

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Communications Venture Corporation d/b/a INdigital for a Certificate of Public Convenience and Necessity to Provide Limited Facilities-Based And Resold Competitive Local Exchange Service And Non-Dominant Interexchange Service.

Application 18-07-016

DECISION GRANTING COMMUNICATIONS VENTURE CORPORATION A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY IN ORDER TO PROVIDE COMPETITIVE LIMITED FACILITIES-BASED AND RESOLD LOCAL EXCHANGE SERVICE AND NON-DOMINANT INTEREXCHANGE SERVICE ON A STATEWIDE BASIS

Summary

Pursuant to Public Utilities Code Section 1001¹ we grant Communications Venture Corporation d/b/a INdigital (hereinafter, INdigital) a certificate of public convenience and necessity to provide competitive limited facilities-based and resold local exchange service and non-dominant interchange service as a telephone corporation in California, subject to the terms and conditions set forth in the Ordering Paragraphs.

All rulings of the assigned Commissioner and Administrative Law Judge are affirmed herein. This proceeding is closed.

¹ Subsequent statutory references, unless otherwise noted, are to the California Public Utilities Code.

1. Background

On July 20, 2018, INdigital, an Indiana corporation, filed Application (A).18-05-002 for a Certificate of Public Convenience and Necessity (CPCN) authority to provide competitive limited facilities-based and resold local exchange services in the service territories of Citizens Telecommunications Company of California, Inc., d/b/a Frontier Communications of California (Frontier Communications), Consolidated Communications of California Company (Consolidated Communications, formerly SureWest Telephone), Frontier California Inc. (Frontier California).² Frontier Communications of Southwest Inc. (Frontier Southwest), and (Application), and Pacific Bell Telephone Company d/b/a AT&T California (AT&T California), and non-dominant interchange service in California.³

Notice of the Application appeared on the California Public Utilities Commission's (Commission) daily calendar on July 11, 2018. No protests or responses to the application were filed. A prehearing conference (PHC) was held on October 18, 2018. The Scoping Memo and Ruling (Scoping Memo) was issued on October 25, 2018.

INdigital proposes to provide competitive limited facilities-based and resold local exchange service and non-dominant interchange service. INdigital intends to offer transitional enhanced 911 emergency services to government

² Frontier California was formerly Verizon California, Inc. (Verizon). As of April 1, 2016, Verizon's operations in California were acquired and are now operated by Frontier California, Inc., pursuant to Decision (D.) 15-12-005.

³ SureWest Telephone was acquired by Consolidated Communications Inc. in 2012, pursuant to D.12-06-004, and SureWest Telephone changed its name to Consolidated Communications of California Company as of January 1, 2016.

agencies that administer and deliver emergency services using the 911 dialing code. Specifically, if its proposal is selected in the California Office of Emergency Services' (OES) bidding process,⁴ INdigital will use an Emergency Service Internet Protocol Network and two data centers, located in California, to receive 911 message content that originates from customers and then deliver the message content to the respective regional Public Service Answering Point (PSAP). Using its service platform, INdigital will be able to process message content that originates in the form of a voice call, text message, and other types of multimedia.

INdigital's principal place of business is located at 5312 West Washington Center road, Fort Wayne, Indiana 46553.

2. Jurisdiction

Public Utilities Code Section 216(a) defines the term “[p]ublic utility” to include a “telephone corporation,” which in turn is defined in Public Utilities Code Section 234(a) as “every corporation or person owning, controlling, operating, or managing any telephone line for compensation within this state.”

INdigital is a telephone corporation and proposes to provide enhanced 911 and next generation 911 service to government agencies in California using facilities owned by other certified carriers in California. Accordingly, INdigital is a public utility that is subject to our jurisdiction.

⁴ INdigital states that Office of emergency Services (OES) initiated a bidding process to consider competitive proposals for next generation 911 services to California's statewide emergency response network. According to INdigital, OES divided the state into four regions to assign a 911 service provider to each region, and OES will designate a provider for redundancy, failsafe services on a statewide basis. INdigital intends to apply for both the regional and statewide roles.

3. Limited versus Full Facilities-Based CPCN

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

4. California Environmental Quality Act (CEQA)

Pursuant to the California Environmental Quality Act (CEQA)⁵ and Rule 2.4 of the Commission's Rules of Practice and Procedure (Rules),⁶ the Commission acts as the designated lead agency to consider the environmental consequences of projects that are subject to its approval in order that adverse effects are avoided, alternatives are investigated, and environmental quality is restored or enhanced to the fullest extent possible. Since INdigital states that it does not intend to construct any facilities or engage in any ground-disturbing activities, it is reasonable to conclude that there is no possibility that granting this application will have an adverse impact upon the environment. Before INdigital can construct facilities other than equipment to be installed in existing buildings or structures, it 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 competitive limited facilities-based and resold local exchange service and non-dominant interchange service must demonstrate that it has a minimum of \$100,000 cash or cash equivalent, reasonably liquid and readily available to meet the firm's

⁵ Public Resources Code § 21000 *et seq.*

⁶ Title 20, California Code of Regulations; hereinafter, Rule or Rules.

start-up expenses.⁷ An applicant must also demonstrate that it has sufficient additional resources to cover all deposits required by local exchange carriers and/or interexchange carriers in order to provide the proposed service.⁸ In the application, INdigital provided audited financial statements demonstrating that \$100,000 plus an amount equal to the deposit that could be required by AT&T California, Frontier California, Frontier Communications, Frontier Southwest, and Consolidated Communications would be available to INdigital for one year following certification. Since INdigital has provided documentation that it possesses a minimum of \$100,000 plus an estimated amount of potential carrier costs and these funds are reasonably liquid and available, it has demonstrated that it has fulfilled this requirement. INdigital'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 and Certifications

To be granted a CPCN for authority to provide competitive limited facilities-based and resold local exchange service and non-dominant interchange service, an applicant must make a reasonable showing of managerial and technical expertise in telecommunications or a related business.⁹ The biographical information for INdigital's management team listed in Exhibit 10

⁷ The financial requirement for Competitive Local Exchange Carriers is contained in D.95-12-056, Appendix C. The financial requirement for Non-Dominant Interexchange Carriers is contained in D.91-10-041.

⁸ The requirement for Competitive Local Carrier 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. For Non-Dominant Interexchange Carriers, the requirement is found in D.93-05-010.

⁹ D.95-12-056 at Appendix C, Rule 4.A.

demonstrates it has sufficient expertise and training to operate as a telecommunications provider.

With respect to certifications, D.13-05-035 requires a telephone corporation seeking to transfer control to include with its application a broad certification that neither the applicant nor any of its affiliates, officers, directors, partners, agents, or owners (directly or indirectly) of more than 10% of applicant, or anyone acting in a management capacity has, among other items, held a position with a company that filed for bankruptcy, been found liable for misrepresentations to consumers, or agreed to any other type of monetary forfeitures in resolution of any action by any regulatory body, agency, or attorney general.¹⁰ D.13-05-035 provides, however, that if an applicant cannot make this certification, it shall attach relevant documentation.¹¹

In its application, INdigital verified that, except for an inadvertent administrative error with its annual customer Proprietary Network Information filing with the Federal Communications Commission (FCC),¹² no one associated with or employed by INdigital as an affiliate, officer, director, partner, or owner of more than 10 percent of Indigital, or anyone acting in a management capacity for Indigital:

(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

¹⁰ Order Instituting Rulemaking to Revise the Certification Process for Telephone Corporations and the Registration Process for Wireless Carriers, 2013 Cal. PUC LEXIS 268, Ordering Paragraph 14 (OIR Certification Process).

¹¹ *Id.* at *59-61.

¹² See Application at 11.

consumers or others; (c) been convicted of a felony; (d) been (to his/her knowledge) 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; or (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.¹³

Also, to the best of INdigital's knowledge, and except as noted in its application,¹⁴ neither INdigital, or any affiliate, officer, director, partner, nor owner of more than 10% of INdigital, or any person acting in such capacity whether or not formally appointed, 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.¹⁵

We find that, in this instance, INdigital's disclosure is sufficient to continue our review of its CPCN application.

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

¹⁴ *Supra* note 10.

¹⁵ *Id.*

7. Tariffs

Commission staff reviewed INdigital'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, INdigital 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 competitive local exchange service, an applicant must provide a map of the service territories it proposes to serve.¹⁶ In its response to the September 28, 2018 Administrative Law Judge (ALJ) Ruling Requesting Additional Information, INdigital provided a map of the locations of its proposed service territory, in compliance with this requirement.

9. Expected Customer Base

In its Application, INdigital provided its estimated customer base for the first and fifth years of operation.¹⁷ Therefore, INdigital has complied with this requirement.

10. Request for Treatment as a Non-dominant Carrier

INdigital requests treatment as a non-dominant interexchange carrier, which would include exemption from the requirements of Pub. Util. Code §§ 816-830 concerning stocks and security and Section 851 concerning the encumbrance and transfer of utility property. The Commission detailed its rules regarding exemption of non-dominant carriers in D.85-01-008, as subsequently modified in D.85-07-081 and D.85-11-044. We grant INdigital's request for

¹⁶ D.95-12-056 at Appendix C, Rule 4.E.

¹⁷ INdigital estimates that it will serve 441 customers, the total number of customer locations in the four PSAP regions. (See Application at 10.)

non-dominant interexchange carrier status, provided that it follows all rules detailed in the above referenced decisions.

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. The Commission is satisfied that INdigital will meet the Commission's minimum safety goals and expectations of competitive local exchange carriers (CLECs) because:

(1) INdigital has taken steps to meet the financial requirements as set forth in this decision for a limited facilities-based CLEC, and (2) INdigital 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 telephone corporation providing competitive local exchange and non-dominant interexchange services. Accordingly, we grant INdigital a CPCN to provide competitive limited facilities-based and resold local exchange telecommunications service in the service territory of AT&T California, Frontier California, Frontier Communications, and Consolidated Communications and non-dominant interexchange service in California, subject to compliance with the terms and conditions set forth in the Ordering Paragraphs.

We note that, in its application, INdigital sought authority to be an “emergency services provider,” which is not a category of service provider the CPUC explicitly licenses pursuant to the process contemplated by Pub. Util. Code § 1001. Rather, we license telephone corporations and authorize those entities to provide specified services, as we do in this order. Because INdigital’s application, in all other respects, conforms to our licensing requirements, we approve the application with this modification to the authority sought, in addition to the deficiencies identified in Attachment A.

The CPCN granted by this decision provides benefits to INdigital and corresponding obligations. INdigital receives authority to operate in the prescribed service territory, and this authority enables INdigital, 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.¹⁸ This authority also enables INdigital 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, INdigital is obligated to comply with all Public Utilities Code provisions, Commission rules, General Orders, and decisions applicable to telephone corporations 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, INdigital is obligated to pay all Commission prescribed user fees and public purpose

¹⁸ The California Public Utilities Code uses the term “telephone corporation.” Its counterpart in federal law is a “telecommunications carrier.”

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 Section 54.1 of the Civil Code, as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public.”

13. Request to File Under Seal

Pursuant to Rule 11.4 of the Commission’s Rules of Practice and Procedure, INdigital has filed motions for leave to file Exhibits 4, 5, 7, and 8 to the application as confidential materials under seal. INdigital represents that the information is sensitive, and that disclosure could place INdigital 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 176-3421 dated August 9, 2018, the Commission preliminarily categorized this application as ratesetting and preliminarily determined that hearings were necessary. No protests were received, and no material facts were contested; thus, it was determined in Scoping Memo, issued on October 25, 2018 that no evidentiary hearing was necessary, and that decision is affirmed herein.

15. Comments on Draft Decision

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

16. Assignment of Proceeding

Lianne M. Randolph is the assigned Commissioner and Christine A. Powell is the assigned ALJ in this proceeding.

Findings of Fact

1. INdigital is a telephone corporation and a public utility as defined in Pub. Util. Code § 234(a) and § 216(a).
2. INdigital will not construct any facilities other than equipment to be installed in existing buildings or structures.
3. INdigital has a minimum of \$100,000 of cash or cash equivalent that is reasonably liquid and readily available to meet its start-up expenses.
4. INdigital has sufficient additional cash or cash equivalent to cover deposits that may be required by other telephone corporations in order to provide the proposed service.
5. INdigital's management possesses sufficient experience, knowledge, and technical expertise to provide local exchange services to the public.
6. Except as stated in Section (R)(2)(c) of the Application, no one associated with or employed by INdigital as an affiliate, officer, director, partner, agent, or owner (directly or indirectly) of more than 10 percent of INdigital, or anyone acting in a management capacity for INdigital: (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; or (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.

7. To the best of INdigital's knowledge, except as stated in Section (R)(2)(c) of the Application, neither INdigital, or any affiliate, officer, director, partner, nor owner of more than 10% of INdigital, or any person acting in such capacity whether or not formally appointed, 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.

8. Except for the deficiencies identified in Attachment A to this decision, INdigital's draft tariffs comply with the Commission's requirements.

9. INdigital provided a map of the location of its proposed service territory.

10. INdigital provided an estimate of its customer base for the first and fifth year of operation.

11. Pursuant to Rule 11.4, INdigital filed motions for leave to file confidential materials under seal, including Exhibits 4, 5, 7, and 8 to the Application.

Conclusions of Law

1. INdigital should be granted a CPCN to provide competitive limited facilities-based and resold local exchange service in the service territories of AT&T California, Frontier California, Frontier Communications, Consolidated

Communications, subject to the terms and conditions set forth in the Ordering Paragraphs, and non-dominant interchange service in California.

2. INdigital should be granted limited facilities-based authority and may not construct any facilities other than equipment to be installed in existing buildings or structures.

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

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

5. INdigital's motion to file under seal its Exhibit 4, 5, 7, and 8 to the application should be granted for three years.

6. INdigital should be granted non-dominant carrier status, subject to Commission rules and regulations as detailed in D.85-01-008, as modified in D.85-07-081 and D.85-11-044.

O R D E R

IT IS ORDERED that:

1. A Certificate of Public Convenience and Necessity is granted to INdigital to provide competitive limited facilities-based and resold local exchange service and non-dominant interchange service in the State of California, subject to the terms and conditions set forth below.

2. The corporate identification number assigned to INdigital, U7353C, 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. INdigital 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 s not reopen the proceeding.

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

5. INdigital must notify the Director of the Communications Division of the date that local exchange service is first rendered to the public, no later than five days after service first begins, by email to cdcompliance@cpuc.ca.gov.

6. INdigital must submit a tariff to the Communications Division by filing a Tier-1 advice letter within 12 months of the effective date of this decision, or its certificate will be cancelled.

7. INdigital 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, INdigital must submit a Tier-1 advice letter to the Communications Division, 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. INdigital 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 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. 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, INdigital is subject to the Consumer Protection Rules contained in General Order 168, and all applicable Commission rules, decisions, General Orders, and statutes that pertain to California public utilities.

10. INdigital 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.

11. INdigital must pay an annual minimum user fee of \$100 or 0.30 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.

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

13. Prior to initiating service, INdigital must provide the Commission's Communications Division with the name(s), address(es), and telephone number(s) 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.

14. INdigital must submit an affiliate transaction report to the Director of the Communications Division, by email to cdcompliance@cpuc.ca.gov, in compliance with Decision 93-02-019, on a calendar year basis using the form contained in Attachment D.

15. INdigital must submit an annual report to the Director of the Communications Division, by email to cdcompliance@cpuc.ca.gov, in compliance with General Order 104-A, on a calendar-year basis with the information contained in Attachment C to this decision.

16. INdigital must not construct any facilities other than equipment installed in existing buildings or structures.

17. INdigital's motion to file under seal its Exhibits 4, 5, 7, and 8 is 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 INdigital believes that it is necessary for this information to remain under seal for longer than three years, INdigital may file a new motion showing good cause for extending this order by no later than 30 days before the expiration of this order.

18. All previously made rulings are confirmed.

19. Application 18-07-016 is closed.

This decision is effective today.

Dated _____, at San Francisco, California.

ATTACHMENT A

TARIFF DEFICIENCIES

List of deficiencies in tariff filed by INdigital (U7353C) in A.18-07-016 to be corrected in its tariff compliance filing.

1. General Order 96-B Section 9.5.1 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 U7353C.
2. General Order 96-B Section 9.5.1 requires that the tariff's title page include "types of utility service provided," and "Emergency Services Carrier" is not a valid utility service type. Revise the title page of the tariff to replace "Energy Service Carrier" with "Competitive Local Carrier."
3. General Order 96-B Section 9.5.7, Rule (4) "Contracts" requires a rule that states when a contract will be required for service. Revise the tariff to include information (and Rule number) regarding when a contract, executed pursuant to the tariff, will be required for service.
4. Rule 2 in Appendix B of Decision 95-07-054 requires that, during initial contact, all applicants for residential service must be given information regarding the Universal Lifeline program and its availability. Revise the tariff to include language compliant with Decision 95-07-054.
5. Items 10 and 11 of Appendix B in Decision 96-10-066 require that the tariff contain language regarding directories (Item 11) and one free directory listing (Item 10). Revise the tariff to include language compliant with Decision 96-10-066.
6. General Order 153 Section 3.3 requires that the tariff contain language regarding tariff filings of Universal Lifeline Telephone Service (ULTS) Offerings. Revise the tariff to include language compliant with General Order 153 Section 3.3.
7. Section E.7 in App. A of Decision 95-07-054 requires that Competitive Local Carriers shall file tariffs in accordance with PU code § 876. Revise the tariff to include language compliant with D. 95-07-054 App. A Sect E.7.

8. PU Code § 876 requires that telephone corporations must file a schedule of rates and charges providing a class of lifeline telephone service, inform all eligible subscribers of the availability of lifeline telephone service, state how subscribers may qualify for and obtain service, accept applications for lifeline telephone service according to procedures specified by the commission. Revise the tariff to include language compliant with PU Code § 876.

(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,¹⁹ 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);

¹⁹ Written acceptance filed in this docket does not reopen the proceeding.

- 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 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 (d/b/a 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>.

- i. 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.
- ii. Carriers must submit and pay the PUC User Fee (see Item 3.g above) 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.

4. If Applicant is a competitive local exchange carrier, the effectiveness of its future competitive local exchange carrier 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, the effectiveness of its future non-dominant interexchange carrier tariffs is subject to the requirement of General Order 96-B and the Telecommunications Industry Rules (D.07-09-019).

6. Tariff filings must reflect all fees and surcharges to which Applicant is subject, as reflected in Item 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 Communications Division, 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 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 submit a service area map as part of their initial tariff to the Communications Division.

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

11. In addition, Applicant must provide the Commission's Communications Division with the name(s), address(es), and telephone number(s) 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(s), address(es), and telephone number(s) change, or at least annually.

12. Applicant must notify the Director of the Communications Division, in writing submitted by email to cdcompliance@cpuc.ca.gov, no later than five days after service first begins, of the date that local exchange service is first rendered to the public.

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 at cdcompliance@cpuc.ca.gov, 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 at cdcompliance@cpuc.ca.gov, 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 of its compliance in writing, by email to cdcompliance@cpuc.ca.gov.

19. If Applicant is 90 days or more late in submitting an annual report, or in remitting the surcharges and fee listed in #3 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's Rules of Practice and Procedure.

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

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 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)