

Decision \_\_\_\_\_

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

Application of SIGCA Holdings, LLC for a Certificate of Public Convenience and Necessity in Order to Provide: (i) Full Facilities-Based and Resold Competitive Local Exchange Service Throughout the Service Territories of Pacific Bell Telephone Company, d/b/a AT&T California, Frontier California Inc., Citizens Telecommunications Company of California, Inc., Frontier Communications of the Southwest Inc., and Consolidated Communications of California Company; and (ii) Full Facilities-Based Interexchange Services on a Statewide Basis.

Application 17-02-007

**DECISION GRANTING UNOPPOSED MOTION OF SIGCA HOLDINGS, LLC TO WITHDRAW APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND WITHOUT PREJUDICE**

**Summary**

This decision dismisses Application 17-02-007, for a Certificate Of Public Convenience and Necessity to provide: (i) full facilities-based and resold competitive local exchange service throughout the service territories of Pacific Bell Telephone Company, d/b/a AT&T California, Frontier California Inc., Citizens Telecommunications Company of California, Inc., Frontier Communications of the Southwest Inc., and Consolidated Communications of California Company; and (ii) full facilities-based interexchange services on a statewide basis, pursuant to the February 23, 2018 unopposed motion of SIGCA

Holdings, LLC, to withdraw its application. This decision dismisses Application 17-02-007 without prejudice, places certain documents under seal, and closes this proceeding.

## **1. Background**

On February 24, 2017, SIGCA Holdings, LLC (“SIGCA Holdings” or “Applicant”) filed Application 17-02-007 (Application) with the California Public Utilities Commission (Commission) for a Certificate of Public Convenience and Necessity (CPCN) in order to provide full facilities-based and resold competitive local exchange service, including special access service, throughout the service territories of Pacific Bell Telephone Company d/b/a AT&T California (AT&T), Frontier California Inc. (Frontier California),<sup>1</sup> Citizens Telecommunications Company of California, Inc. d/b/a Frontier Communications of California (Frontier Communications), and Consolidated Communications of California Company (Consolidated, formerly SureWest Telephone),<sup>2</sup> and full facilities-based interexchange telecommunications services in California on a statewide basis pursuant to Section 1001 of the California Public Utilities Code.<sup>3</sup> No protests or responses to the Application were filed.

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<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> All statutory references are to the Public Utilities Code (Pub. Util. Code), unless otherwise indicated.

SIGCA Holdings' principal place of business is 22375 Broderick Drive, Suite 165, Dulles, Virginia 20166.<sup>4</sup>

A telephonic prehearing conference (PHC) was held in this matter before Administrative Law Judge (ALJ) Adeniyi A. Ayoade on May 18, 2017, and following the PHC, the *Scoping Memo and Ruling of the Assigned Commissioner and Administrative Law Judge* (Scoping Ruling) was issued on June 2, 2017. On June 15, 2017, the Commission's Consumer Protection and Enforcement Division (CPED) filed a motion for party status in this proceeding (CPED's motion) and requested to participate in this matter in order to pursue issues relating to SIGCA Holdings' possible violation of Rule 1.1 of the Commission's Rules of Practice and Procedure. On June 30, 2017, SIGCA Holdings filed a response opposing CPED's motion, and denied that it committed any Rule 1.1 violation in its Application. On August 8, 2017, the ALJ convened a telephonic status conference with CPED and SIGCA Holdings in order to obtain additional information on the issues relating to the alleged Rule 1.1 violation. After evaluating both sides' arguments, the ALJ denied CPED's motion for party status.<sup>5</sup> As this grant of SIGCA Holdings' request for relief will close the proceeding, the rulings related to CPED's motion are vacated.

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<sup>4</sup> SIGCA Holdings is registered in the State of California, and authorized to transact intrastate business in California pursuant to a Certificate of Registration issued by the California Secretary of State on January 18, 2017.

<sup>5</sup> By a ruling issued on August 14, 2017, the ALJ ordered SIGCA Holdings to amend its Verification/Disclosure statement in its Application to include any and all prior positions held by SIGCA Holdings' affiliates, officers, directors, partners, or owners of more than ten percent of Applicant, as required by D.13-05-035, Ordering Paragraph 14, and without regard to SIGCA's interpretation or understanding of Cal. Corp. Code. §§ 164, 212 and 301.

*Footnote continued on next page*

The ALJ issued a proposed decision on December 4, 2017. The Commission has yet to issue a final decision in response to this Application.

On February 23, 2018, SIGCA Holdings filed with the Commission a motion to withdraw its application for a CPCN (Motion). In its Motion, SIGCA Holdings explained that “as a result of the passage of approximately one year since the filing of the Application, [SIGCA Holdings] has recently lost key business opportunities in California and it is no longer cost-effective or feasible to enter the California telecommunications market”. SIGCA Holdings’ motion to withdraw its application is unopposed, and the request is granted as further discussed below.

## **2. Jurisdiction**

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

## **3. Request to Place Documents Under Seal**

Pursuant to Rule 11.4 of the Commission’s Rules of Practice and Procedure, Applicant filed motions for leave to file Exhibit 2 (Financial Statements), Exhibit 4 (Descriptions of Proposed Services) and Exhibit 5 (Applicant’s Demonstration of Financial Ability) to the Application as confidential materials under seal. Applicant represents that the information contained in the exhibits is sensitive, and its disclosure could place Applicant at

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an unfair business disadvantage. We have granted similar requests in the past, and we do so here.

#### **4. 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, and we conclude that permitting SIGCA Holdings to withdraw its application for a CPCN will not adversely impact the safety, health, comfort, and convenience of California public, as SIGCA Holdings has not been authorized to enter the California telecommunications market, and based on this record, has not provided telecommunications services in California to the public.

Additionally, SIGCA Holdings must disclose this application if it files a new application for a CPCN in California on order to operate either as a local exchange telecommunications services provider, or as an interexchange service carrier.

#### **5. Assignment of Proceeding**

Martha Guzman Aceves is the assigned Commissioner and Adeniyi A. Ayoade is the assigned ALJ in this proceeding.

#### **6. Waiver of Comment Period**

As this is an uncontested matter in which the decision grants the relief requested (unopposed dismissal of the application), the otherwise applicable 30-day period for public review and comment is waived pursuant to Section 311(g)(2) of the Public Utilities Code and Rule 14.6(c)(2).

### **Findings of Fact**

1. On February 24, 2017, SIGCA Holdings filed an Application for a CPCN to provide full facilities-based and resold competitive local exchange service in the service territories of AT&T, Frontier California, Frontier Communications, and Consolidated, and full facilities-based interexchange telecommunications services in California on a statewide basis.

2. No protests or responses to the Application were filed.

3. No final decision has been issued by the Commission in this Application for a CPCN.

4. On February 23, 2018, SIGCA Holdings filed a motion to withdraw its application for a CPCN with the Commission.

5. No response or opposition to the motion was received by the Commission, and, based on this record, no reason exists for denying SIGCA Holdings' motion to withdraw its application.

6. Pursuant to Rule 11.4, Applicant filed motions for leave to place Exhibit 2 (Financial Statements), Exhibit 4 (Descriptions of Proposed Services) and Exhibit 5 (Applicant's Demonstration of Financial Ability) as confidential materials under seal.

### **Conclusions of Law**

1. SIGCA Holdings' motion to withdraw its application should be granted, without prejudice to refile at a later date.

2. Permitting SIGCA Holdings to withdraw its application for a CPCN will not adversely impact the safety, health, comfort, and convenience of California public.

3. By this decision, SIGCA Holdings has not been authorized to provide competitive local exchange service(s), or interexchange services in California.

4. If SIGCA Holdings files a new application for a CPCN to operate as a local exchange telecommunications service provider or interexchange service carrier in California, it should be required to disclose this application.

5. Applicant should be granted leave to place Exhibits 2, 4 and 5 to its Application under seal for three years as confidential materials.

6. The Application should be dismissed without prejudice.

7. The record in this proceeding should be closed.

## **O R D E R**

**IT IS ORDERED** that:

1. Application 17-02-007 is dismissed without prejudice.

2. SIGCA Holdings shall not provide full facilities-based or resold competitive local exchange service in any territory in California; or full facilities-based or resold interexchange services in California without the authority of the California Public Utilities Commission.

3. The California Public Utilities Commission (Commission)'s Safety and Enforcement Division may initiate necessary enforcement actions against SIGCA Holdings, LLC if it operates as a telecommunications carrier in California without proper Commission authority and/or approval.

4. SIGCA Holdings must disclose this application if it files a new application for a certificate of public convenience and necessity to operate either as a local exchange telecommunications services or resold interexchange service carrier in California.

5. SIGCA Holdings' motion to place Exhibit 2 (Financial Statements), Exhibit 4 (Descriptions of Proposed Services) and Exhibit 5 (Applicant's Demonstration of Financial Ability) to its Application as

confidential materials under seal is granted for a period of three years from the effective 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 SIGCA Holdings believes that it is necessary for this information to remain under seal for longer than three years, SIGCA Holdings may file a new motion showing good cause for extending this order by no later than 30 days before the expiration of this order.

6. Application 17-02-007 is closed.

This order is effective today.

Dated \_\_\_\_\_, at San Francisco, California.