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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Licensing, Tariffs, Rural Carriers, and Cost
Support Branch**

**RESOLUTION T - 17106
September 20, 2007**

R E S O L U T I O N

Resolution T- 17106, Global Valley Networks, Inc. (U-1008-C), Requests Authority to Grandfather Foreign Exchange Service.

By Advice Letter No. 396 filed on June 5, 2007.

Summary

This Resolution approves Global Valley Networks, Inc's. (GVN's) request to grandfather Foreign Exchange (FX) Service.

Background

GVN filed Advice Letter (AL) 396 on June 5, 2007 requesting authority to grandfather FX Service. In a separate response dated July 3, 2007 to the Communications Division (CD), GVN stated that there are forty (40) subscribers to this service, while total access lines are over 14, 800.

On June 7, 2007, GVN notified the existing subscribers of its request to the Commission to grandfather this service.

FX Service is a network-provided service in which a telephone in a given local exchange area is connected, via a private line, to a central office in another "foreign" exchange, rather than the local exchange area's central office. FX Service allows subscribers to get

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their dial tone from another exchange, and to make calls in that same exchange at local rates instead of at higher toll rates.

GVN in AL 396 proposes to grandfather FX Service to all forty existing customers at their present locations as of the date AL 396 is approved. No moves, additions, or changes to the FX service will be permitted. Existing customers include immediate family members residing at the present locations.

Notice/Protests

GVN states that copies of AL No. 396 have been mailed to competing and adjacent utilities and interested parties. On June 7, 2007 GVN sent notices to existing subscribers notifying them of its request to grandfather this service. Notice of AL No. 396 was published in the Commission Daily Calendar on June 13, 2007. No protests or comments to this AL have been received.

Discussion

GVN requests authority to grandfather FX Service. CD reviewed the advice letter and asked GVN to explain why this service was to be grandfathered and what alternatives are available to future customers who want FX Service.

GVN reported that demand for these services does not justify their continued provision. GVN stated that December 2000 is the last time a customer was enrolled in FX service. GVN explained that FX service has administrative costs as well as costs for dealing with revenue distributions and billing issues with associated carriers, in this case AT&T of California, Inc (AT&T).

GVN further explained that an FX Service is an expensive service to provide because GVN has to take AT&T's various charges and rates and convert them to the GVN's rates and charges in order to render a GVN bill to the customer for providing these services. GVN states that the additional administrative effort and cost do not justify the demand for this service. There are only forty subscribers to this service. Toll rates have gone down and other alternatives such as wireless service and toll packages from other carriers make the FX Service much less economically viable.

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CD concludes GVN's request and reasons to grandfather FX service to be reasonable. Existing customers will be grandfathered until they either cancel or change their current FX Service or move to a new address.

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

Findings:

1. Global Valley Networks (GVN) requests authority to grandfather FX Service.
2. GVN states that there are forty subscribers to this service.
3. GVN states that notification via bill insert of GVN's proposed changes was mailed to the current subscribers on June 7, 2007. No comments were received from these subscribers.
4. GVN's subscribers who currently subscribe to FX Service will continue to receive this service until they either cancel the service or move to another location.
5. GVN's subscribers who currently subscribe to FX Service will not be allowed to make any additions or changes to their existing FX Service arrangement.
6. For purposes of this Resolution, current subscribers/customers include immediate family members residing at the premises.
7. After reviewing AL No. 396, CD recommends that the Commission approve this filing.

THEREFORE, IT IS ORDERED that:

1. Global Valley Networks, Inc. is granted authority to grandfather Foreign Exchange Service to the existing customers until they terminate, change or transfer service.

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2. Advice Letter No. 396 of Global Valley Networks Inc. and accompanying tariff sheets shall be marked to show that they were authorized by California Public Utilities Commission Resolution No. T-17106 and its effective date.

This Resolution is effective today.

I hereby certify that the Public Utilities Commission at its regular meeting on September 20, 2007 adopted this Resolution. The following Commissioners approved it:

PAUL CLANON
Executive Director