

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of ROI Networks, LLC for Authorization to Obtain a Certificate of Public Convenience and Necessity as a Telephone Corporation to Operate as a Provider of Limited Facilities Based and Resold Local Exchange Services Throughout the State of California Pursuant to the Provisions of Public Utilities Code § 1001.

Application 17-08-010

**DECISION GRANTING ROI NETWORKS, LLC A
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
IN ORDER TO PROVIDE LIMITED FACILITIES-BASED AND
RESOLD LOCAL EXCHANGE SERVICE WITHIN CALIFORNIA**

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Summary

Pursuant to Public Utilities Code § 1001, we grant ROI Networks, LLC Certificate of Public Convenience and Necessity (CPCN) to provide limited facilities-based and resold local exchange telecommunications services in California subject to the terms and conditions set forth in the Ordering Paragraphs.

This proceeding is closed.

1. Background

On June 30, 2016, ROI Networks, LLC (ROI), a California corporation, filed Application (A.) 17-08-010, an application for a Certificate of Public Convenience and Necessity (CPCN) to provide limited facilities-based and resold local exchange telecommunications services within California, in the service territories of Pacific Bell Telephone Company d/b/a AT&T California (Pac Bell), Frontier California Inc. (Frontier), Citizens Telecommunications company of California, Inc. d/b/a Frontier Communications of California (Citizens), Verizon California, Inc. (Verizon), Consolidated Communications of California Company (formerly SureWest).¹

Notice of the application appeared on the Commission's daily calendar on August 22, 2017. No protests or responses to the application were filed. A prehearing conference (PHC) was held on October 2, 2017. The only attendees at the PHC were representatives of ROI. At the PHC, the assigned Administrative

¹ See A.17-08-010 at Exhibit 3.

Law Judge (ALJ) informed the Applicant that A.17-08-010 needed to be amended to provide additional information. As a result, ROI filed an amended application on October 24, 2017. In its Amendment to A.17-08-010 (Amendment), ROI explained that its only “construction work” will be comprised of inside wiring of circuits and routers to connect ROI’s circuits to equipment already on premises. ROI also attached a proposed tariff and a copy of its contract with the State of California. The Scoping Memo and Ruling (Scoping Memo) was issued on December 20, 2017.

ROI Networks, LLC proposes to provide limited facilities-based and intrastate resold local exchange telecommunications services. ROI Networks, LLC principal place of business is located at 27101 Puerta Real, Suite 100, Mission Viejo, California 92691. All rulings of the assigned Commissioner and ALJ are affirmed herein.

2. Jurisdiction

Public Utilities Code (Pub. Util. Code) § 216(a) defines the term “Public Utility” to include a “telephone corporation,” which in turn is defined in Pub. Util. Code § 234(a) as “every corporation or person owning, controlling, operating, or managing any telephone line for compensation within this state.”

ROI Networks, LLC proposes to provide limited facilities based and resold local exchange services to Public Safety Access Points (PSAPs), initially in Northeast California, and eventually throughout the state. Specifically, ROI proposes to provide NG911 routing and call termination services, as well as private network services in California. All services will be routed over facilities owned by other certified carriers. ROI proposes to provide services throughout California, and does not contemplate any construction or extension of facilities as

a result of A.17-08-010, other than construction of facilities within existing building or data centers.

ROI Networks, LLC is a telephone corporation and a public utility subject to our jurisdiction.

3. Limited Facilities-Based CPCN

ROI's request for a limited facilities based CPCN does not preclude it from filing an application at a later date to pursue a full facilities based CPCN. ROI must not begin construction of facilities beyond those authorized by this decision until further approval is granted.

In its Application, ROI explained that it will be providing advanced Next Generation (NG) 911 emergency calling services pursuant to a contract awarded by the State of California's Office of Emergency Services (CalOES). In support of its request to provide California 911 NG Core (identified as Northeast Project #R02041-2016), ROI also provided the bid and contractual information that it submitted to the CalOES.²

4. California Environmental Quality Act (CEQA)

Pursuant to the California Environmental Quality Act (CEQA) and Rule 2.4, the Commission acts as the designated lead agency to consider the environmental consequences of projects that are subject to our approval in order that adverse effects are avoided, alternatives are investigated, and environmental quality is restored or enhanced to the fullest extent possible. Since ROI states that it does not intend to construct any facilities other than equipment to be installed in existing buildings or structures, it can be seen with certainty that

² Filed under seal in A.17-07-008, on October 24, 2017.

there is no possibility that granting this application will have an adverse impact upon the environment. Before it can construct facilities other than equipment to be installed in existing buildings or structures, ROI must file for additional authority, and submit to any necessary CEQA review.

5. Financial Qualifications

To be granted a CPCN, an applicant for authority to provide limited facilities-based and resold local exchange services must demonstrate that it has a minimum of \$100,000 cash or cash equivalent, reasonably liquid and readily available to meet the firm's start-up expenses.³ An applicant must also demonstrate that it has sufficient additional resources to cover all deposits required by local exchange carriers (LEC) and/or interexchange carriers in order to provide the proposed service.⁴ ROI provided a copy of its bank statement, and additional supporting financial documentation (under seal) demonstrating that it possesses a minimum of \$100,000 that is reasonably liquid and available,⁵ therefore, it has demonstrated that it has sufficient funds to meet its start-up expenses and has fulfilled this requirement. Since ROI has provided documentation that it possesses a minimum of \$100,000 for start-up expenses, it

³ The financial requirement for Competitive Local Exchange Carriers (CLEC) is contained in D.95-12-056, Appendix C. The financial requirement for Non-Dominant Interexchange Carriers (NDIEC) is contained in D.91-10-041.

⁴ The requirement for Competitive Local Carrier (CLC) applicants to demonstrate that they have additional financial resources to meet any deposits required by underlying LECs and/or IECs is set forth in D.95-12-056, Appendix C. For NDIECs, the requirement is found in D.93-05-010.

⁵ ROI submitted under seal, an unaudited financial statement, a bank statement and an irrevocable guarantee issued by a corporation, co-partnership or other person or association which is irrevocable for at least 12 months beyond ROI's certification by the Commission, all three of which are acceptable financial documentation.

has demonstrated that it has sufficient funds to meet its start-up expenses and has fulfilled this requirement.

ROI's financial documentation will be subject to verification and review by the Commission for one year to ensure that such funds are available.

6. Technical Qualifications

To be granted a CPCN for authority to provide competitive local exchange and interexchange service, an applicant must make a reasonable showing of managerial and technical expertise in telecommunications or a related business.⁶ ROI supplied biographical information on its management in Exhibit D to its application, that demonstrates it has sufficient expertise and training to operate as a telecommunications provider.

In its application, ROI verified that no one associated with or employed by ROI as an affiliate, officer, director, partner, or owner of more than ten percent of ROI: (a) held one of these positions with a company that filed for bankruptcy; (b) been personally found liable, or held one of these positions with a company that has been found liable, for fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (c) been convicted of a felony; (d) been the subject of a criminal referral by judge or public agency; (e) had a telecommunications license or operating authority denied, suspended, revoked, or limited in any jurisdiction; (f) personally entered into a settlement, or held one of these positions with a company that has entered into settlement of criminal or civil claims involving violations of §§ 17000, *et seq.*, §§ 17200, *et seq.*, or §§ 17500, *et seq.*, of the California Business & Professions Code, or of any other statute,

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

regulation, or decisional law relating to fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (g) been found to have violated any statute, law, or rule pertaining to public utilities or other regulated industries; (h) entered into any settlement agreements or made any voluntary payments or agreed to any other type of monetary forfeitures in resolution of any action by any regulatory body, agency, or attorney general; or (i) is being, or has been investigated by the Federal Communications Commission or any law enforcement or regulatory agency for failure to comply with any law, rule or order.⁷

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

7. Tariffs

Commission staff reviewed ROI's draft tariffs for compliance with Commission rules and regulations. The deficiencies are noted in Attachment A to this decision. In its compliance tariff filing, ROI's 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.⁸ In its application, ROI provided a map of the location of its proposed service territory, in compliance with this requirement.

⁷ These certifications are required by D.13-05-035, Ordering Paragraph 14.

⁸ D.95-12-056 at Appendix C, Rule 4.E.

9. Rule 3.1(i) 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 (GO) 104-A, Section 2. ROI states that it is not aware of any reportable matters pursuant to GO 104-A, Section 2. ROI Networks, LLC, therefore, has nothing to report under this rule.

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

10. Expected Customer Base

ROI provided its estimated customer base for the first and fifth years of operation in Section XIII of its application. Therefore, ROI has complied with this requirement.

11. Safety Considerations

With the adoption of the *Safety Policy Statement of the California Public Utilities Commission* on July 10, 2014, the Commission has, among other things, heightened its focus on the potential safety implications of every proceeding. We have considered the potential safety implications here. We feel satisfied that ROI will meet the Commission's minimum safety goals and expectations of competitive local exchange carriers (CLECs) because: (1) ROI has taken steps to meet the financial requirements as set forth in this decision for a facilities-based CLEC, and (2) ROI is a public utility that is required pursuant to Pub. Util. Code § 451 to "... furnish and maintain such adequate, efficient, just and reasonable service, instrumentalities, equipment, and facilities, including telephone facilities ... as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public."

12. Conclusion

We conclude that the application conforms to our rules for certification as a competitive local exchange carrier. Accordingly, we grant ROI a CPCN to provide limited facilities-based and resold local exchange telecommunications service in the service territory of Pac Bell, Frontier, Citizens, Verizon, and Consolidated as set forth in the Ordering Paragraphs.

The CPCN granted by this decision provides benefits to ROI and corresponding obligations. ROI receives authority to operate in the prescribed service territory, and this authority enables ROI, pursuant to section 251 of the 1934 Communications Act, as amended by the 1996 Telecommunications Act (47 U.S.C. 251), to interconnect with telecommunications carriers.⁹ This authority also enables ROI to obtain access to public rights of way in California as set forth in D.98-10-058 subject to the CEQA requirements set forth in this decision. In return, ROI is obligated to comply with all applicable Public Utilities Codes and Commission Rules, GOs, and decisions applicable to telephone corporation providing approved services. The applicable statutes, rules, General Orders, and decisions include, but are not limited to consumer protection rules, tariffing, and reporting requirements. Moreover, ROI is obligated to pay all Commission prescribed user fees and public purpose program surcharges as set forth in the Appendix B of this decision, to comply with CEQA, and to adhere to Pub. Util. Code § 451 which states that every public utility "...shall furnish and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities, including telephone facilities, as defined in § 54.1 of the

⁹ The California Public Utilities Code uses the term "telephone corporation." Its counterpart in federal law is a "telecommunications carrier."

Civil Code, as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public.”

ROI must obtain a performance bond of at least \$25,000 in accordance with Decision (D.) 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 its CPCN, ROI must submit a Tier 1 advice letter to the Director of Communications, containing a copy of the license holder’s executed performance bond, and subsequently submit a Tier 1 advice letter annually, but not later than March 31 of each subsequent year, with a copy of the executed bond.

ROI must not allow its performance bond to lapse during any period of its operation. Pursuant to D.13-05-035, the Commission may revoke a CPCN if ROI is more than 120 days late in providing the Director of the Communications Division a copy of its executed performance bond and has not been granted an extension of time by the Communications Division.

The corporate identification number assigned to ROI, U-7338-C, must be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

13. Request to File Under Seal

Pursuant to Rule 11.4 of the Commission’s Rules of Practice and Procedure, ROI has filed motions for leave to file: 1) Exhibits 4 and 11 to the application;¹⁰ 2) Confidential version of its October 10, 2017 ROI Networks, LLC’s

¹⁰ See August 18, 2017 and March 5, 2018 Motions.

Supplemental Filing in Support of its Application 17-08-010;¹¹ and 3) Confidential version of its January 8, 2018 Second Amendment to Application 17-08-010,¹² be sealed and treated confidentially. ROI represents that the information is sensitive, and disclosure could place ROI at an unfair business disadvantage. We have granted similar requests in the past and do so here.

14. Categorization and Need for Hearings

In Resolution ALJ 176-3404 dated September 14, 2017, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were necessary. No protests were received. Since no protests were filed, it was determined that hearings were not necessary. This change to the preliminary determination was made in the Scoping Memo, issued on December 20, 2017, and is affirmed herein.

15. Waiver of Comments

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to § 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.

16. Assignment of Proceeding

Clifford Rechtschaffen is the assigned Commissioner and Patricia Miles is the assigned ALJ in this proceeding.

¹¹ October 10, 2017 Motion.

¹² January 8, 2018 Motion.

Findings of Fact

1. ROI is a telephone corporation and a public utility as defined in Pub. Util. Code § 234(a) and § 216(a).
2. ROI will not construct any facilities other than equipment to be installed in existing buildings or structures.
3. In its Application, ROI explained that it will be providing advanced NG 911 emergency calling services pursuant to a contract awarded by the State of CalOES. In support of its request to provide California 911 NG Core (identified as Northeast Project #R02041-2016), ROI also provided the bid and contractual information that it submitted to the CalOES.
4. ROI has a minimum of \$100,000 of cash or cash equivalent that is reasonably liquid and readily available to meet its start-up expenses and to cover deposits that may be required.
5. ROI's management possesses sufficient experience, knowledge, and technical expertise to provide local exchange services to the public.
6. No one associated with or employed by ROI Networks, LLC as an affiliate, officer, director, partner, agent, or owner of more than 10 percent of ROI Networks, LLC: (a) held one of these positions with a company that filed for bankruptcy; (b) been personally found liable, or held one of these positions with a company that has been found liable, for fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (c) been convicted of a felony; (d) been the subject of a criminal referral by judge or public agency; (e) had a telecommunications license or operating authority denied, suspended, revoked, or limited in any jurisdiction; (f) personally entered into a settlement, or held one of these positions with a company that has entered into settlement of criminal or civil claims involving violations of §§ 17000, *et seq.*, §§ 17200, *et seq.*, or §§ 17500,

et seq., of the California Business & Professions Code, or of any other statute, regulation, or decisional law relating to fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; or (g) been found to have violated any statute, law, or rule pertaining to public utilities or other regulated industries; (h) entered into any settlement agreements or made any voluntary payments or agreed to any other type of monetary forfeitures in resolution of any action by any regulatory body, agency, or attorney general; or (i) is being, or has been investigated by the Federal Communications Commission or any law enforcement or regulatory agency for failure to comply with any law, rule or order.

7. ROI provided a map of the location of its proposed service territory.

8. ROI 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 (GO) 104-A, Section 2.

9. ROI provided an estimate of its customer base for the first and fifth year of operation.

10. Pursuant to Rule 11.4, ROI filed motions for leave to file confidential materials under seal, including:

a. August 18, 2017 Motion requesting that Exhibit 4 of A.17-08-010, be sealed and treated confidentially;

b. October 10, 2017 Motion requesting that confidential version of its October 10, 2017 ROI Networks, LLC's Supplemental Filing in Support of its Application 17-08-010, be sealed and treated confidentially;

c. January 8, 2018 Motion requesting that the confidential version of its January 8, 2018 Second Amendment to Application 17-08-010, be sealed and treated confidentially; and

d. March 5, 2018 Motion requesting that Exhibit 11 of A.17-08-010, be sealed and treated confidentially.

Conclusions of Law

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

2. ROI's initial tariff filing should correct the tariff deficiencies shown in Attachment A to this decision.

3. ROI, once granted a CPCN, should be subject to the applicable Commission rules, decisions, General Orders, and statutes that pertain to California public utilities.

4. The corporate identification number assigned to ROI, U-7338-C, should be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

5. ROI's motions to file under seal and treat confidentially, its : 1) Exhibit 4 to the application; 2) Confidential version of its October 10, 2017 ROI Networks, LLC's Supplemental Filing in Support of its Application 17-08-010; 3) Confidential version of its January 8, 2018 Second Amendment to Application 17-08-010; and 4) Exhibit 11 to the application should be granted for three years.

ORDER

IT IS ORDERED that:

1. A Certificate of Public Convenience and Necessity is granted to ROI Networks, LLC to provide resold and resold facilities-based competitive local exchange telecommunications services in the State of California, subject to the terms and conditions set forth below.

2. The corporate identification number assigned to ROI Networks, LLC, U-7338-C, 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. ROI Network LLC's initial tariff filing shall correct the tariff deficiencies shown in Attachment A to this decision.

4. ROI Networks, LLC must file, in this docket, a written acceptance of the certificate granted in this proceeding within 30 days of the effective date of this decision. Written acceptance filed in this docket does not reopen the proceeding.

5. ROI may not offer competitive local exchange services until tariffs are filed with and authorized by this Commission, in accordance with General Order 96-B and as corrected for deficiencies set forth in Attachment A.

6. The certificate granted by this decision will expire if not exercised within 12 months of the effective date of this decision.

7. ROI must submit to the Director of Communications a tariff within 12 months of the effective date of this decision, or its certificate will be cancelled.

8. ROI Networks, 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.

9. ROI Networks, LLC must not construct any facilities other than equipment installed in existing buildings or structures.

10. ROI Networks, LLC 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 its certificate of public convenience and necessity authority, ROI

Networks, LLC 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.

11. ROI Networks, LLC 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.

12. 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, ROI Networks, LLC 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.

13. ROI Networks, LLC must pay the public purpose surcharges specified in Attachment B, and the Combined California Public Utilities Commission Telephone Surcharge Transmittal Form must be submitted even if the amount due is \$0.

14. ROI Networks, LLC must pay an annual minimum user fee of \$100 or 0.23 percent of gross intrastate revenue, whichever is greater. 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.

15. Prior to initiating service, ROI Networks, 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.

16. Prior to initiating service, ROI Networks, LLC must provide the Commission's Communications Division with the name and address of its designated regulatory/official contact person(s). This information must be provided electronically, using the "Regulatory/Official Contact Information Update Request" found at <http://www.cpuc.ca.gov/communications> . This information must be updated if the name or telephone number changes, or at least annually.

17. ROI Networks, LLC must submit an affiliate transaction report to the Director of the Communications Division, in compliance with Decision 93-02-019, on a calendar year basis using the form contained in Attachment D.

18. ROI Networks, LLC must submit an annual report to 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.

19. ROI Networks, LLC's motions to file under seal its: 1) Exhibit 4 to the application; 2) Confidential version of its October 10, 2017 ROI Networks, LLC's Supplemental Filing in Support of its Application 17-08-010; 3) Confidential version of its January 8, 2018 Second Amendment to Application 17-08-010; and 4) Exhibit 11 to the application, are granted for a period of three years after the date of this decision. During this three year period, this information shall not be publicly disclosed except on further Commission order or Administrative Law Judge ruling. If ROI Networks, LLC believes that it is necessary for this

information to remain under seal for longer than three years, ROI Networks, LLC may file a new motion showing good cause for extending this order by no later than 30 days before the expiration of this order.

Application 17-08-010 is closed.

This decision is effective today.

Dated _____, at San Francisco, California.

ATTACHMENT A

List of deficiencies in tariff filed by ROI Networks, LLC (U-7338-C) in A.17-08-010 to be corrected in its tariff compliance filing.

1. G.O. 96-B Section 8.5.1 requires that the tariff's title page include the Commission-assigned identifying "U" number shown on the utility's Certificate of Public Convenience and Necessity. Revise the tariff to include U-7338-C.
2. G.O. 96-B Section 8.5.3 requires that the tariff includes a preliminary statement and explanation of symbols. Revise the tariff to include (P) to signify material subject to change under a pending application or advice letter;
3. G.O. 96-B Section 8.5.6 requires that the tariff list all contracts and other deviations. Revise the tariff to include a list of contracts and other deviations; if there are none, indicate so.
4. G.O. 96-B Section 8.5.7 requires that the tariff include information about the issuance and payment of bills. Revise the tariff to include information about methods of payment.
5. D.95-07-054 Appendix B Rule 10.B requires that the tariff include information about fraud. Revise the tariff to include language compliant with D.95-07-054 App. B Rule 10.B.
6. D.95-07-054 Appendix B Rule 13 requires that the tariff include language about liability of the CLC. Revise the tariff to include language that complies with D.95-07-054 Appendix B Rule 13.

(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,¹³ a written acceptance of the certificate granted in this proceeding within 30 days of the effective date of this order.
2. The certificate granted and the authority to render service under the rates, charges, and rules authorized will expire if not exercised within 12 months of the date of this decision.
3. 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 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).

¹³ Written acceptance filed in this docket does not reopen the proceeding.

- g. The User Fee provided in Pub. Util. Code §§ 431-435. The minimum annual User Fee is \$100, as set forth in 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/General.aspx?id=1124>.

- 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.
- Carriers must submit and pay the PUC User Fee (see above item 2g) upon receiving the User Fee statement sent by the Commission. Instructions for reporting 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.

4. If Applicant is a competitive local exchange carrier (CLC), 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).

5. If 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).

6. Tariff submissions must reflect all fees and surcharges to which Applicant is subject, as reflected in #3 above.

7. Applicant 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 its certificate of public convenience and necessity authority, Applicant 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.

8. Applicant 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.

9. Applicants providing local exchange service must include a service area map as part of their initial tariff.

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 or 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://www.cpuc.ca.gov/communications>. This information must be updated if the name or telephone number changes, or at least annually.

12. 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.

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

14. 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.

15. Applicant must submit an annual report to 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.

16. Applicant must submit an affiliate transaction report to 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.

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

18. 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.

19. 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.

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

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

22. 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.

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

24. 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 submitted to 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 submit 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 submitted to 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 submit, 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)