

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Tierzero for Registration as a switchless reseller pursuant to the provisions of Public Utilities Code Section 1013.

Application 16-04-020
(Filed April 19, 2016)

DECISION GRANTING TIERZERO A REGISTRATION LICENSE

Tierzero, a California corporation, filed an application on April 19, 2016, for a registration license to provide voice and data telecommunications services as a switchless reseller in California. This application was filed pursuant to the registration process adopted in Decision (D.) 97-06-107, as modified by D.10-09-017 and D.11-09-026. The applicant was qualified to use the registration process, and demonstrated compliance with the filing requirements for a registration license application, namely:

1. The applicant provided a Certificate of Status as a Domestic Corporation from the California Secretary of State.
2. The applicant attested "true" to Questions 8 and 9 of the Application for Registration License regarding fitness requirements of each officer, director, partner, and/or owner.
3. The applicant demonstrated a minimum of \$25,000 in assets as an Interexchange Carrier.
4. Applicant demonstrated the required expertise to operate as a switchless reseller.
5. Applicant as a switchless reseller will not be constructing any new facilities to provide services for which it seeks authority. Thus, it can be seen that there is no possibility that granting this application will have an adverse impact on the environment. Before it can construct new facilities, Tierzero must file for additional authority, and submit to any necessary California Environmental Quality Act (CEQA) review.
6. Applicant is eligible for an exemption from tariff requirements as set out in D. 98-08-031.

No protests to the application were filed. Therefore, pursuant to the authority granted to the Executive Director by D.97-08-050, the applicant should be granted a registration license to provide this service.

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

Findings of Fact

1. The application was filed on April 19, 2016, and appeared in the Commission's Daily Calendar on April 26, 2016.
2. The application complied with the requirements of the registration process adopted in D.97-06-017 as modified by D.10-19-017.
3. No timely protests to the application were filed.
4. Since the applicant will not be constructing new facilities, there is no possibility that granting this application will have an adverse impact on the environment. Before it can construct new facilities, Tierzero must file for additional authority, and submit to any necessary California Environmental Quality Act (CEQA) review.
5. The applicant was eligible for and requested an exemption from tariffing requirements. Applicant also agreed to observe the consumer protection rules adopted in D. 98-08-031.

Conclusions of Law

1. The Executive Director is authorized to sign, on behalf of the Commission, orders granting a registration license to non-dominant interexchange carriers that are qualified to use the registration process adopted in D.97-06-107, as modified by D.10-09-017 and D.11-09-026, and which successfully complete the process.
2. Applicant has the financial ability to provide the proposed service.
3. Applicant demonstrated the required expertise to operate as a switchless reseller.

4. Applicant should be granted the requested registration license subject to the conditions in the attached appendices.
5. Applicant should file an Information-only Advice letter to the Director of Communications Division containing a copy of its performance bond within five business days after the effective date of this Decision. The executed bond must comply with performance bond requirements as specified in D.10-09-017 and D.11-09-026. Further, in accordance with Ordering Paragraph 6 of D. 10-09-017, applicant should submit an Information-Only advice letter to the Director of the Communications Division containing a copy of the registration license holder's executed performance bond at least annually not later than March 31.
6. Applicant should be granted an exemption from the requirement to file tariffs.

O R D E R

IT IS ORDERED that:

1. A registration license is granted to Tierzero to operate as a switchless reseller to provide voice and data telecommunications services to the extent authorized by Decision 94-09-065, subject to the conditions set forth in the attached appendices. Applicant is assigned corporate identification number U-7312-C which shall be included in the caption of all filings made with this Commission.
2. The certificate granted by this order will expire if not exercised within 12 months of the effective date of this order.
3. Applicant is exempt from the requirement to file tariffs subject to the conditions set forth in the attached appendices.
4. Pursuant to Decisions 10-09-017 and 11-09-026, Tierzero must file an Information-only Advice Letter to the Director of Communications Division containing a copy of its performance bond within five business days from the effective date of this Decision. The executed bond must comply with performance bond requirements as specified in D.10-09-017 and D.11-09-026. Tierzero must submit an Information-Only advice letter to the Director of the Communications

Division containing a copy of the registration license holder's executed performance bond at least annually not later than March 31 in accordance with Ordering Paragraph 6 of Decision 10-09-017.

4. Application 16-04-020 is closed.

This order is effective today.

Dated August 31, 2016 at San Francisco, California.

/s/ Timothy J. Sullivan

Timothy J. Sullivan

Executive Director

Appendix A

Appendix A

NON-DOMINANT INTEREXCHANGE CARRIER REGISTRATION

1. If you requested confidential treatment of the financial portions of your application, it was granted and those materials will remain under seal for one year from the date of the decision. If you wish to continue the seal on those materials beyond the one-year period, you must make a formal request no later than thirty days prior to the expiration of the year explaining the reasons why you believe such extension is necessary.
2. The license granted and the authority to render service under the rates, charges, and rules authorized will expire if not exercised within 12 months after the effective date of this order.
3. You shall file a written acceptance of the license granted in this proceeding with the Director of the Communications Division within 30 days of the effective date of this order.
4. You are subject to the following fees, and you must remit them regularly. Per the instructions in Decision (D.) 00-10-028, the Combined California PUC Telephone Surcharge Transmittal Form must be submitted, even if the amount due is \$0.
 - 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).
 - g. The User Fee provided in Pub. Util. Code §§ 431-435. The minimum annual User Fee is \$100, as set forth in Decision 10-09-017.
 - h. 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/General.aspx?id=1124>
5. 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/General.aspx?id=1010>. To request a user ID and password for TUFFS online filing and for questions, please e-mail Telco_surcharges@cpuc.ca.gov.
 6. Carriers must file and pay the PUC User Fee (see above item 4g) upon receiving the User Fee statement sent by the Commission. Instructions for reporting and filing are available at <http://www.cpuc.ca.gov/General.aspx?id=1009>. Please call (415) 703-2470 for questions regarding User Fee reporting and payment.
 7. You are exempt from Rule 3.1(b) of the Commission's Rules of Practice and Procedure.
 8. You are exempt from PU Code §§ 816-830.

9. You are exempt from PU Code § 851 when the transfer or encumbrance serves to secure debt.
10. 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 and telephone number changes or at least annually.
11. Applicant must provide the Commission's Communications Division with the name and address of its designated regulatory/official contact persons(s). This information must be provided electronically, using the "Regulatory/Official Contact Information Update Request" found at <http://ek2015.cpuc.ca.gov/General.aspx?id=1089> . This information must be updated if the name and telephone number changes or at least annually.
12. You shall notify the Director of the Communications Division in writing of the date interLATA service is first rendered to the public within five days after service begins and again within five days of when intraLATA service begins.
13. You shall keep your books and records in accordance with the Generally Accepted Accounting Principles.
14. In the event your books and records are required for inspection by the Commission or its staff, you shall either produce such records at the Commission's offices or reimburse the Commission for the reasonable costs incurred in having Commission staff travel to your office.
15. You shall file an annual report with the Director of the Communications Division, in compliance with GO 104-A, on a calendar-year basis, using the information request form developed by Commission staff and contained in Appendix B. You shall file an annual 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 developed by the Commission staff and contained in Appendix C.

16. You shall ensure that your employees comply with the provisions of Public Utilities (Pub. Util.) Code § 2889.5 regarding solicitation of customers.
17. Pub. Util. Code 708 requires public utilities to provide ID badges to all employees with a format specified in that Section, and employees to present that badge when they request entry to customer or subscriber premises. You shall send a letter to the Director of the Communications Division within 60 days of the effective date of this order declaring that you have issued the required badges.
18. If you are 90 days or more late in filing an annual report or in remitting the fees listed above, Communications Division shall prepare for Commission consideration a resolution that revokes your license, unless you have received the written permission of Communications Division to file or remit late.
19. You have requested an exemption from the requirement to file tariffs and have represented to the Commission that you are qualified for such an exemption.
20. Beginning December 6, 2004, you must abide by the Consumer Protection Rules contained in General Order 168.
21. If your company is planning to discontinue service or to file for bankruptcy, you are required to contact the Director of the Communications Division immediately. Please ask us for instructions in your particular circumstances; our rules are designed to ensure that your telecommunications customers receive adequate notice and are minimally inconvenienced. Your compliance is necessary so that you are not penalized for failure to follow Commission rules. You are subject to the performance bond reporting requirements specified in Decision 10-09-017 and Decision 11-09-026.

Appendix B

Appendix B

TO: ALL INTEREXCHANGE TELEPHONE UTILITIES

Article 5 of the Public Utilities Code grants authority to the California Public Utilities Commission to require all public utilities doing business in California to file reports as specified by the Commission on the utilities' California operations.

A specific annual report form has not yet been prescribed for the California interexchange telephone utilities. However, you are hereby directed to submit an original hardcopy and a machine readable electronic copy using Microsoft Word or compatible format of the information requested in Attachment B pages 2 and 3 no later than March 31st of the year following the calendar year for which the annual report is submitted.

Address your report to:

Director, Communications Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298

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

If you have any question concerning this matter, please call (415) 703-2883.

Information Requested of California Interexchange Telephone Utilities.

To be filed with the Director, Communications Division, California Public Utilities Commission, 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.

1. Exact legal name and U # of 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. Commission decision number granting operating authority and the date of that decision.
7. Date operations were begun.
8. Description of other business activities in which the utility is engaged.
9. A 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.

Appendix C

Appendix C

CALENDAR YEAR AFFILIATE TRANSACTION REPORT

1. Each utility shall 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);
 - Corporate officers.
2. The utility shall prepare and submit a corporate organization chart showing any and all corporate relationships between the utility and its affiliated entities and regulated subsidiaries listed in #1 above. The chart should 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 should be clearly noted.
3. For a utility that has entities that 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 tariffed 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 1-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 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.