

Decision \_\_\_\_\_

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

In the Matter of the Application of Corcom Communications, Inc. (U7267C) for a Certificate of Public Convenience and Necessity in Order to Provide Resold Competitive Local Exchange and Interexchange Services within the State of California.

Application 14-05-009  
(Filed May 5, 2014)

**DECISION GRANTING CORCOM, INC. A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY IN ORDER TO PROVIDE RESOLD COMPETITIVE LOCAL EXCHANGE AND INTEREXCHANGE SERVICES WITHIN THE STATE OF CALIFORNIA**

**Summary**

Pursuant to Public Utilities Code Section 1001, we grant Corcom Communications, Inc.<sup>1</sup> a certificate of public convenience and necessity to provide resold competitive local exchange and non-dominant interexchange services, subject to the terms and conditions set forth in the Ordering Paragraph.

**1. Background**

On May 5, 2014, Corcom Communications, Inc. (Corcom) filed an application to request a certificate of public convenience and necessity (CPCN) authorizing the company to provide resold competitive local exchange and interexchange telecommunications services within the service territories of

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<sup>1</sup> Corcom is a Nevada corporation. Its principal place of business is located at 3159 Maple Ridge Court, Reno, NV 89511.

AT&T California (AT&T), Verizon California Inc. (Verizon), Citizens Telecommunications Company of California, dba a Frontier Communications of California, Inc. (Citizens), and SureWest Communications (SureWest) statewide in California.

No protests to the application were filed.

## **2. Jurisdiction**

Public Utilities Code Section 216(a) defines the term “Public 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.” Corcom is a telephone corporation and a public utility subject to our jurisdiction.

Corcom does not propose to deploy its own network facilities but will use existing facilities furnished by incumbent local exchange carriers. Corcom intends to provide both interstate and intrastate local exchange and interexchange carrier services to residential and business customers. Corcom will resell voice, broadband, data, internet access, and management features and functions. Corcom understands that, although some services or features will use IP-based technology, it will be subject to the Commission’s jurisdiction and must abide by the Commission’s rules, including those regarding posting of service information on its website and compliance with applicable consumer protection rules.

### 3. California Environmental Quality Act (CEQA)

CEQA (Public Resources Code Sections 21000 et seq.) applies to discretionary projects to be carried out or approved by public agencies. A basic purpose of CEQA is to “inform governmental decision-makers and the public about the potential significant environmental effects of the proposed activities.” (Title 14 of the California Code of Regulations (hereafter CEQA Guidelines), Section 15002.)

CEQA requires the California Public Utilities Commission (Commission) to act as the designated lead agency to assess the potential environmental impact of a project so that adverse effects are avoided, alternatives are investigated, and environmental quality is restored or enhanced to the fullest extent possible. In Commission Rules of Practice and Procedure Rule 2.4(b), the Commission recognizes that certain classes of projects are exempt from CEQA. In cases where such exemptions apply, we are not required to issue an Environmental Impact Report or Negative Declaration.

Corcom seeks an exemption from CEQA requirements because it does not now, nor in the future, propose to deploy its own network facilities. Rather, Corcom indicates that it will provide resold local exchange services utilizing the facilities and services of incumbent local exchange carriers and interexchange carriers.

Since Corcom states that it will not be constructing any facilities for the purpose of providing services under this CPCN, it can be said with certainty that there is little likelihood that granting this application will have an adverse impact upon the environment. CEQA review is not required for this type of non-facilities-based authority. However, Corcom is advised that should it desire to construct facilities within the State of California in the future, it must file for

additional authority, and undergo the requisite environmental (CEQA) review before commencing any construction.

#### **4. Financial Requirements**

To be granted a CPCN, an applicant for authority to provide resold local exchange and interexchange services must possess a minimum of \$25,000 unencumbered cash or cash equivalent, reasonably liquid and readily available to meet the new firm's start-up expenses.<sup>2</sup> 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 (IXCs) in order to provide the proposed service. An applicant for a CPCN that will operate as a nondominant interexchange carrier (NDIEC), and has profitable interstate operations, may demonstrate that it meets the minimum financial requirement by submitting any of the eight financial instruments described in Decision (D.) 95-12-056 and D.91-10-041,<sup>3</sup> or by submitting an audited balance sheet and income statement demonstrating sufficient cash flow.

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<sup>2</sup> The financial requirement for Competitive Local Exchange Carriers (CLEC) is contained in D.95-12-056, Appendix C. The financial requirement for nondominant interexchange carriers (NDIEC) is contained in D.91-10-041.

<sup>3</sup> D.95-12-056 at Appendix C and D.91-10-041, at 13 both list the following financial instruments that will adequately support the financial requirements for a CPCN: a) Cash or cash equivalent, including cashier's check, sight draft, performance bond proceeds, or traveler's checks; b) Certificate of deposit or other liquid deposit, with a reputable bank or other financial institution; c) Preferred stock proceeds or other corporate shareholder equity, provided that use is restricted to maintenance or working capital for a period of at least 12 months beyond certification of the applicant by the Commission; d) letter of credit, issued by a reputable bank or other financial institution, irrevocable for a period of at least 12 months beyond certification of the application by the Commission; e) Line of credit or other loan, issued by a reputable bank or other financial institution, irrevocable for a period of at least 12 months beyond certification of the applicant by the Commission, and payable on an interest only basis for the same

*Footnote continued on next page*

Once approved for a CPCN, a NDIEC must post a performance bond in order to obtain authority to provide telecommunications services, and to secure the payment of any monetary sanction (i.e., fines, penalties, restitution) that may be imposed should an enforcement proceeding be brought against it under § 1013(f) of the Public Utility Code. The performance bond amount is \$25,000 for new registrants who have not previously reported intrastate earnings. The performance bond must be executed within five days of written acceptance of CPCN authority and thereafter must remain in effect during all periods of operations.<sup>4</sup>

Corcom provides confidential financial information with its application that demonstrates that it has well in excess of \$25,000 cash in its checking account. However, it does not have any of the eight financial instruments enumerated in D.95-12-056 or D.91-10-041 or an audited financial statement. Therefore, to meet financial requirements, Corcom has submitted a performance bond in the amount of \$50,000 payable to the Commission. The \$50,000 bond is to remain in effect for a period of 12 full months, then shall be reduced to \$25,000 and remain in effect throughout the duration of Corcom's operation within the State of California, as required under D.13-05-035.

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period; f) Loan, issued by a qualified subsidiary, affiliate of applicant, or a qualified corporation holding controlling interest in the applicant, irrevocable for a period of at least 12 months beyond certification of the applicant by the Commission, and payable on an interest-only basis for the same period; g) Guarantee, issued by a corporation, copartnership, or other person or association or association, irrevocable for a period of at least 12 months beyond certification of applicant by the Commission, and h) Guarantee, issued by a qualified subsidiary, affiliate of applicant, or a qualified corporation holding controlling interest in the applicant, irrevocable for a period of at least 12 months beyond certification of the applicant by the Commission.

<sup>4</sup> D.13-05-035.

We find that Corcom's proposal to post and keep a performance bond of \$50,000 in effect during its first year of operation, and thereafter keep a bond of \$25,000 in effect throughout the duration of its operation in California, is adequate to satisfy the financial requirements for issuance of a CPCN to a NDIEC.

### **5. Technical and Managerial Competence**

To be granted a CPCN for authority to provide local exchange and interexchange services, an applicant must make a reasonable showing of managerial and technical expertise in telecommunications or a related business.<sup>5</sup>

Section 16 of the application indicates that Corcom's key technical and management personnel are identified in Exhibit F,<sup>6</sup> and that, to the extent that additional expertise is required, Corcom will retain consultants.

Mr. Corcoran's biography demonstrates managerial expertise within the telecommunications field. Since Corcom intends to utilize the facilities and services of incumbent local exchange carriers and interexchange carriers, we find that his biography demonstrates sufficient expertise to operate as a telecommunications provider.

The application includes a sworn affidavit<sup>7</sup> from Mr. Corcoran that verifies that neither Corcom, himself, nor anyone involved with Corcom as an affiliate, officer, director, partner, or owner of more than 10% of Corcom, or anyone acting in a management capacity for Corcom, has (a) held one of these positions with a

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<sup>5</sup> D.95-12-056 at Appendix C, Rule 4.A.

<sup>6</sup> Exhibit F identifies only Jeffrey Corcoran, Corcom's founder, executive director and president.

<sup>7</sup> Required by D.13-05-035, Ordering Paragraph 14.

company that filed for bankruptcy; been associated with a telecommunications carrier 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 criminal referral by a 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 sections 17000 *et seq.*, 17200 *et seq.*, or 17500 *et seq.* of the California Business & Professions Code, or of any other statute, regulations, 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; 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. Furthermore, to the best applicant's knowledge, neither applicant, any affiliate, officer, director, partner, nor owner of more than 10% of applicant, 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.

Accordingly, we find that Corcom is in compliance with the requirements of D.95-12-056 and D.13-05-035.

## **6. Detariffed Status**

Corcom intends to offer its service on a non-discriminatory basis and at competitive rates, but through individual case basis contracts. For this reason, it requests an exemption from tariffing requirements pursuant to D.98-08-031. Corcom acknowledges that it must comply with the requirements and consumer protection rules set forth in D.98-08-031, as such rules may be modified from time to time. Corcom agrees to post all detariffed rates, charges, terms and conditions of its service on its internet site, pursuant to Rule 5.2 of the Telecommunications Industry Rules in General Order 96-B. It must, at least 30 days before a change will occur, notify affected customers about higher rates or charges, about more restrictive terms or conditions, or about withdrawal of service, transfer of ownership or customer base pursuant to Rule 5.3.

## **7. Request for Treatment as a Non-dominant Interexchange Carrier**

Corcom requests treatment as a non-dominant interexchange carrier, which would include exemption from the requirement of Pub. Util. Code §§ 816-830 concerning stocks and security and § 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, and subsequently modified in D.85-07-081 and D.85-11-044. We grant Corcom's request for non-dominant interexchange carrier status, provided that they follow all rules detailed in the above referenced decisions.<sup>8</sup>

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<sup>8</sup> While the Commission has granted exemption from §§ 816-830 to others, exemption from §§ 851-854 has not been granted previously and is not granted here.



## 8. 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. At this point, Corcom is authorized only to be a reseller of competitive local exchange and interexchange services and will not be constructing its own facilities. We feel satisfied that Corcom will meet the Commission's minimum safety goals and expectations of CLECs because: (1) Corcom meets the financial requirements as set forth in this decision for a non-facilities based CLEC, and (2) Corcom 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." Should Corcom seek to construct its own facilities, we will revisit the safety considerations applicable to facilities based carriers.

## 9. 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.<sup>9</sup> Corcom provided a map of its proposed service area, in Exhibit D to its application, in compliance with this requirement.

## 10. General Order (GO) 104-A Statement

Rule 3.1(i) requires that a utility filing an application under Pub. Util. Code § 1001, must provide a statement regarding GO 104-A. Corcom states that, as a

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<sup>9</sup> D.95-12-056 at Appendix C, Rule 4.E.

privately held company not owned by any other entity, it has nothing to report under this rule. On a going forward basis, however, Corcom must file all reports required of a public utility under Commission jurisdiction.

### **11. Affidavit of Bond Amount**

In D.13-05-035 in Rulemaking 11-11-006, the Commission adopted revisions to the certification process for telephone corporations, and established a minimum performance bond requirement of \$25,000 for all entities applying for a CPCN for the first time, which have not previously reported revenues or submitted surcharges to the Commission. As described in Section 3 above, Corcom has obtained and has submitted a bond of \$50,000 to the Commission, thereby satisfying both the minimum performance bond requirement and the overall financial requirements for issuance of a CPCN.

### **12. Expected Customer Base**

Corcom provided its estimated customer base for the first and fifth years of operation in Exhibit H. Therefore Corcom has complied with this requirement.

### **13. Conclusion**

We conclude that the application conforms to our rules for certification as an interexchange and local exchange carrier. Accordingly, we grant Corcom a CPCN to provide non-facilities-based and resold local exchange telecommunications service in the service territories of AT&T, Verizon, Citizens and SureWest and non-dominant interexchange service statewide, subject to compliance with the terms and conditions set forth in the Ordering Paragraphs (OPs).

The CPCN granted by this decision provides benefits to Corcom and corresponding obligations. Corcom benefits by receiving authority to operate in

the prescribed service territory, and by having the ability to request interconnection with other telecommunications carriers in accordance with Section 251 of the Federal Communications Act (47 U.S.C. 251). In return, Corcom is obligated to comply with all applicable Public Utilities Codes and Commission Rules, GOs, and decisions applicable to telecommunications carriers providing approved services. The applicable Codes, Rules, etc. include, but are not limited to, consumer protection rules, tariffing, and reporting requirements. Corcom is also obligated to pay all Commission prescribed user fees and public purpose program surcharges as set forth in Attachment B of this decision, to comply with CEQA (when and if applicable), 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, Corcom filed a motions for leave to file Exhibits G (Financial Statements) and H (Expected Customer Base) to the application as confidential materials under seal. Corcom represents that the information is sensitive, and the disclosure could place Corcom at an unfair business disadvantage. We have granted similar requests in the past regarding financial information, accordingly Exhibit G is deemed confidential. There appears to be no compelling need to seal Exhibit H, which contains neither sensitive nor proprietary information or data. Therefore, as to Exhibit H, the motion is denied.

**14. Categorization and Need for Hearings**

In Resolution ALJ 176-3336, dated May 15, 2014, 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.

**15. Waiver of Comment Period**

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

Michael Picker is the assigned Commissioner and Patricia B. Miles is the assigned Administrative Law Judge in this proceeding.

**Findings of Fact**

1. Notice of the application appeared on the Daily Calendar on May 15, 2014. No protests have been filed. A hearing is not required.
2. Corcom is a telephone corporation and a public utility as defined in Pub. Util. Code Sections 234(a) and 216(a).
3. Corcom proposes no construction activity.
4. Corcom authority to provide non-facilities-based and resold local exchange and interexchange telecommunications services will not have a significant adverse effect upon the environment.
5. Corcom has demonstrated that it has a minimum of \$25,000 of cash or cash equivalent that is reasonably liquid and readily available to meet its start-up expenses.

6. Corcom does not have an audited financial statement or any of the eight financial instruments enumerated in D.95-12-056 or D.91-10-041.

7. Corcom has posted a performance bond of \$50,000 which shall remain in effect during its first year of operation, in order to satisfy the minimum financial requirement, in lieu of the required financial instruments.

8. Corcom has sufficient additional cash or cash equivalent to cover deposits that may be required by other telecommunications carriers in order to provide the proposed service.

9. Corcom management possesses sufficient experience, knowledge, and technical expertise to provide resold local exchange services to the public.

10. No one associated with or employed by Corcom as an affiliate, officer, director, partner, or owner of more than 10% of Corcom was: previously associated with a telecommunications carrier that filed for bankruptcy; was sanctioned by the FCC or any state regulatory agency for failure to comply with any regulatory statute, rule, or order; or was previously associated with any telecommunication carrier that has been found either civilly or criminally liable by a court of appropriate jurisdiction for a violation of § 17000, et seq. of the California Business and Professions Code, or for any actions which involved misrepresentations to consumers, nor is currently under investigation for similar violations.

11. Corcom meets the qualifications for exemption from tariffing requirements and has agreed to abide by the consumer protection rules adopted in D.98-08-031.

10. Corcom requests non-dominant interexchange carrier treatment.

11. Corcom provided a map of the location of its proposed service territory.

12. Corcom 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 GO 104-A.

13. Corcom provided an estimate of its customer base for the first and fifth year of operation in its application.

14. Pursuant to Rule 11.4, Corcom filed a motion for leave to file Exhibits G and H as confidential material under seal.

### **Conclusions of Law**

1. Corcom should be granted a CPCN to provide non-facilities-based resold local exchange telecommunications services within the service territories of AT&T, Verizon, Citizens, SureWest, and non-dominant, non-facilities-based interexchange services statewide in California, subject to the terms and conditions set forth in the OPs, including obtaining a performance bond, as required by D.13-05-035.

2. Corcom, once granted a CPCN, will be subject to the applicable Commission rules, decisions, GOs, and statutes that pertain to California Public Utilities.

3. Corcom's motion to file under seal Exhibit G to its application should be granted for two years.

4. Corcom's motion to file under seal its estimated customer base for the first and fifth years of operation should not be granted.

5. Corcom should be granted nondominant interexchange carrier status, subject to Commission rules and regulations applicable to NDIECs as detailed in D.85-01-008, D.85-07-081, D.85-11-044 and D.10-09-017.

**O R D E R****IT IS ORDERED** that:

1. A certificate of public convenience and necessity is granted to Corcom Communications, Inc. to provide non-facilities-based resold local exchange telecommunications services within the service territories of AT&T California, Verizon California Inc., Citizens Telecommunications Company of California, Inc., and SureWest Communications, and non-dominant, non-facilities-based interexchange services statewide in California, subject to the terms and conditions set forth below.
2. The corporate identification number assigned to Corcom Communications, Inc., (U7267C), must be included in the caption of all original filings with the California Public Utilities Commission, and in the titles of other pleadings filed in existing cases.
3. Within five days of acceptance of its certificate of public convenience and necessity authority, Corcom Communications, Inc. must submit a Tier-1 Advice Letter to the Director of Communications. Corcom Communications, Inc. must obtain a performance bond in the amount of \$50,000, issued by a corporate surety company authorized to transact surety business in California, and the California Public Utilities Commission must be listed as the obligee on the bond. The \$50,000 bond must remain in effect for a period of 12 full months.
4. Within five days before expiration of the 12-month period, Corcom Communications, Inc. must provide evidence that it has obtained a performance bond of \$25,000 in accordance with Decision 13-05-035. The \$25,000 performance bond must be a continuous bond (i.e., there will be no termination date on the bond) issued by a corporate surety company authorized to transact surety

business in California, and the California Public Utilities Commission must be listed as the obligee on the bond.

5. Corcom must submit a Tier-1 Advice Letter to the Director of Communications annually, but not later than March 31st, of each year with a copy of the executed bond.

6. Corcom Communications, Inc. must not allow its performance bond to lapse during any period of its operation. Pursuant to Decision 13-05-035, the California Public Utilities 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.

7. 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, Corcom Communications, Inc. is subject to the Consumer Protection Rules contained in General Order (GO) 168, and all applicable California Public Utilities Commission rules, decisions, GOs, and statutes that pertain to California Public Utilities.

8. Corcom Communications, Inc. must file, in this docket, a written acceptance of the certificate granted in this proceeding within 30 days of the effective date of this order.

9. Corcom Communications, Inc. must annually pay the user fee and public purpose surcharges specified in Attachment B. Per the instructions in Exhibit E to Decision 00-10-028, the Combined California Public Utilities Commission Telephone Surcharge Transmittal Form must be submitted even if the amount



due is \$0. Corcom Communications, Inc. must pay a minimum user fee of \$100 or 0.18% 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.

10. Prior to initiating service, Corcom Communications, Inc. must provide the California Public Utilities 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. Prior to initiating service, Corcom Communications, Inc. 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/PUC/telco/Information+for+providing+service/>

This information must be updated if the name or telephone number changes, or at least annually.

12. Corcom Communications, Inc. must post all detariffed rates, terms and conditions of service on an internet site pursuant to Rule 5.2 of the Telecommunications Industry Rules in General Order 96-B.

13. No later than five days after service first begins, Corcom Communications, Inc. must notify the Director of the Communications Division in writing of the date that local exchange and non-dominant interexchange service is first rendered pursuant to the certificate granted in this proceeding.

14. Corcom Communications, Inc. must file an affiliate transaction report with 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.

15. Corcom Communications, Inc. must file an annual report with 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.

16. Corcom Communications, Inc.'s motion to file under seal its Exhibit E is granted for a period of three years after the date of this order. During this three-year period, this information shall not be publicly disclosed except on further California Public Utilities Commission order or Administrative Law Judge ruling. If Corcom Communications, Inc. believes that it is necessary for this information to remain under seal for longer than three years, Corcom Communications, Inc. may file a new motion showing good cause for extending this order by no later than 30 days before the expiration of this order.

17. Corcom Communications, Inc.'s motion to file under seal its Exhibit H is denied.

18. Application 14-05-009 is closed.

This order is effective today.

Dated \_\_\_\_\_, at Bakersfield, California.

**ATTACHMENT A**

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**(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,<sup>10</sup> 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 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).
- 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

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<sup>10</sup> Written acceptance filed in this docket does not reopen the proceeding.

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/PUC/Telco/Consumer+Information/surcharges.htm>.

- 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/PUC/Telco/Information+for+providing+service/Surcharge+Remittance.htm>. To request a user ID and password for TUFFS online filing and for questions, please e-mail [Telco\\_surcharges@cpuc.ca.gov](mailto:Telco_surcharges@cpuc.ca.gov).
- Carriers must file and pay the PUC User Fee (see above item 2g) upon receiving the User Fee statement sent by the Commission. User Fees cannot be reported or paid online. Instructions for reporting filing are available at <http://www.cpuc.ca.gov/PUC/Telco/Information+for+providing+service/userfee.htm>. Please call (415) 703-2470 for questions regarding User Fee reporting and payment.

3. 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).

4. 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).

5. Tariff filings must reflect all fees and surcharges to which Applicant is subject, as reflected in #2 above.

6. Applicant must file a service area map as part of its initial tariff.

7. 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. In addition, 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/PUC/telco/Information+for+providing+service/>.

This information must be updated if the name or telephone number changes, or at least annually.

8. 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.

9. Applicant must notify the Director of the Communications Division in writing of the date local service is first rendered to the public within five days after service begins.

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

11. 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.

12. Applicant must 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.

13. Applicant must 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.

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

15. 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.

16. 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.

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

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

19. 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.

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

21. 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 filed with 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 file 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 31<sup>st</sup> 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 filed with 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 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)**