth below.

We also specify a procedure to be followed if Vodex wishes to pursue full facilities-based construction activities that involve potential exemptions for environmental review under the California Environmental Quality Act.

This Application is unopposed.

This proceeding is closed.

2. Background

In prior decisions, we have authorized the provision of competitive local exchange service,¹ by carriers meeting specified criteria, within the service territories of Pacific Bell Telephone Company dba AT&T California (AT&T), Verizon California Inc. (Verizon), Citizens Telecommunications Company of California, Inc. dba Frontier Communications of California(Citizens), Frontier Communications of the Southwest (Frontier Southwest), and SureWest

¹ A competitive local exchange carrier (CLEC) is a common carrier that is issued a certificate of public convenience and necessity (CPCN) to provide local exchange telecommunications service for a geographic area specified by such carrier.

Telephone (SureWest). For the reasons that follow, Vodex meets the specified criteria and will be granted a CPCN.

Vodex, a California corporation, filed an application for a CPCN to provide: (i) full facilities-based and resold competitive local exchange service throughout the service territories of AT&T, Verizon, SureWest, and Citizens; and (ii) full facilities-based and resold interexchange service statewide.

Applicant's principal place of business is located at 660 Baker Street, #321, Costa Mesa, California, 92626. Applicant's telephone number is (855) 698-6339.

Vodex wishes to provide a full spectrum of "local exchange and interexchange telecommunications services, including switched voice, private data networks, alarm lines, and other services on a retail and a wholesale basis."² Vodex intends to install its facilities, such as fiber optic cable and related equipment, "primarily in existing conduits and other existing buildings and infrastructure."³ Vodex also asserts that it may need to undertake outside plant construction in order to serve customers if there were no existing conduits or there is inadequate space in the existing conduits.⁴

Vodex asserts that pending implementation of General Order (GO) 170⁵, the requested full facilities-based authority would be subject to its compliance with an expedited 21-day process for environmental review by Energy Division

² Application at 1.

³ *Id.* 2.

⁴ Application, Exhibit B (Proponent's Environmental Assessment).

⁵ GO 170 was adopted by D.10-12-056, but later vacated by D.11-12-054. The status of GO 170 is currently pending before the Commission.

staff. Vodex assert that the expedited review process would apply to full facilities-based construction projects that are potentially exempt from California Environmental Quality Act (CEQA) and do not exceed five miles in length.

3. CEQA Review

The CEQA (Public Resources Code § 21000 *et seq.*) applies to discretionary projects to be carried out or approved by public agencies. A basic purpose of CEQA is to “inform governmental decision-makers and the public about the potential significant environmental effects of the proposed activities.” (Title 14 of the California Code of Regulations, § 15002, hereinafter CEQA “Guidelines”). Since the Commission must issue a discretionary decision without which the proposed activity will not proceed, the Commission must act as either a Lead or Responsible Agency under CEQA. The Lead Agency is the public agency with the greatest responsibility for supervising or approving the project as a whole (CEQA Guidelines, § 15051(b).) The Commission is the Lead Agency for this project under CEQA. CEQA requires that the Commission consider the environmental consequences of a project that is subject to its discretionary approval.

Vodex asserts that the construction it will undertake would be “very small in scale, consisting of construction of short conduit extensions or stubs and installation of a limited number of poles or other above-ground facilities.”⁶ Additionally, Vodex asserts that the construction “generally would occur in existing roadways or other previously-developed and disturbed rights-of-way.”⁷

⁶ *Id.*

⁷ *Id.*

It is possible that such projects may fall within one or more of the categorical exemptions under CEQA. For example, in Decision (D.) 09-11-021,⁸ this Commission granted Freedom Telecommunications, Inc. full-facilities-based authority subject to compliance with an expedited 21-day environmental review process. We have granted other carriers authority to rely upon the 21-day review process to determine if a proposed project is exempt from CEQA. (*See, e.g.,* ClearLinx Network Corporation (D.06-04-063), New Path Networks, LLC (D.06-04-030), CA-CLEC LLC (D.06-04-067), Sunesys, Inc. (D.06-06-047), NextG Networks of California, Inc. (D.07-04-045), Broadband Associates International (D.07-08-026), and Trillion Partners, Inc. (D.07-11-028).)

4. 21-Day Expedited Review Process for Certain Construction Projects

In D.09-11-021, this Commission opined that if an Applicant believes that any construction project qualifies for an exemption from CEQA, the 21-day review process described below will apply before Applicant may commence construction:

- Applicant shall provide the Commission's Energy Division with:
 - A detailed description of the proposed project, including:
 - Customer(s) to be served;
 - The precise location of the proposed construction project; and
 - Regional and local site maps.

⁸ Decision Granting Request For Full Facilities-Based Local Exchange Authority and Expedited Environmental Review for Certain Projects (Application 09-07-003).

- A description of the environmental setting, including at a minimum:
 - Cultural, historical, and paleontology resources;
 - Biological resources; and
 - Current land use and zoning.
- A construction workplan, including:
 - Commission Preconstruction Survey Checklist-Archaeological Resources;
 - Commission Preconstruction Survey Checklist-Biological Resources;
 - A detailed schedule of construction activities, including site restoration activities;
 - A description of construction/installation techniques;
 - A list of other agencies contacted with respect to siting, land use planning, and environmental resource issues, including contact information; and
 - A list of permits required for the proposed project.
- A statement of the CEQA exemption(s) claimed to apply to the proposed project; and
- Documentation supporting the finding of exemption from CEQA.
 - The Commission's Energy Division shall then review the submittal and shall notify Applicant of either its approval or its denial of Applicant's claim for exemption from CEQA review within 21 days from the time that Applicant's submittal is complete.

- If the Commission's Energy Division approves Applicant's claimed CEQA exemption(s), the staff shall prepare a Notice to Proceed (NTP) and file a Notice of Exemption with the State Clearinghouse, Office of Planning and Research.
- If the Commission's Energy Division disapproves Applicant's claimed CEQA exemption(s), the staff shall issue to Applicant a letter which states the specific reasons that the claimed CEQA exemption(s) do not apply to the proposed project.
- If the Commission's Energy Division disapproves Applicant's claimed CEQA exemption(s) and Applicant wishes to pursue the project, Applicant shall 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 full facilities-based construction activities.

Vodex agrees to comply with the foregoing 21-day expedited review process until such time as GO 170 is implemented.

In light of the uncertain state of GO 170, we deem Vodex's request that it be allowed to avail itself of GO 170's ambit to be premature. In D.10-12-056, this Commission adopted GO 170, which set forth procedures for Commission review of certain telecommunications construction projects for potential environmental impacts. On January 24, 2011, the League of California Cities, as well as a number of other entities, filed an application for rehearing of D.10-12-056, which caused the Commission to stay its Decision. On December 19, 2011, the Commission issued D.11-12-054 which granted the rehearing of D.10-12-056 and vacated GO 170. As a final decision on whether or not to adopt GO 170 has not been rendered following the grant of rehearing, we order Vodex to comply with the 21-day expedited review process. In the event

GO 170 is adopted in the future, Vodex may pursue its substantive and procedural remedies to obtain the necessary relief at that time.

We therefore approve the 21-Day expedited review proposed process for Commission review of claimed CEQA exemptions for construction projects undertaken pursuant to Applicant's full facilities-based authority. Vodex 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.

5. Financial Qualifications

To be granted a CPCN, an applicant for authority to provide full facilities-based and resold competitive local exchange and interexchange services must demonstrate that it has a minimum of \$100,000.00 cash or cash equivalent to meet the firm's expenses.⁹ An applicant must also demonstrate that it has sufficient additional resources to cover all deposits required by local exchange carriers and/or interexchange carriers (IECs) in order to provide the proposed service.¹⁰

Vodex has made the required financial showing. Applicant submitted under seal as Exhibit E an individual guarantee from Fred E. Wolf of up to \$125,000.00. In addition, Vodex submitted a portfolio summary from Fidelity Investments showing a net value well above the \$100,000.00 cash or cash

⁹ The financial requirement for CLECs is contained in D.95-12-056, Appendix C.

¹⁰ The requirement for CLEC applicants to demonstrate that they have additional financial resources to meet any deposits required by underlying local exchange carriers and/or IECs is set forth in D. 95-12-056, Appendix C. (*See also* D. 93-05-010.)

equivalent minimum. Applicant also has the resources to satisfy deposits that may be necessary.

6. Technical Qualifications

To be granted a CPCN for full facilities-based authority, an applicant must make a reasonable showing of managerial and technical expertise in telecommunications or a related business.¹¹ Applicant supplied biographical information on its management team (Brian Conley, Christopher D. Wolf, and Fred E. Wolf) that demonstrates it has sufficient expertise and training to operate as a telecommunications provider.¹²

Applicant represents that no one associated with or employed by Vodex as an affiliate, officer, director, partner, or owner of more than 10% of Vodex was previously associated with a telecommunications carrier that filed for bankruptcy, was sanctioned by the Federal Communications Commission or any state regulatory agency for failure to comply with any regulatory statute, rule, or order, or 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.¹³

¹¹ D.95-12-056 at Appendix C, Rule 4.A.

¹² Application at 7-8.

¹³ *Id.* at 8-9.

7. Tariffs

Commission staff reviewed Applicant's draft tariff in compliance with Commission rules and regulations.¹⁴ The deficiencies are noted in Attachment A to this decision. In its compliance tariff filing, Vodex shall correct these deficiencies as a condition of our approval of its Application.

8. 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.¹⁵ Applicant complied with this requirement by providing a map of the proposed service area.¹⁶

9. Expected Customer Base

Applicant states that it "cannot identify, at this time, the specific locations of customers that it may serve."¹⁷ Yet further in the Application, Vodex asserts that it will service 1,000 customers during the first year and 5,000 customers during the fifth year of operations.¹⁸ Therefore, Applicant has complied with this requirement.

10. Conclusion

We conclude that the Application conforms to our rules for authority to provide full facilities-based and resold competitive local exchange service in the

¹⁴ *Id.* Exhibit D (Vodex Communications Corporation Regulations, Descriptions and Rates Applicable To Furnishing Local Call Termination and Intrastate Access Services For Completion Of Inter-carrier Communications Within The State Of California).

¹⁵ D.95-12-056 at Appendix C, Rule 4.E.

¹⁶ Application, Exhibit C (Service Area Map).

¹⁷ *Id.* at 2.

service territories identified in its Application, and to provide full facilities-based and resold interexchange service statewide.

We also conclude that Vodex meets the requirements set forth in Rule 3.1(e) of the Commission's Rules of Practice and Procedure for the issuance of a CPCN. Specifically, Vodex's proposed services will be designed to meet the telecommunications needs of subscribers and potentially permit subscribers to realize cost savings in telecommunications' services. Further, 47 U.S.C. § 253 (a) establishes a national policy that favors competition in the provision of telecommunications services:

No State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service.

Of course, 47 U.S.C. § 253(a) must be read in connection with 47 U.S.C. § 253(b) so that the need for competition must be balanced against a state's regulatory authority to protect its consumers:

Nothing in this section shall affect the ability of a State to impose, on a competitively neutral basis and consistent with section 254 of this title, requirements necessary to preserve and advance universal service, protect the public safety and welfare, ensure the continued quality of telecommunications services, and safeguard the rights of consumers.

On balance, in view of the policy promoting competition, and as we believe there are sufficient consumer and environmental safeguards attendant to this Application, we approve the Application subject to the terms and conditions set forth herein.

¹⁸ *Id.* at 7.

11. Categorization and Need for Hearings

In Resolution ALJ 176-3299, dated August 22, 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. Waiver of Comment Period

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Pub. Util. Code § 311(g)(2) 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 Administrative Law Judge in this proceeding.

Findings of Fact

1. Notice of the Application appeared in the Daily Calendar on August 15, 2012.
2. No protests have been filed.
3. A hearing is not required.
4. Applicant has a minimum of \$100,000 of cash or cash equivalent that is reasonably liquid and readily available to meet the financial showing requirements.
5. Applicant possesses sufficient experience and knowledge to provide telecommunications services.

6. Except for the deficiencies identified in Attachment A, Vodex's draft tariff complies with the Commissions requirements.

7. The Commission is the lead agency for the proposed project under CEQA.

8. Applicant's proposed facilities-based construction activities, as described in the Application, are limited and, in some circumstances, may qualify for an exemption from CEQA.

9. The process for reviewing the applicability of the CEQA exemptions for the proposed facilities-based construction projects, as set forth in this decision, is adequate for the Commission's purposes as the CEQA lead agency and is in the public interest.

10. The Application provides detailed information on the degree to which the proposed projects may implicate CEQA.

11. Applicant has met the requirements for issuance of a CPCN authorizing the provision of full facilities-based and resold competitive local exchange services.

Conclusions of Law

1. Applicant has the financial ability to provide the proposed service.

2. Applicant has sufficient technical expertise to operate as a full facilities-based telecommunications carrier.

3. Public convenience and necessity require that Applicant's competitive local exchange services be subject to the terms and conditions set forth herein.

4. The CEQA review process set out below is appropriate for the construction projects described in the Application. Should Applicant propose construction projects that include other types of customers or other service facilities, a different level of CEQA review may be required and Applicant should file for additional authority from the Commission.

5. Applicant should be granted a full facilities-based CPCN, subject to the construction limitations stated herein.

6. Applicant, once granted a CPCN, should be subject to the applicable Commission rules, decisions, GOs, and statutes that pertain to California public utilities.

7. Because of the public interest in competitive local exchange services, the following order should be effective immediately.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Vodex Communications Corporation to operate as a full facilities-based provider of local exchange services in the territories of Pacific Bell Telephone Company dba AT&T California, Verizon California Inc., SureWest Telephone, and Citizens Telecommunications Company of California dba Frontier Communications of California, and resold interexchange services statewide, subject to the terms and conditions set forth below.

2. Vodex Communications Corporation may not offer competitive local exchange services until the tariff is filed and authorized by this Commission in accordance with General Order 96-B and as corrected for deficiencies set forth in Attachment A.

3. Vodex Communications Corporation must obtain a performance bond of at least \$25,000 in accordance with Decision 13-05-035. The performance bond must be a continuous bond (i.e., there is no termination date on the bond) issued by a corporate surety company authorized to transact surety business in California, and the Commission must be listed as the obligee on the bond. Within five days

of acceptance of CPCN authority, Vodex Communications Corporation must submit a Tier-1 advice letter to the Director of Communications, containing a copy of the license holder's executed bond, and submit a Tier-1 advice letter annually, but not later than March 31, with a copy of the executed bond.

4. Vodex Communications Corporation must not allow its performance bond to lapse during any period of its operation. Pursuant to Decision 13-05-035, the Commission may revoke a certificate of public convenience and necessity if a carrier is more than 120 days late in providing the Director of the Communications Division a copy of its executed performance bond and the carrier has not been granted an extension of time by the Communications Division.

5. 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, Vodex Communications Corporation is subject to the Consumer Protection Rules contained in General Order (GO) 168, and all applicable Commission rules, decisions GOs, and statutes that pertain to California public utilities.

6. Vodex Communications Corporation must file, in this docket, a written acceptance of the certificate granted in this proceeding with 30 days of the effective date of this order.

7. Vodex Communications Corporation must annually pay the user fee and public purpose surcharges specified in Attachment B. Per the instructions in Exhibit E to Decision 00-10-028, the Combined California Public Utilities Commission Telephone Surcharge Transmittal Form must be submitted even if the amount due is \$0. 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. The minimum annual user fee is \$100 as established in Decision 13-05-035.

8. Prior to initiating service, Vodex Communications Corporation 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.

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

10. Vodex Communications Corporation 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.

11. Vodex Communications Corporation 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.

12. Vodex Communications Corporation must file a tariff within 12 months of the effective date of this order, or its certificate will be cancelled.

13. Vodex Communications Corporation may seek authorization to construct facilities subject to an exemption from California Environmental Quality Act pursuant to the process set forth in Ordering Paragraph 5.

14. The California Environmental Quality Act (CEQA) review process adopted in today's decision is appropriate for the projects as described in the

Application. A different level of CEQA review may be required should Applicant propose changes to its services. Applicant must file an application to amend its certificate of public convenience necessity for construction beyond what is described in this decision.

15. The staff of the Commission's Energy Division is authorized to review, process, and act upon Applicant's requests for a determination that its proposed construction activities are exempt from the requirements of the California Environmental Quality Act. Applicant shall use the following procedure:

- Applicant will provide the Commission's Energy Division with:
 - A detailed description of the proposed project, including:
 - Customer(s) to be served;
 - The precise location of the proposed construction project; and
 - Regional and local site maps.
 - A description of the environmental setting, including at a minimum:
 - Cultural, historical, and paleontologic resources;
 - Biological resources; and
 - Current land use and zoning.
 - A construction workplan, including:
 - Commission Preconstruction Survey Checklist-Archaeological Resources;
 - Commission Preconstruction Survey Checklist-Biological Resources;
 - A detailed schedule of construction activities, including site restoration activities;
 - A description of construction/installation techniques;

- A list of other agencies contacted with respect to siting, land use planning, and environmental resource issues, including contact information; and
- A list of permits required for the proposed project.
- A statement of the California Environmental Quality Act (CEQA) exemption(s) claimed to apply to the proposed project and documentation supporting the finding of exemption from CEQA.
- The Commission's Energy Division will then review the submittal and notify Applicant of either its approval or its denial of Applicant's claim for exemption from CEQA review within 21 days from the time that Applicant's submittal is complete.
- If the Commission's Energy Division approves Applicant's claimed CEQA exemption(s), the staff will prepare a Notice to Proceed (NTP) and file a Notice of Exemption with the State Clearinghouse, Office of Planning and Research.
- If the Commission's Energy Division disapproves Applicant's claimed CEQA exemptions, the staff will issue to Applicant a letter which states the specific reasons that the claimed CEQA exemptions do not apply to the proposed project.
- If the Commission's Energy Division disapproves Applicant's claimed CEQA exemption(s), Applicant shall 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 full facilities-based construction activities.

16. Applicant shall not engage in any construction activity relating to a pending California Environmental Quality Act exemption request before receiving an Notice To Proceed from the Commission's Energy Division.

17. Applicant may follow the California Environmental Quality Act (CEQA) procedure in Ordering Paragraph 15 unless and until the Commission adopts different requirements, applicable to Applicant, for CEQA compliance.

18. The certificate granted will expire if not exercised within 12 months after the effective date of this order.

19. Applicant shall comply with all applicable Commission rules, decisions, general orders, and statutes that pertain to California telecommunication public utilities, subject to any exemptions granted in this Decision.

20. Application 12-08-011 is closed.

This order is effective today.

Dated _____, at San Francisco, California.

ATTACHMENT A

List of deficiencies in tariff filed by Vodex Communications Corporation (U- 7252-C), in A. 12-08-011 to be corrected in its tariff compliance filing.

1. G.O. 96-B General Rules, Section 8.4.1 and 8.4.2. - Tariff Format must be consistent and adhere to consecutive numbering. Sheet 63 titled 'Section 5 - Rates' does not show a consistent format and numbering.
2. G.O. 96-B General Rules Sect. 8.5.3 - The Preliminary Statement and Explanation of Symbols must include information on any adjustment clauses that might affect utility's rates in the future.
3. G.O. 96-B General Rules Sect. 8.5.7 (15) - As a facilities- based applicant, Vodex must include information referencing Extension of Lines or Mains, specifically free extensions, extensions beyond free length, conditions regarding contributions or advances to individuals or developers, deposits, ownership, maintenance.
4. G.O. 96-B General Rules Sect. 8.5.7 (16) - The tariff must include a a statement -that unless additional persons are authorized, only utility employees are to make service connections and right to have access to customers' premises.
5. G.O. 96-B General Rules Sect. 8.5.8 - The tariff must include sample forms such as applications for service, regular bills for service, contract forms, delinquency notices, etc.
6. D. 95-07-054 App. B, Rule 6.C - The tariff must include a rule that Vodex will notify their customers in writing of any change in ownership or identity.
7. D.95-07-054 App. B, Rule 7 - The tariff must include information about pro-rating of bills.
8. D.95-07-054 App. B, Rule 10.C - Information must be provided regarding continued access to 9-1-1 (*e.g.* warm line).

9. D.95-07-054, App. B, Rule 14 – The tariff must include a rule restricting release of non-public customer information.
10. D.95-07-054, App. B, Rule 15 – The tariff must include information with respect to blocking access to 900 and 976 information services.
11. D.96-10-066 Section 4 B.12, 12 and General Order 153 Appendix A –The tariff must provide information about the provision of free white pages telephone directory.
12. General Order 153, Section 4 – The tariff must include information about LifeLine services.
13. General Order 153, Section 3.3 and D.95-07-054 App. A Sect. E.7 and P.U. Code Sect.876 – The tariff must provide information about ULTS offering and rates and charges for Lifeline Service.
14. Res. T-16901 – The tariff must include information on Surcharges / Taxes (PUC User Fees, DDTP, CHCF-B, CHCF-A, ULTS.)

(END OF ATTACHMENT A)

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

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

2. All carriers authorized by this Commission to operate in California are required to assess surcharges and user fees on their end-user intrastate service revenue, and must comply with the reporting and payment filing requirements in accordance with the directions of the Commission.

Vodex Communications Corporation is subject to the following fees and telephone surcharges that must be filed and remitted on a regular basis, even if the amount due is zero.

- a. The Universal Lifeline Telephone Service Trust
Administrative Committee Fund (Pub. Util. Code § 879);
- b. The California Relay Service and Communications Devices
Fund (Pub. Util. Code § 2881; D.98-12-073);
- c. The California High Cost Fund-A (Pub. Util. Code § 739.3;
D.96-10-066, at 3-4, App. B, Rule 1.C);
- d. The California High Cost Fund-B (D.96-10-066, at 191,
App. B, Rule 6.F.; D.07-12-054);
- e. The California Advanced Services Fund (D.07-12-054);
- f. The California Teleconnect Fund (D.96-10-066, at 88,
App. B, Rule 8.G).

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

- g. The User Fee provided in Pub. Util. Code §§ 431-435 (minimum fee is \$100 per D.13-05-035).

Note: These fees change periodically. In compliance with Resolution T-16901, December 2, 2004, Applicant must 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 bills until further revised. Current and historical surcharge rates can be found at <http://www.cpuc.ca.gov/PUC/Telco/Consumer+Information/surcharges.htm>.

- 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 2g) 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/Consumer+Information?userfee.htm>. Please call (415) 703-2470 for questions regarding User Fee reporting and payment.

3. CPCN holders and wireless registrants shall pay the California Public Utilities Commission Reimbursement Fee (User Fee) annually based on the Commission-established or \$100, whichever is greater. (Source: OP 21 of D.13-05-035)

4. Applicant must obtain a performance bond in the amount of \$25,000 in accordance with Decision 13-05-035.

5. 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).

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

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

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

9. 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.

10. 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.

11. 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.

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

13. 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.

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

15. 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 using the form contained in Attachment D.

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

17. 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.

18. If Applicant is 90 days or more late in filing an annual report, or in remitting the surcharges and fee listed in #2 above, and has not received written permission from the Communications Division to file or remit late, the Communications Division must prepare for Commission consideration a resolution that revokes Applicant's CPCN.

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

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

21. 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.

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

23. Applicant must send a copy of this decision to concerned local permitting agencies no 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 Pub. Util. Code §§ 2107 and 2108.

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 and Excel, 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.

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)