

Decision 02-12-050 December 17, 2002

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of UNIVERSAL BROADBAND COMMUNICATIONS, INC. d/b/a Business Savings Plan and Norstar Communications, Inc. d/b/a Business Savings Plan (U-6424-C) for Approval of an Asset Purchase and Sale Agreement and to Transfer the Certificate of Norstar Communications, Inc. d/b/a Business Savings Plan, an NDIEC Operating in California, to Universal Broadband Communications, Inc. d/b/a Business Savings Plan.

Application 02-07-007
(Filed July 15, 2002)

**OPINION GRANTING AUTHORITY FOR ACQUISITION
OF ASSETS AND TRANSFER OF CERTIFICATE OF
PUBLIC CONVENIENCE AND NECESSITY**

Summary

Pursuant to Pub. Util. Code § 851, we approve the acquisition by Universal Broadband Communications, Inc. (Universal Broadband) of the assets and customer base of Norstar Communications, Inc. (Norstar), and the transfer to Universal Broadband of Norstar's Certificate of Public Convenience and Necessity (CPCN) to provide interexchange services.

Background

Norstar, a California corporation having its principal place of business at 18200 Von Karman Avenue, Irvine California 92612, was granted a CPCN to provide interexchange services as a reseller by Decision (D.) 00-08-041. Universal Broadband is a Nevada corporation authorized to do business in California,

having its principal place of business at 18200 Von Karman Avenue, Irvine California 92612. In the proposed transaction, Universal Broadband will acquire the direct billing customer base and other assets of Norstar, including its CPCN.

Norstar and Universal Broadband jointly filed this application for approval of the sale pursuant to Pub. Util. Code § 851. That statute requires Commission authorization before a public utility may convey its property to another entity. Where the acquiring entity does not have a CPCN, we evaluate the request as we would if an applicant were seeking a CPCN for the first time. We apply the requirements for resellers of interexchange services to Universal Broadband here.

In Resolution ALJ 176-3091, dated July 17, 2002, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. No protests were filed in response to the application, and we therefore confirm the preliminary determinations and decide this as an *ex parte* matter.

Discussion

Norstar currently operates in California under the name “Business Savings Plan.” Universal Broadband proposes to continue to do business under the “Business Savings Plan” name, with no change in customer rates or terms as a result of the proposed transaction.

Universal Broadband has provided information about its management in its application and exhibits that shows that Universal Broadband possesses the requisite expertise to provide the services now provided by Norstar.

Universal Broadband has shown through submission of exhibits to its application that it meets the financial requirements for resellers and will have the

cash or cash equivalent to continue the provision of services without interruption.

Comments on Draft Decision

This is an uncontested matter in which the decision grants the relief requested. Therefore, pursuant to Section 311(g)(2) of the Public Utilities Code, the otherwise applicable 30-day period for public review and comment is being waived.

Assignment of Proceeding

Henry M. Duque is the Assigned Commissioner and Anne Simon is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. Norstar currently holds a CPCN as an interexchange carrier.
2. Norstar does business in California as “Business Savings Plan.”
3. Universal Broadband is a Nevada corporation authorized to do business in California.
4. After acquiring the assets and customer base of Norstar, Universal Broadband will do business as “Business Savings Plan” with no change in customer rates or terms currently offered by Norstar.
5. Universal Broadband possesses the necessary technical expertise to provide the telecommunications services now being provided by Norstar.
6. Universal Broadband has sufficient financial resources to meet the Commission’s requirements for reselling interexchange services.

Conclusions of Law

1. Universal Broadband meets the Commission’s requirements for the issuance of a CPCN to resell interexchange telecommunications services.

2. The joint application of Universal Broadband and Norstar for sale of assets and transfer of Norstar's CPCN should be approved.

3. This order should be effective immediately in order to facilitate this transaction.

O R D E R

IT IS ORDERED that:

1. The joint application of Universal Broadband Communications, Inc. (Universal Broadband) and Norstar Communications, Inc. (Norstar) for approval for Universal Broadband to acquire the assets and customer base of Norstar and for Norstar to transfer to Universal Broadband its Certificate of Public Convenience and Necessity (CPCN) to provide interexchange telecommunications services is not adverse to the public interest and is granted, subject to the following terms and conditions.

2. Advance notice to Norstar's customers of the transfer under this order must be provided in accordance with Pub. Util. Code § 2889.3 and Decision (D.) 97-06-097.

3. Norstar and Universal Broadband shall notify the Director of the Commission's Telecommunications Division in writing of the transfer authorized herein within 10 days of the date of consummation of the transfer. A true copy of the instruments of transfer shall be attached to the notification.

4. Universal Broadband shall comply with the conditions for operating authority set forth by the Commission for Norstar in D.00-08-041.

5. Universal Broadband shall comply with the Commission's rules and regulations for non-dominant interexchange carriers set forth in D.93-05-010 and D.90-08-032, as well as all other applicable Commission rules, decisions, General Orders, and all statutes that pertain to California public utilities.

6. Universal Broadband is assigned the corporate identity number of Norstar (U-6424-C).

7. The authority granted herein shall expire if it is not exercised within one year of the date of this order.

8. Application 02-07-007 is closed.

This order is effective today.

Dated December 17, 2002, at San Francisco, California.

LORETTA M. LYNCH
President
HENRY M. DUQUE
CARL W. WOOD
GEOFFREY F. BROWN
MICHAEL R. PEEVEY
Commissioners