

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Syniverse Technologies, Inc. for a Certificate of Public Convenience and Necessity to Provide Resold and limited Facilities-Based local telecommunications services and interexchange telecommunications and resold private line services within the State of California. (U-6926-C)

Application 08-02-017
(Filed February 13, 2008)

**DECISION MODIFYING SYNIVERSE TECHNOLOGIES, INC.'S
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY****1. Summary**

This decision modifies Syniverse Technologies, Inc.'s certificate of public convenience and necessity so that it may provide limited facilities-based and resold competitive local exchange and interexchange telecommunications services in addition to the inter- and intra- local access and transport area services as a non-dominant interexchange carrier it was authorized pursuant to Decision 04-11-001.

2. Background

In prior decisions, we authorized the provision of competitive interexchange services by carriers meeting specified criteria. In addition, we authorized the provision of competitive local exchange service, by carriers meeting specified criteria, within the service territories of Pacific Bell Telephone Company (Pacific), Verizon California Inc. (Verizon), SureWest Telephone

(SureWest), and Citizens Telecommunications Company of California, Inc. dba Frontier Communications of California (CTC).¹

Syniverse Technologies, Inc. (Applicant), a Delaware corporation qualified to do business in California, possesses a certificate of public convenience and necessity (CPCN) to provide InterLATA and IntraLATA telecommunications services in California as a switchless reseller under an assigned corporate identification number U-6926-C under the name Syniverse Networks, Inc., pursuant to Decision (D.) 04-11-001. Syniverse Networks, Inc. filed an August 10, 2005 advice letter with the Commission to change its name to Applicant's current name Syniverse Technologies, Inc. That advice letter was approved on November 29, 2005.

Applicant seeks to expand its non-dominant interexchange carrier (NDIEC) CPCN authority to provide resold and limited facilities-based local telecommunications services, interexchange telecommunications services, and resold private line services as a competitive local carrier (CLC) within California.

Applicant's principal place of business is located at 8125 Highwoods Palm Way, Tampa, Florida 33647. It has a toll-free number for customer inquiries at (800) 892-2888 which is answered 24-hours per day seven days per week and an e-mail address where customers may contact Applicant in writing. The e-mail address is david.robinson@syniverse.com.

3. Financial Qualifications

To be granted a CPCN, an applicant for authority to provide facilities-based and resold local exchange and/or interexchange services must

¹ SureWest was formerly known as Roseville Telephone Company.

demonstrate that it has a minimum of \$100,000 of cash or cash equivalent to meet the firm's start-up expenses.² An applicant must also demonstrate that it has sufficient additional resources to cover all deposits required by local exchange carriers (LECs) and/or interexchange carriers (IECs) in order to provide the proposed service.³ Applicant provided a copy of its most recent consolidated balance sheet as filed with the United States Securities and Exchange Commission to demonstrate that it has sufficient cash to satisfy the financial requirements.

4. Technical Qualifications

Applicants for NDIEC and CLC authority are required to make a reasonable showing of technical expertise in telecommunications or a related business. Applicant submitted biographical information on its officers and directors that demonstrates that it possesses sufficient experience and knowledge to operate as a telecommunications provider.

Applicant has authority to offer telecommunications services in 35 states and authority to offer competitive local exchange services in 18 of those states. Applicant represents that it has not been denied requested certification in any jurisdiction, nor has it had a permit, license, or certificate revoked by any authority. No affiliate, officer, director, partner, or owner of more than 10% of Applicant was previously associated with any telecommunications carrier that

² The financial requirement for CLCs is contained in D.95-12-056, Appendix C. The financial requirement for NDIECs is contained in D.91-10-041.

³ The requirement for 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.

filed for bankruptcy, or was sanctioned by the Federal Communications Commission (FCC) or any state regulatory agency for failure to comply with any regulatory statute, rule, or order.

5. Tariffs

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

6. California Environment Quality Act (CEQA)

CEQA requires the Commission as the designated lead agency to assess the potential environmental impact of a project in order that adverse effects are avoided, alternatives are investigated, and environmental quality is restored or enhanced to the fullest extent possible. Applicant will not be constructing any facilities other than those to be placed within existing structures. Therefore, it can be seen with certainty that there is no possibility that granting this application will have an adverse effect upon the environment. Applicant must file for additional authority, and submit to any required CEQA review, before it can construct facilities.

7. Waiver Requests

Applicant seeks a waiver from financial record keeping, local exchange directories and operating maps, and reporting requirements as addressed below that it deems inapplicable to competitive local service providers on the basis that such rules are not appropriate for competitive providers and constitute an economic barrier to entry into the local exchange market.

7.1. Financial Record Keeping

Applicant seeks a waiver from any financial recording rules and regulations that require a carrier to maintain its financial records in conformance with the Commission's Uniform System of Accounts (USOA) for telecommunications utilities. Applicant seeks this waiver because Applicant currently maintains its books and records in accordance with Generally Accepted Accounting Principles (GAAP) which is used extensively by competitive local exchange and interexchange carriers.

The Commission has established a set of regulatory requirements applicable to all competitive LEC and NDIECs, a copy of which is attached to this decision as Attachment B. Applicant should be treated no differently. Item 11 of these requirements provide for the books and records to be kept in accordance with GAAP. Therefore, Applicant's request for a waiver from keeping its financial records in conformance with the USOA is moot.

Applicant also seeks a waiver from maintaining its books and records in California so that these records may be maintained at its headquarters location in Tampa, Florida. In the event that the Commission finds it necessary to review Applicant's books, Applicant will be required to 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. This waiver request is also moot because it is an allowable option under Item 12 of Attachment B.

7.2. Local Exchange Directories and Operating Maps

Applicant seeks a waiver from publishing local exchange directories and an operating area map. Applicant intends to make arrangements with the incumbent local exchange companies whereby the names of its customers will be included in the directories published by the incumbent LECs. A waiver from

publishing local exchange directories by Applicant is not necessary because the Commission does not require telecommunications carriers, such as Applicant, to publish local exchange directories.

However, Item 7 of the Attachment B requirements applicable to competitive LECs and NDIECs require the filing of a service area map as part of Applicant's initial tariff. Hence, Applicant shall conform and comply with this Attachment B requirement.

7.3. Reporting Requirements

Although Applicant does not identify specific reporting requirements, it seeks waivers of any reporting requirements which are not applicable to competitive providers such as Applicant because such requirements are either not consistent with the demands of the competitive market or they constitute an undue burden on a competitive provider.

As previously addressed in our financial record keeping discussion, the Commission has established a set of regulatory and reporting requirements applicable to all competitive LECs and NDIECs, a copy of which is attached to this decision as Attachment B. Applicant, along with similarly situated California competitive LECs and NDIECs, shall comply with the identified regulatory and reporting requirements.

8. Conclusion

We conclude that the application conforms to our rules for certification as a competitive LEC and IEC. Accordingly, we shall approve the application subject to the terms and conditions set forth herein.

9. Categorization and Need for Hearings

In Resolution ALJ 176-3209, dated February 28, 2008, the Commission preliminarily categorized this application as Ratesetting, and preliminarily

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

10. Comments on Proposed Decision

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

11. Assignment of Proceeding

Rachelle B. Chong is the assigned Commissioner and Michael J. Galvin is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. Notice of the application appeared in the Daily Calendar on February 28, 2008.
2. No protests have been filed.
3. A hearing is not required.
4. In prior decisions, the Commission authorized competition in providing interexchange services for carriers meeting specified criteria.
5. In prior decisions, the Commission authorized competition, by carriers meeting specified criteria, in providing local exchange telecommunications services within the service territories of Pacific, Verizon, SureWest, and CTC.
6. Applicant has a minimum of \$100,000 of cash or cash value equivalent that is reasonably liquid and readily available to meet its start-up expenses.
7. Applicant has sufficient additional cash or cash equivalent to cover any deposits that may be required by other telecommunications carriers in order to provide the proposed service.

8. Applicant's management possesses sufficient experience and knowledge to provide telecommunications services.

9. As part of its application, Applicant submitted a draft of its initial tariff. Except for the deficiencies noted in Attachment A to this decision, Applicant's draft tariffs comply with the Commission's requirements.

10. Applicant will not be constructing facilities other than those to be placed within existing structures.

Conclusions of Law

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

2. Applicant has sufficient technical expertise to operate as a telecommunications carrier.

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

4. Since Applicant will not be constructing any facilities, it can be seen with certainty that there will be no significant effect on the environment.

5. The application should be granted to the extent set forth below.

6. Applicant shall be subject to the applicable Commission rules, decisions, General Orders, and statutes that pertain to California's public utilities.

7. Applicant should correct the deficiencies noted in its draft tariffs as indicated in Attachment A to this decision.

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

O R D E R

IT IS ORDERED that:

1. Syniverse Technologies, Inc.'s (Applicant) certificate of public convenience and necessity issued pursuant to Decision (D.) 04-11-001 is modified to include limited facilities-based and resold competitive local exchange services, and interexchange services subject to the terms and conditions set forth below.

2. Applicant is authorized to provide local exchange service and interexchange service in the service territories of Pacific Bell Telephone Company, Verizon California Inc., SureWest Telephone, and Citizens Telecommunications Company of California, Inc.

3. Applicant is authorized to file tariff schedules for the provision of competitive local exchange services with the deficiencies noted in Attachment A corrected. Applicant may not offer services until tariffs are on file. Applicant's initial filing shall be made in accordance with General Order (GO) 96-B. Applicant shall comply with its tariffs.

4. The certificate 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.

5. The corporate identification number U-6926-C assigned to Applicant in D.04-11-001 shall continue to be used by Applicant and shall be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

6. Applicant shall comply with all applicable rules adopted in the Local Exchange Competition proceeding (Rulemaking 95-04-043/ Investigation 95-04-044), the Commission's rules and regulations for non-dominant interexchange carriers (NDIECs) set forth in D.93-05-010 and D.90-08-032, as well as other applicable Commission rules, decisions, GOs, and

statutes that pertain to California public utilities, subject to the exemptions granted in this decision.

7. Applicant shall comply with the requirements applicable to competitive local exchange carriers and NDIECs included in Attachment B to this decision.

8. Applicant is not authorized to construct facilities.

9. Application 08-02-017 is closed.

This order is effective today.

Dated _____, at San Francisco, California.

ATTACHMENT A

List of deficiency in the draft tariff filed by Syniverse Technologies, Inc. in A.08-02-017 to be corrected in its tariff compliance filing.

1. Tariff Sheet Format: CPUC assigned utility ID number (U-6926-C) shall be included on each sheet in the upper left header along with Company name and address.
2. Schedule 2-T Original page 19, ICB arrangements shall be filed pursuant to General Order (GO) 96-B.
3. Tariff Inspection – include a telephone number and an address in California where a copy of tariff can be inspected by the public. (GO 96-B, Section 8.1.3.)
4. User Fee and Public Program Surcharges – include a rule conforming to AT&T tariffs for PUC User Fee and Public Program Surcharges (Resolution T-16901, December 2, 2004).
5. Conform to the Limitation of Liability Rule with requirements in Appendices A and B of Decision (D.) 95-07-057.
6. Include Rules consistent with requirements of GO 96-B, Section 8.5.7 and D.95-07-054 for:
 - a. Establishment and Re-establishment of Credit
 - b. Deposits
 - c. Notice
 - d. Disputed Bills
 - e. Discontinuance and Restoration of Service

(END OF ATTACHMENT A)

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

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

2. Applicant is subject to the following fees and surcharges that must be regularly remitted per the instructions in Appendix E to D.00-10-028. The Combined California PUC Telephone Surcharge Transmittal Form must be submitted even if the amount due is zero.

3. Revenues collected for the California Advanced Services Fund (CASF) at the surcharge rate of 0.25% shall be held by the carrier in a memorandum account tracking system and the account will accrue monthly interest on the accumulated balance at the short-term commercial paper rate. Carriers shall continue to hold custody of all the collected CASF surcharge revenues and accumulated interest until the Commission provides further direction on the disposition of these revenues.

- a. The current 1.15% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the Universal Lifeline Telephone Service Trust Administrative Committee Fund (Pub. Util. Code § 879; Resolution T-17071, dated March 1, 2007, effective April 1, 2007);
- b. The current 0.20% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California Relay Service and Communications Devices Fund (Pub. Util. Code § 2881; D.98-12-073 and Resolution T-17127, dated December 20, 2007, effective January 1, 2008);

- c. The user fee provided in Pub. Util. Code §§ 431-435, which is 0.18% of gross intrastate revenue (Resolution M-4819), dated June 7, 2007, effective July 1, 2007;
- d. The current 0.13% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California High Cost Fund-A (Pub. Util. Code § 739.3; D.96-10-066, pp. 3-4, App. B, Rule 1.C; Resolution T-17128, dated December 20, 2007, effective January 1, 2008);
- e. The current 0.25% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California High Cost Fund-B (D.96-10-066, p. 191, App. B, Rule 6.F.; D.07-12-054);
- f. The current 0.25% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California Advances Services Fund (D.07-12-054); and
- g. The current 0.079% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California Teleconnect Fund (D.96-10-066, p. 88, App. B, Rule 8.G; Resolution T-17142, dated April 29, 2008, effective June 1, 2008).

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

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

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

6. Tariff filings shall reflect all fees and surcharges to which Applicant is subject, as reflected in 2 above.

7. Applicant shall file a service area map as part of its initial tariff.

8. Prior to initiating service, Applicant shall 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 shall be updated if the name or telephone number changes, or at least annually.

9. Applicant shall 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.

10. Applicant 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 after intraLATA service begins.¹

11. Applicant shall keep its books and records in accordance with the Generally Accepted Accounting Principles.

12. In the event Applicant's books and records are required for inspection by the Commission or its staff, it 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 its office.

¹ California is divided into ten Local Access and Transport Areas (LATAs), each containing numerous local telephone exchanges. InterLATA describes services, revenues and functions relating to telecommunications originating within one LATA and terminating in another LATA. IntraLATA describes services, revenues and functions relating to telecommunications originating within a single LATA.

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

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

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

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

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

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

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

20. 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.

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

22. Applicant shall 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 copy and a machine readable copy using Microsoft Word or compatible format shall be filed with the 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.

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

Required information:

1. Exact legal name and U # of the reporting utility.
2. Address.
3. Name, title, address, and telephone number of the person to be contacted concerning the reported information.
4. Name and title of the officer having custody of the general books of account and the address of the office where such books are kept.
5. Type of organization (*e.g.*, corporation, partnership, sole proprietorship, etc.).

If incorporated, specify:

- a. Date of filing articles of incorporation with the Secretary of State.
 - b. State in which incorporated.
6. Number and date of the Commission decision granting the Certificate of Public Convenience and Necessity.
 7. Date operations were begun.
 8. Description of other business activities in which the utility is engaged.
 9. List of all affiliated companies and their relationship to the utility. State if affiliate is a:
 - a. Regulated public utility.
 - b. Publicly held corporation.
 10. Balance sheet as of December 31st of the year for which information is submitted.

11. Income statement for California operations for the calendar year for which information is submitted.

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

(END OF ATTACHMENT C)

ATTACHMENT D
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);
- Voting rights held by the utility and percent; and
- 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 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 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 Sections I-F of Decision 93-02-019.

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

(END OF ATTACHMENT D)